Behavioral Project Management
A conversation with Benoit Hardy-Vallee, Ph.D., PMP
SAMAD: Benoit, welcome.

BENOIT: Thank you Samad. Happy to be here.

SAMAD: Benoit you have an amazing background as a project manager with a PhD in Philosophy and a background in economics, neuro-science, social studies. Tell us a little bit about you and how you got interested in project management.

BENOIT: My interest in project management shifted from something that was very technical and applied to something that became a little bit more theoretical. By that I mean that in my younger days while I was an undergrad in philosophy I had to pay bills like many students. I started doing a little work here and there. Among those works they involved a certain goes of project management. When I was organizing an event or implementing constant management systems, I soon felt that there was something. I couldn’t wait to manage a project or typical challenges. There’s a framework behind that.

For about ten years I managed all kinds of small projects here and there. Then one day after I made a decision to go from the academic world into the business world I started looking in which area I could apply this ability to manage information and teams as she goes. I found that consulting was the right place for me where I could use my strengths so to speak.

When I started in consulting then I just looked in an area project management, which is really understanding what is the theory behind that. What are the different models? Also, in the last research here, why is it that we can’t get it right, especially in IT construction? The rate of failure is simply amazing.

I got interested in project management by doing it and then one day when I discovered how it is made or what the professional standard for it. Then I get a really deep interest in all those different models. Actually my first real consulting job was to reword the project management guide book for a utility in Canada. I had a firsthand opportunity to work with a practitioner.

SAMAD: Now you are an engagement manger with the Gallup Organization. Tell us about your role and the work you do within the Gallup Consulting Group.

BENOIT: Certainly. I’m sure many of your readers are familiar with Gallup. First, because we were a polling company for so many years, and we’re especially famous in the United States for all the predictions we made for presidential elections and different social matters.

In the last decades Gallup moved from being a polling company to becoming a consulting company. We used the same ability to predict who surveys whether its organization people or society, make sense of all this data, and then apply it in a framework so we can change society, cities, and people organization.

I’ve been impressed with what Gallup was able to do in the field of behavioral economics. This is how at some point I decided to join this organization. In my role as an engagement manager in the Toronto office I am responsible for most of the Canadian projects. I make sure that the whole engagement from start to the end is perfectly well executed. That it’s aligned with the
overall strategy of the clients that we serve, whether it’s in an area such as increasing employee engagement, or customer engagement, or different goals that we may help a company to reach, whether they are operational or financial. It is a role where a large part of my daily task is project management, but in a consulting framework. We help companies improve their business metrics with our projects that use our behavioral economic knowledge of operation and people function.

SAMAD: In the recent article “The Cost of Bad Project Management” you cite some astounding statistics on project failure. Can you share with us some of these statistics and why you think organizations have not become better at managing projects, especially large ones in the IT sector?

BENOIT: As I started doing research for this project I had a sense that something was wrong in the kingdom of project management especially the IT. Then I found those absolute fantastic studies with tremendous numbers, talking of ones in particular reviewing 10,000 projects, 200 companies, 30 countries. What they found is that only a tiny fraction, so not even 3% of the company, are able to complete a 100% of their project.

Most recently the Harvard Business Reviews that were polled this year, another team of researchers reviewed more than 1,400 IT projects. They found that the average over one was 27%. That is a lot of money. They found that one in six projects had a cost over 200%, twice the price, twice the cost. On average a scheduled run of 70%. If you had a project that was planned for a year you can almost double it. Right?

I’m not going to go into all those big – whether it’s IT or construction project that ends up costing the double, what it was supposed to cost, and in Europe we have Eurodisney or the Channel Tunnel. Boston has the Big Dig. I’m sure anybody in each city can find cases where something was supposed to be built in. Then its two years late and we think it’s going to be $2 billion maybe $3 billion. That’s something that we found in almost every society. It’s not just in the states or in Europe. It’s almost everywhere.

