

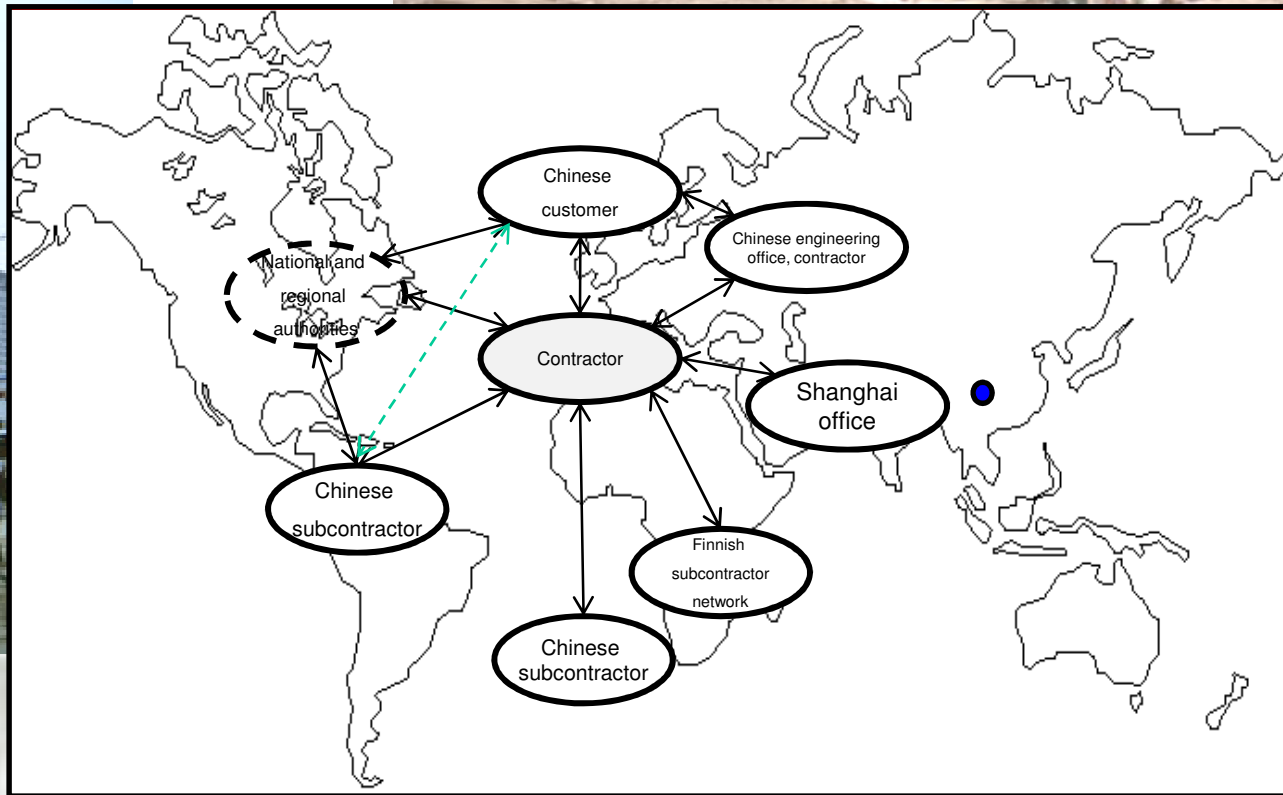
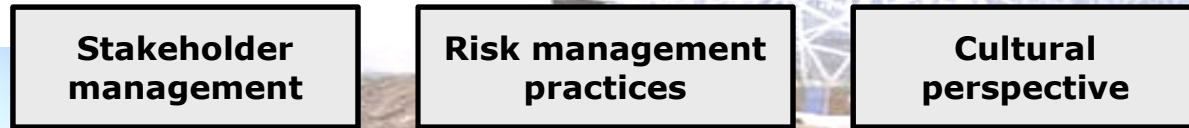
Project Managers' Sensemaking in an Unexpected Event: Coping with Stakeholder Conflict in China

