Leadership in project-based organizations: Dealing with complex and paradoxical demands

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SUMMARY

Despite the overwhelming amount of attention given by scientists and practitioners to leadership, most theories of leadership have been developed to explain the role of leadership in traditional line organizations, not to explain how leaders deal with complex and paradoxical demands in project-based organizations contexts (Hunt, Osborn, & Boal, 2009; Keegan & Den Hartog, 2004; Shamir, 1999; Uhl-Bien, Marion, & McKelvey, 2007). In this thesis we explored leadership in project-based organizations. We showed how leaders enable project-based organizations to deal with complex and paradoxical demands through adaptive and paradoxical strategies, practices and narratives.

In project-based organizations most work is organized in projects in which people from different functional backgrounds, and often different organizations and geographical locations, tend to come together for a limited period of time to accomplish a shared goal (Keegan & Turner, 2002; Lindkvist, 2008; Lundin & Söderholm, 1995; Sydow, Lindkvist, & DeFillippi, 2004; Turner, 2006). As these projects are instigated to deal with an emergent demand they are well positioned to enable the organization to deal with complex and paradoxical demands.

In this thesis we have focused on the role of leadership in dealing with four paradoxes of organizing in four separate studies. These paradoxes are efficiency-adaptability, exploitation-exploration, integrative-disintegrative tendencies, and aligned-conflicting perspectives. We have identified a number of leadership strategies, practices and narratives leaders enact and construct in order to deal with these paradoxes.

SUMMARY OF THE FOUR PAPERS

Both efficiency and adaptability are crucial for the sustainable success of organizations (Smith & Lewis, 2011). In chapter 2 we explored the role of leadership in stimulating both efficiency and adaptability. An emergent theory of leadership developed to explain how people deal with the complexity of modern day organizing, is complexity leadership theory (Uhl-Bien et al., 2007; Uhl-Bien & Marion, 2009). This theory takes into account administrative leadership in the formal hierarchy of the organization which is mainly focused on efficiency, and adaptive leadership in the informal networks that emerge within and across organizations which is mainly focused on adaptability. Enabling leadership has been theorized to intertwine administrative and adaptive leadership by enabling adaptive leadership through stimulating interaction, tension and interdependence. This role of enabling leadership in bringing together efficiency focused and adaptability focused aspects of the organization is well positioned to shed more light on the role of leadership in enabling efficiency and adaptability. However, the way in which enabling leaders

have been theorized to do this is by enabling adaptability, not efficiency.

In chapter 2 we purposefully sampled 48 project managers, team members, and line managers centered around 20 projects in varied contexts to identify new aspects of leadership in project-based organizations through semi-structured interviews. In one of the first empirical examinations of complexity leadership theory we examined the role of indirect leadership practices in stimulating both efficiency and adaptability in project-based organizations. We informed complexity leadership theory by proposing a shift from enabling leadership, which is focused on stimulating adaptability, to a focus on complexity leadership, which is focused on balancing efficiency and flexibility by harnessing both. We show that complexity leaders continuously aim to approach requisite complexity through the paradoxical leadership strategies of complexity absorption and complexity reduction. We identify indirect leadership practices through which these strategies are enacted and show that these take the form of semistructures. These semistructures affect the complexity of responses through their impact on interaction, tension and interdependence.

In chapter 3 we shifted the focus from the paradox of efficiency and adaptability to the related paradox of simultaneous exploration of new possibilities and exploitation of current strengths in a sub-system, or in other words, the demands for creating and sustaining contextual ambidexterity (Gibson & Birkinshaw, 2004; Lavie, Stettner, & Tushman, 2010; Simsek, Heavey, Veiga, & Souder, 2009). The context of project-based organizations, with its distinct push for both exploration and exploitation at the project level (Keegan & Turner, 2002), has allowed us to show the role of leadership in dynamically achieving contextual ambidexterity at this lower organizational level of subsystems.

