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CONFLICT MANAGEMENT IN INTERAGENCY PROJECTS

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The innovative and coordinated efforts of many Federal agencies are required to solve the social problems which confront the United States on the domestic scene and in our foreign environment. There is considerable interest (on the part of men inside and outside of government) in utilizing temporary project organizations to organize and concert governmental resources in dealing with these social problems. Our purpose is to address some of the special problems encountered in interagency projects in urban and foreign affairs.

The paper focuses on one particular aspect of project management: conflict and its resolution. Part I briefly describes four illustrative interagency projects designed to deal with social problems. In Part II we first analyze basic characteristics of project organizations and hypothesize the forces toward conflict and collaboration which they typically contain. Then we examine some of the special problems in conflict management encountered in interagency projects of the type outlined earlier. In Part III we attempt to suggest some of the changes in structure, reward-motivation systems, and information systems which would reduce the level of conflict in interagency projects to a manageable level and thereby promote the effectiveness of project management in this field.

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I. Interagency Project Management - A Field of Study

The problems to which the interagency programs address themselves are enormously difficult to solve. They seem to resist solution. The problems of economically underdeveloped and/or politically unstable countries are not readily resolved even with large scale assistance efforts on the part of the U. S. Our own urban problems sometimes appear equally defiant of solution. Several factors limit our progress toward solutions. The first is a theoretical bottleneck: we just don't have an adequate predictive model of the processes of nation building or urban improvement - models that indicate the proper priorities for education, health, transportation, employment, housing, social services, law and order, justice, political aptitudes, etc.. We don't know what are causes and what are effects in the complex social processes we want to change, nor what are the key variables in unfreezing customs, habits, attitudes, expectations, and aspirations. What is worse, the government officials who play instrumental roles are not sufficiently accustomed to thinking in these broader terms.

The second factor is a resource bottleneck: The funds required to reverse the unfavorable trends in illiteracy, hunger, and alienation in Latin America, for example, may be beyond the financial capability of the U. S. Similarly, the allocation of the funds required to achieve a politically and morally acceptable rate of progress in curing the ills of our own cities and rural slums has no domestic precedent.

Third, we have an organizational bottleneck. Our overseas missions are extraordinarily inefficient and ineffective instruments. Typically the U. S. mission is comprised of a dozen or more missions or contingents representing the many separate U. S. agencies, each with its own legislative mandate, funds authorization, and personnel career lines. The Ambassador, via his Country Team, typically provides only loose supervision of the overall mission. While a presidential directive has formally legitimated his overall supervision, this authority is only meaningful to the extent that it is backed up by the interagency councils in Washington, or by the White House; and on this score, the experience of most Ambassadors has been discouraging. Thus, relatively little integration of U. S. foreign affairs is achieved at various levels - in the policy thrusts of the many agencies comprising a given overseas mission, in the implementation of their respective programs, and in their various actual contacts with host country officials. Turning to the domestic scene, even less adequate are the mechanisms for managing the resources which the Federal government pours into a particular city or to cities in general. For a particular

slum family and the neighborhood in which the family resides, the problems of health, jobs, housing, education, delinquency, and political participation are in fact functionally interdependent problems. Yet, with few exceptions, the social service programs designed to treat these many problem areas are independently developed and the social services are separately delivered to a particular family and neighborhood.

In many respects the organizational bottleneck is the most strategic. Out of interagency (interfunctional) deliberations can come improvements in our thinking. If we can break down functional boundaries or readily cross them to achieve integrated and coordinated attacks on social problems, then our legislative committees, top bureaucrats, and other key officials are more likely to eliminate the theoretical bottleneck. Similarly, if the government can demonstrate more impact from a more integrated and concerted use of existing funds, it can better justify larger programs with more generous funding.

The interagency program efforts referred to here, in which I have been involved as a consultant and researcher, represent several attempts to directly lessen the organizational bottleneck. A brief description of four of these interagency programs follows.

1. Establishment of Neighborhood Centers. The Neighborhood Centers Pilot Program (NCPP) is an interagency program of the Federal Government launched in August, 1966. Like the Model Cities program, which was launched somewhat later, the NCPP has utilized project management methods. The basic concepts of the NCPP are to develop multipurpose service centers concerting, interrelating and integrating the many Federal, State and local services intended to cure the ills of city ghettos; and to develop capacities for residents to influence or control the center and thereby ensure that service programs are responsive to the needs of residents and are maximally available to them.

