

Business Roundtable Insights on the Current Challenges Facing the Project Profession

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ABSTRACT

The purpose of this paper was to capture an industry perspective on the current project and project management challenges. Based on four Business Roundtable meetings held in Melbourne over a year, concluding mid-2019, the paper attempts to distill the erudite insights of participants into contemporary business challenges and solutions. The predominant theme of the meetings was dealing with business change and its rate of the rollout. There has been a distinct industry shift in expectation replacing major business transformations with a new continuous delivery paradigm. There was an agreement regarding many of the adaptation measures needed to meet this new challenge.

Key words: agility, change management, project management, trust

INTRODUCTION

The discussions that took place that led to the development of this paper occurred through a set of Business Roundtables held prior to the Corona Virus global pandemic. It would not be unreasonable to imagine if they were occurring today Covid-19 would likely figure prominently on the agenda, and indeed the challenges it is placing on projects. In fact as a result of Covid-19 many projects have been either cancelled or put on hold. There is no question it has had a profound impact on the project profession globally. But stepping back from this issue, which will hopefully be an event that will pass, the focus of the Roundtables presented a contemporary range of challenges that need to be dealt with. From October 2018 to June 2019, the Asia-Pacific Federation of Project Management (APFPM) chaired four corporate business roundtable discussions in Melbourne, Australia. The objective of the Roundtables was to discuss with a diverse range of corporate executives, topics, trends, and challenges facing the project profession. The APFPM commenced these Roundtables as part of its advocacy and collaboration program. The APFPM is a federation of twenty-two Project Management professional associations covering the Asia Pacific region. Established in 2010, its mission

has been to promote, advocate, and collaborate on regional project management best practices (Asia Pacific Federation of Project Management). With the high rate of business and social change occurring there is an increasing imperative to deliver better project outcomes in terms of capital effectiveness and business value.

METHODOLOGY

Four Roundtable discussions were attended by a cross-section of industries, spanning government organizations, councils, telecommunications, transportation, infrastructure, technology, utilities, academia, and consultants. Attendees from these industries included Executives, Directors, Partners, General Managers, Program Managers, Heads of PMOs (Portfolio Management Offices), Academics and Consultants. Each Roundtable meeting ran for approximately one and a half hours, with all discussions recorded and transcribed. The authors compiled the transcripts and extracted the key issues that were emphasized and repeatedly referred to by attendees. They then synthesized the various points in a dialogue style format for this paper. They additionally critically reviewed current literature relevant to the topics raised and incorporated such references where pertinent.



Of all the matters discussed across the four meetings, change and the rate of change was the predominant theme. It was not just the concept of change of itself but the fact that change had now become a constant, a normal business everyday practice. Operations were being renewed, updated, replaced, or re-imagined. The world of business becoming more dynamic, disruptive, and competitive. These concepts were distilled into three key areas:

- **Managing change:** an overview of the two types of change discussed at the Roundtables;
- **Factors that influence change:** the factors that influence the performance of implementing organizational change; and

- **Challenges facing the project profession:** three challenges that will need to be addressed in the context of managing change.

In this paper, it is noted that 'change' is synonymous with 'projects', the word 'change' often being used to refer to both the project (as a whole) as well as the change management aspect that is a common element of projects; both terms are used interchangeably.

Key aspects of the three topics are schematically represented in a network map, refer to Figure 1. Each node in the map reflecting a topic repeatedly raised at the Roundtables. The size of the node spheres an indicator of the level of emphasis noted in discussions.

