Drawing new cards or standing pat: Antecedents, dynamics, and consequences of project manager replacement

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Abstract: Research on project management in various industries provides clear evidence that the majority of projects – even ultimately successful ones – run into significant problems at one time or other during their development. Determining how to define and diagnose these problems – especially determining which problems are minor and which represent serious threats to the project's viability – is a challenge in any firm. Consequently, organizations have a variety of mechanisms at their disposal to address, and hopefully, correct projects that are experiencing difficulties. One of the most radical is the decision to replace the project manager while the project is ongoing. The decision to replace a project manager 'mid-stream' typically involves weighing the pros and cons of making such a major change to an on-going project against the potential benefits of bringing in a new manager, with a different perspective or set of managerial and/or technical skills. Using a qualitative data collection methodology, we interviewed 19 key informants who had experience as part of project manager replacement efforts in the past. This paper investigates the decision to replace project managers, identifying the critical decision criteria and mechanisms involved in such decisions. We propose a process model, based on our analysis, which identifies the critical antecedents, effects, and consequences of project manager replacement.

Keywords: Project management, project manager, replacement

INTRODUCTION

In August, 2018, London's £17.6 billion Crossrail Project announced the replacement of its former head, Simon Wright, after it was determined that the central section of the project (the Elizabeth line), scheduled to complete in December, would take up to another year before being ready for use. As part of the agreement by which the British government agreed to furnish an additional £650m of funding, Wright was replaced by Mark Wild, the Managing Director of London Underground, who will remain in charge until the opening of the central section of Crossrail. As the most visible representative of the Crossrail project, Wright served as a symbol of the government's commitment to both complete the project and demand accountability for its delays, now expected to stretch out at least two years past the original deadline.

The decision to replace a project manager during the execution phase of a project is one not taken lightly, nor is it likely to have insignificant consequences on the future viability of the project. Nevertheless, in spite of the frequency of such changes (Dubber, 2015) and their potential impact on projects, some budgeted for multi-billions, surprisingly little is known about the reasons for project manager replacement or its consequences. Previous studies that have examined project manager turnover have typically either treated turnover as a voluntary decision on the part of the manager (Parker and Skitmore, 2005) or investigated a narrow research question with a small data set (e.g., Varianen and Pirhonen, 2006), leading to question about generalizability. Thus, Parker and Skitmore (2005) examined causes (demographic, environmental, and organizational) that motivate a project manager to willingly separate from their organization. Issues related to career and personal development, dissatisfaction with the organization culture and project management role, and opportunities in the broader industry were all found to predict this voluntary separation. However, while such research is useful, it has not addressed, in a systematic manner, the mechanisms of

involuntary replacement. How (following what actions or pressures) and why (under what circumstances) are project managers terminated from an ongoing project? How does the replacement project manager assume their role and how effective are their actions shown to be? It was in an effort to understand and answer these questions that we undertook this study of project manager replacement.

Previous research has also failed to address the impact of project manager replacement from the perspective of multiple project stakeholders. It is known from previous research that tapping into the views of various project stakeholders demonstrates different and complementary information and can offer important insights into broadening knowledge of these system mechanisms (cf., Davis, 2014). As a result, while some earlier work has addressed project managers themselves, soliciting their reasons for separating or being replaced on a project, no research has attempted to address this issue through the perceptual lens of other, key project stakeholders and consequently, has failed to triangulate the data. It is critical to recognize that top management, key project clients or customers, project team members, and other important stakeholders will all have their own perspectives on the causes and effects of project manager replacement. Comparing and contrasting these key stakeholders to build a richer understanding of these mechanisms is a critical addition from our study.

The purpose of this paper is to report on an inductive study of the mechanisms that frame project manager replacement decisions and their aftermath. The emergence of the criticality of project-based work in modern organizations has been well-documented in recent years, with some research estimating that fully one-third of the value-added in organizations derives from their use of projects to improve processes, introduce new products, and offer innovative services (Morris, 2013; Schoper et al., 2018). Yet projects, so critical to an organization's bottom line, while permeating operations in numerous ways, are only partially understood as

a dynamic process. This lack of full knowledge of the mechanisms by which projects are best managed is exacerbated when organizations are faced with critical decisions, such as whether or not to replace the current project manager due to unanticipated problems with a project's development. Framing this inductive study within the critical lens of agency theory, we propose that it is possible to understand replacement mechanisms as a multi-level decision process, identifying a set of antecedent 'triggers' for replacement, effects of the actions that new project managers often undertake to promote their legitimacy and begin to 'right the ship,' and final consequences, in the form of the impact their actions have on revitalizing the project and tracing a process for recovery.

THEORETICAL BACKGROUND

Agency theory has long posited an economic view of the stakeholder/shareholder and manager relationship in firms by assuming self-interested, but inherently rational, actors. Agency theory has been used in a variety of settings, both within functional units in organizations (e.g., Eisenhardt, 1985; John and Senbet, 1998) as well as broader sociological settings (e.g., Kaiser, 2006; Mitnick, 1995). Agency theory proposes that corporate actors (agents) are expected to act in the best interests of their principals (shareholders) without regard to self-interest. However, in reality, it is often the case that corporate managers may use their control over the allocation of corporate resources opportunistically in order to pursue objectives not in line with the interests of the shareholders (Jensen and Meckling, 1976). This state is exemplified in the principal-agent problem that occurs when both principal and agent act in a self-interested, utility maximizing manner (Mitnick, 1973). Principal-agent problems can also arise from information asymmetry, because one party (e.g. the project manager as agent) has typically more or better information than the other (e.g. the

project sponsor as principal) (Wiseman, Cuevas-Rodríguez and Gomez-Mejia, 2012). The result is a moral hazard risk, which, unless mitigated, is likely to increase the agency effect (Poblete and Spulber, 2012). Popular remedies to the problem include contracts and incentives that motivate agents to act in accordance with their principals, controlled through related control structures. Corporate and project governance, when designed correctly within the context of the organization, can also minimize the risks and issues associated with agency theory (Turner and Muller, 2003).

Agency theory assumptions are critical in understanding the motivational dynamics that often characterize relationships between project managers and their firm's top management. Agency assumes the separation of ownership and control, which is a fundamental problem in organizations (Jensen and Meckling, 1976). This separation is the result of absent or distant owners/shareholders (i.e., principals), employing professional executives (i.e., agents) to act on their behalf (Eisenhardt, 1989). As principals need to provide agents with some level of decision-making authority, issues related to conflict of interest and moral hazard, due to asymmetric information, may arise (Williamson, 1988). Project managers, as agent, act as an independent decision-maker on behalf of their projects, balancing critical financial, technical, and behavioral variables, all while seeking to maintain positive relationships with a variety of project stakeholders, both internal (e.g., top management) and external (e.g., contractors, regulatory bodies, etc.). Thus, the agency challenge is complicated by the diverse nature of myriad project principals, all with reasonable and compelling needs, which must be effectively balanced by the project manager. When we note that agency theory implies that the principal has difficulties in motivating the agent to act in the principal's best interests, it is critical to reflect that 'best interests' is a shifting and multivariate concept, as research notes the divergent and often competing nature of project stakeholder expectations (Olander, 2007).