The eventual products of NCPP are multi-purpose neighborhood centers in ghetto neighborhoods in fourteen pilot cities. The immediate products of the Pilot Program were planning documents approved and funded by four Federal agencies - HUD, HEW, OEO, and Labor. Overall project management leadership was given to HUD. The program required the integration of the resources or expertise of the above four Federal agencies plus the Bureau of the Budget, and the participation of state governments, city officials, neighborhood residents, and local social service agencies. There were various project groups and design tasks: First, the Washington interagency policy group had to define the operational objectives of the program and the guidelines for the field. Second, a Federal Regional Team was established for each pilot city. These interagency groups were headed by HUD officials

and comprised of regional Federal officials of the other participating agencies. The Federal Regional Team had to initiate, facilitate and approve the development of a particular neighborhood center project in their jurisdiction. The third type of project group actually designed the center and social service delivery system for the neighborhood in question. It was comprised of city officials, local poverty agency personnel, neighborhood representatives, State and Federal field officials. Thus, there were three levels of interorganizational teams. The program was extremely complex and the interfaces that had to be established and maintained are almost too numerous to recount.

2. Developing a Long Term Policy Planning Paper. Long term foreign policy documents are developed by project management methods. In early 1967, an interagency working group was charged with proposing a long term foreign policy toward Country X. The group was chaired by a senior Foreign Service Officer on the Policy Planning Council of the Department of State and comprised of officials from all Federal agencies with interests in Country X, including AID, Commerce, Agriculture, Labor, the military services, and the intelligence agencies. Typically, the agency's representative to the group was the official most concerned with that agency's activities in Country X. The design task of the group required that they pool and synthesize their specialized information, examine their diverse interests and differing policy concerns, and then in the context of some understanding of broad U. S. goals vis-a-vis nations such as Country X, develop a long term policy statement which could be recommended ultimately to the top U. S. foreign policy makers.

3. Launching a Policy, Planning and Budgeting System. Another important interagency effort dealt with comprehensive program planning of a shorter term nature. In 1967 the foreign affairs establishment initiated a trial cycle of an interagency effort at program planning for each of the countries in the Latin American region and for the region as a whole. It represented an experimental and limited effort in the spirit of a comprehensive foreign affairs planning, programming and budgeting system. The overall effort was designed and managed by a project team in the office of the Assistant Secretary for Latin America in the Department of State. The policy and program planning documents for each country were to be developed by collaborative interagency processes in the overseas missions under the leadership of Ambassadors and then reviewed by successive levels of interagency committees in Washington. Again, with a few exceptions, all of the foreign affairs agencies were required to participate in the development and review of these documents.

4. Change in the Overseas Mission. Still a different type of interagency project is provided by the dramatic and unusual efforts of an Ambassador in 1967 to reduce the U. S. personnel in a large U. S. mission by as much as 50%, affecting the staffs of all agencies (State, Military, AID, USIS, etc.) in the mission. In this case the outcome desired by the Ambassador was an efficient and more effective (better integrated and more flexible) instrument of foreign affairs. The first step in his effort to redesign the overseas mission was to reduce it in size. In his efforts, which were not uniformly well received by other agencies' officials in the mission, he utilized an interagency task force of higher level Washington officials to review his reduction plans. The Washington team spent several weeks in the field interviewing mission personnel and deliberating among themselves leading to their recommendations regarding the level of reduction in each agency staff consistent with overall U. S. interests.

Thus, the interagency programs reviewed above involve many different types of projects with particular products or outcomes: neighborhood service systems, planning documents and organization change. In each case there were temporary project teams or task forces with both design tasks and other coordinative responsibilities.

One difference between the interagency programs and projects treated here and those in the aerospace industry with which the literature on project management has dealt concerns the level of coordination achieved without the project management system. In the industrial case, with or without project management, a relatively high level of integration is typically achieved and reflected in the final product, which as a technical system must function according to some preestablished performance criteria. Industrial project management is primarily a means for more efficiently achieving some given level of system integration (or improving it marginally). In contrast, in most of the interagency projects studied, the prior state was little or no integration of the efforts of the respective agencies. For example, the Peace Corps, AID and the U. S. Military Assistance Group could indefinitely pursue independent efforts at community development in the outlying districts of a Latin American country. These independent efforts could even pursue cross purposes. Similarly, HUD and OEO might well be pursuing contradictory strategies in a given city.

II. The Problem of Conflict and its Management

Conflict in Project Management Methods Generally

The type of project management methods contemplated here is what is sometimes referred to as a "matrix organization" concept.[1] Whereas a pure project organization involves giving full authority to the general manager and relatively independent division status to his organization, the matrix concept involves a sharing of authority between the project manager and functional managers. Under this concept, the project manager typically has initiative and authority over the design of the product, the strategy for prosecuting the work, and direct control of a limited staff temporarily assigned to help him. The line managers retain their immediate authority over most of the personnel performing work essential to the project and substantial influence over those aspects of the product design in which they have a high interest.

