PM
(Project Management)

International Campus – Kish
Sharif University of Technology

Session#8

Course Description

- *Instructor*
  - *Omid Fatahi Valilai, Ph.D. Industrial Engineering Department, Sharif University of Technology*
  - *Email: Omidf@ie.sharif.edu , Tel: 021-6616-5706*
  - *Web site: http://sharif.edu/~fvalilai*
- *Class time*
  - *Wednesday*   *09:30~12:30-13:00~16:00- 16:30~19:30*
- *Course evaluation*
  - *Mid-term*   *(30%)*
  - *Final exam*   *(40%)*
  - *Quiz*   *(10%)*
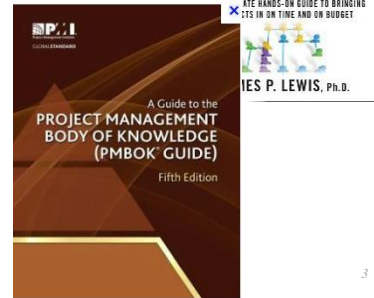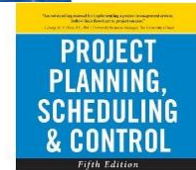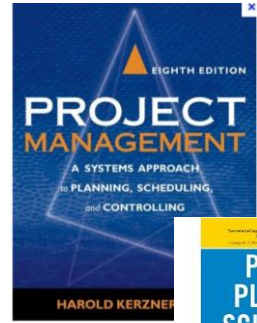 - *Exercise*   *(20%)*

Course Description *(Continued ...)*

- *Mid-term session:*
  - *19th , Azar 1393*

- *Reference:*
  - *Kerzner, H., "Project Management—A Systems Approach to Planning, Scheduling, and Controlling, Eighth Edition", 2003, John Wiley & Sons, Inc.*
  - *Lewis, James P.; "Project planning, scheduling, and Control a hands-on guide to bringing projects in on time and on budget", 2001, McGraw-Hill*
  - *Project Management Institute; "A Guide to the Project; Management Body of Knowledge", 5th edition, 2013, Project Management Institute, Inc.*

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Course Description *(Continued…)*

- *Course Calendar:*

											1,2																					
								W1																								
		Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu							
	مهر	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	مهر
9	Sep	23	24	25	26	27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	Oct	10
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								W2																								
		We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th							
	آبان	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	آبان
10	Oct	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	Nov	11
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								W3									W4															
		Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa							
	آذر	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	آذر
11	Nov	22	23	24	25	26	27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	Dec	12
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12	Dec	22	23	24	25	26	27	28	29	30	31	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	Jan	1
	2014																														2014	

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Course Description *(Continued..)*

- *Contents:*
  - *Chapter 1 - Overview*
  - *Chapter 2 - Project Management Growth—Concepts and Definitions*
  - *Chapter 3 - Organizational Structures*
  - *Chapter 4 - Organizing and Staffing the Project Office and Team*
  - *Chapter 5 - Management Functions*
  - *Chapter 6 - Time Management and Stress*
  - *Chapter 7 - Conflicts*
  - *Chapter 8 - Special Topics*
  - *Chapter 9 - The Variables for Success*
  - *Chapter 10 - Working with Executives*
  - *Chapter 11 - Planning*

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Course Description *(Continued..)*

- *Contents:*
  - *Chapter 12 - Network Scheduling*
  - *Chapter 13 - Project Graphics*
  - *Chapter 14 - Pricing and Estimating*
  - *Chapter 15 - Cost Control*
  - *Chapter 16 - Trade-off Analysis in a Project Environment*
  - *Chapter 17 - Risk Management*
  - *Chapter 18 - Learning Curves*
  - *Chapter 19 - Modern Developments in Project Management*
  - *Chapter 20 - Quality Management*
  - *Chapter 21 - Contracts and Procurement*
  - *Chapter 22 - Critical Chain Project Management*

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Chapter 7: Conflicts

- *Introduction*
  - *Opponents of project management assert that the major reason why many companies avoid changeover to a project management organizational structure is either fear or an inability to handle the resulting conflicts.*

  - *The project manager has often been described as a conflict manager. In many organizations the project manager continually fights fires and crises evolving from conflicts, and delegates the day-to-day responsibility of running the project to the project team members*

  - *Asking and answering these four questions may help handle and prevent conflicts.*

    - *What are the project objectives and are they in conflict with other projects?*
    - *Why do conflicts occur?*
    - *How do we resolve conflicts?*
    - *Is there any type of analysis that could identify possible conflicts before they occur?*