As with the research on executive/CEO replacement, agency theory provides a view of the potential triggers (antecedent motivation) as well as the resulting effects from the decision to replace project managers. For example, the position held by the agent within the organization can affect principal decisions regarding retention. Project managers, as agents, are responsible for delivering value while occupying a unique position that affords them decision authority and a degree of autonomy within the parent organization, at the same time making them the key connection to external project stakeholders. In this position, they are often inextricably linked to the project they are running, much as a CEO assumes a similar, high-visibility position as a symbol of the organization they are running (Anantatmula, 2010). From a theoretical perspective, Haleblian and Rajagopalan (2006) posited a three-stage framework identifying the conditions under which CEO dismissal was impacted by sense-making and attributional decisions arising from the board of directors. Thus, whether investigating decisions to replace key executives or project managers, the nature of the relationship between the agent and the organization is often a critical determinant (Toivonen and Toivonen, 2014). To mitigate these challenges, the principal will incur 'agency costs' (Jensen and Meckling, 1976), arising from the need to create outcome-based incentive systems that enable the alignment of agents' and principals' interests (e.g., project performance bonuses). Furthermore, costs arise from implementing monitoring and control mechanisms to govern agent behavior and to prevent agents' abuse of principals' interests. Thus, in the context of project management, agency theory is particularly used to describe the relationship between the owner of a project and its manager (Turner et al., 2010).

Replacing the project manager in an ongoing project suggests that organizations tacitly accept the disruption such a decision engenders. Retrenchment, re-imagining, re-scoping (and even re-thinking) of the project are decisions that are often motivated by extreme circumstances. Moreover, the financial and project stakeholder impacts can be significant and

destabilizing when these decisions are taken. Past research suggests that project manager replacement often occurs in the post-planning phases of the project life cycle, during its development, precisely when the project is most vulnerable, given that activities are ramping up dramatically, budget money expenditures are increasing and the project and its parent organization are experiencing higher risk (Wideman, 2004). As a result, any decision to replace the project manager has huge financial and stakeholder management implications.

In the remainder of this paper, we present the data from our qualitative study: we interviewed a set of key project stakeholders and decision-makers familiar with project manager replacement. Next, we present the empirical framework we have chosen for this inductive study—a dynamic process model of the replacement decision and its outcomes—and discuss other work that has demonstrated its theoretical significance, notably, the literature on CEO replacement. Finally, we discuss our study findings and identify contributions to theory.

METHODS

Informed by Gioia et al. (2012), we followed a systematic inductive approach to concept development. In doing so, we aimed to capture concepts relevant to project manager organizational experience, in terms that are adequate at the level of meaning of people living the experience, and adequate at the level of scientifically theorizing about that experience. The motives behind this approach were to employ an inductive study with qualitative rigour, while retaining the creative, revelatory potential for generating new concepts and ideas.

We employed a structured presentation of both a '1st-order' analysis (i.e. an analysis using informant-centric terms and codes) and a '2nd-order' analysis (i.e., one using researcher-centric concepts, themes, and dimensions; for the inspiration for the 1st- and 2nd-order labelling) which allowed us to report both informant and researcher voices, establishing a rigorous demonstration

of the links between the data and the induction of this new concept and sense giving (Gioia et al., 2012). Therefore, in order to write a compelling and focused account, we draw particular attention to: (1) honouring the worldview of informants, (2) providing sufficient evidence for claims, and (3) contributing to extant theory (Pratt, 2009).

The Guiding Research Question and the Interview

Our approach depends on a well-specified, if rather general, set of research questions (i.e. Why (under what circumstances or following what actions or pressures) are project managers replaced in an ongoing project? How the results of these decisions are perceived; that is, does the project perform better post-replacement than it did prior to the termination decision? How effective the actions taken by the new project manager are shown to be?. Although we employed multiple data sources such as archives and media documentation, at the heart of this study are the semi-structured interviews (Morgan, 1983). Semi-structured interviews were employed to obtain both retrospective and real-time accounts by project manager's experiencing the phenomenon of theoretical interest. The qualitative study involved interviews with 19 professionals directly responsible for project manager replacement decisions and the motives behind them.

Determining the requisite number of qualitative interviews needed to reach 'theoretical saturation' is a challenge, principally because minimum sample sizes for such studies are difficult to determine. That is, there are no clear guidelines for determining, a priori, non-probabilistic sample size for interview subjects. The size of the sample often relies on the complexity of the topic, the number of key variables/constructs of interest, the potential diversity of the population pool, and so forth. Research investigating this phenomenon (cf. Crouch and McKenzie, 2006; Guest et al., 2006) has systematically documented the degree of

saturation and data variability of thematic analysis and concluded that for studies involving relatively homogenous populations, saturation typically occurs within the first 12 interviews and 'metathemes' can be discerned as early as six interviews (Guest et al., 2006). For our study, the research questions, and the sample population, the findings suggested that interviews with 19 subjects was sufficient to develop theoretical saturation.

In addition to the basic assumption that the world is socially constructed, we also agree with Gioia et al., in assuming that "the people constructing their organizational realities are 'knowledgeable agents', namely, that people in organizations know what they are trying to do and can explain their thoughts, intentions, and actions" (2012, p.17). All the interviewees have a key senior managerial role and are involved in project-based work or serving as principals in project consulting firms. The interviews occurred between February and May of 2019 and ranged from 23 to 72 minutes in length. Interviews were conducted and recorded either face to face, via Skype, or over the telephone.

We also paid extraordinary attention to the initial interview protocol, to make sure that it was focused on our research question(s), that it was thorough (i.e. tried to anticipate related issues that we should ask), and did not contain leading questions (e.g. 'Wouldn't you agree that…?') (Gioia et al., 2012). The contacts included 17 men and 2 women. Background experience was very broad, with respondents representing 17 different industries, including oil and gas, aviation, government service, insurance, mining, new product development, transportation, financial services, and so forth. Our study subjects had, collectively, an average of 28 years managerial experience. The sample included individuals whose job titles indicated they were members of key stakeholder groups during their project experiences, including project managers, programme managers, consultants, and top management (project director level or functional head). The interviewees profile is shown in Table 1.