How does the conflict potential within project management schemes differ from that which normally exists between functionally interdependent departments which rely upon coordinating rules, hierarchical planning and direct managerial contact? Below we outline the special forces toward conflict and collaboration and the opportunities for conflict management that are hypothesized to exist, typically, in project management schemes.

1. Authority Gap. The project manager has direct and complete responsibility for accomplishing the task, but limited authority over personnel, facilities, procedures and funds. He has responsibility for obtaining services of the others and achieving coordination among them, but typically insufficient authority to require the necessary performance. As Steiner and Ryan point out:

> Questions of priority arise. The project manager must frequently ask the functional manager of these shared resources to employ them in a fashion that is risky in the eyes of the functional manager, who is evaluated on his use of these resources. What he considers optimum use of resources under his disposal may differ much from what the project manager wishes. (p. 14)

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[1] I have relied heavily upon two sources to check and supplement my own observations of project management in the aerospace industry: (1) Cleland, D. I., and W. R. King, Systems Analysis and Project Management. New York: McGraw-Hill Book Company, 1968. (2) Steiner, G. A., and W. G. Ryan, Industrial Project Management. New York: Macmillan Company, 1968.

The project managers need authority to resolve conflicts that may jeopardize achievement of project objectives. As one manager put it: "There is a natural tendency for the functional managers to standardize their operations or efforts to perform to standards, or to build a standard model. A project manager must, through his influence, force his functional areas to depart from a standard and build something that fits in with the other parts of the project. Someone has to force these people to take action when these actions increase a functional manager's risk or use his resources at a greater rate than he would otherwise. The project manager's role is to balance this risk over all portions of the project. Therefore, he must have authority to move quickly to balance his risk." (p. 29)

The deficiency in the formal authority of the project manager requires that he rely upon other sources of influence. If the functional managers whose cooperation he needs are made dependent in some way upon the project manager, the latter has some bargaining power to gain cooperation which involves sacrifices of other matters of priority for the functional managers. However, typically, the manager does not have either the formal authority or bargaining power to directly resolve differences in priorities. He must elicit collaboration by building positive relationships and by gaining more general commitment to project goals. While the latter statement applies in some degree to all interdepartmental relations, it is more crucial in project management. Steiner and Ryan report:

The typical successful project manager gets things done through cooperation of others gained in many different ways. This may be a combination of forces, such as his status and respect enjoyed both within and outside his organization, his persuasive abilities, his reputation and capability in resolving opposed views, the priority of his project within an organization, his specialized knowledge, and his rank in the organization. (p. 31)

Cleland and King (1968) conclude as follows:

The authors have taken the position that one of the project manager's greatest sources of authority involves the manner in which he builds alliances in his environment - with his peers, associates, superiors, subordinates, and other interested parties. The building of alliances supplements his legal authority; it is the process through which the project manager can translate disagreement and conflict into authority (or influence power) to make his decisions stand. Sometimes the power and control of the project manager represent a subtle departure from this legal authority. (p. 239)

The project manager is usually given relatively direct access to top management, but his recourse to this mechanism contains two risks for him: if he wins, he may undermine his ability for establishing a positive relationship with the functional manager; if he loses, the incident may create the general impression of top management indifference, an impression which detracts from his ability to get commitment to project goals.

2. Dual Membership. The personnel of a functional department assigned to the project have dual memberships, two bosses, and conflicting loyalties. The project management team must contend with contradictory expectations placed on team members and the internal conflict that results. If the team member chooses to identify strictly with the project, he may alienate the functional personnel with whom he must deal (and whose company he will subsequently rejoin). If he consistently responds to the expectations of the functional department, he weakens the effectiveness of the projects for which he has an immediate and direct responsibility; and also weakens his relations with other project members. The internal conflict created by a man's dual loyalties often gets externalized and displaced into interpersonal or intergroup settings. Thus, provisions for conflict management must assist personnel in coping with the conflicts inherent in dual membership.

3. Temporary Life. The limited life of a project management organization has several implications for conflict and conflict management. It means that there will be a premium on the processes of forming a group out of a collection of individuals. In permanent work groups, members can enter and leave without necessarily affecting the more enduring structure, roles, norms and culture. In a temporary group, structure, roles, norms, and culture must be evolved by the charter members of the project themselves. Moreover, instead of a group getting acquainted with one new member at a time, all charter members are new and all are getting acquainted with each other at the same time. Conflict is integral to these processes of formation. Conflict is an important part of negotiating the norms of a new work group and of establishing personal identities in new relationships. The project manager must be sensitive to these types of conflicts and skilled in handling them or in providing for their management.