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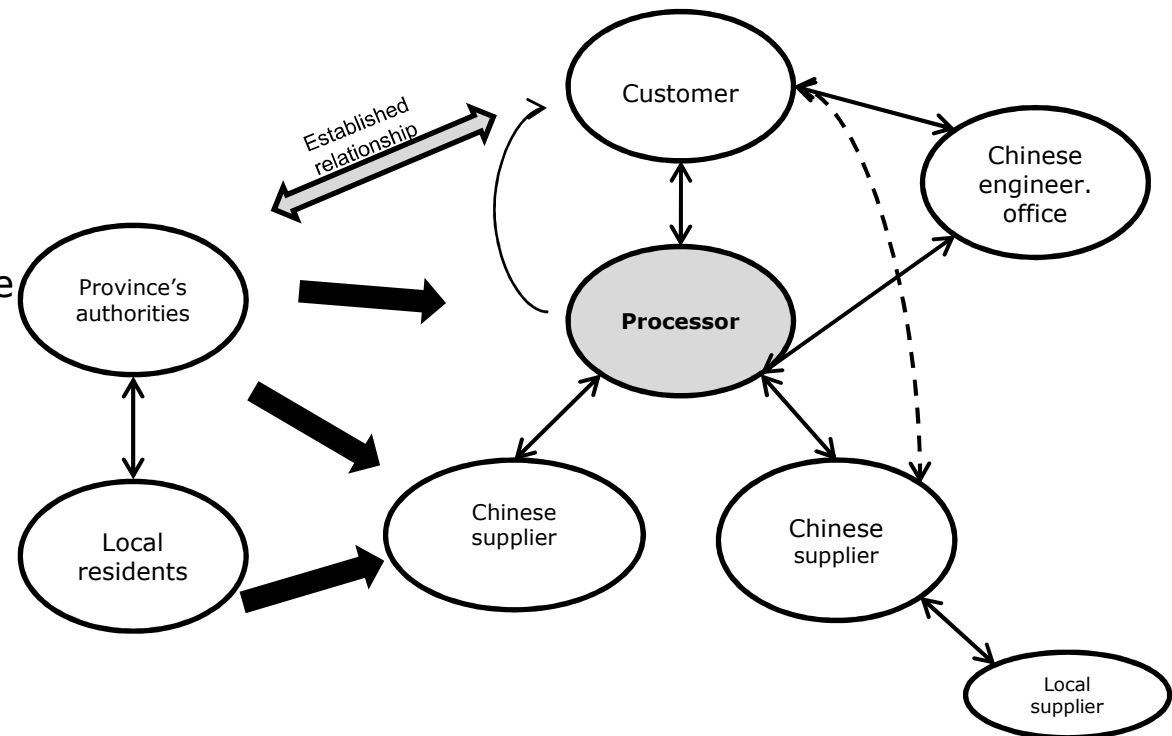
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GPS II: Risk management in global projects



An unexpected event - stakeholder conflict

- Chinese subcontractor's environmental problems in China
- Manufacturing caused emissions, smell, and dust to the local environment
- Local residents' resistance, because of the possible health and other environmental concerns
 - No complaints on other similar operations by another company in the vicinity
- Finnish and Chinese project management's differing sensemaking processes



Unexpected events in projects

- Unanticipated influences from project's environment is a major source of uncertainty during project implementation (Florichel & Miller, 2001; Söderholm, 2008).
- Research has identified differences with regard to coping with and responding to unexpected events (Florichel & Miller, 2001; Hällgren & Maaninen-Olsson, 2005; Hällgren, 2007; Söderholm, 2008)
- The project managers' sensemaking processes preceding the enactment of responses have been treated mainly as a "black box" in previous research (cf. Gioia & Chittipeddi, 1991; Sørderberg, 2006)
- Management's sensemaking processes are most crucial when coping with uncertainty (Weick, 1995)
 - risks are considered as social and multilevel phenomenon, as subjective and unquantifiable, and the role of action instead of decision making as a key way to response to risk is acknowledged (Miller, 2009)
 - The importance of sensemaking approach to risks and uncertainties has been highlighted recently (Winch & Maytorena, 2009).

