

# Asset or Problem: Decision Making and Strategic Ambiguity in Mega Projects

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## Abstract

In mega projects, the project phases from the initial planning stage to implementation stage can be spread more than twenty year. In this long period numerous external changes occur which will effect on project directly or indirectly. Major factors are political conditions of the country, technology, financial conditions, labor and all working conditions, land and other market conditions will change in long run during the implementation of mega project. A lot of unforeseen events will occurs, these unforeseen conditions, realization and resources causes the different output as compared to expected outputs in the mega projects. That's why the planning of mega project is most strategic decision making moment in the life of organizations. So, it's the responsibility of the project managers to keep the mega and complex projects as simple and flexible which can be adjustable in unforeseen condition. In this study the planning of mega projects is explored. The planning of mega projects is most important and organizations must have too kept in consideration the unforeseen conditions in their planning and decision making process. Mega and complex project have different uncertainty and ambiguity factors which can be minimized by taking rational decisions.

**Keywords:** Mega Projects, Project Planning, Rational Decision Making, Strategic Ambiguity and Project Uncertainty.

## Introduction

### Decision Making in Mega Projects

Globalization has rapidly change the nature of projects. Now organizations move from smaller size projects to mega projects. Organizations have change their project processing approach from traditional to scientific by using different project management software's. Introduction of new technologies in the mega project make easy and more facilitated to project managers to motivate both management and organizations to take step forward as the initiative steps of mega projects. Organizations now think about the new dimensions those are causing to motivate them to enter in the mega projects. A number of mega projects have been increasing rapidly all over the world (Ponzini, 2011; Rizzo, 2013).

As the number of mega projects increasing they will also create the problem of handling mega project because in mega project the complexity and chances of increases due to the increase the number of different integrated activities and processes. Organizations have to manage their projects through rational decisions and effective planning (Salet, Bertolini, & Giezen, 2012). The complexity have been increased in the mega projects and they have creating the uncertainty and also increases the chances of errors during the implementation of mega projects. That's why organizations needs to make a comprehensive plan to implement projects smoothly.

KISS ('keep it simple, stupid!') is the new emerging technique which is followed by the project managers during planning of their mega project to handle their projects simply and remove the complexity and uncertainty from their projects (M. Giezen, 2012; M. Giezen, Bertolini, & Salet, 2015). KISS is the closed project planning approach because the objective of this approach is to identify and follow all the set of predefined activities to achieve highest organizational performance. This concept also leads to predict and control to measure and manage the project complexities and remove the uncertainties and complexities in the project to make mega projects simple to handle for effective outcomes (Bröcker, Korzhenevych, & Schürmann, 2010; Hensher & Rose, 2007; Mouter, Annema, & VanWee, 2013).

Project Planning, rational decision making and project implementation are the individual activities which are interconnected to each other. These activities are based on knowledge which will leads to enhance organizational productivity and outcome. This knowledge will facilitate all the stake holders of the organization as well as project stake holders to take right planning and right decisions. Project managers are enable to take right decision on the basis of their knowledge and experience to take right decisions regarding to major project activities to enhance organizational as well as project performance.

Globalization has open the new dimensions of knowledge and expertise because now professionals can share their knowledge and experiences with each other. Most of the professionals and researchers have integrated decision making process in mega project is associated with uncertainty and complexity of mega projects (De Bruijn & Leijten, 2007; M. Giezen, 2013; Priemus, 2010; Priemus, Flyvbjerg, & VanWee, 2008; Swyngedouw, Moulart, & Rodriguez, 2002). The decision making process is also changes from situation to

situation. Decision making is the open approach which is effected by different external factors. At the same time it is the closed approach which is associated with the internal factors and internal processes of organization as well as projects (Brockner, Rubin, & Lang, 1981). The whole decision making process is depends upon the time, resources and monetary policies which are open factors of each organization in mega projects (Samset & Volden, 2015).

In the simple and straight forward communication between two or more persons is diagnosis as more convenient and facilitative in simple environment. But sometimes this communication will leads to misunderstandings and become uncertainty with different problems. This communication may become suitable for one person but at the same time it may be problematic for other person. In most advanced countries of the world it is also observed that in mega projects decision making among two different approaches will become problematic during the implementation of mega projects (Cantarelli, Flyvbjerg, VanWee, & Molin, 2010; Majoor, 2008; Ratner & Goetz, 2013; Salet & Gualini, 2007; Spaans, Trip, & vanderWouden, 2013; Swyngedouw et al., 2002). This communication gap and problem also found in mega projects (Altshuler & Luberoff, 2003; Priemus et al., 2008).