Insert Table 1 about Here

Data Analysis

The interview scripts were transcribed and sent to the interviewees for approval and comments. This process of 'confirmation' and 'checking' acted as a verification stage to reinforce the reliability of the collected data (Chileshe et al, 2016). All the interview transcripts were imported into a qualitative data analysis software package (NVivo 12) and inductively coded. The data was analyzed by following the six-phases of thematic analysis suggested by Braun and Clarke (2012) which include: (1) familiarization with the data, (2) generating initial codes, (3) searching for themes, (4) reviewing potential themes, (5) defining and naming themes and, (6) producing the report. The themes from the interviews were then matched to the relevant literature for comparison, contrast and similarity (Bazeley and Richards, 2000) and provided the grounds for the subsequent cluster analysis.

A combination of Braun and Clark (2012) and Bazeley and Jackson (2013) methods provided the most illuminating and in-depth data for our scope and narrowed down the focus of the paper in relation to the research questions:

1 - Why (under what circumstances or following what actions or pressures) are project managers replaced in an ongoing project?

2 - How the results of these decisions are perceived; that is, does the project perform better post-replacement than it did prior to the termination decision?

3 - How effective the actions taken by the new project manager are shown to be?

To enhance the rigor of our approach to data analysis, we organized data into 1st- and 2nd –order categories to facilitate their later assembly into a more structured form (aggregate dimensions) (Gioia et al., 2012). This mechanism generated the themes (aggregate

dimensions) and sub-themes (2nd order themes) by collapsing or clustering codes (1st order concepts) that seemed to share some unifying features, so that they reflected and described a coherent and meaningful pattern in the data (Braun and Clarke, 2012; Corley and Gioia, 2004; Guest and McLellan, 2003). Therefore, it was noticeable that codes clustered around the 'causes of project manager replacement', the 'effects of project manager replacement', and the final 'consequences of project manager replacement'. Upon examination of these in more detail, we identified that either the codes focused on experiences in being involuntarily replaced as the project manager, or responses to the way decisions were made in order to replace the project manager mid-project. The data structure is shown in Figure 1.

Insert Figure 1 about Here

The NVivo thematic cluster analysis of the 19 interviews produced 998 initial codes. The desired outcome of the coding was to capture both diversity and patterns within the data. However, after shaping the thematic analysis into a mechanism focusing on comparison, contrast and similarity against patterns in the data set (Bazeley, 2013), the cluster analysis unearthed the underlying context behind the enunciations of interviewees, returning three themes (aggregate dimensions) and 12 2nd order themes against those themes less coded (frequency %) in the 19 interviews.

When analyzing the interviews, we found that interviewees' feelings, perceptions and understanding of the topic resulted in three sets of themes (aggregate dimensions) that captured the most important elements of the data: (1) Project manager replacement: a common prevention practice, (2) Replacement as a message for change, and (3) Reestablishing mechanisms and trust in governance through replacement: how the project

size matters. In line with Braun and Clarke (2012), each theme presents a single focus and builds from a previous theme. The results will be considered in turn.

RESULTS AND DISCUSSION

The expanded use of agency theory to analyze a broad array of principal-agent dynamics argues that narrow, neo-economic interpretations based on agents' self-interested and opportunistic behavior limit the theory in its applicability to broader inter and intra-organizational relationships, the pressures that inform on actions taken by agents on behalf of principals, and principal's subsequent response. Indeed, as Wiseman et al., (2012, p.204) have noted, 'agency theory provides an important analytical tool to analyse any situation that involves delegation independent of the particularistic institutional context'. Conflict of interest remains a real possibility when project managers (agents) possess high discretionary authority to pursue project goals in the name of either the sponsoring or contracting organization (principals). Contrasting views and alternative assumptions often characterize the behaviors of these actors, based on divergent stakeholder pressures and the desire to satisfy mutual, often-competing sets of goals (e.g., quality of outcome versus adherence to schedule or budget constraints). To quote Wiseman et al., (2012, p.204): 'From this perspective, convergence and divergence of interests is a dynamic process since both parties may agree or disagree on key issues at different points in their relationship'.

Theme 1: Project Manager Replacement – A Common Prevention Practice

Involuntary project manager replacement is a common preventive action during ongoing troubled projects. Based on the perceptions of the interviewees, the findings indicate that the decision of replacing the project manager is to prevent ultimate project failure due to the chronic inability of meeting basic project targets of cost, time, or benefits realization. In fact,

general beliefs from the interviews consider poor project performance, and therefore the consequent dissatisfaction of key stakeholders, as the main cause of project manager replacement. This is mainly associated with the difficulty of the project manager delivering the expected results, especially in large, complex (risky) project environments. Subjects suggested that the best way to prevent project failure was by taking corrective action focusing on the way the project is managed. Some of the common reasons for involuntary replacement that emerged from the interviewees were associated with both the 'hard' (technical) and 'soft' (interpersonal) skills of the project manager. Recurrent technical issues identified were; the inability to manage workload, project work not being up to standard (deficient quality standards), lack of technical skills, or the need for different skills for work packages. Moreover, issues with interpersonal skills included the lack of relational (interpersonal) capabilities and leadership, relationship barriers and breakdowns, lack of personal and project team motivation, and poor performance as perceived by the client.

Although research suggests that the act of replacing the project manager is commonly dictated by poor project performance and key stakeholders dissatisfaction (Dubber, 2015), it was also perceived that this decision is associated with the strategic direction of the project-based organization. Both social and technical dynamics in projects can change quickly, and the need for balance among those dynamics in order to deliver the promised benefits is a recurrent task for project managers. Projects are social systems, and organization requirements and specifications might differ and change at each phase of the project-life cycle or at various key decision gates. The emergence of new stakeholders, shifting political interests, and key actors in the supply chain can come into play at different points during project development. Therefore, at later, specific points in time, in order to reflect the needs of new social interactions, a new project manager will be judged to be better than his/her

predecessor in managing, monitoring and controlling the context in which these interactions are embedded.

Participants believe that it is common for mid-development project manager replacement to be a planned action, not regarded as a reflexive or sudden event for which the project team and stakeholders were not prepared. The time within the project when replacement is being considered is viewed as a necessary, reflective process in order to avoid, or at least reduce, the event of failure. Client disappointment is seen as the main trigger of the replacement process, where a perceived lack of competence from the current project manager is often flagged. Further, project indicators (e.g. time, cost, quality) will offer clear evidential markers heralding an inevitable replacement point. As stated, the action of replacement has to be planned accordingly, and normally does not represent a great shock among the internal stakeholders, as replacement is often perceived as performance-related, evidence of which might have been in the pipeline for some time. In the rare case of a sudden event, the replacement can create shockwaves as relationships are broken. Table 2 presents an example of sub-themes with illustrative data extracts (direct quotes) in support of the presented findings.