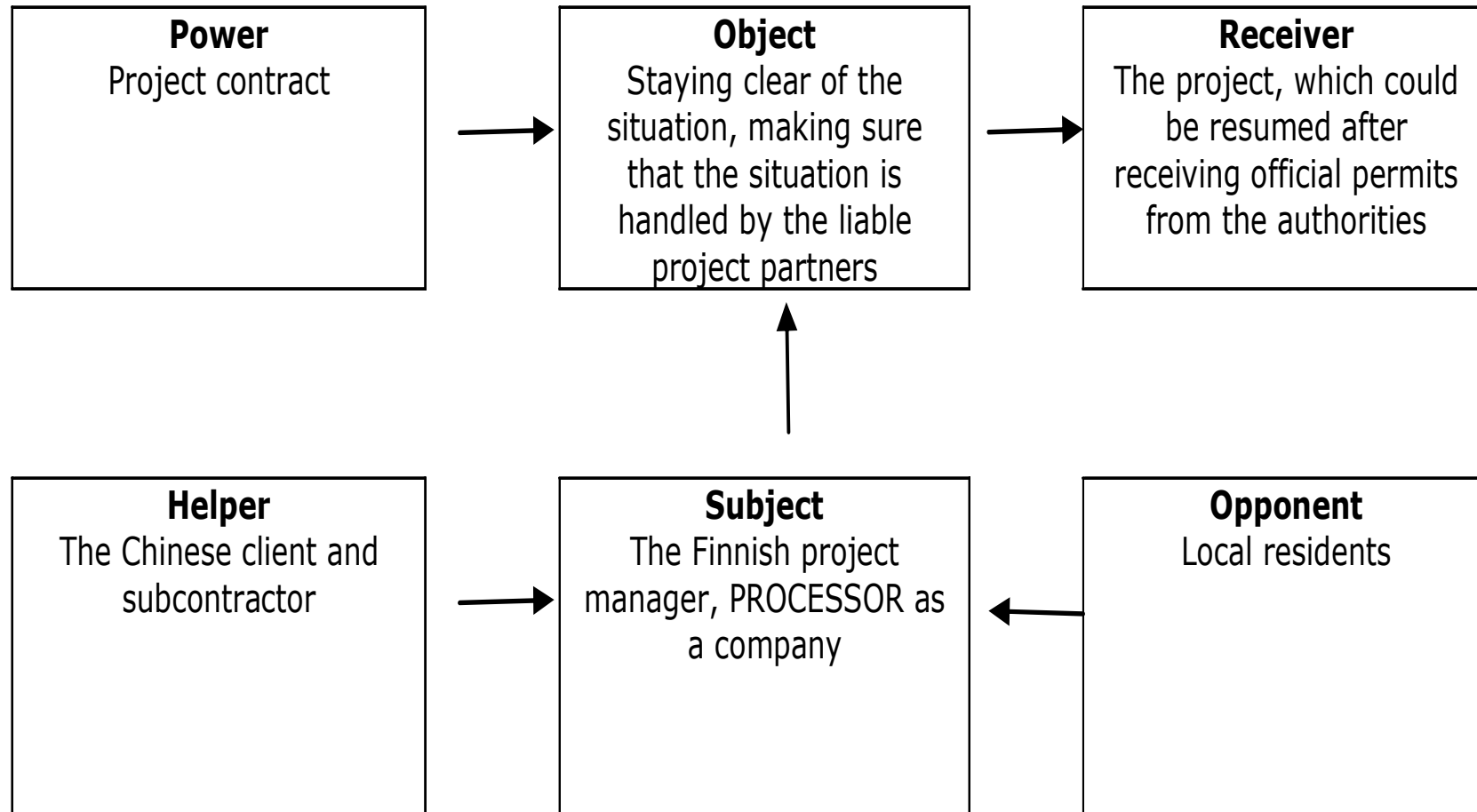
What is sensemaking?

- Generated by the need of individuals to make sense of the unexpected situations occurring around them, and it is fuelled by uncertainty and ambiguity (Thiery, 2001)
- A process in which “people develop some sort of sense regarding what they are up against, what their own position is relative to what they sense, and what they need to do” (Weick, 1999 as cited in Fiss & Hirsch, 2005:31)
- Fundamental process in organizational behavior (Weick, 1988; Weick & al., 2005)
 - Sensemaking enacts (i.e. creates) organizations and organizational structures
 - Organizations and organized activity emerge through sensemaking
- Retrospective

