

Power, Politics and Program Management (Part 4 of a Series)

By: Russ Martinelli and Jim Waddell

Introduction

Joseph Algere, a veteran program manager, is a bit perplexed and more than a little frustrated. He just returned to his office from a meeting with the senior manager of his division. Staring at the wall, he wonders why several key program core team decisions concerning the features of the new patient scheduling system have been overturned by senior management - especially since they were approved just two weeks ago during the program plan approval meeting. Not only that, this morning Joseph found out that his senior system architect had been re-assigned to a research project last week by the architecture functional manager. Now that the new system has fewer advanced features, the schedule has been extended, and the budget has increased, he has to revise the program business case and determine if the program is still viable from a business perspective.

This is not an isolated case. This will be the fifth time Joseph has had to re-evaluate the business case due to decisions by personnel outside of the program team. He is beginning to wonder if he made a mistake in leaving the aerospace industry to take a job with his new employer in the medical system industry. What Joseph is not aware of is that the senior leaders of the firm have not fully empowered their program managers as part of the company's transition to the program management business model.

Joseph's situation is not uncommon; many companies that transition to a program management model from a functional or silo model fail to establish the necessary shift in empowerment from the functions to the program managers. This leaves the program managers in a tenuous position – full responsibility for the business success of the program, but limited authority over the resources and decisions to make it happen. As a consequence, he or she can become immersed in the organization's political posturing, where personal agendas and priorities take precedence over a program's business results. This paper takes a closer look at the issues of power and politics in the transition to a program management environment.

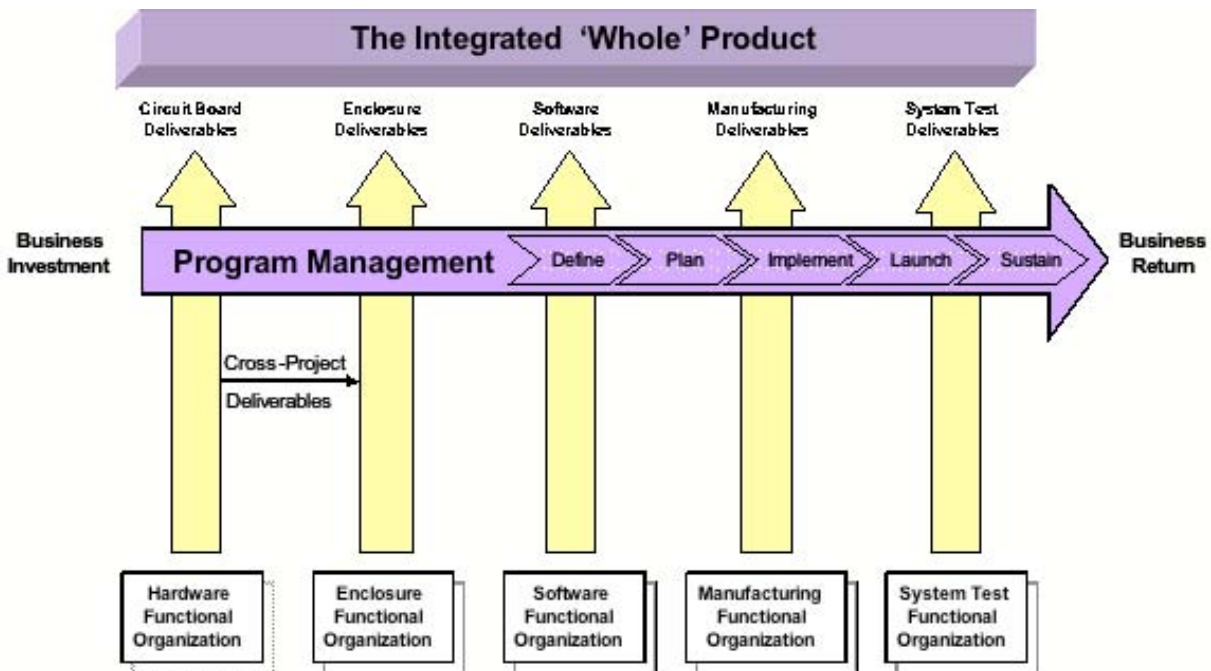
Politics and Program Management

Organizational politics originate when individuals drive their personal agendas and priorities at the expense of a cohesive corporate agenda¹. The basis of organizational politics is really two-fold: one's desire to advance within the firm, and one's quest for power (usually in the form of controlling decisions and resources)². In a silo-structured organization, politics originate when the functional managers develop objectives that support the specific long-term goals of their department. But what happens if these functional objectives do not support, or worse yet, are in direct conflict of the strategic business objectives of the company? This dilemma is a difficult problem facing many businesses today, and is known as *agency theory*³. Agency theory occurs when functional managers design objectives that provide the greatest benefit for their organization, with the strategic objectives of the company as a secondary consideration. Political maneuvering occurs when the functional managers begin to make

decisions and control resources for the sole purpose of benefiting their own organization. Why might this happen? Many times this results when a firm lacks a cohesive and well communicated set of corporate level objectives that are driven down through the organization by its senior managers. Objectives, strategies, and plans that are not well nested and linked throughout the organization contribute to considerable misunderstanding and misinterpretation, and ultimately enable lower-level managers to dilute or redirect their departments in a direction not intended by senior management.

Program management can be used to reduce the effects of agency theory by aligning functional objectives to corporate or business unit objectives. This is accomplished by focusing functional objectives on the successful development of the specific products, services and infrastructure capabilities of the enterprise, where the products, services and infrastructure capabilities are the *means* to achieve business objectives. The functional objectives now become a part of the overall success of programs, which are in turn a crucial part of achieving the overriding business objectives of the firm⁴.