Of course the interesting question was, how come? Why is it that as species human beings are especially talented at getting a large project too late? As we start looking into how project management evolved and how those large projects are structured. What we found was that all the thinking, all the planning; all the management of the project is centered around what we would call rational factors. Whether it’s the budgeting, scheduling, quality control, quality systems, risk management, all these things have nowadays have perfectly defined framework.

If you take a PMP class or any sort of professional project management certification or framework you learn how to manage these tools. Then we have all kinds of software, whether it’s Microsoft Projects or whether it’s a large ERP system companies and professionals have all kinds of tools to get everything right.

Now, why is it that even with all those rational factors we still can’t get the project right? I think it has to do with something very simple that we forget all the last part of the twentieth century where we started molding the modern framework for project management. It’s human nature.
Human nature is essential emotional and social. I definitely mean we have a very high sensitivity to emotional factors, especially those that come from other people. We prefer fairness and we don't tolerate unfairness. We work in an environment where we feel threatened, where we don't have the trust of other people. If we don't have a certain set of confidence and passion for our work we just don't give the best of us.

If you look at all those failed projects what we found and again it's accounted by dozens of different studies, is a lack of focus on the management of these emotional drivers of behavior that make people perform well. By that I mean getting the project on time, on schedule, on budget, and on spec. It's also making sure that you have team dedicated to this cause and making it happen.

If you want to have a project perfectly delivered, you cannot do that just by reading your process book, using your project management software, and using tools and techniques that you learned when you read the project management body of knowledge. You need to be able to manage direction between people in your team and with your stakeholders.

If you don't manage the emotional economy, the emotional relationship between all those people you just don't get the best of people. Then you don't have the proper level of communication, team work, and performance that you need. To make it short, because our societies, our organizations are good at working with the behavioral emotional drivers of performance we can't get our project on time, on spec, and on budget.

SAMAD: When you are a new project manager and you want to get exposed to the literature in project management. You get hold of the PM book and you don't see much discussion about the human aspects. I believe in the last one there's an appendix, I believe. It talks about the human aspects of projects. It sends, I believe, a very clear message to people that are coming into the field that that aspect of project management, dealing with emotions, with behavior, with the sensitivities you talked about, that's just not very important. The message is very clear.

BENOIT: Yeah, I couldn't agree more. This is also the feeling I had when I went back. When I prepared the article I decided to review the guide to get a sense of what exactly is mentioned about managing people. Yes, there is a chapter about human resources; how to select your team, forecast their schedule, manage resources, and it's all good. Then a few details in the appendix, but to me, like you said, it's a clear message. It's either one chapter or an appendix. I think it should be the core.

The core of project management is people. On top of that you can add all kind of other practices and skill, but if at the core you don't get the right people, in the right place, who enjoy what they do, who connect well with the stakeholders there's no way we can get a good project. Even though we have tons of professionals here to file it, or PMP, or other framework I don't think that globally the success rate of projects has gone really higher. Right? We still have a large chunk of human effort lost in failed projects.

SAMAD: You know when I talked to project managers, as well as when I look at my own experience, the aspects of projects that give me the most stress, the most pain are the human aspects. Not the
schedule or the risk analysis, it's the human aspect. It's the pushback, it's someone who is for example, resisting to change the way to do something, or a stakeholder who does not want to allocate time or their resources to the project. I have not seen that the real problems with projects is really the planning aspects of it. It's really the day to day contact with humans that really is a major source of stress.

BENOIT: Yeah, I mean think that in one regular working day you can probably have 20,000 interactions with people, whether it's email, or just meeting with somebody. Whether it's a quarter of a second or five minutes in total, you have probably have 20,000 moments that you share with other people. What ratio, what percentage of these 20,000 interactions are positive, engaging, and make you happy? You know?

SAMAD: Right.

BENOIT: That tells a lot about your workplace and your interaction.

SAMAD: Yeah.