We explored the role of leadership in creating and sustaining contextual ambidexterity through 42 interviews with project managers, team members and line managers involved in 17 projects with differences in interaction opportunities. We have shown the direct leadership practices used in interaction to achieve contextual ambidexterity. Building on chapter 2 these results shed more light on the opposing leadership strategies of complexity reduction and absorption. We show that these direct leadership practices affect the complexity of responses through their impact on the complexity of beliefs and the complexity of actions.

Chapter 4 addresses the role of leadership in dealing with the paradox of integrative and disintegrative tendencies through a mixed method study. The disintegrative tendencies of diversity and finiteness inherent in project-based work can pull the project apart, but are also crucial ingredients in approaching requisite complexity. Because of this, leaders should not aim to limit disintegrative tendencies in projects, but balance them with integrative tendencies. In chapter 4 we have shown the leadership practices project managers use to stimulate the integrative tendency of project identification in a mixed method study.

Study 1 of chapter 4 involved 33 interviews with 18 sets of project managers and their project team members from projects with relatively high disintegrative tendencies. In this study we show the integrative and disintegrative tendencies in projects and the leadership practices used to stimulate project identification. The identified leadership practices are mainly aimed at stimulating interaction. In study 2, a survey was conducted among 216 project managers to examine to what extent the leadership practices identified in study 1 are generalizable and explore when these are enacted and to what extent they perceive project identification to be important for the success of the project. The results showed the project managers in our sample see project identification as important for project success. They also perceive identification of their team members to be higher than any other organizational focus of identification, and work hard keep it that way as almost all project managers in our sample enact multiple leadership practices to stimulate project identification. However, the context of the projects emerges as a factor in to what extent they do this.

After this focus on leadership strategies and practices, chapter 5 examines the constructive role of language by focusing on leaders' narratives of complex emergent problem resolution. In this chapter, we explore the role of leadership in the fourth paradox focused on in this thesis, namely that of aligned and conflicting perspectives. Projects are instigated to solve complex emergent issues, and leaders have to deal with many embedded emergent issues throughout the duration of the project. When dealing with these evolving issues many different narratives can be constructed around them.

To analyze the constructive role of leaders' narratives in projects, and specifically complex emergent problems, we conducted 11 interviews with project managers and program managers working on 5 different programs in the Netherlands in which they are often faced with complex emergent problems. We show the storylines leaders construct regarding which groups are more or less important and the tensions between these groups, whether they frame the impact of outsiders as positive or negative, and how they portray the role of conflicting perspectives in complex emergent problem resolution. As the issues these leaders are faced with can be dealt with in different ways, the ways in which they construct their narratives can have a significant impact on the construction and resolution of emergent issues and potentially the success of the project and program.

CONCLUSION

These four studies show the role of leadership in a complex context rife with complexity and paradoxical demands by shedding light on the conflicting and

adaptive leadership strategies, practices and narratives that are used in this context. We show the value of a perspective informed by the complexity sciences and a paradox perspective in explaining how leaders deal with complex and paradoxical demands. Our studies show how leaders accept and resolve paradox by harnessing both paradoxical aspects and iterating between them. We also show the ways in which leaders continuously approach requisite complexity through the paradoxical leadership strategies of complexity reduction and absorption.

Though the temporal patterns of leadership in project-based will be more pronounced because of the finite nature of projects, than in line organizations, the challenges of complexity and paradox inherent in project-based organizing are becoming increasingly important in other forms of organizing. Project-based organizations can be seen as an extreme case regarding challenges such as simultaneously achieving efficiency and adaptability, becoming and remaining contextually ambidextrous, balancing disintegrative tendencies with integrative tendencies and dealing with complex emergent problems. As these challenges are becoming more apparent in other forms of organizing, the results emerging from this dissertation can provide a firm basis for exploring these challenges in other contexts. We hope this dissertation inspires further exploration of the complex, paradoxical and fascinating nature of leadership.