Insert Table 2 about Here

Theme 2: Replacement as a Message for Change

The decision to opt for an internal or external candidate to replace the project manager represents a serious issue for project decision makers. The interviews show that it is commonly believed that something ‘has to be done’ when performance does not comply with the required standards and expectations, and the project manager is seen as the first imputable person to pay for this lack of performance. Although the decision to source the new project

manager internally or externally is very much context dependent – based on participants' experience, feelings and reflections – a common understanding behind project manager replacement is that it provides a strong message for change to project stakeholders and the external world. However, only by understanding the nature of the changes that the organization aims to embrace would it be possible to understand the decision for how candidates for replacement are sourced. Specifically, the underlying assumptions behind the interviews show that the replacement project manager is likely to be internal to the organization for *transitional* changes or, external to the organization for *transformational* changes.

If the goal of top management is to minimize disruption through a smooth transitional change aimed at taking corrective action to bring the project back on track, it is common to find the new project manager being internally sourced (within the organization). This decision, according to the majority of the participants, represents the most time and cost effective solution, and is therefore the less risky, as most organizations often have a pool of skilled project managers already familiar with the environment within which the project operates. Consequently, it is believed that sourcing internally will speed up the recovery process, by replacing the project manager with someone already involved familiar with the project management systems and processes and embedded in the organization culture. This decision is commonly viewed as 'less traumatic' and safer for all other project team members; that is, new external project managers are often seen as representing a threat to the project team through the potential for more wide-spread and disruptive shake-ups. On the other hand, the new, internal project manager is often judged to be a more cost-effective solution, and the best option to overcome and mitigate relationship barriers and breakdowns. Both the project team and top management are more likely to collaborate with a familiar face from the internal existing organization.

There are also cases where the interviewees experienced external project manager replacement mid-project. Sometimes project requirements and/or its social dynamics did not match with the existing skills available within the organization; therefore the replacement project manager had to be contracted externally. However, the majority of the participants recognized that sourcing externally is often associated with the desire to bring major transformational change; that is, to have an unbiased perspective aimed at disconnecting with the way the project was managed by their predecessors. A final goal is to send a strong message to the client and stakeholders in order to change the way people work, re-build credibility and motivation around a project deemed to be failing. In both cases, either the transitional or the transformational process has to be accompanied by a planned and well-organized handover.

The Handover Process – Key Steps and Sourcing Decisions

Handovers are recognized as being complicated, requiring careful planning and management in order to be as minimally disruptive as possible. The aim is to ensure business continuity while forming a constructive environment for the new project manager to be effective. However, evidence suggests that there is no common agreement on how the handover process has been (or is actually) undertaken and managed in projects (Dubber, 2015; Vartiainen, and Pirhonen, 2006). In fact, participants in our study have experienced a mix of negative and positive handover events depending on a variety of factors, including the type and stage of the project, organization culture and the firm's appetite for change, sponsor pressure, and the urgency of the replacement itself. There were, however, some common beliefs on how the handover should be handled: 1) It should be well planned, following a structured process to assure a smooth project management transition; 2) The organization should publically

support the new project manager, without underestimating the value that the old project manager brought in this transition. That is, depending on how the handover is presented, it can appear either chaotic and 'ham-fisted' or carefully considered – even orchestrated; 3) Senior and executive management has to support the project taking a step back, having a collaborative overlap between the old and new project manager, and entering a brief 'reset' period; 4) There is a need to onboard the new project manager carefully in order to acknowledge a clear picture of the current situation of the project, understand the team's perspective, and repair both morale and stakeholder relationships. This process requires time, open and honest communication, and the willing collaboration of the old project manager over a short (but fundamental) period of time.

The willing cooperation of the replaced project manager plays a crucial role in the 'acceptance process' in which the new project manager is called to participate. This offers a new and interesting dynamic in project governance. While the new project manager is attempting to build a rapport, the project team is forced to recognize and adapt to a different way of working under new leadership and management styles. In this setting, replaced project managers can get defensive about their legacy, leading to a tacit or even overt resistance to the transition, often accompanied by enlisting support from other team members. The lack of collaboration from these key players might, as a consequence, result in the loss of documentation and relevant (transparent) information vital for the new project manager in affecting positive change for the project. Handover involves a sometimes steep learning curve for the new project manager. Successfully navigating this learning curve is on one hand very dependent on the support given by top management to the new project manager and, on the other hand, the trust and collaboration determined by the professionalism of the replaced project manager. Subjects agreed that if these conditions are in place, a smooth transition will support a corrective course of actions from the new project manager.

Regardless of the project manager being sourced internally or externally to the organization, interviewees elucidate commonalities in the type of actions that the replacement project manager usually takes when replacing the previous one. These actions can be summarized into:

1) A Process of Inquiry – The replacement project manager has been taken on board in order to stimulate some sort of change in the project. This inevitably requires a period of information gathering, whose length depends on the complexity of the project and communication barriers the new project manager may face with different and interrelated stakeholders. Therefore, this stage is highly dependent on the time (usually less for internally sourced project managers) and resources (usually higher for externally sourced project managers) that top management allocate to this transitional stage. There are many actions associated with the inquiry process, and all are aimed at assimilating and assessing the current situation of the project. Before entering into the technical details of the project (e.g. audits, safety reports, and a check of basic parameters such as budget, schedule and quality), the project manager usually finds opportunities to familiarize themselves with the culture of the organization, observing the way of working and how the correct vision for the project has been transferred (or not) into key players. Critical, recurrent actions include: finding out what the client knows about the project's status, what the objectives are and what the project aims to achieve, all with the intention of determining the underlying cause of the real problems and risks. The aim is to make well-informed decisions focused at reassessing the project plan and milestones, based on the identified areas of improvement.

2) Reassurance – After building up a project situation picture, the new project manager is likely to undertake a reassurance stage. The intention is to rebuild confidence among key project stakeholders through a systematic series of interactions. Honesty and transparency are recognized as key elements in building effective high performing teams and regaining

confidence from a non-performing project (Akkermans et al., 2004). The new project manager will therefore aim to win stakeholder trust, by reassuring people and the project team through understanding their perceptions and needs. Subsequent actions are motivated by the desire to transmit the right vision for the project and serving as the glue that holds the project together. By understanding all project implications and related risks, listening to different actors, and being fully aware of their responsibility, the replacement project manager can be the single source pulling all the project stakeholders in one direction with the aim of achieving a successful project recovery process.