BENOIT: If we can all make most of them positive and enriching we create the right framework for a collaborative environment. If not, like it's the case unfortunately many company nowadays, then we're not setup for success.

SAMAD: You say that the behavior based project management applies the principles of behavioral economics to manage an organization's emotional economy. I find that term extremely, extremely powerful, the emotional economy. What is behavior based project management? What differentiates it from the traditional project management we know?

BENOIT: Behavioral project management is really an attempt that I'm developing. Other people don't have any ownership in here. It's a thought that project management should be based on experience or experimental economics. It should be based on the human psychology so that we know how human the functions and we adapt through human nature rather than trying to fit human nature in processes that are not made for it.

Having a behavioral approach to project management is basically doing what Daniel Camden, Thomas Verusky and all these other great behavioral economists did in economics, instead of just relying on the formal model well received methodology. They decided to look at how people function, to study it, and then nowadays we can apply it. Whether it's in policy or even in management we apply those findings from experimental economics.

I was thinking that we can take the same steps to our project management and rather than just seeing project management as managing the famous triple constraint, where it's budget, quality, time. Of course we have to manage these parameters, but they don't happen in a vacuum. They happen in a space where people talk together, interact together, and thus, instead of pretending that politics and emotions are something that should be contained or suppressed we should see it as 70% of our life. We should find a way to better manage it. That would be the characterization of what's a behavior based project management.
As you see the first from project management, or what we call the more classical model or rational model, not because it rejects those methodologies to the contrary. I would never advise any project manager to stop doing budget, scheduling, and risk management and all that. By all means let’s have that.

Maybe we can scale back a little bit on the meeting, the paperwork, the scorecard, the KPIs, and all that. At least if we have them let’s make them easy to use and lets incorporate other kinds of KPIs and other kinds of metrics, such as how is the whole team doing? How are we engaging as a group towards the objective that we’re trying to accomplish? What does the stakeholders think about us as a group?

These questions even though we can find methodologies to tackle that in the PMBOK the traditional project management we don’t find anything really based on human psychology. All those framework are an extension of the industrial age where we learn how to manage large processes, whether it’s manufacturing, industrial processes. We applied the same thinking to project management. It’s good and it works, but again, it’s just a rational part. It’s basically 30% of our life. As project managers and project team we need to manage the other 70%, which is emotional and social in nature. That’s a big difference with the classical model.

SAMAD: Benoit, I want to go back to something you said about how the current project management is influenced by industrial age type of notions and concepts about humans and human motivation. I can see how that type of thinking that worked well in the factory and the assembly line. That it would be attractive at one point in the history of project management in the early stages. Now that the nature of work has changed where we are more knowledge workers this new concept of behavior based project management I see it as desperately needed. At minimum, so we can see a contrast between how we are doing things and this alternative way of looking at projects really as a social system which we tend to completely forget that it is a social system.

BENOIT: Exactly. That’s also the term emotional economy. We sometimes use that in the context of the larger, the whole macroeconomic system, but if you think of an organization in itself, it’s an economic system. You have agents who make transactions. There are costs. There are risks. There’s decision making. There’s game theoretical frameworks that can be applied here. There’s an internal market, whether it’s for talent or for any other scarcer resources.

In truth, maybe the linear thinking initial process sort of pattern to manage your project, maybe make sense of certain in history. I would like to mention with knowledge workers, with a globalized workforce, with people having different schedules working all across the globes on different projects or multiple projects at the same time, you have a very dynamic environment. If you don’t have the proper motivational driver it’s really hard to get your people focused on the project and give it the priority it deserves.

SAMAD: You also say that project managers successfully manage people in processes by understanding and putting into practice three principles. You talk about project team member engagement, stakeholder engagement, and optimizing performance. Can you elaborate on these principles for us?
Certainly. Then as you will see the first two connect together and the third one. So the first principle really that a successful project manager should have in mind is project team member engagement. By that we mean applying the same science and framework of what we call employee engagement. In general we want to develop a larger sense of organizational citizenship for each of our employees. We have to apply this same framework with a project team member – within a project team.