Chapter 7: Conflicts

- *Objectives*
  - *The objectives of the project must be made known to all project personnel and all managers, at every level of the organization.*
  - *If this information is not communicated accurately, then it is entirely possible that upper-level managers, project managers, and functional managers may all have a different interpretation of the ultimate objective, a situation that invites conflicts.*
  - *Project objectives must be:*
    - *Specific, not general*
    - *Not overly complex*
    - *Measurable, tangible, and verifiable*
    - *Appropriate level, challenging*
    - *Realistic and attainable*
    - *Established within resource bounds*
    - *Consistent with resources available or anticipated*
    - *Consistent with organizational plans, policies, and procedures*

Chapter 7: Conflicts

- *Objectives*
  - *Many projects are directed and controlled using a management-by-objective (MBO) approach. The philosophy of management by objectives:*
    - *Is proactive rather than reactive management*
    - *Is results oriented, emphasizing accomplishment*
    - *Focuses on change to improve individual and organizational effectiveness*

  - *Management by objectives is a systems approach for aligning project goals with organizational goals, project goals with the goals of other subunits of the organization, and project goals with individual goals. Furthermore, management by objectives can be regarded as a:*
    - *Systems approach to planning and obtaining project results for an organization*
    - *Strategy of meeting individual needs at the same time that project needs are met*
    - *Method of clarifying what each individual and organizational unit's contribution to the project should be*

Chapter 7: Conflicts

- *The conflict environment*
  - *The most common types of conflicts involve:*

    - *Manpower resources*
    - *Equipment and facilities*
    - *Capital expenditures*
    - *Costs*
    - *Technical opinions and trade-offs*
    - *Priorities*
    - *Administrative procedures*
    - *Scheduling*
    - *Responsibilities*
    - *Personality clashes*

Chapter 7: Conflicts

- *The conflict environment*
  - *Sometimes conflict is "meaningful" and produces beneficial results. These meaningful conflicts should be permitted to continue as long as project constraints are not violated and beneficial results are being received.*
    - *An example of this would be two technical specialists arguing that each has a better way of solving a problem, and each trying to find additional supporting data for his hypothesis.*

  - *Many executives feel that the best way of resolving conflicts is by establishing priorities. This may be true as long as priorities are not continually shifted around. As an example, Minnesota Power and Light establishes priorities as:*

    - *Level 0: no completion date*
    - *Level 1: to be completed on or before a specific date*
    - *Level 2: to be completed in or before a given fiscal quarter*
    - *Level 3: to be completed within a given year*

Chapter 7: Conflicts

- *The conflict environment*
  - *The most common factors influencing the establishment of project priorities include:*

    - *The technical risks in development*
    - *The risks that the company will incur, financially or competitively*
    - *The nearness of the delivery date and the urgency*
    - *The penalties that can accompany late delivery dates*
    - *The expected savings, profit increase, and return on investment*
    - *The amount of influence that the customer possesses, possibly due to the size of the project*
    - *The impact on other projects or product lines*
    - *The impact on affiliated organizations*

Chapter 7: Conflicts

- *The conflict resolution*
  - *Although each project within the company may be inherently different, the company may wish to have the resulting conflicts resolved in the same manner. The four most common methods are:*

    - *The development of company-wide conflict resolution policies and procedures*

    - *The establishment of project conflict resolution procedures during the early planning activities*

    - *The use of hierarchical referral*
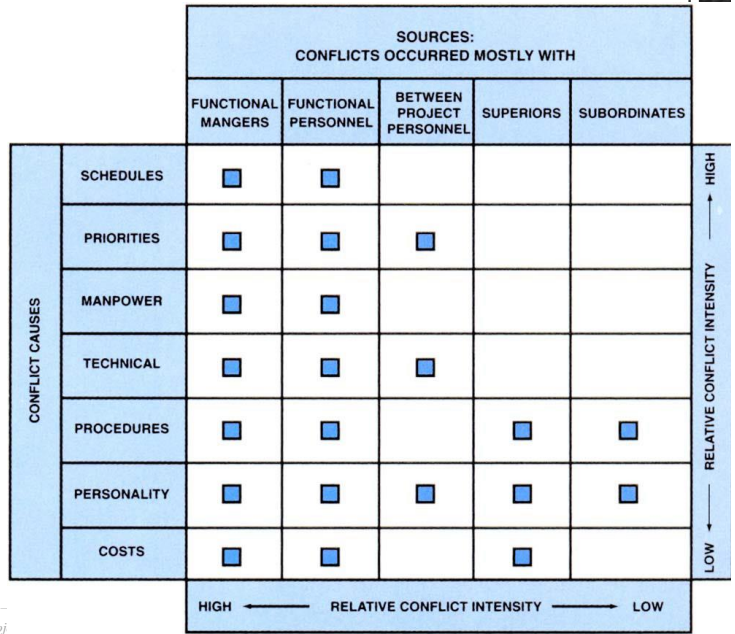
    - *The requirement of direct contact*

