PM World *Journal*
Vol. VI, Issue XII – December 2017
www.pmworldjournal.net

Invisible Traps in Project Management Lead to Crisis
Advances in Project Management
Series Article   Constance Dierickx, PhD

Advances in Project Management Series[1]

Invisible Traps in Project Management Lead to Crisis

Constance Dierickx, PhD

When we think of great project management, most of us imagine very smart people, tight processes and rigor to spare. Calendars, charts, metrics all skillfully employed by people with project management credentials. Yet, things go wrong. Sometimes resulting in disaster. Why? Because projects require humans to create the project, do the project and monitor it. Even smart people have cognitive limitations and emotions that influence their thinking. Even project managers of great experience, skill and intellect are subject these influences. In my book, *High-Stakes Leadership,* I talk about the three aspects that make a leader great when ambiguity and risk are both high. These are the same attributes that enable leaders to move through crisis and often avoid it in the first place. They are: courage, judgment and fortitude. Even when leaders have these qualities in abundance, invisible decision traps can get in the way of even the most intelligent people.

What are the things that get in our way? The top three:

1. Overconfidence
2. Groupthink
3. Anxiety avoidance

Who me? Overconfident?

Regardless of how rational we think we are and no matter how objective we believe our assessment of our abilities, most people are overconfident. Surprisingly, more education doesn't improve this. Fortunately, it doesn't make it any worse either. Research by Russo and Schoemaker shows us that executives and undergraduate are equally likely to be overconfident. Neither experience nor recent advanced education creates immunity. This surprises almost everyone.

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[1]*The PMWJ Advances in Project Management series includes articles by authors of program and project management books previously published by Gower in the UK and now by Routledge worldwide. To view project management books published by Routledge publishers, click here. See this month's author profile at the end of this article.*

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Russo and Schoemaker devised a very clever test of overconfidence and permitted me to update it for my book. I have used this test with executives for over 15 years and it never fails to yield the same result. What result is that? Surprise. Disbelief. Argument. Regardless of how smart and experienced we are, humans are overconfident. Since the research on this is clear, what should we do?

First, answer the questions in Table 1. Provide both low and high answers for each such that you are 90 percent sure the correct answer falls between the two. Then, check your answers with those that appear at the end of this article. If your answers were all correct or 9 of 10 were correct, ask yourself, "How did I do that? What method was I using?" This sort of reflection is essential to learning so don't rush! Think about whether or not the approach you used for the test can be applied elsewhere.

If you are like most people, you missed several questions. What might you learn from this? Whether your answers were mostly right or not, thinking about your own thinking is worth doing, especially if you can keep the need to be right tucked away.

Table 1: Overconfidence test

	Low	High
1. John F. Kennedy's age at death	_____	_____
2. Height of Mt. Kilimanjaro	_____	_____
3. Number of countries in Africa	_____	_____
4. Area of California in square miles	_____	_____
5. Diameter of the earth (in miles)	_____	_____
6. Year of the *Challenger* shuttle disaster	_____	_____
7. Year the Mona Lisa was painted	_____	_____
8. Average weight of an Asian elephant	_____	_____
9. Distance from New York to Berlin	_____	_____
10. Deepest point of the ocean (in feet)	_____	_____

When I was a stockbroker I had several clients who were sure they had "the answer," they knew "the secret" to making money. No matter how poorly their investments did, some of them still managed to hold tight to their blatantly ineffective methods. I watched a very arrogant college professor lose a lot of money using an algorithm he developed and thought was "the answer," a 66 year-old woman close her account and give all her money to her son-in-law who was opening a retail store and a woman in her 80's beg to trade options (the firm wouldn't approve her for an options account – whew!) Each of these examples was either a crisis in the making or it actually became one. Every one was fueled by overconfidence.

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It seems that poor results would call into question what we are doing. Yet, often it takes too many data points before we stop doing what is causing bad outcomes. Why? People are not just overconfident about what *will* happen, they tend to remember events and outcomes that have already happened if the events support what they believe. That's right, we see what we believe, not the other way around. The confirmation bias is a well-known phenomenon and you can see it everywhere, if you look. If you are honest with yourself, you'll see it in your own life. Really good project management utilizes tools and feedback loops to tell us when things aren't going right. Good project management avoids crisis by subjecting the tools to scrutiny and the data gathered with these tools to even greater examination. Yet, people misinterpret data, explain it away and ascribe cause, erroneously. Further, someone (a human being) has to set up the check-points in the first place.