By engagement we mean motivation, commitment, and performance. How do you get that? You get that by basically, again, addressing basic needs, catering to human nature. Human nature needs a couple of basic things such as knowing what you have to do. What exactly is expected of you? It's surprising how many people don't know or can't answer clearly that question.

People need to have recognition. Right? People need to be able to use their strengths on a daily basis, rather than just being told that they're not good and how to improve. People need to feel that they've developed the progress. People need to feel that when they work has a certain impact in the larger scheme of things. By that I don't mean just to have an occasion and start working for NGOs. 

How can a project manager make sure that the team members are engaged? Well the first thing is you need the right people in the right place. You need to make sure that all those team members have been selected, that they fit the role for which you selected them. Then you need basically to do a lot of talking, a lot of communication to make sure that you provide tons of feedback to your employees. Whether it's just recognition or just telling them what they have to do, what they shouldn't be doing. All that feedback and communication is the foundation of an engagement. This is how you can create a strong emotional attachment, commitment, and motivation in an employee. That's the first principle.

Now if we imagine the perfect project team with a great project manager, great at leading his team or her team, project team members will highly engage. You still need another part of the equation for the success of your project and that's your stakeholders. Your stakeholders need lots of communication.

They need to know where you are in the project. Also I must say they have a deeper need than purely informational ones and that's to feel a certain sense of connection with the project team. Ideally you want to have your stakeholders be proud of what you do, having lots of confidence in what you do, being loyal internal customer, being able to recommend your work or teams work to other stakeholders. When you reach that kind of connection with stakeholders you know that the project is in good hands because you can trust that it will be a good communication between the project team and stakeholders.

That connection between the team member and the stakeholder this is where your project can make or break. Lots of projects fail because of uncommunicated assumption, unclear expectations, and lack of follow-up throughout their process. If you actively managed your
relationship, if you measure, monitor, and control the heat of the emotional connection with your stakeholders you’ll be able to impact them to accomplish the purpose of your project.

Finally when you can do both at the same time, monitoring the level of engagement of your team and level of engagement of your stakeholders, and if you can devise plans, strategies, and tactics to optimize both of them at the same time you optimize performance. You reach a certain level of performance where both of these – where both sides of the fence have their emotional needs taken care of.

SAMAD: I think to me what this means is that our entire approach to how we train, prepare, and build future project managers will have to change because we need to focus on an entirely new set of parameters.

BENOIT: Exactly. We need project managers with strong people skills, strong emotional intelligence, and because we have some many different people working together in large projects cooperating with tons of people. We need also to be able to help people know their strengths and work with their strengths. We found that there is a tremendous difference when employees are able to do what they do best on a daily basis.

If you’re a competitive person by all means you have to be able to leverage that strength. You have to be able to use your competitiveness. If you’re an analytical person you have to be able in your job to use that strength. Unfortunately we tend to want to polish people and make sure they fit the role, rather than adjusting the role for the people. That’s sort of soft management of emotional – it’s almost hard to explain because it’s not something we learn in textbooks. Right? It’s not a dedicated process. It’s not as definable as other processes.

We know that when we engage in conversation and try to engage people we can get them to this level of performance. If we can change the way that we train our project managers, how we select and recruit them. How we develop them. I think that we stand a chance at making our project teams better.

SAMAD: I like the idea that you mentioned about the fact that it’s hard to talk about some of these concepts because within the project management world we don’t have this language yet. We don’t have language that you can describe these types of critical components to what we do and how we engage people. An entirely new set of language or language that we need to become familiar with is going to be much needed.

BENOIT: Yeah. Definitely. I think the concepts are there. We just need to translate them into the project management world, and also our methodologies so that a good project manager isn’t just a technical person. It should be a very rare breed of individual who can manage a rational and emotional factors because if we don’t have both we will keep having bridges that fall, space shuttles that explode, and IT projects that cost double when they should be costing.

