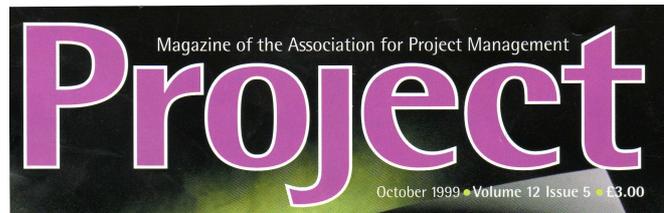


Feel-good Factor

Roderic Gray

In **Project** - the journal of the Association for Project Management October 1999 pp 24-26



How much does the atmosphere at work and amongst the project team affect the success of a project? Dr ROD GRAY has examined the way project teams react to their environments

Most managers would probably agree that the atmosphere, or climate, of an organisation has some effect on the quality or quantity of the work done there. Just what kind of organisational climate leads to the best results is an old dispute which is still being fiercely debated.

Those who believe that “a manager’s job is to manage”, with the undercurrents of objective-setting, monitoring and control that this phrase implies, will often put their faith in a reward and sanction strategy for getting people to deliver peak performance. The emphasis may be on rewards - *“hit these targets and there’s an incentive bonus in it for you”* - or on sanctions - *“we don’t believe in passengers; these are the targets you need to meet if you want to keep the job”* - but both represent essentially the same philosophy: people will work towards corporate goals only to the extent that they are induced to do so by their managers.

An alternative view is the one so passionately argued by Douglas McGregor in the 1960s: *“the expenditure of physical and mental effort in work is as natural as play or rest.”* Managers who believe this, McGregor argues, will naturally behave very differently in their interactions with employees, creating a climate of *“integration,”* in which members of an organisation can *“achieve their own goals best by directing their efforts toward the success of the enterprise”*.

Unfortunately, the viewpoint of any authority figure is likely to become a self-fulfilling prophesy, because people have a tendency to behave the way they are expected to. A compelling example of this is in the “Pygmalion” experiments of Rosenthal and colleagues², who randomly selected one in five school children and told their teachers that the selected children were “academic spurters”. A year later the selected children were found to have added 22 points to their IQs. This makes it difficult to test objectively whether either of these opposing perspectives is more “right” than the other. However, research involving people from major UK organisations strongly suggests that McGregor got it right.

Project staff were chosen for the study because projects, which are “unique and finite,” can be analysed more easily than ongoing business-as-usual work, but in most significant respects the demands of the work are essentially similar. Forty-four project management professionals, at various levels of seniority, from seventeen nationally-known public and private-sector organisations, were interviewed about their experiences on a recent project. The interviews were made as conversational as possible, so that the interviewees would feel free to raise issues that seemed important to them. Their accounts of how the projects turned out were analysed to produce a measure of “project success”, taking account of performance against budget, schedule and technical specification, and stakeholder opinions. Several factors were found to be linked to successful project outcomes.

The level of “purposive” threat - ie, threats of penalties or sanctions intended to get people to do something specific - was assessed. Sixteen of the 44 people interviewed thought that some kind of penalty attached to under-performance was not unfair or unreasonable, as opposed to 13 who felt it was unfair (the others did not express any view). The more threatening the atmosphere the more likely it was to be seen as unfair. When levels of purposive threat were compared with project success a clear relationship was found: the higher the level of threat the lower the measure of project success.

Similarly, levels of “environmental” threats were assessed. These were factors in the world of work that caused the interviewees some anxiety, but were not specifically directed at them personally or intended to get them to behave in any particular way. By far the most common source of such threats were organisational change, and conflict among senior managers. Scrutiny and interest in the project by senior people was seen by most interviewees as a positive thing, although not always very comfortable. Comparison of environmental threat with project success again showed a clear relationship: the higher the level of threat the lower the success of the project.

In some project teams staff felt free to express their own views, question the ideas and decisions of their managers, and participate in defining their own goals and targets, and found the work itself satisfying, rather than simply working for some desirable prize once the job was over. When these

characteristics - collectively labelled "voluntarism" - were assessed and compared with project success, a very strong positive association was found.

Finally, an overall "organisational climate index" was calculated, taking into account purposive threat, environmental threat, management style and voluntarism. Comparison of this index with project success showed very strongly that a secure, stable, free, participative and non-threatening climate went hand-in-hand with successful projects: The higher the index, the more successful the projects were (See Figure 1).

What comes out of this research is a picture of an ideal working climate. Whenever a choice of alternative actions is available, it is open to managers to choose the option which moves their organisations towards, rather than away from the ideal. The impact on effectiveness each time such a choice is made may be quite modest. Sometimes it may be very significant. In most cases, though, the impact may be expected to be positive. Applied consistently, the management orientations suggested by this study may be expected to lead to more effective work, more satisfied and fulfilled personnel, and more successful organisations.

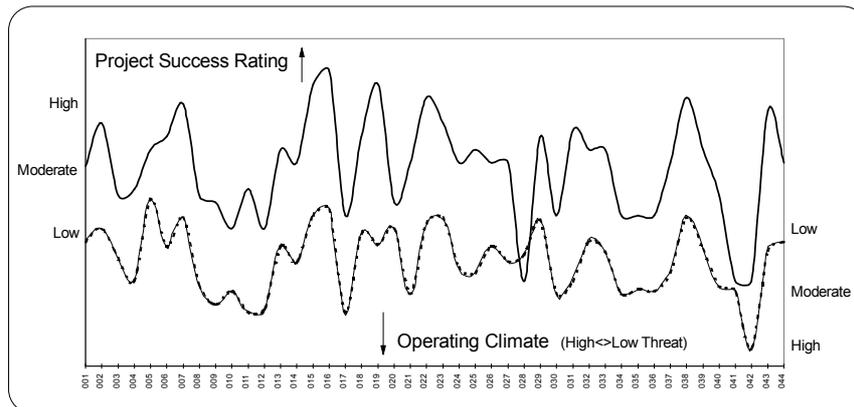


Figure 1: Organisational Climate & Project Success

References:

1. McGregor, D (1960) *The Human Side Of Enterprise* (25th Anniversary edtn. 1985) New York, McGraw-Hill
2. Rosenthal, R & Jacobsen, L (1968) *Pygmalion in the Classroom: Teacher Expectations and Pupil Intellectual Development* New York, Holt, Rinehart & Winston

Dr Roderic Gray can be contacted at:

Kumpania Consulting www.kumpania.co.uk