The temporary nature of the management system offers two advantages in handling some of the conflicts which arise. First, there is little need to worry about precedent. In a permanent system any decision regarding personnel treatment, work procedures, facility allocation, etc., must consider the long run viability of the precedents

set by the decision. The absence of that constraint in a temporary system makes some differences easier to resolve. Second, dysfunctional organizational syndromes (e.g., low morale, conflict, apathy, alienation) are easier to break and modify in temporary systems, because at any point in time the history of the syndrome is relatively limited and because it is typically easier to transfer personnel in and out of temporary jobs without significant implications for their careers. Of course, these two advantages are potential; the project manager must be able to recognize them and act on them.

4. Task Uncertainties. The tasks for which project management methods are utilized involve relatively high risks. There is typically a large element of technical uncertainty:

> This may be called the uncertainty of innovation (i.e., new processes must be developed, the state of the art pushed beyond today's frontier, or inventions must be produced on schedule) to distinguish it from the usual uncertainties of production.
>
> (Steiner and Ryan, 1968, p. 4)

In addition, as the above authors report, the project manager must continuously face problems of trade-offs between time and cost, design and cost, and design and time. These trade-offs cannot be predicted in advance; they depend on the relative values that are involved. In some cases, there is uncertainty regarding whether the project will produce a minimally successful product; and in others, whether if successful in its own terms, the product will ultimately be used.

These abnormal uncertainties tend to create general tension and frustration among members as well as involve strategic managerial decisions about which there may be substantive disagreements. The tension and frustration may contribute interpersonal friction and may overdetermine the conflict centering on managerial decisions, making the decisional conflicts more difficult to resolve.

In addition, any major uncertainty about the ultimate success of the project undermines the project team's ability to obtain high commitment from project members (as well as cooperation from the functional departments). Low commitment or ambivalent commitment from a project member leads to conflict between himself and the project manager and between himself and the more committed project members.

Interpersonal rapport and group cohesiveness within the project team enable team members to provide each other with the social and emotional support to sustain the tension created by high uncertainty and to directly express their irritations with each other rather than displace them onto decisional conflicts.

5. Ambiguity and Fluidity of Structure. Project organizations typically give relatively less attention to job definitions and jurisdictions:

> One project manager observed, for example, that one of his subordinates may have most of his authority and interest in design. He will also have other interests and perhaps some authority in other areas, such as launch, quality control, or production. It is meaningless, he said, to try to define precisely areas of authority in order to prevent gaps or overlaps. For example, when his chief of design finds a relatively free moment and there are important problems in quality control, he is expec . to help those directly responsible to solve them. This project manager further observed: "If you rigidly define authority, all you do is leave holes in the organization through which the big problems fall. However, if you go along with a 'Gaussian' distribution of authority, the overlaps insure that all problems are considered by someone." (Steiner and Ryan, 1968, p. 32)

The ambiguity in roles and responsibilities provide more opportunity for disagreement about the structure. However, to the extent that the project manager is simultaneously able to promote a problem orientation rather than a concern for structure, the jurisdictional issues either don't arise or are more readily resolved when they do arise. Again, the temporary life of the particular organization reduces the saliency of the jurisdictional issues.

6. Interdependence and Rewards. The abov aspects of project management contain relatively high conflict potential and in some cases special opportunities for the constructive management of conflict. The factor discussed here and the two which follow represent collaborative features embodied in project management.

The task relationships among project members is marked by high interdependence and the need for collaboration is usually immediate and/or highly apparent to each member. More importantly, these interdependent relationships within the project team are not undermined by a competitive system of personal rewards. Salary increases

and promotions are still handled by the functional departments thus removing a type of competitive incentive which typically interferes with collaboration among members of face-to-face work groups.

7. Goal Identification and Commitment. Project management organizations have some advantages in promoting members' identification and ego involvement with the work.

> One project manager reported that people in the functional areas frequently told him about things that were likely to happen in their areas before the event. Loyalties of people in the functional areas working for this man seemed to be stronger toward him than toward their supervisors in the functional areas. In this case one of the reasons seemed to be that the project manager helped the functional people to solve their problems. He worked intimately and carefully with them. He was able to instill in them a strong sense of participation in a successful, important, and dramatic program. He provided a mechanism by which they could be identified with the object they worked on. They could see the results of their work. He said: "The functional (operating) divisions do not satisfy their needs. Identification with our program does."
>
> (Steiner and Ryan, 1968, p. 31)

Project teams are symbolized by a product, rather than an aspect of a product. A project member has a larger piece of a particular product, rather than smaller pieces of several products. Project membership makes a person aware of the many dissimilar specialists who have similar identification with that product. The bonds of immediate work group relationships are complementary rather than consensual and focus on the project goals rather than the similarities of individual backgrounds or skills. Thus, the project organization makes it possible to get greater commitment to goals and reduces the opportunity for the natural rivalry among members of the same professional specialty. It does not, however, decrease the rivalry which may exist among different professional specialties (e.g., mechanical and civil engineers).