3) Revalidation – Revalidation activities are the most challenging stage of the transition process, as bridges with old management are now broken, and it is expected that the new project manager will begin to take corrective action. To this point, replacement dynamics were aimed at smoothing the transition; however, it is during revalidation that new goals or project team expectations are being clarified and implemented. Thus, clashes are likely to happen (stronger in transformational changes) as new directions are given to the projects. The 'people side' of the temporary organization might be affected as resources will be reallocated in order to rework the project. The project scope might need to be redefined based on the current needs of the organization, and a strong project governance system also has to be re-established. Nevertheless, key performance indicators will be put forward in order to activate a revalidation process of current milestones and deliverables. Actions have to be taken quickly, as the project aims to get up to speed by getting more work done in a shorter period of time. Resource requirements have to be revalidated, such as changes to the project schedule or budget. The project has taken a forced backward step, which usually requires extra budget and time permissions from stakeholders. It is therefore essential that the replacing project manager consolidates the new strategic direction by entering a final 'controlling' stage.

4) Control – The process concludes with a stage where the project manager's activities are focused on improving and refining project performance through controlling actions. The new project manager has to demonstrate value to the client and team by implementing and consolidating changes. The modified course of actions from the new project manager are likely to affect the entire project environment, from the strategic to tactical level; therefore, this stage has to be carefully aligned with the organization's objectives to be effective. Subjects noted that a lack of control from the previous project manager was a common reason to explain deviations from the original plan, and the new project manager is thus naturally inclined to establish a better control process. The new project manager aims to takes full control and leadership of day-to-day project aspects and establish a structured monitoring and control mechanism. Actions are mainly focusing on controlling project documentation and communication flow among key stakeholders. Extra meetings are often requested at this stage, in order to give direction, check where people are and reinforce where the focus needs to be. Likewise, communication flows are often rapid and multi-channeled, not only for parallel tracking to keep forward momentum of project activities, but also to alleviate any concerns about the project. Table 3 presents an example of sub-themes with illustrative data extracts (direct quotes) in support of the presented findings.

Insert Table 3 about Here

Theme 3: Reestablishing Processes and Trust in Governance through Replacement – How Project Size Matters

The interviews reinforced a significant body of research evidence highlighting the crucial role played by the project manager in achieving project success (c.f. Anantatmula, 2010). The project manager is considered the figure that fosters an open culture through influencing skills, inspirational leadership, and exceptional communication abilities. The majority of the

participants recognized that the project manager is the one setting the objectives and tone for the project, orchestrating its delivery from start to end. The project manager has to be skilled and knowledgeable about the industry within which the project operates and these skills have to be reflected in a meticulous and professional approach focusing on the delivery of the planned outcome. Indeed, it was noted earlier that a perceived lack of these skills can be the impetus to trigger the project manager replacement mechanism. Moreover, a deeper analysis of participants' feelings, perceptions, and beliefs led to a clear distinction regarding the negative and positive consequences of project manager replacement mid-project. This distinction was evident when participants spoke about their experiences in large and complex projects or, on the other hand, in less complex but lengthy projects.

Negative connotations about project manager replacement mid-project were more evident in shorter project developments of two years or less with budgets of $10 million or less. The project manager replacement in such undertakings is often perceived as not being fully effective for improving project performance of a troubled project. Recurrent themes associated with the main drawbacks and consequences of project manager replacement are the disruption that such replacement creates on time and budget constraints. By nature, the interviewees suggested that, in their experience, smaller size projects encountered proportionally larger increases in time and budget compared to larger scale developments and any small deviations from the original plan might threaten project viability. In such projects the decision to replace the project manager has led to cases where cost and schedule overruns increased due to the initial step backwards. The resources drained by this required phase of project manager replacement are often associated with contractor variations and unnecessary reworking of activities.

Regardless of the project type, negative consequences from project manager replacement mid-project were also highlighted in the way that stakeholders and team relationships were

destabilized. The act of replacement was viewed as unavoidably creating negative impressions of the project team, while increasing the risk of adopting a blame culture, all making it harder to pick up and rebuild the team within the expected recovery time. Subjects noted that the relatively limited duration of the project would inevitably force the new project manager to focus on ‘what really counts’, often compromising the balance of managing both the technical and social issues around project recovery. Post-replacement, the client often sets high expectations for the new project manager, who is expected to react quickly to client requests or risk beginning the relationship on a negative footing. It was noted by several subjects that the clients enjoy a temporary power advantage that allows them to influence the immediate agenda for the project. It is not uncommon for the new project manager to assume a ‘reactive’ default position, showing immediate support for their promotion, rather than adopting a more aggressive ‘way forward’ for leading and managing day-to-day project activities. Thus, the initial focus is often given to reestablishing the target parameters of time, budget and quality as dictated by the client, which might cause the project manager to overlook the social/behavioral aspects of the project, such as reestablishing trust in the governance structure and understanding stakeholders’ needs and expectations through an appropriate engagement level.

The qualitative study demonstrated that replacing a project manager results in initial impact on both time and budget constraints. However, it is also recognized that an effective replacement will pay off in the long run, by speeding up the delivery of project activities through better resource utilization. The replacement results in more effective project performance when changes are made at project gates or stage boundaries, so the impact on contractors is minimized. Here, the replacing project manager can start to rebuild processes and stakeholder confidence with the attempt of rescuing the project from forecasted failure.

Table 4 presents an example of sub-themes with illustrative data extracts (direct quotes) in support of the presented findings.

Insert Table 4 about Here

Managerial Implications

This paper set out to undertake an analysis of the dynamics of project manager replacement during project execution. Using a qualitative research method and framed within the perspective of Agency Theory, this study interviewed a number of senior executives with project-based work experience, either in their capacity as project manager, senior (top) management, consultant, or project client. The structured interview methodology sought to understand the antecedents of the decision whether or not to replace the project manager, as well as the consequences of this action. In this way, a model could be developed both of the project manager replacement process, as well as richer, interview data that helps develop an understanding of the myriad factors in the process and based on how the decision is made and the likelihood of its subsequent success in turning the troubled project around.

The findings offered some fascinating insights into the dynamic of mid-development project manager replacement. The qualitative analysis and interviews allowed us to proffer a process model of project manager replacement. Figure 2 shows a process diagram of cause and effect relationships among the key variables. Based on the interviews, a series of dynamics is posited that form the decision chain for project manager replacement, suggesting that preconditions or causal factors (antecedents) combine to create significant stakeholder disaffection and the subsequent decision – subject to moderator influence – to replace the original project manager. Of particular note, our study also elucidated the critical steps that the new project manager frequently undertakes in order to take control, assuage key

stakeholders, and begin a series of remedial steps designed to bring the project back on track. Although some past research has examined parts of this causal chain (e.g., Dubber, 2015), no work to date has explored the broader sequence, including antecedents, replacement dynamics, and consequences.