SAMAD: Another point you make is to implement a behavior based project management approach you recommend intervention at the organizational project management office and project team levels for optimum impact and results. What advice do you have for project managers or organizations who want to try to implement behavior based project management?
BENOIT: For an organization I would start by saying it really has to be something that will be part of your strategy. I think it will work well in an organization that is essentially project based or has a large part of its workforce involved in projects or multiple projects. How you go about it? Of course, it depends with every organization.

I think the first thing to do at the organizational level is to create a steering committee or governance committee that would be part of your leadership team. That would make sure that your PMO, your IT department, your human resources, and other key stakeholders are on board so that you can devise a strategy on how you will progress from rational to behavior based project management. You need a road map because it’s not going to happen in one shot. You need to do a cultural transformation. That would be the big picture at the organizational level.

I would say make sure that you really understand what is your culture, what kind of objective your reach, and then from that create a road map for that cultural transformation. There will be resistance. You will have to do a lot of indication, a lot of communication. People may not get it the first time because they may not understand how is it that we need to talk about our feelings and emotions when we are trying to build a bridge. It might not be something self-evident.

At the PM level I think the key would be to develop or update current project management framework to integrate all that knowledge about human nature, whether you develop a certain tool to measure the level of engagement of certain project team’s stakeholders. You have to integrate that in your project management rulebook, framework, or whatever this PM is in charge of that thing should reflect the change and the new culture that you are trying to implement. Once you have all this framework in place then I think the next level of intervention is at the project team.

Then it becomes a daily duty for a project manager to keep the line of communications very open so that he keeps catering to the basic needs to his employee, which is knowing what’s expected of you. Having a clear sense of what’s your duty and what’s your job role. Providing recognition. Providing the right tools and equipment to do their job or having conversations about those things. That would be the foundation of engaging your team.

After that you also have to be able to recognize conversation about people’s progress and how they connect to the mission of the project team. That’s for a little bit further down the road. Really the key is communication, communication, communication. There should be constant communication about the current state, of the future state, the gap, the performance, and how is the employee doing. Once you have that in place then you can start making action plans for the longer term to make sure that you keep actively managing the emotional economy of the project team or the work group. This is where as a project manager you can have the most impact. How on a daily basis on those 20,000 interactions you have with people, how do you make sure that most of them are positive and keep your people engaged?

SAMAD: Benoit, I am interested in the research you have done in neuro-economics. Can you give us a brief description of neuro-economics? What are some of the insights from this field that could be useful in the practice of leading projects?
BENOIT: Sure. So a neuro kind of makes an interdisciplinary effort, makes as you can guess, neuroscience and economics where people try to understand the neuro basis of economy decision making. By economy decision making we mean basically three types of situations. You as a single economic agent making decisions between different options. You as a strategic agent in a game theoretical situation, such as a prisoners dilemma making interactive or strategic decisions. You as a market partisan who as somebody that's involved in the market transaction buyers, sellers, and so on.

In the last decade there was a huge progress made in the field of experimental economics; in behavioral economics. Once when we started looking, not just at how do people truly or really behave in economic decision making situation. Also, looking at which part of their brains light up when we start putting them in a certain situation.

For instance, there are typical problems in economics that are used to create surprising results because the standard theory would not take into account people’s aversion to risk. Therefore the standard economic theory would critic certain patterns of behavior, that people would go with the option of the higher payoff. When we ran the experiment with people making real decisions then they would not take the option with the highest payoff. They would take another one with a lesser payoff, but more certainty and less risk.

While it doesn't make sense from a traditional economic perspective, it does make a lot of sense a human perspective. People are generally risk averse. We don’t like taking chance and taking a chance for us is a huge cost. We prefer the certainty of the bird in the hand and two in the bush.