What are my options? If you are a normal, well-meaning person who wants to do well and create value for yourself and others, you summon courage. You keep in mind that as talented, smart and experienced as you may be, you are fallible. Richard Feynman, a Nobel Laureate in Physics famously wrote, "The first principle is that you must not fool yourself and you are the easiest person to fool." It takes someone of Feynman's stature to say this for us to consider it rather than push the idea aside. I have found that the research on how cognitive biases and emotion affect our thinking and decisions, is helpful and supports Feynman's statement. Though not a cognitive scientist, Feynman had a tremendous knack for observation. He was especially adept at spotting false beliefs, foolish habits and useless protocols.

These are the questions you need to answer if your efforts are to have superior value.

1. Am I clear on the objective? I'm talking about the organizational objective.
2. Do I know how the leaders will determine success?
3. Do I understand why making a change, matters? To whom?
4. Is the value (why it matters) clear and compelling?
   a. To whom?
   b. By what measures?

I'm independent

A phenomena that many are loath to accept applies to them is groupthink. Groupthink is a psychological process that many of us learn about in an introductory psychology course. It means exactly what it sounds like, even if the name is new to you. It is the name for a group dynamic in which the people in a group think alike. What's wrong with that? The feeling of agreement and even camaraderie can be very rewarding. It's nice to

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agree. Sure, but what are the consequences when agreement is achieved at the expense of a beneficial outcome?

A few crises where groupthink no doubt played a role:

- US Navy leaders belief that they would "not be caught napping" days before the attack on Pearl Harbor.
- The executives and board of Enron creating and then going along with illegal financial arrangements that ultimately took the company down and the life savings of thousands with it.
- The data breach at Equifax in the fall of 2017, months after a supplier of software made them aware of a problem.
- Encyclopedia Britannica failing to move its content to digital media when the value of doing so was high, instead selling the company for a low price years later.
- Wells-Fargo retail executives knowingly tolerating practices that were illegal so they could make their goals.
- Volkswagen engineers scheming to rig the testing for diesel engines to meet a standard they couldn't figure out how to meet otherwise.

We like to think that in the face of a bad decision, we would speak up. If we see or become aware of a bad actor, vulnerability or a blatant wrong, we would say something. Sometimes people do, but it isn't as easy as it sounds. The social costs of going against the group are real undercurrents that are like undertows threatening to take us down.

When a project is lead by someone who demonstrates low tolerance for "going along to get along" and mistakes are obscured, this creates the atmosphere for everyone involved to speak up when there is cause to do so. A project manager needs to set the standards for the technical aspects of the work and, equally important, for the human processes. Ignoring the latter because it seems "too squishy" will eventually undermine your best technical performance. If the human processes are ignored and nothing does go wrong, the bad practice will be reinforced and repeated, not only strengthening the practice with the project manager but also modeling it for many others. This is how a seemingly small thing becomes a systemic weakness of huge proportion.

Go fever

If ever there were big projects, with many levels of project management, it's in the space program. The crew involved in the Challenger launch had reason to be fatigued, frustrated and anxious. Delays in launches are very frustrating and they happen in public. Thousands of people and the media gather near Cape Canaveral and the

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surrounding towns to watch. The project teams can't escape their own frustration by going home. It's in the news, the locals talk about it and the tension amongst visitors, who come to watch, is palpable. The engineers, managers and even the astronauts themselves experience the tension that rises higher and higher with delays and also understand that their decisions can either prevent or cause a crisis.

The explosion of the Challenger was a bona fide crisis. Its cause, in part, was "go fever." The people involved are smart, experienced and take it from me, a former beach kid who grew up very close by, everyone takes their responsibilities seriously. Smart, successful people are still human and especially when there are delays and mounting frustration, emotion can distort our perception and have more sway in decisions than we care to admit.