8. Territorial Identification. Project management teams usually occupy a unique work space, whereas traditional interdepartmental liaison functions are conducted between the work spaces (by memo and phone) or in one of the departmental work spaces. The separate work area for project teams not only promotes communication and social interdependence, but also gives the organization a spatial identity with which the member can identify himself.

In summary, while at some level of abstraction, many of the same factors of conflict potential exist in both horizontal relations in a traditional organization and with project management methods, many aspects of project management would appear to give it a predictable configuration of sources of conflict and opportunities for managing the conflict.

Conflict in Interagency Projects in Particular

In my observations interagency projects are more conflict-laden than projects in the aerospace industry where we have gained the most experience with project management methods. The following factors are offered as hypotheses that would explain the special problems in interagency programs.

For each factor we will analyze how that aspect of interagency projects qualifies our previous discussion of the conflict potential and opportunities for conflict resolution associated with project management methods.

1. Value Differences. The many Federal departments operating in the domestic and foreign affairs areas represent more than just functionally differentiated tasks; they represent many unique ideologies and values. For example, consider the value differences among several foreign affairs agencies concerned with rural community development in Country Y. In working with elements of the local community, the military assistance group favored a strategy of influence based on high coercive power and low trust. The AID favored a strategy employing high reward power. The Peace Corps pursued a philosophy of influence and change which involved high trust, low power, no extrinsic rewards and which relied upon expertise and personal example. Similarly, fundamental philosophical differences exist between OEO and HUD and Department of Labor in the domestic field.

These value differences magnify the problem of dual membership in the functional department and project team. It becomes very difficult to show high loyalty to both; therefore few try.

Similarly, the value differences point up the difficulty in defining superordinate goals which each agency can embrace. Therefore, value differences cut down somewhat the potential for the identification with the goals of the project and ego involvement in the work. This cannot be a blanket statement because in fact many participants in interagency projects do find the purposes of the project more appealing than the narrower objectives of their own agency, do readily identify with the project team and its product and are stimulated by the interaction with specialists from other agencies. The point is that the fraction who get "turned on" by the unique mission of the project is small, substantially smaller than would be the case of aerospace projects.

2. Parochialism and Stereotypes. First, the agencies' representatives to interagency projects had relatively less interorganizational mobility than engineers and scientists in the aerospace industry, encouraging the former to take a parochial view of the issues at stake in the project ventures. There is a relatively small market for the functional specialties of officials of the Labor Department or AID, etc. This limited mobility reinforces the tendency to emphasize the differences that arise between one's own and another organization. The mobility of agency officials which does exist is typically based on bureaucratic expertise, rather than functional expertise.

Second, interagency projects' participants have to work within a context of interinstitutional rivalry and widely held stereotypes.

The above factors blunt attempts to build loyalty and commitment to the project team. Earlier we noted that certain problems of forming a new group were inherent in the temporary system concept. Stereotypes and parochialism heighten these problems.

3. Bureaucratic Constraints. First, the gap between responsibility and authority is typically larger in the case of the interagency project manager than for the aerospace project manager. Federal agencies have been extremely resistant to the idea of yielding authority to a project manager of a sister agency. The effect is that innumerable differences in priorities arise between the project manager and the functional managers. Generally these conflicts are resolved at the immediate disadvantage of the project or are settled in favor of the project manager only by recourse to top management, a process which exacts its cost in terms of the project manager's relationship with the functional manager involved.

Second, the participating agencies which are large and complex have not arranged for their respective project representatives (the official who represents the agency on the interagency project team) to have sufficient authority to commit the agencies' resources.

Thus, even if the project manager is able to build collaborative processes within the larger project team, the agency representation often cannot deliver on their promises. In effect, this both widens the authority gap and reduces the potency of the team commitment which is promoted by the favorable interdependence and reward conditions cited earlier.

Third, because much of the actual work is performed in the functional departments, or the project must ultimately be implemented by the functional departments, the interagency programs often have to play by each and all of the ground rules of the respective agencies, as well as by any guidelines set up for the particular interagency program. Thus, interagency projects can be virtually strangled to death. Earlier we noted that the temporary life of projects typically enabled them more flexibility because they could be less concerned with setting precedents. This flexibility is denied in the interagency setting by the strong adherence to bureaucratic rules.

A special problem in the urban area is the fact that the regional boundaries of OEO, HEW, HUD, and the Labor Department do not coincide.