Insert Figure 2 about Here

It is interesting to observe the commonalties between the findings and the earlier noted parallels with the CEO replacement literature. We saw that the primary reasons for replacing CEOs were identified as: a consequence of performance, a consequence of fit, and to serve as a symbolic message of the organization's commitment to change. Our study demonstrated clear similarities to this response pattern writ smaller, at the project level. Thus, interviewees noted the clear link between project performance and replacement, a lack of necessary technical or administrative fit and subsequent project manager replacement, and the sometimes necessary decision to replace a project manager in order to send a clear signal both within and external to the organization or a shift in direction or culture.

Limitations and Directions for Future Research

It is important to note that the model does not specify relative importance weights among these predictor criteria. That is, the model does not argue that certain constructs weigh more heavily on the replacement decision than do others. Past research (e.g., Cannella and Lubatkin, 1993; Zhang and Rajagopalan, 2004) has suggested that the decision to replace key executives is moderated by several factors, including industry type, firm size, project budget and planned schedule, and source of replacement (internal vs external successor). Future research could employ the model in a field study to weigh the replacement decision against the backdrop of external circumstances. Does the relative weight of the predictors of project

manager replacement vary depending upon type of project (e.g., construction, pharmaceutical, IT, new product development), the types of external stakeholders (e.g., government versus private sector clients), the degree of commercial or political pressure on the project organization, and so forth. The subjects noted that size of the project (budget and duration) had an effect on the decision process for replacement, with larger projects more likely to absorb project manager replacement than would smaller projects, for which replacement and the subsequent actions of the new project manager could have more significant short-term negative effects on the project in terms of rework and project stabilization. Moreover, participants in our study experienced a mixture of negative and positive handover events, depending on different features, such as the type and stage of the project, organization culture and its appetite for change, sponsor pressure, and the urgency of the replacement itself.

Our research also points to additional avenues for further investigation. For example, although the majority of the respondents have shown poor performance as the main cause of project manager replacement, future work should look at 'replacement due to specialization;' e.g. in organizations such as Royal Dutch Shell or the Ministry of Defence, replacing a project manager is built on how an organization works. In large scale projects, these organizations tend to have project managers who specialize in a particular part of the project life cycle, and the strategy is deliberately built into the replacement of a project manager. Or, similarly, replacement happens because the organization needed that person in another part of their organization. Here, the replaced project manager is assumed to have the required skills to lead a specific part of the business. This decision may not be triggered by past poor performance, offering a positive reason for change rather than a negative one. Finally, it would be also interesting to investigate the difference in replacement decisions resulting from voluntary versus involuntary separation from the organization, because involuntary leaving is

often linked to task execution-based replacement while voluntary leaving may focus on like-for-like replacement. Overall, future research should continue to investigate these predictor criteria, potential moderators, and their relative impact on replacement decisions.

The decision to replace the project manager during the execution phase of a project is one that should never be taken lightly. The combination of administrative, interpersonal, technical, and organizational factors subject to upheaval during such a replacement explain why many organizations are hesitant to make this decision, opting instead for costly rework cycles after the fact. Further, the theories of escalation of commitment (Staw, 1981) and sunk costs (Garland, 1990) argue that choosing whether or not to take the major step of replacing a project manager remains one clearly resting in two decision arenas: technical project considerations as well as behavioral theory. Developing a clearer understanding of the process dynamics and well as the benefits and drawbacks of project manager replacement can aid organizations in making more clear-eyed decisions as they weigh present pain against future advantages.

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Table 1: Interviewees Profile

ID	Interviewees	Years of Managerial Experience
INT.1	Director and Advisor	25 years
INT.2	Director and Audit Chair	48 years
INT.3	Programme Manager	38 years
INT.4	Project Consultant	28 years
INT.5	Programme Manager	32 years
INT.6	Senior Executive and Director	32 years
INT.7	Project manager	17 years
INT.8	Chief Executive	34 years
INT.9	Project Consultant	26 years
INT.10	Programme Lead	15 years
INT.11	Project manager	20 years
INT.12	Project manager	24 years
INT.13	Director and Consultant	31 years
INT.14	Director and Consultant	30 years
INT.15	Chartered Assessor and Programme Manager	25 years
INT.16	Programme Manager	28 years
INT.17	Programme Manager	26 years
INT.18	Project Consultant	13 years
INT.19	Programme Manager and Consultant	40 years

Table 2: Illustrative data extract (direct quotes and percentage of sub-themes coded)

Theme	**Sub-theme** *Frequency %* ***44.35***	**Sub-theme** *Frequency %* ***20.00***	**Sub-theme** *Frequency %* ***26.95***	**Sub-theme** *Frequency %* ***8.69***
	REPLACEMENT AS A PERFORMANCE-RELATED ACTION	***TRIGGERS FOR INVOLUNTARY REPLACEMENT***	***REPLACEMENT AS A STRATEGIC PLANNED ACTION***	***CONTEXT-DEPENDENCY OF REPLACEMENT***
Project Management Replacement: A Common Prevention Action	Quite often I am the one that has been the replacement and have been brought in to basically fix a project or a programme and bring it back on track […]. Sometimes it's just enforced (the replacement) and it happens because things have got so bad and the sponsor or some other senior person says 'look this just isn't working, we need to get somebody else in (INT.14). When there is a decision it tends to be positive because you do not force a replacement on someone that is doing well, you force a replacement on someone not performing well. (INT.7)	I think that our own leadership lost faith in or were concerned with the pace at which the project was being managed, and they were concerned with the feedback that they were getting from our client. (INT.12) He thinks he is doing great (the project manager) so I have spent a bit of time explaining to him he's not doing great but he still thinks he's doing great so what I am about to do is just move him off and put him somewhere else because he is causing so much damage but his level of self-awareness is zero. […] His team are completely stressed because they are all running around chasing their tails and the way I realized that was going on was because the overtime bill had gone through the roof. […] He is not managing his stakeholders to ensure that there is at least some warning about what is required. (INT.6)	I think that could be a very positive thing, changing the project manager to suit that audience as the project goes on and obviously, I think the other thing is that there are people who albeit might be good project managers at launching and not so good at executing or completing. So, I think there is that. Organization strategy behind replacement. (INT.9) I think different people work much better at different phases of a project. Right through from those who are rather better at seeing big picture and opportunity and scope in front-end, through to those at the back-end of a project who are much better at finalizing delivery and transfer to operations. […] It's largely down to them (the PM project manager not being the right person in the right role at the right time. They weren't the right fit for the role as was needed (INT.13)	I think it happens more often (the replacement) on the longer-term projects. Short term projects where I have been involved in 6 months to 12 months or 2 years projects are normally for the duration. Individuals don't tend to change, sometimes unfortunately at the detriment of the project. (INT.17) It really depends because if the client doesn't get on with the project manager and has requested it (the replacement), you are doing it to please the client. If it's an internal aspect because you think something's is going wrong, you are protecting the company itself, not only in money but also in name. (INT.1)