When looking at companies that have a strong program management model, two fundamental elements are in place. First, the program manager is responsible for the *business* success of the program and is therefore empowered to drive all business-related decisions on the program within a set of boundary conditions (as discussed below). Second, the program management function cuts through the organizational barriers within a company and focuses each function's contributions on a common goal – successfully developing, delivering and supporting product, service and infrastructure solutions to achieve the business results anticipated for each program (see Figure 1)⁵.



Source: Program Management for Improved Business Results




Figure 1: Cutting across organizational boundaries

As Figure 1 illustrates, the business results are delivered through the program management function, not through the functional silos. Therefore, the functional organizations must support the program needs first – in the form of people, knowledge, skills and technologies – and their respective department objectives second. Additionally, if the development budget authority resides with the program manager, the functions are in effect partially funded by the program. This serves to break down the functional silos even further.

Establishing Empowerment Boundaries

Equilibrium between a program manager’s responsibility, authority and accountability is achieved when senior managers adequately empower him or her to own all aspects of managing a program to success, with full support from the vested functional organizations. This, by our definition, is true program management empowerment. However, this empowerment must have boundaries. The Program Strike Zone is an effective tool for the program manager and senior managers to use to negotiate and establish the empowerment boundaries of a program team⁶.

The Program Strike Zone is utilized to identify the critical success factors of a program, to help the organization track programs toward achievement of the key business results desired and to set the boundaries within which a program team can successfully operate without direct senior management involvement. As indicated in Figure 2, the thresholds become the dividing line between program management empowerment and executive management intervention. A green status indicator signifies progress is on target, a yellow status indicates a warning to management of a potential problem, and a red indicator requires management intervention to get the program back on course.

Program Strike Zone			
Program Critical Success Factors	Strike Zone		Status
	Target	Threshold	
Schedule:			
• Definition approval	March 15, 2008	March 30, 2008	
• Program plan approval	June 15, 2008	June 30, 2008	
• Initial “power-on”	October 1, 2008	November 1, 2008	
• First beta release	March 1, 2009	April 7, 2009	
• Product Launch Date	June 30, 2009	August 15, 2009	
Resources			
• Team staffing commitments complete	June 30, 2008	July 15, 2008	
• Staffing gaps	All project teams staffed at min level	No critical path resource gaps	
Financial			
• Product cost	\$5125	\$5275	
• Program Budget			
• FY03: \$3000K	\$3000K	\$3300K	
• FY04: \$1500K	\$1500K	\$1575K	

Source: Program Management for Improved Business Results

Figure 2: Example Program Strike Zone

Both senior managers and program managers utilize the Program Strike Zone as a “no surprises” tool to ensure a new program’s definition supports the business objectives, and to establish control limits to balance a program manager and program team’s capabilities, performance and empowerment with the complexity of the development effort. Additionally, the Program Strike Zone establishes executive management’s role in the program decision-making process and provides a catalyst to keep them actively engaged in the success of the development effort.

Politics will Survive

Unfortunately, no organization structure or business model will eliminate political behavior within a firm, as it’s a natural part of the dynamics involved when people work together (or against one another). Therefore, both senior managers and program managers must take action to prevent an organization’s programs from becoming negatively impacted by corporate politics.

As Patrick Lencioni states in this book titled *Silos, Politics, and Turf Wars*, “if there is a place where the blame for silos and politics belongs, it is at the top of the organization. Every departmental silo can ultimately be traced back to the leaders of those departments who have failed to understand the interdependencies that must exist among [the departments]”⁷. For the program management model to be effective, senior leaders must make the tough decision to shift the balance of power within the organization from the functional managers to the program managers, and continue to ensure that the functional organizations are fully supporting the programs.

The program manager must also actively manage the politics surrounding his or her program. It is important that the program manager possess both a keen understanding of the organization, and the political savvy to build strong relationships to effectively leverage and influence the power base of the company. Company politics are a natural part of any organization, and the program manager should understand that politics is a behavioral aspect of program management that he or she must contend with in order to succeed. The most effective method for playing the political game is to leverage the program stakeholders and powerful members of one’s network who can help achieve the program objectives. The key is to avoid naivety, and understand that not every program stakeholder sees great value in the program. From our experience, the program manager who practices effective stakeholder management generates a greater probability of success for his or her program. Stakeholders come to the program with a variety of expectations, demands, personal goals, agendas, and priorities that many times are in conflict with one another. The successful program manager must rationalize and resolve these competing requirements by striking an appropriate balance between stakeholder’s expectations and the realities of the program. A program manager, therefore, must be politically sensible by being sensitive to the interests of the most powerful stakeholders, and at the same time, demonstrate good judgment by acting with integrity⁸.

What Joseph Algere has come to realize is that he now works for a company in transition to the program management model, and an abnormal amount of organizational politics currently surrounds his program. He has a unique opportunity to leverage his previous experience working for a company with a mature program management discipline to help his new employer complete their transition to an effective program management model.

Conclusion

Effective adoption of the program management model to develop products, services and infrastructure capabilities many times requires organizational change. This change is needed to enable a cross-project/cross-discipline approach and to empower the program manager to drive key decisions within the boundaries defined by senior management. Unfortunately, this shift in power and empowerment from the status quo within the organization to the program managers can cause political upheaval. Senior managers and program managers alike need to make the necessary changes within the organization to protect their programs from being negatively impacted by political maneuvering to ensure the business objectives driving the programs are successfully achieved.

In the next paper in this series entitled, “Managing Programs to Success: Key Program Management Processes”, we will discuss the key foundational processes needed to consistently and effectively manage programs toward their intended business results.

References

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