4. Political Shoals. By participating in an interagency project, an agency increases its political and bureaucratic exposure. The additional visibility of the agency's personnel, procedures, and program goals increases the risk of criticism, followed by either closer supervision of the agency's activities or reduced appropriations This risk is particularly important because of the high uncertainties inherent in the relatively ambitious character of the interagency projects. The effect is to inhibit participation and encourage caution in the project management team. It also means that in interagency projects, as compared with aerospace projects, the fluidity of structure which marks project management methods gives rise to relatively more disagreements about who is responsible for what.

5. Failure - Impotency Psychology. There were many psychological strikes against each of the interagency projects studied. In each case many project participants were basically opposed to the interagency program, in particular to the Neighborhood Centers Pilot Program as conceived; to the idea that a new long-term policy paper for Country X was needed; to the comprehensive program planning experiment; and to the reduction in overseas personnel. Other participants who did favor the program to which they were assigned were disappointed that their own top management was giving it too little support or expected that in any event support for the program would gradually or abruptly subside. The concept of "exercise" was frequently used to refer to these programs. In fact, interagency ventures are very susceptible to cutback and withdrawal of support. Apparently, this was especially true during the Johnson Administration, when priority would shift very rapidly from one set of concerns and programs to another. In politically sensitive areas, there is a tendency to make commitments that are more apparent than real. The rate of failures which results from launching many programs but not sustaining their support has tended to discourage participants from making the commitment and investing the energy that is required for successful project management.

6. Avoidance and Compromise Tendencies. An important issue in project management is how differences are handled, both within the team and with the functional departments. Do participants typically become involved in a struggle for dominance-submission outcomes? Do they directly confront their differences in a problem solving effort for integrative solutions? Do they tend toward compromise of their differences? Do they try to avoid or smooth over their real differences?

Many aspects of project management either encourage or depend upon problem solving. Fundamentally the very organizing theme of project management is problem-oriented rather than specialty-oriented. The effectiveness of project management depends upon a readiness to confront openly and attempt to integrate differing views. The task uncertainties and intensity of work pressures make interpersonal support based on openness more important; participants need to be able to confront, deliberate, and share feelings.

Unfortunately, many aspects of interagency projects, including those already mentioned, discourage problem confrontation and especially encourage avoidance.

First, it should be noted that because of the shared authority between the project management teams and the functional departments, there is relatively little use of dominant-submission approaches. The approach was sometimes tried early in the interagency projects studied, but was soon abandoned as creating more problems than it solved. Rather than submit to a decision clearly contrary to its interests, a party would appeal to the higher echelons; and as we pointed out earlier costs are associated with winning as well as losing such appeals. This leaves as possibilities, compromise, avoidance, and problem confrontation.

Factors that are favorable to direct problem confrontation include (a) the lack of competition among members for rewards (promotions, salaries); (b) common commitment to the goals, when that condition obtains; (c) easy access to other team members when the project has its own office space; (d) the temporary nature of work associations which minimizes the long run consequences of open disagreements that don't happen to get worked through.

Factors that encourage avoidance include: (a) participants often naturally procrastinate and avoid those issues which raise the personal salience of their dual loyalties; (b) representatives of agencies avoid the issues which involve their value differences because of the discomfort created by such fundamental impasses; (c) the visibility

and political vulnerability associated with projects provide an incentive to avoid taking a position; (d) doubt about the probable success of the project discourages the investment of energy; (e) fundamental doubt about the wisdom of the interagency project leads some members to subvert the effort by avoidance tactics, such as nit-picking the issues, using representatives with no authority, and hiding behind red tape.

Where avoidance is not possible, compromise tends to be the back up method of handling differences.

Summary. Several of the sources of conflict which accompany project management methods are present "in spades" in interagency projects:

(1) Conflicts in priority that result from an authority gap are frequent and difficult because the project managers have been housed in one of the sister agencies.

(2) Conflicting loyalties that are inherent in dual membership are heightened by stereotypes and value differences and by the group formation problems of a newly formed temporary system.

(3) The emotional and substantive differences that accompany uncertainties regarding successful completion of the task are exacerbated by the perceived political risks and a low expectation of success.

(4) Conflicts about responsibility that may arise under an ambiguous and fluid role structure are loaded because of their potential political repercussions.

Of the forces toward collaboration and opportunities for conflict resolution that generally accompany project management some, but not all, are less potent in the case of interagency projects. In particular:

(1) The possibility in temporary systems for resolving differences flexibly and without concern for precedent is nullified by the inability to get Federal agencies to relax their respective rules;

(2) The relative ease with which personnel can be shifted in and out of a temporary system does increase the interagency project's ability to break up relationships that have tended to create impasses;

(3) Project team membership does increase an agency official's awareness of the need for collaboration, and the existence of a common work space does facilitate a common identification with the project, and the project goal does have a unifying effect, but the last tendency is limited by virtue of the fundamental differences in values that may be aroused by the interagency program.