Chapter 7: Conflicts

- *Understanding superior, subordinate, and functional conflicts*
  - *In order for the project manager to be effective, he must understand how to work with the various employees who interface with the project. These employees include upper-level management, subordinate project team members, and functional personnel.*

  - *The project manager must demonstrate an ability for continuous adaptability by creating a different working environment with each group of employees.*

  - *The type and intensity of conflicts can also vary with the type of employee. Both conflict causes and sources are rated according to relative conflict intensity.*

Chapter 7: Conflicts

- *Understanding superior, subordinate, and functional conflicts*

	SOURCES: CONFLICTS OCCURRED MOSTLY WITH				
CONFLICT CAUSES	FUNCTIONAL MANGERS	FUNCTIONAL PERSONNEL	BETWEEN PROJECT PERSONNEL	SUPERIORS	SUBORDINATES
SCHEDULES	■	■			
PRIORITIES	■	■	■		
MANPOWER	■	■			
TECHNICAL	■	■	■		
PROCEDURES	■	■		■	■
PERSONALITY	■	■	■	■	■
COSTS	■	■		■	

HIGH ← RELATIVE CONFLICT INTENSITY → LOW

RELATIVE CONFLICT INTENSITY — HIGH / LOW

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Chapter 7: Conflicts

- *Understanding superior, subordinate, and functional conflicts*
  - *This identifies the various influence styles that project managers find effective in helping to reduce potential conflicts.*
  - *Penalty power, authority, and expertise are considered as strongly unfavorable associations with respect to low conflicts.*

(The figure shows only those associated which are statistically significant at the 95 percent level)

INTENSITY OF CONFLICT PERCEIVED BY PROJECT MANAGER (P.M.)	INFLUENCE METHODS AS PERCEIVED BY PROJECT MANAGERS						
	EXPERTISE	AUTHORITY	WORK CHALLENGE	FRIENDSHIP	PROMOTION	SALARY	PENALTY
BETWEEN P.M. AND HIS PERSONNEL	■	■	△		△		■
BETWEEN P.M. AND HIS SUPERIOR			△				■
BETWEEN P.M. AND FUNCTIONAL SUPPORT DEPARTMENTS		■					■

△ STRONGLY FAVORABLE ASSOCIATION WITH REGARD TO LOW CONFLICT (– τ)

■ STRONGLY UNFAVORABLE ASSOCIATION WITH REGARD TO LOW CONFLICT (+ τ)

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Chapter 7: Conflicts

- *The management of conflicts*
  - *Good project managers realize that conflicts are inevitable, but that good procedures or techniques can help resolve them. Once a conflict occurs, the project manager must:*

    - *Study the problem and collect all available information*

    - *Develop a situational approach or methodology*

    - *Set the appropriate atmosphere or climate*

Chapter 7: Conflicts

- *The management of conflicts*
  - *If a confrontation meeting is necessary between conflicting parties, then the project manager should be aware of the logical steps and sequence of events that should be taken. These include:*

    - *Setting the climate: establishing a willingness to participate*
    - *Analyzing the images: how do you see yourself and others, and how do they see you?*
    - *Collecting the information: getting feelings out in the open*
    - *Defining the problem: defining and clarifying all positions*
    - *Sharing the information: making the information available to all*
    - *Setting the appropriate priorities: developing working sessions for setting priorities and timetables*

Chapter 7: Conflicts

- *Conflict resolution modes*

  The management of conflicts places the project manager in the precarious situation of having to select a conflict resolution mode.