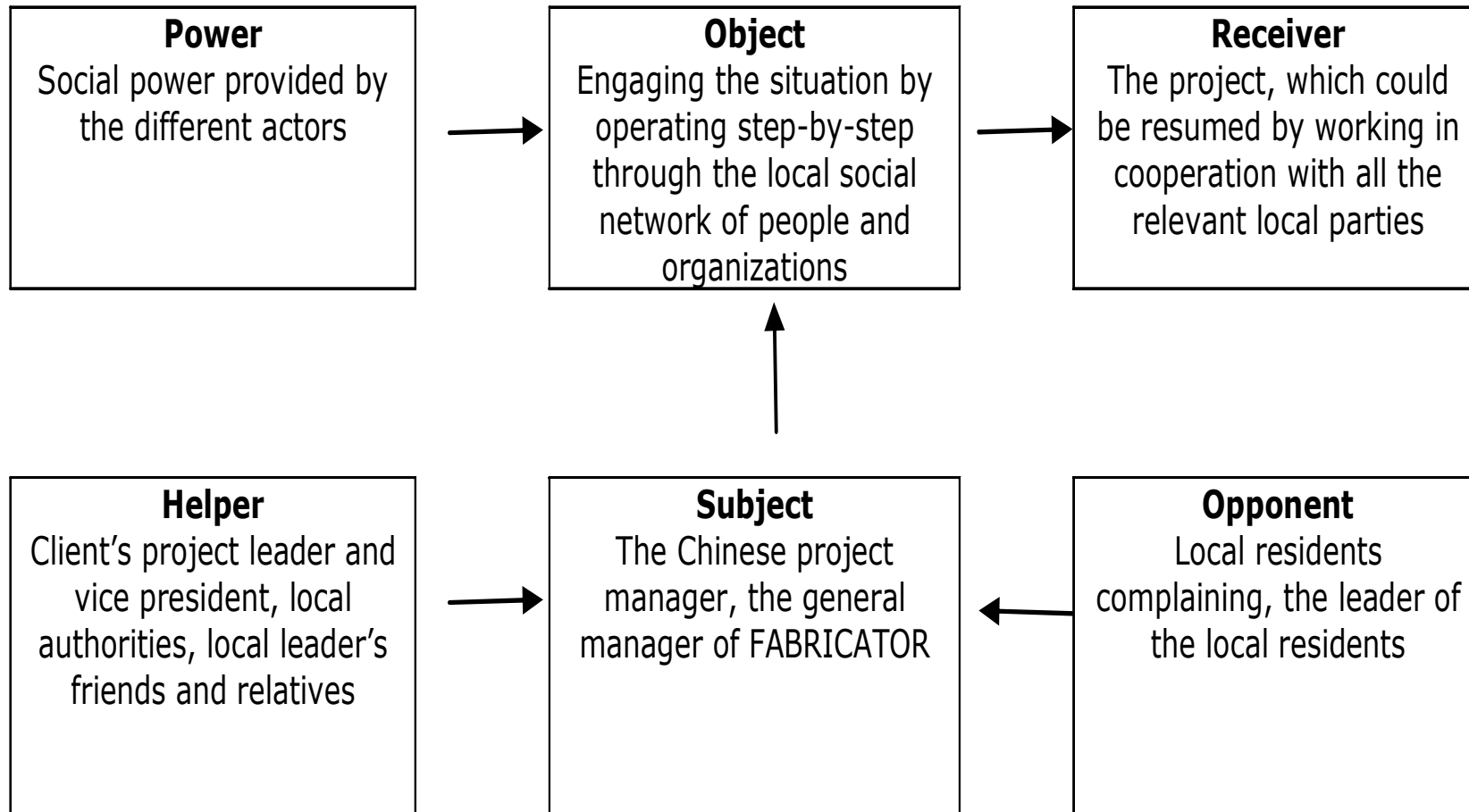
Research setting

- Research focus:
 - Project management team's sensemaking processes that produce responses to an unexpected event
- Context:
 - An international delivery project in China
 - An unexpected stakeholder related event
- Analysis:
 - In-depth qualitative case study
 - Semistructured interviews with narrative interview technique, project documentation
 - Data analyzed by utilizing Greimas' (1966) actantial framework

Structure of Finnish PM's sensemaking



Structure of Chinese PM's sensemaking



Conclusions

1. Subjective, divergent sensemaking within the same project management team
 - Project management might not be a unified actor when coping with unexpected events
2. Subjective enactment of contrasting project network structures, boundaries, and liabilities
 - Finnish PM: Clearly demarcated, formal, contract - based
 - Chinese PM: Blurred, intertwined, social power - based
 - Combination and diversity contributing to coping with unexpected events?
3. Retrospective sensemaking of the causes and progress of the unexpected event
 - Constrains the possibilities for a priori design of appropriate responses

Contributions to project management research

- Highlights the importance of understanding the dynamics of sensemaking processes in a distributed, multinational project context
 - Previous PM research has solely focused on the enacted tactics and responses, thus, neglecting the sensemaking processes producing these responses
 - Individual managers may make contrasting sense of the same situation and organize into contrasting responses for resolving the unexpected event
 - Managers should pay attention to sensemaking processes and to the potentially different interpretations of the same unexpected event
 - Managers could encourage discussions and sharing of the different interpretations within the project team in order to decide whether or not a unified response is needed