III. Toward the Better Management of Conflict in Interagency Projects

How can we achieve better conflict management in interagency projects? Below we comment on the adequacy of the organization structure, reward-motivation systems, and information systems which accompanied the project management schemes and suggest how these aspects of organization design might be improved.

Organization Structure

1. Power Concentrated in the Project Manager. Most important to better interagency project management would be an increase in the power of the project manager. For example, in the Neighborhood Centers Pilot Program, HUD had overall program responsibility but its authority over the participating sister agencies was based on a Convenor Order issued by the President. The Order merely authorized HUD to "convene" the other agencies for the purposes of designing and implementing the program. It did not extend the lead agency authority to resolve issues nor to obtain compliance with program guidelines. Moreover the lead agency did not have any other special power bases, such as high control over the funds required by the program, except that which they could derive from citing the "White House interest" in the program and from their occasional appeals to the White House to resolve interagency impasses. Compared with the HUD experience in the NCPP, State Department officials who headed the other three interagency projects reported above had slightly more formal authority over interagency decisions, but an even less favorable power base. In attempting to exercise formal leadership responsibility over foreign affairs projects, the State Department officials had to contend with the fact that the Defense Department and AID both control substantially more foreign affairs funds, and with the reality that the CIA has its own unique influence role.

The preceding analysis points up the difficulty in concentrating enough effective power in any one agency to enable that lead agency to do an effective project management job in either the urban or foreign affairs community. One type of solution indicated is to locate the project manager in the Executive Office of the President. This would not only enable the project manager to use the clout of the White House to resolve conflicts more quickly and to resolve more of them in favor of the interagency program goals, but also minimize some of the interagency jealousy that exists when one sister agency has a lead role over others. This step has finally been taken with the Model Cities Program, according to an announcement by the Nixon Administration in April 1969.

2. Liaison Offices in the Functional Departments. The participating agencies need to create liaison offices which can effectively speak for each agency on the interagency project team and which then in turn can effectively commit and coordinate the agency's human and financial contributions to the project. These groups within functional departments must be problem-oriented, anti-parochial agents who lobby for internal changes in philosophy and procedures that will facilitate collaboration in interagency programs.

In the four projects reported here the participating agencies generally either did not have liaison groups with formal responsibility for coordinating the many bureaus or program offices with respect to interagency projects, or the established liaison groups had little power. As a partial exception, the Center for Community Planning of the HEW is one of the more encouraging of such groups. It has tried to amplify the external pressure from project teams in order to force internal changes in HEW. The CCP represents a constituency different from those already salient for the Department. It argues for an interfunctional approach to the client system as a whole (e.g., a ghetto family, or a ghetto neighborhood); and it advocates the reasonableness of some of the demands of other agencies. The NCPP provided one impetus for establishing and upgrading the influence of this HEW liaison group. Other agencies could do worse than to follow the HEW pattern.

More effective liaison groups representing the functional departments would encourage the use of engagement strategies in resolving conflict (such as problem confrontation and compromise) and reduce the reliance upon the avoidance method which is so typical of the handling of interagency conflict and which defeats the spirit of project management.

3. Geographic Boundaries. A structural barrier to the coordination required by interagency projects in the urban area is the fact that HEW, HUD, OEO, and the Labor Department all have different regional boundaries and in many cases their regional headquarters are located in different large cities. Proposals to define common regional boundaries have been made but not acted upon. In addition to other advantages for project management, these steps would eliminate the conflict avoidance opportunities provided by dissimilar jurisdictions and separation between officials who must coordinate.

4. Exemption from Bureaucratic Rules. The Federal Government needs to develop a format for interagency projects that exempts the project team from many of the rules and regulations of the participating agencies. Among other effects, this would remove a source of project team frustration and interagency blaming which in turn produce conflict.

Reward Motivation System

In the interagency projects studied, no explicit reward system was related to the project management activity. The incentive structure for those who were assigned to the project could be assessed by analysis of an array of factors:

1. Amount of organizational rewards contingent upon project performance. Project team members had to ascertain for themselves how important their project assignments were for their careers - salary advancement, future assignments, promotions, etc. They listened for cues from higher management about the relative importance of this activity. They made inferences based on the percentage of their time that was assigned to the project and the relief given them from other duties, etc. Unfortunately in the cases studied, the cues from higher management were mixed and the assignments were often part time with too little relief from other duties.

2. Fit between interagency project goals and individual values. Project members varied in their intrinsic commitment to the project goals. For example, some members of HEW assigned to NCPP project teams firmly believed that NCPP concepts represented the most enlightened approach yet to meeting the problems of the ghetto. However, on the whole, none of the projects studied elicited an impressive amount of commitment based on the attractiveness of the goals to the individual project members.