  - *Confronting (or Collaborating)*

  - *Compromising*

  - *Smoothing (Accommodating)*

  - *Forcing (or Competing, Being Uncooperative, Being Assertive)*

  - *Avoiding (or Withdrawing)*

Chapter 7: Conflicts

- *Conflict resolution modes*
  - *Confronting (or Collaborating)*
  - *With this approach, the conflicting parties meet face-to-face and try to work through their disagreements. This approach should focus more on solving the problem and less on being combative. This approach is collaboration and integration where both parties need to win. This method should be used:*

  - *When you and the conflicting party can both get at least what you wanted and maybe more*
    - *To reduce cost*
    - *To create a common power base*
    - *To attack a common foe*
    - *When skills are complementary*
    - *When there is enough time*

Chapter 7: Conflicts

- *Conflict resolution modes*
  - *Compromising*
    - *When there is trust*
    - *When you have confidence in the other person's ability*
    - *When the ultimate objective is to learn*

  To compromise is to bargain or to search for solutions so both parties leave with some degree of satisfaction. Compromising is often the result of confrontation. Some people argue that compromise is a "give and take" approach, which leads to a "win-win" position. Others argue that compromise is a "lose-lose" position, since neither party gets everything he/she wants or needs. Compromise should be used:
  - *When both parties need to be winners*
  - *When you can't win*
  - *When others are as strong as you are*
  - *When you haven't time to win*
  - *To maintain your relationship with your opponent*
  - *When you are not sure you are right*

Chapter 7: Conflicts

- *Conflict resolution modes*
  - *Smoothing (Accommodating)*
  - *When you get nothing if you don't*
  - *When stakes are moderate*
  - *To avoid giving the impression of "fighting"*

  This approach is an attempt to reduce the emotions that exist in a conflict. This is accomplished by emphasizing areas of agreement and de-emphasizing areas of disagreement. An example of smoothing would be to tell someone, "We have agreed on three of the five points and there is no reason why we cannot agree on the last two points." Smoothing does not necessarily resolve a conflict, but tries to convince both parties to remain at the bargaining table because a solution is possible. In smoothing, one may sacrifice one's own goals in order to satisfy the needs of the other party. Smoothing should be used:
  - *To reach an overarching goal*
  - *To create obligation for a trade-off at a later date*
  - *When the stakes are low*
  - *When liability is limited*
  - *To maintain harmony*
  - *When any solution will be adequate*
  - *To create goodwill (be magnanimous)*

Chapter 7: Conflicts

- *Conflict resolution modes*
  - *Forcing (or Competing, Being Uncooperative, Being Assertive)*
  - *When you'll lose anyway*
  - *To gain time*

  This is what happens when one party tries to impose the solution on the other party. Conflict resolution works best when resolution is achieved at the lowest possible levels. The higher up the conflict goes, the greater the tendency for the conflict to be forced, with the result being a "win-lose" situation in which one party wins at the expense of the other. Forcing should be used:
  - *When you are right*
  - *When a do-or-die situation exists*
  - *When important principles are at stake*
  - *When you are stronger (never start a battle you can't win)*
  - *To gain status or to gain power*
  - *In short-term, one-shot deals*
  - *When the relationship is unimportant*

Chapter 7: Conflicts

- *Conflict resolution modes*
  - *Avoiding (or Withdrawing)*
  - *When a quick decision must be made*

  Avoidance is often regarded as a temporary solution to a problem. The problem and the resulting conflict can come up again and again. Some people view avoiding as cowardice and an unwillingness to be responsive to a situation. Avoiding should be used:
  - *When you can't win*
  - *When the stakes are low*
  - *When the stakes are high, but you are not ready yet*
  - *To gain time*
  - *To unnerve your opponent*
  - *To preserve neutrality or reputation*
  - *When you think the problem will go away*
  - *When you win by delay*

Chapter 7: Conflicts

- *Understanding superior, subordinate, and functional conflicts*
  - *The specific mode that a project manager will use might easily depend on whom the conflict is with*
  - *This identifies the modes that will increase or decrease the potential conflict intensity.*

(The figure shows only those associations which are statistically significant at the 95 percent level)

INTENSITY OF CONFLICT PERCEIVED BY PROJECT MANAGERS (P.M.)	ACTUAL CONFLICT RESOLUTION STYLE				
	FORCING	CONFRONTA-TION	COMPROMISE	SMOOTHING	WITHDRAWAL
BETWEEN P.M. AND HIS PERSONNEL	□	△	△	△	□
BETWEEN P.M. AND HIS SUPERIOR		□	△		
BETWEEN P.M. AND FUNCTIONAL SUPPORT DEPARTMENTS	□	□			△

△ STRONGLY FAVORABLE ASSOCIATION WITH REGARD TO LOW CONFLICT (– τ)

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