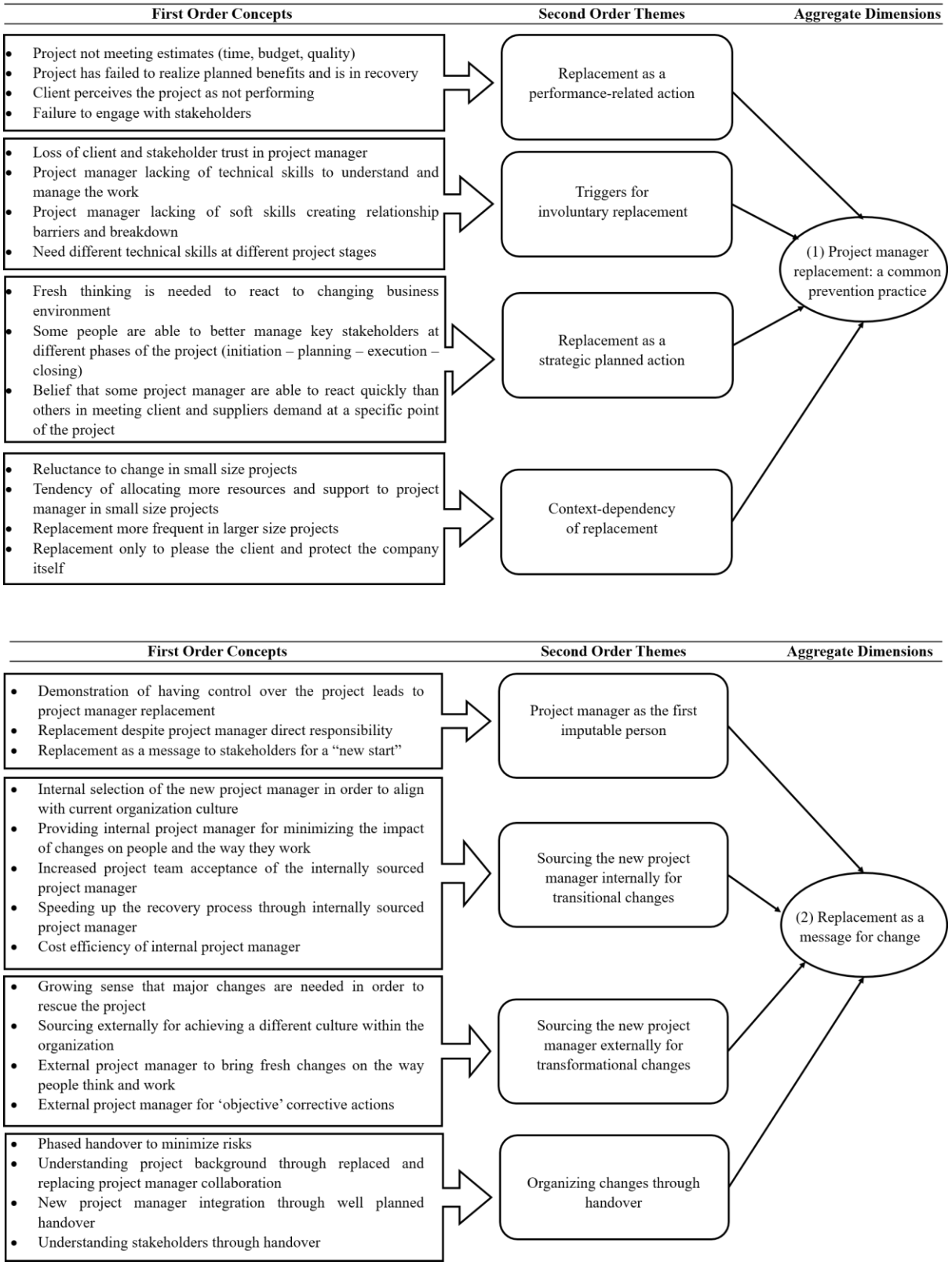
Table 3: Illustrative data extract (direct quotes and percentage of sub-themes coded)

Theme	**Sub-theme** *Frequency %* ***10.71***	**Sub-theme** *Frequency %* ***25.00***	**Sub-theme** *Frequency %* ***16.07***	**Sub-theme** *Frequency %* ***48.21***
	PROJECT MANAGER AS THE FIRST IMPUTABLE PERSON	***SOURCING THE NEW PROJECT MANAGER INTERNALLY FOR TRANSITIONAL CHANGES***	***SOURCING THE NEW PROJECT MANAGER EXTERNALLY FOR TRANSFORMATIONAL CHANGES***	***ORGANIZING CHANGES THROUGH HANDOVER***
Replacement as a Message for Change	I think it's a big decision to make (the replacement). I think changing the project manager was a demonstration to their stakeholders that they were getting a grip of the project and had to do something different. (INT.19) Well, also given that the project has performed poorly, even if it's not the project manager's fault, if that person is no longer the right person to recover it from the situation, then they would have to go, because you need the right person to recover it, even if it was not their fault. […] At times some people would use it in the way to show that there's a sort of fresh start. (INT.2)	If you're taking a person from outside it's much more time consuming, let's be very open to the fact that once a new person comes in, he needs a little bit of a runway to understand the process, you need to do a little bit of hand-holding, you need to give a little bit of room for mistakes and, mostly important, the tolerance level on a project which is intense with stringent timelines is very less (INT.10) If you have enough resources internally then that can be the best solution because you can grab them (the project manager) quickly and they probably know something about the organization. […] So yeah, generally you need internal knowledge as well as somebody you can rely on for programme management. (INT.2)	And let's face it. If you are an employee and you know that in order to succeed in your project you have got to go and change some quite senior people; that could be damaging for your career. As an external consultant I don't care about challenging. I will do whatever I need to do to fix a project. And if that means treading on a few toes then I will do it. (INT.14) I have replaced 3 of the 5 project managers. […] I would have looked externally for at least one of them because I wanted different culture and different characteristics and different learning from an organization that has bred most of its own project managers who are long term employees (INT.13)	It was done [the handover] in a way where we did not kind get rid of the person at once; we did it in a phased manner so he [the replaced project manager] arrived to cover the project. I was working with him alongside him. Obviously, I needed to understand the background, right?. (INT.10) Gathering information is critical. Where are you, the status of the project and that's about talking to people, whether it's within the team, the client, the sponsor, the suppliers, whoever they might be around you; get the information in. […] Being honest, being transparent, this is the situation, this is where we are, this is what we need to reflect and change, move on. (INT.17)