3. Fit between social relations and task relations. Members are rewarded by their peers for project effort especially when interpersonal commitments within the team parallel the task relations. The interagency project teams studied were not comprised of members who were previously well acquainted. However, in some cases, in particular the Ambassador's task force that went to the field to review his personnel reduction plans and the NCPP Washington project team, the work relationships were soon elaborated into strong interpersonal commitments which in turn reinforced their task efforts. These commitments resulted from the group skills of the project leaders.

4. Fit between man's competencies and task requirements. Project team members are rewarded for the project activity if it allows them to utilize knowledge and skills that they do not ordinarily have an opportunity to fully apply in their jobs in the functional departments. This was an important attraction for many members of the projects teams studied, excepting the policy planning team concerned with policy toward Country X. Compared with their

normal duties, the projects involved more innovative and less structured activities; they were conceived in terms more fundamentally related to broad U. S. interests; and they involved more relations with persons from other groups in whom project members had an interest and curiosity but little past exposure.

The congruence of individual and team goals, of interpersonal and task relationships, and of individual resources and task requirements were relatively more potent motivators in the temporary project teams than in the permanent functional organizations from which project teams were drawn. This is because project teams' efforts were usually performed under conditions where there was low visibility to one's immediate superior; moreover, a project team assignment often came at the request of someone other than one's immediate superior, and the latter might have failed to confirm that the project assignment is important for his evaluation of the man's work. However, when the project's results were highly visible to his direct superior and others, as was the case for the Ambassador's task force, the members may have perceived the project assignment to be very important to their careers. In such a case, members' behavior in the project teams would be influenced by this extrinsic incentive.

Just as the above motivating factors may be important because of their effect on the amount of energy that is elicited or mobilized for a project, they also can influence the particular purposes toward which this energy is directed, i.e., shape the direction of the energy expenditure. For example, factors 2 and 3 are especially potent in providing a centripetal force in the project.

A basic motivation to collaborate within the project team derives from their interdependence in completing the task. In addition to goal congruence, or despite a lack of goal congruence, the project team members have a shared need to complete the task.

Major gains in increasing the number of members of interagency project teams who are highly motivated and collaboratively disposed can be achieved by following these guidelines:

(1) Select project members with careful attention to the extent to which they embrace the project goals, are interpersonally compatible, and view the project assignment as offering them an opportunity to use and develop professional skills and knowledge.

(2) Whenever possible, assign project members on a full time or near full time basis.

(3) There is no need for any formal reward system specifically covering project management activity, but higher officials in the functional departments must signal that the project has high priority for the department.

Information Systems

In a general sense all of the interagency projects studied suffered from inadequacies in information and information handling. The Neighborhood Centers Pilot Program was not organized to systematically provide the Washington group with city-by-city information. Each agency representative relied upon his own source of information. For example, OEO field men had their contacts with the neighborhood community, while HUD had communication channels to the mayors. The diversity of information reaching the Washington design team compounded the interagency differences based on conflict of philosophies. Also, the lack of shared information created suspicion among the agencies' project members. Thus, both the quality and timing of substantive decisions by the Washington project group suffered.

In the same program, interagency planning at the city project level was in part frustrated by the lack of pooled information about the financial resources agencies were pouring into the particular city and neighborhood under consideration. Also, these project teams lacked information on which to base a diagnosis of neighborhood's ills. Finally they did not have available a listing of the potential sources of program funds for their integration in the NCPP. The absence of these types of hard information allowed philosophical predisposition to shape perceptions and program recommendations. Thus, the conflicting recommendations were less susceptible to resolution by rational persuasion and more likely to be resolved on the basis of interagency power.

The information failures in the other interagency projects took different forms and each would require its own remedial steps. Suffice it to say here that information systems must play a key role in enhancing the effectiveness of interagency project management in general and conflict resolution in particular.

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13. ABSTRACT

This paper analyzes conflict resolution aspects of project management methods commonly employed in the aerospace industry and used experimentally for interagency projects in foreign affairs and urban affairs.

Several types of conflict that are typical of project management generally are especially troublesome in interagency projects. For example, inevitable conflicts in priority which occur between the project office and the program office of an agency are difficult to resolve because of the relatively low power of project managers who are housed in one of the participating agencies rather than in a third party office. Also, conflicting loyalties that are inherent in the dual memberships (functional department and project team) are heightened by the stereotypes and value differences that characterize the relationships among many Federal departments which must collaborate.

Several types of possible changes that can lead to improved management of interagency projects are identified. In particular, changes in the organization structure, reward-motivation systems, and information systems that accompany project management schemes seem indicated.

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