

## ***Projects and project management for a sustainable social impact***<sup>1</sup>

### **Psychological effects on people involved in projects**

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*By Dr. Reinhard Wagner*

#### **INTRODUCTION**

Projects appear from an early date in narratives. Daniel Defoe, for example, describes the 17th century as a 'projecting age' and characterizes those who perform projects as follows: *"A mere projector, then, is a contemptible thing, driven by his own desperate fortune to such a strait that he must be delivered by a miracle, or starve; and when he has beat his brains for some such miracle in vain, he finds no remedy but to paint up some bauble or other, as players make puppets talk big, to show like strange thing, and then cry it up for a new invention, gets a patent for it, divides it into shares, and they must be sold... but the honest projector is he who, having by fair and plain principles of sense, honesty, and ingenuity brought any contrivance to a suitable perfection, makes out what he pretends to, picks nobody's pockets, puts his project in execution, and contents himself with the real produce as the profit of his invention."* (Defoe, 1697: 17)

From the 17th century to the 19th century, there are many stories of people realizing projects and being passionate about them, but their achievements are often highly controversial. In the course of industrialization, the introduction of Scientific Management in the context of mass production and with the beginning of project management in the 1950s in defense and aerospace projects, more attention was paid to methods, processes and techniques (Morris, 2013). People were increasingly 'means to an end,' who had to subordinate themselves to management and processes and had to function. Only in the last twenty or thirty years has the focus of project work shifted back to people. Because people realize projects for people.

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<sup>1</sup> This is the fifth in a series of articles by Dr. Reinhard Wagner, PMWJ honorary global advisor and former Chair of IPMA. The series aims to position projects and project management in the context of society as social activities performed by and for people. The focus is on a sustainable social impact, which is to be achieved through the projects, and less on the management of the projects and the immediate deliverables. At the same time, projects are to be positioned as a means of self-realization through which people can jointly work for their communities, the environment or society as a whole. The series is aimed at the global community of project management practitioners, researchers, and those interested in learning about current developments in the field of project activities in society and how to achieve sustainable social impact through this engagement.

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Winter and Szczepanek (2009), for example, have pointed to the social dimension of projects, emphasizing that it is not only the individual but, above all, the interaction of many people in a network is what matters for success. Turner et al. (2010) highlight aspects such as organizational structure and culture of projects, team development and leadership, diversity as well as well-being in projects under the social perspective. Later, psychological aspects, emotional and cognitive intelligence, flow experiences and psychological safety were added as perspectives on people in projects, but these have so far tended to be considered rather scientifically only and have found little entry into practical work. In the following, we will therefore sketch the psychological effects that projects have on the people participating in them.

## **WHY PEOPLE PARTICIPATE IN PROJECTS AND WHAT THEY EXPECT FROM IT**

First, we need to ask ourselves what basic needs people have and what contribution projects can make to them. Answers to these question can be found in the Self-Determination Theory (SDT), which is an “empirically based, organismic theory of human behavior and personality development...particularly concerned with how social-contextual factors support or thwart people’s thriving through the satisfaction of their basic psychological needs for competence, relatedness, and autonomy.” (Ryan and Deci, 2017: 3) The essence of the theory is that people strive to prove their competence, doing so as autonomously and self-determinedly as possible, but at the same time also experiencing self-affirmation or recognition through relatedness and collaboration with others. Above all, autonomy, i.e. intrinsic motivation for actions, plays a major role in demonstrating competence. Is the person only a ‘means to an end’ of a project, or is the project a vehicle for personal development? This reveals two diametrically different perspectives on projects and leadership, which Douglas McGregor (2006) has already labelled ‘Theory X’ and ‘Theory Y’ with their implications for leadership.

Especially in agile product development projects, change initiatives or innovative projects, there is nowadays a strong focus on the self-initiative of the participants, on self-organization and less on disciplined control from a hierarchically superior position. This promises more performance, commitment and satisfaction in the project through increased self-motivation. Above all, it provides freedom for self-expression, enables the development and use of acquired competences, and thus the self-efficacy that is important for projects. “As a psychological need, competence is not only functionally important but is also experientially significant to the self. Phenomenally, feelings of effectance nourish people’s selves, whereas feelings of ineffectance threaten their feelings of agency and undermine their ability to mobilize and organize action.” (Ryan and Deci, 2017: 95)

Projects take place in a tightly woven social network, from the narrow circle of the project team to the extended team of one's own organization and that of customers or suppliers, and can extend all the way to the macro level of society. This network can be referred to as 'Project Ecologies' and "encompasses social layers on multiple scales, from the micro level of interpersonal networks to the meso level of intra- and inter-organizational collaboration to the macro level of wider institutional settings." (Grabher and Ibert, 2017: 176) Stakeholder management, which has been strongly emphasized in recent years, teaches us to actively involve this network in the realization of the project. In addition to this primarily instrumental side, the psychological side of the involvement and connection with this network should not be underestimated. "Relatedness refers to both experiencing others as responsive and sensitive and being able to be responsive and sensitive to them – that is, feeling connected and involved with others and having a sense of belonging." (Ryan and Deci, 2017: 86) If you look at projects through this lens(es), it quickly becomes clear that they are excellently suited for filling the basic psychological needs of people and thus achieving high performance. However, the focus must be on people and their needs, and not on external determination by 'management'.