Table 4: Illustrative data extract (direct quotes and percentage of sub-themes coded)

Theme	**Sub-theme** *Frequency %* ***38.71***	**Sub-theme** *Frequency %* ***32.26***	**Sub-theme** *Frequency %* ***11.29***	**Sub-theme** *Frequency %* ***17.74***
	IMPORTANCE OF THE PROJECT MANAGEMENT ROLE	***POSITIVE CONSEQUENCES FROM REPLACEMENT***	***NEGATIVE CONSEQUENCES FROM REPLACEMENT***	***EFFECTIVENESS OF REPLACEMENT BASED ON PROJECT SIZE***
Reestablishing Processes and Trust in Governance through Replacement: How the Project Size Matters	The role of the project manager is critical. Absolute critical. Project manager sets a tone for the whole project […] his management style sets the culture whether it's an open culture or whether it's a bombastic culture. I think it's very, very important. (INT. 19) The project manager is the glue that gels all project aspects together. They have the ability to switch between the helicopter view and the depths of details if necessary. They can engage and motivate all stakeholders. Someone who is honest and open, steps in to resolve issues and covers everyone's back. A team player and inspirational leader. (INT.15)	I have replaced or seem them (the project manager) replaced and it has been the right decision. It's not been like an immediate thing and the process requires times and it becomes obvious that the weak points of the programme had to be recovered and you need to do it. […] But it's not something you do lightly because it is disruptive in itself, so the recovery opportunity has to be much bigger than the disruption you're causing by making the change (INT.2) A qualified project manager was brought on board, carefully integrated with a proper handover and the immediate phase after that has not really been impacted in terms of deliverables but the project has then sped up as a result and actually the feedback from the business and the project has been really positive. (INT.9)	It delayed progress because we had to stop and explain stuff and rework stuff and talk to boards, talk to vendors, set up extras meetings so it was a bit of a hiatus, yes. […] You are used to communicating with somebody and all that changed. (INT.4) I think it will take a while for people to adjust to new style of working. I think that many of the behaviors that were good for the project will also change as well as those which weren't good for the project. And so I think when you change everything you change some beneficial aspects as well as the non-beneficial ones (INT.19).	I think in short projects (2 years of less) that are normally fast acting or quick in terms of delivery, it is lost in the noise the need to change a project manager. That is because the rump up time for getting a project manager up to speed and actually re-establishing a suitable relationship with the client or with all parties, is quite hard to do and it's a trust-building process that requires time. […] and in a short-term project, there is not enough time to do that. (INT.17) It requires time to bring up to speed a new project manager. He needs to understand again about the project, he needs to familiarize with the key stakeholders, he needs to familiarize with the status of the project. If you have got a 1 or 2 years project, and you come at the end of year one, you don't know what has happened, you don't know the problems, the challenge. (INT.11)

Figure 1. Data Structure



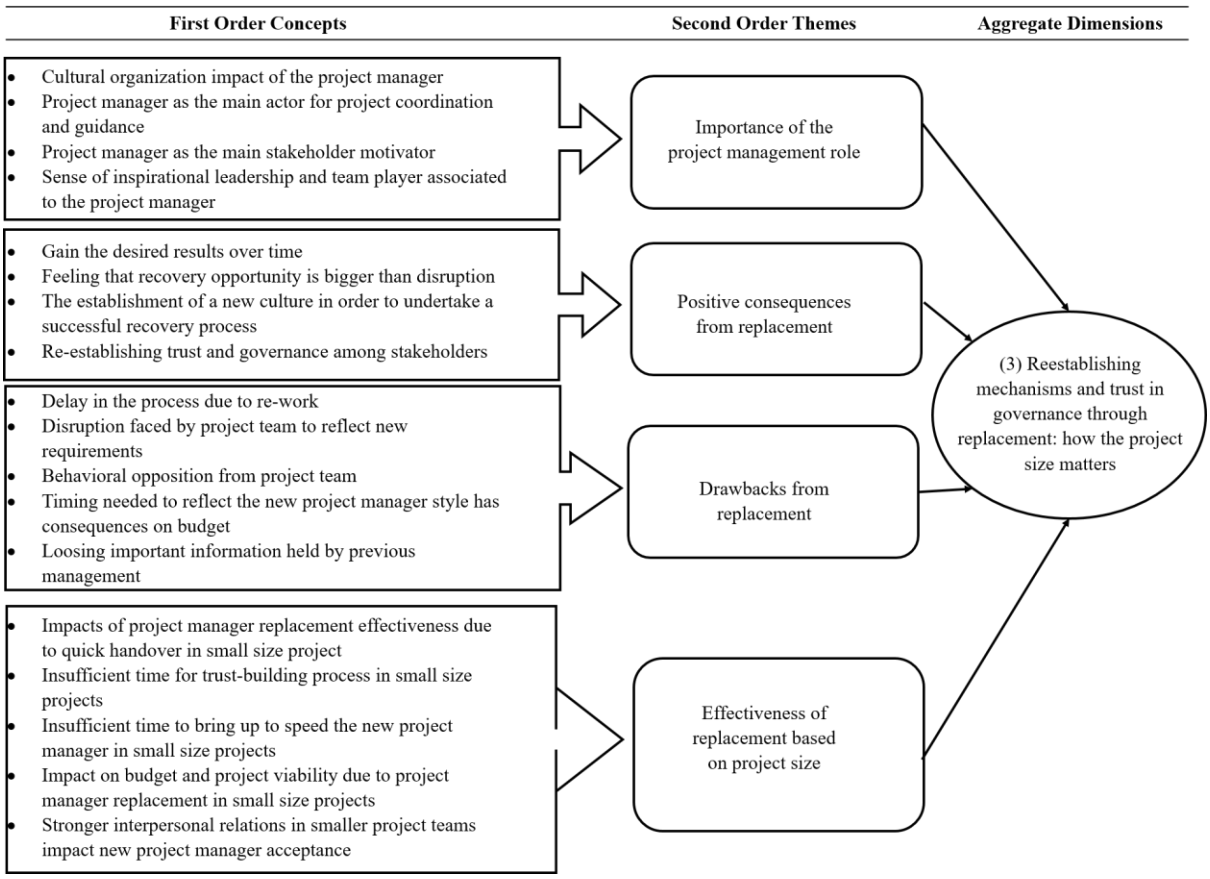


Figure 2 – Project Manager Replacement Process Model