Most of us aren't managing rocket launches but the work we do carries various risks nonetheless. We may endure long meetings, lose sleep and eat bad food in the belief that we are "getting the work done." Tension mounts when things go wrong or deadlines loom that we fear won't be met. People do things to reduce tension, some of which relieve anxiety but are bad for the project and may lead to a crisis. Procrastination, anger at others, seeking more data and analysis when it isn't needed, self-medicating, and working harder (even if it isn't effective) can be attempts to reduce tension. Project managers are human and when the pressure of their work environment is extreme and they become exhausted, judgment suffers and the crisis that might have been avoided becomes more likely.

What do we do instead? Two things. First, leaders shouldn't model this type of behavior-working themselves and others beyond the point where they are effective. Second, we need to learn about the human system. We talk about people, organizations, families, corporations, etc. as systems for good reason. Leaders need to think systemically to reduce unintended and negative consequences. Sometimes this means using a clutch to shift rather than pushing, pushing and pushing forward using the same methods.

Daniel Kahneman writes about the kind of thinking we need when a task is complex. In these cases, we need the type of thinking that is more effortful, what he calls System Two. People can resist this because if feels like a waste of time to slow down and be more deliberate. It is if you are deciding what to have for lunch. Yet, we tend to use rules of thumb too often and when the task doesn't lend itself to quick judgments. When we fail, it's easy to think it is an aberration because the pattern is hard to see for oneself.

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Methodology Doesn't Equal Outcome

In project management and in any area where people become skilled in a particular approach or method, they can become over-reliant on the processes, tools and, dare I say it, rituals to keep things moving. Tools and common practices are necessary and useful. That said, the brilliant project manager is one who is thinking all along the way and looking at the obvious and what is below the surface. The brilliant project manager has his or her eye on the *outcome* not the *methodology.*

Brilliant project managers do this:

1. Clarify objectives.
2. Establish metrics that matter.
3. Know why what they are doing matters and to whom.
4. Attract other brilliant people.
5. Help people grow to brilliance.
6. Do not wait until their feet are wet to tell them the tide is in.
7. Ask "what if we are wrong?"
8. Have a working clutch. They shift from fast, auto-pilot thinking and decision making to a slower, more deliberate approach when there is complexity.
9. When anxiety creeps in, they look for the cause not the band-aid.

It has been my privilege to know and work with some very talented leaders who possess the qualities that enable them to guide, inspire and teach others. Project managers are leaders, at least the good ones. As a student of leadership for most of my life, I have been captivated by leaders in many situations and observed what they have in common. They have in common, courage, judgment and fortitude which are the very things a project manager needs to be brilliant.

Lead on!

Answers:
1. 46
2. 19,431 feet
3. 54
4. 163,695
5. 7,917.5
6. 1986

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7. 1507
8. Male – 12,000 lbs Female – 6,000 lbs
9. 3.965
10. 36,200

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Constance Dierickx is a sought-after advisor to boards and senior executives in high-stakes situations such as rapid growth, mergers and acquisitions, CEO succession, and crisis. Her merger and acquisition clients succeed 400% more often than the average.

Constance has been quoted in, and asked to write for publications such as *The Wall Street Journal, Chief Executive, Chief Financial Officer, Directorship, Boards and Directors, and Corporate Board Member.*

Constance has consulted with dozens of boards and over 500 executives on five continents. She has worked with companies from the Fortune 50 to high-tech start-ups. Some of her clients include EWI Risk, Johnson Controls, Joy Global, Milliken Research, Porsche, Schnabel Engineering, Tennessee Valley Authority, and Vulcan Materials.

She is Vice-Chair of the board of The Partnership Against Domestic Violence and a member of the Advisory Board of Executive Women of Goizueta (Emory University). She is a member of the National Association of Corporate Directors and the Association for Psychological Science.

Constance received her undergraduate degree from the University of North Carolina-Asheville, with faculty bestowed "*high honors.*" Her M.A. and Ph.D. are from Georgia State University where she studied psychology and decision science.

Constance Dierickx is the author of *High-Stakes Leadership: Leading through Crisis with Courage, Judgment and Fortitude* published (© 2018) by Bibliomotion, part of the Routledge / Taylor and Francis Group.