## **UNDESIRABLE PSYCHOLOGICAL SIDE EFFECTS OF PROJECTS ON PEOPLE**

As just argued, projects are a great way to leverage an individual's performance and passion. However, this can also lead to individuals becoming too passionate about the project and thus overstraining themselves, with consequences such as damage to health or mental stress (Vallerand, 2015). People should therefore be prepared on how to deal with the multiple challenges in projects, know their limits of resilience, and learn to respect these limits as well (Duckworth, 2017). Not everyone is capable of dealing with the uncertainty, risks and imponderables of a project. Because in projects, there is not always enough information available to make decisions. Often, weak signals from the social network or the environment of the project have to be interpreted and translated into actions (Kutsch et al. 2015). If the flood of information increases, or if the information points in a direction that is difficult for people to bear, then this unsettles people or leads to negative psychological effects. This can of course significantly reduce performance and lead to burnout.

This can occur due to the very nature of projects, which are, after all, temporary and can cause anxiety in people about what will happen to them after the project is completed. Thus, a permanent job (position) is psychologically more satisfying for many people, since it is predictable, than a series of time-limited projects, where it is not certain whether unpaid periods are to be expected or even the existence is endangered. In the course of the projectification of our society, in which more and more activities are completed in the form of projects, employment relationships must also be viewed differently.

Formerly long-term employment relationships change to temporary project contracts that have to be renegotiated for each case and are often paid less because the respective actors are not organized in unions. The autonomy and flexibility desired through projects is often limited by the fact that time schedules and modes of cooperation set narrow framework conditions for the actors and can be hardly shaped by the actors themselves. Here, people's dependency on the directives of a hierarchical superior is replaced by dependency on scheduling requirements, the social rules of cooperation and the factual necessities of the project.

New teams are also always forming in projects. Social dynamics inevitably lead to interpersonal conflicts with undesirable side effects for those involved. Intercultural and distributed project teams must make an effort to avoid ending up in quarrels and misunderstandings, for example, as a result of different value systems or too little time for informal exchange. All of this must be taken into account in projects. Coaches, mentors or also trainers can support the project teams in their work, give advice on helpful behaviors without imposing too restrictive requirements. In agile projects, there is currently a lot of discussion about 'psychological safety,' which should be created so that people are not left alone in the uncertain and changeable situations of a project. Everyone should be actively involved in the project. There should be values and ways of dealing with failures or other deviations and an environment, where people can freely speak up and productive conflicts are allowed on the path towards innovation.

Francois Dupuy (2018) asks "are we all lost in management?" and claims that we need to put people (back) at the center of everything. In my opinion, this also applies to project management. We have spent far too much time perfecting the management of projects, losing sight of what attracts people to engage in projects, why they commit to them, and what can be meaningfully achieved through the projects. That forms the core of this series, "Projects and project management for a sustainable social impact." After all, sustainable social impact can only be achieved by taking people seriously, putting them at the very center and not seeing them as a "means" for implementing projects.

The last part of this series deals with the topic: "*Projectification of Society – The Beauty and the Beast*".

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**Dr. Reinhard Wagner** has been active for more than 35 years in the field of project-related leadership, in such diverse sectors as Automotive, Engineering, and Consultancy, as well as various not-for-profit organizations. As Managing Director of Tiba Managementberatung GmbH, a leading PM Consultancy in Munich/Germany, he supports executives of industrial clients in transforming their companies towards a project-oriented, adaptive and sustainably successful organization. Reinhard Wagner has published 36 books as well as several hundred articles and blogposts in the field of project, program and project portfolio management. In more than 20 years of voluntary engagement he served the German Project Management Association (GPM) as well as the International Project Management Association (IPMA) in a range of leadership roles (including President and Chairman) and was granted for his international commitment with the Honorary Fellowship of IPMA and several of IPMA's Member Associations. Reinhard is Assistant Professor at the European University Alma Mater Europaea and teaches project, program and portfolio management. He can be contacted via [reinhard.wagner@tiba.de](mailto:reinhard.wagner@tiba.de).