The next step in the whole scientific revolution was to start looking at what was happening in the brain when people made those decisions. They realized things such as, when we are averse to risk we have brain areas that are activated. That they are also activated when we have a fear, because we truly literally fear risk. It gave us a window into understanding the cognitive mechanics to our decision making processes.

We did the same thing again with a theoretical situation. You can read that there are tons research about the ultimatum game where people are asked to make a proposition to share a certain amount of money. People tend to prefer to lose money rather than accept an unfair deal. Again it doesn’t make sense from a traditional economic point of view. From a human perspective it makes sense because we hate being treated without fairness.

Basically the picture that emerged out of all that research is that every decision making is in large part an emotional decision. By that I don’t mean that we just go with the flow of our feeling or that we are panicked or happy and we make decisions in a snap. It means that the assessment of the utility of the economic utility of an option or a strategy in an attractive situation is largely based on emotional evaluation. We see the world with our emotional filters.

There are certain things that make sense for us and others such as risk and unfairness that just don’t. We don’t like risk. We don’t like unfairness. So how do we apply all those findings? Again, there are tons and tons of just fascinating findings. How do we apply that to project
management? Basically by respecting human nature and always remembering how much importance we put on those social emotions.

Because the risk versus reward, I mention is interesting. At the end of the day as people work on a project team we interact with tons of people. Every one of these interactions is susceptible to trigger and emotional reaction. So will it be a positive reaction or a negative one? We know what creates a negative one. Right? Being treated with unfairness. Being neglected. Unclear passive aggressive behavior. All those little things tend to add up and they hurt the moral, the performance, and the productivity of the team.

As a project manager you want to leverage some finding from neuro-economics, right there making sure that you actively manage the emotional thermometer of the people in your group. Just doing that will bring you a tremendous advantage.

SAMAD: That is very fascinating. I have this feeling that for us to really accelerate our literacy and awareness about this aspect of the human side of projects it’s important that we look at fields such as neuro-economics or neuro-marketing, fields that have been invested for a while now, in understanding this aspect in their field. I think this is very important for us to become aware of what is happening in these other disciplines.

BENOIT: Exactly. At the end of the day the idea is to have evidence based project management. Project management by looking at what is it that works and what is it that doesn’t work. All of the great progress in humanity has been made and we were able to have a strong theory and find a way to apply that theory so that it becomes a good practice.

SAMAD: Benoit what type of projects are you working on these days? What is next for you?

BENOIT: The Toronto office works with lots of clients in manufacturing utilities, retail and so on. Really what keeps me busy these days is working and helping companies to leverage their human capitals so they become more productive. They become better at what they do. That they create strong positive environments where people want to work every day and stay.

We do that not just because we care about people feeling – which we do of course, but at the end of the day we do that because in the long-term the company will be more profitable, sustainable if they are able to cater to those basic needs. A large part of my work is in helping those companies do that internally, do that with their customer, or do that with how they hire people.

I think that helping other companies to manage human capital is in my passion. I try to apply all my scientific interests to that. In the future we’ll being doing more of that. We are starting to integrate more and more of that research and this behavior based project management framework that I’m trying to develop one project at a time.

SAMAD: And one project manager at a time. Benoit, how can our audience find out more about you and contact you?
BENOIT: I’m on every possible social media. You can Google me. I’m at Hardyvalee.net. That’s my website. Anything related to project management or Gallup. You can email me at benoit-hardy_valee@gallup.com.

SAMAD: Benoit, it was a pleasure talking to you today. I want to thank you for the valuable insights you shared with us about behavior based project management, and the opportunity to understand how this approach can help us deliver projects successfully and provide us with the language to understand why we struggle with things such as conflict, motivation, and engagement issues in our projects. I want to thank you again and invite you to come back and talk to us some more in a future conversation.

BENOIT: Well, all the pleasure is for me and I will gladly do that again; maybe with the next step of that research. I certainly enjoy being able to share my ideas with other practitioners in the field.