In most of closed decision making approaches, it is observed that the political pressure, ambitious outcomes and budget factors also effecting on decision making in mega projects. Local and international political pressure is also effecting on decision making process. Decision making is also different in open horizon approach of decision making. Both closed and open decision making approach has the positive and negative effects. So, it's too much difficult to say which is better, the best is to adopt the mix decision making approach according to situation which is open and sometimes closed approach. So, the combination of open and closed decision making process will create the well balanced decision making approach which will results as rationale decision making.

In this study it is analyzed that success of mega project is not only depends upon the hierarchical decision making of projects. In mega projects it is require to develop a strategy which will become free their employees to take the right decision at right time and they can also change their decisions according to situation. So, the project managers have become flexible in their decision making. And project managers have also give the authority to their team members to take right decisions at operational as well as sequential level decisions (McCormack & Schwanen, 2011). The main theme of this decision making authority delegation is to divide the mega project in two small units of different projects which will make the complex projects in to manageable activities and processes.

The decision making process is not only implemented in the whole project decisions but it also divided mega projects in to different small parts. Both the open and close decision making approach is organized and well aware in decision making process.

Academicians and practitioners have to adopt open and close decision making process according to situation. Project planning and decision making process is consists of three major principles in mega project. These are 'strategic ambiguity', 'redundancy' and 'resilience'. These principles of decision making processes are integrated with organizational strategies which is also measured empirically by M. Giezen (2013) but in this study the exploratory side of this study will be elaborated in Pakistani culture. Only the ambiguity in decision making processes in mega projects will be elaborated.

The objective of this study is to explore the planning and decision making process of organizations in mega projects. Because decision making is a technical and skillful effort of individuals, project managers and organizations. All of them are require to minimize uncertainty and errors in their processes through innovation and taking rational decisions on the basis of facts. More complex projects will divide in to small projects to remove the ambiguity from organizational decisions in mega projects (Mendel Giezen, WillemSalet, & LucaBertolini, 2015).

### **Strategic Ambiguity**

Organizational decision making process in mega projects start with the documentation based on organizational vision, aim and objectives of the projects and organizational resources. These resources are time, financial and human resources. All these organizational resources are aligned to achieve project goals, organizational values as well as organizational mission which will leads to vision. Organizations are interested to get project goals and objectives. The alignment of organizational resources and organizational objectives and project objectives and goals are the main theme of the whole organizational activities and processes (Mendel Giezen et al., 2015).

In mega projects, the project phases from the initial stage to implementation stage can be spread more than twenty year. In this long period numerous external changes occurred. The political conditions of the country will change, technologies will also change, the financial conditions, labor and all working conditions, land and other market conditions will change in long run during the implementation of mega project. A lot of unforeseen events will occurs, these unforeseen conditions, realization and resources causes the different output as compared to expected outputs in the mega projects. That's why the planning of mega project is most strategic

moment in the life of organizations. So, it's the responsibility of the project managers to keep the project simple and flexible which can be adjustable in unforeseen condition (Priemus, 2010).

### Conclusion

In this exploratory study it is concluded that the success of every project is depends upon the effective planning. In the mega projects planning should be comprehensive and flexible. And the project managers also skillful. They should have the capability to rational decisions on the basis of organizational resources which are documented. Mega projects are complex projects and objective of the project managers to handle these projects and they should try to make project simple which is divided in to small parts which are more convenient to manage. Because in mega and complex project the uncertainty in decision making process is found and the chances of uncertainty should be minimize by converting a mega project in to simple and manageable small units which will also reduce the ambiguity in decision making process. Organizations and project managers will enable to take rational decision and also delegate the decision making authority to operational level which will bring effective performance.

### Limitations and Future Directions

This study is exploratory study which is to explore only the factors which are effecting on planning and decision making process in mega projects while in future this study can be done as descriptive or explanatory study. The other limitation of this study is culture, this study is explored in Pakistan while in future this study can be conducted in any other culture.

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