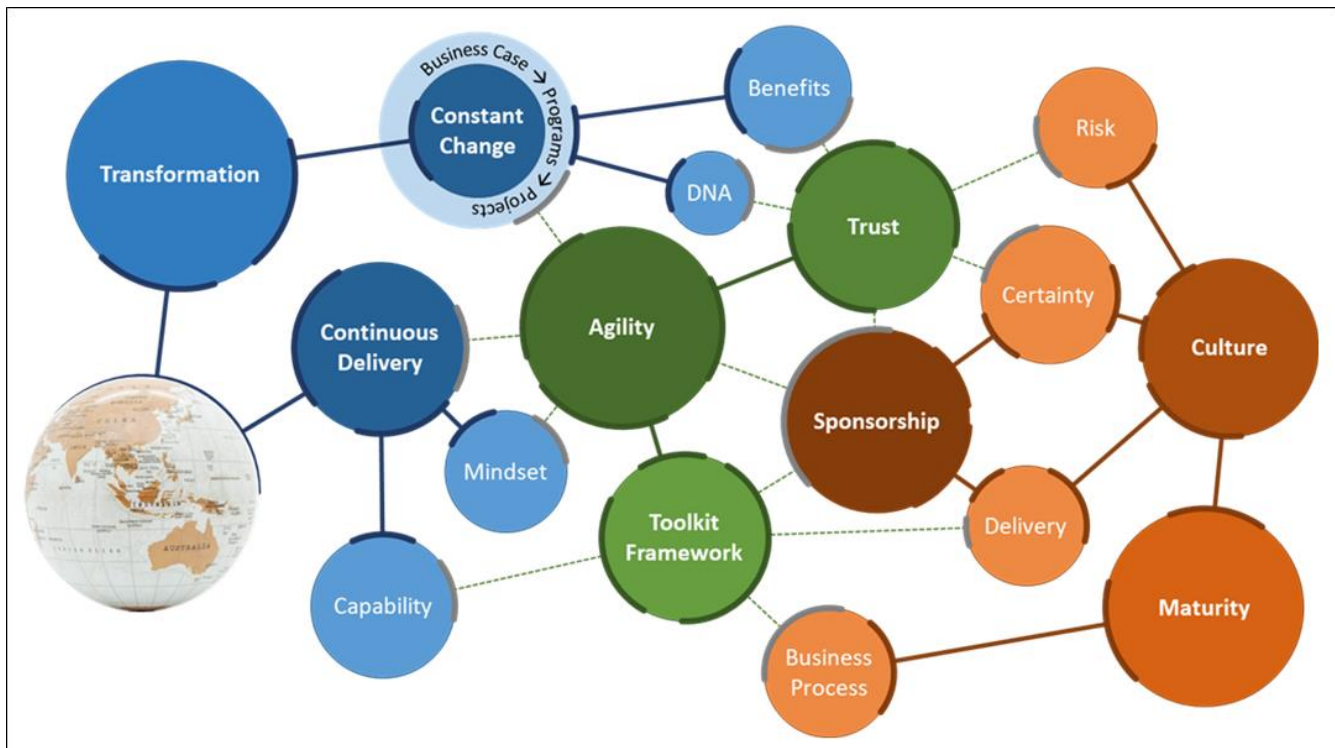


Figure 1: Network Map of main topics discussed at the APFPM C-Suite Roundtables

A summary of this paper was also presented at one of the APFPM member associations (Australian Institute of Project Management) 2019 Annual Conference held in October in Melbourne, Australia.

MANAGING CHANGE

The World Economic Forum defines the age that we are now in as the fourth industrial revolution. Where the first revolution brought about the steam engine, the second electricity, the third computers and information technology, and the fourth now, the dynamic world in which disruptive technologies seem normal. The 'Internet of Things', robotics, virtual reality, big data and artificial intelligence are all fundamentally changing the way we

live and work. In essence, technology is no longer about driving improvements and efficiencies in a supportive role, but a strategic initiative vis-à-vis for creating competitive advantage. It is bringing about disruption and upending industries, and this has forced organizations to rethink not just how they work, but who and what they are. Some examples of transformation discussed included investments in communication technologies that enabled remote working to cater for changing workforce demands, re-engineering of financial back of-systems, and vast migration to cloud-based platforms to enable operations to scale. It was recognized that organizational transformation that centered on technology had become the norm rather than the exception (Obeidat & North, 2014). Figure 2 below highlights the emphasis of the Roundtable discussions.

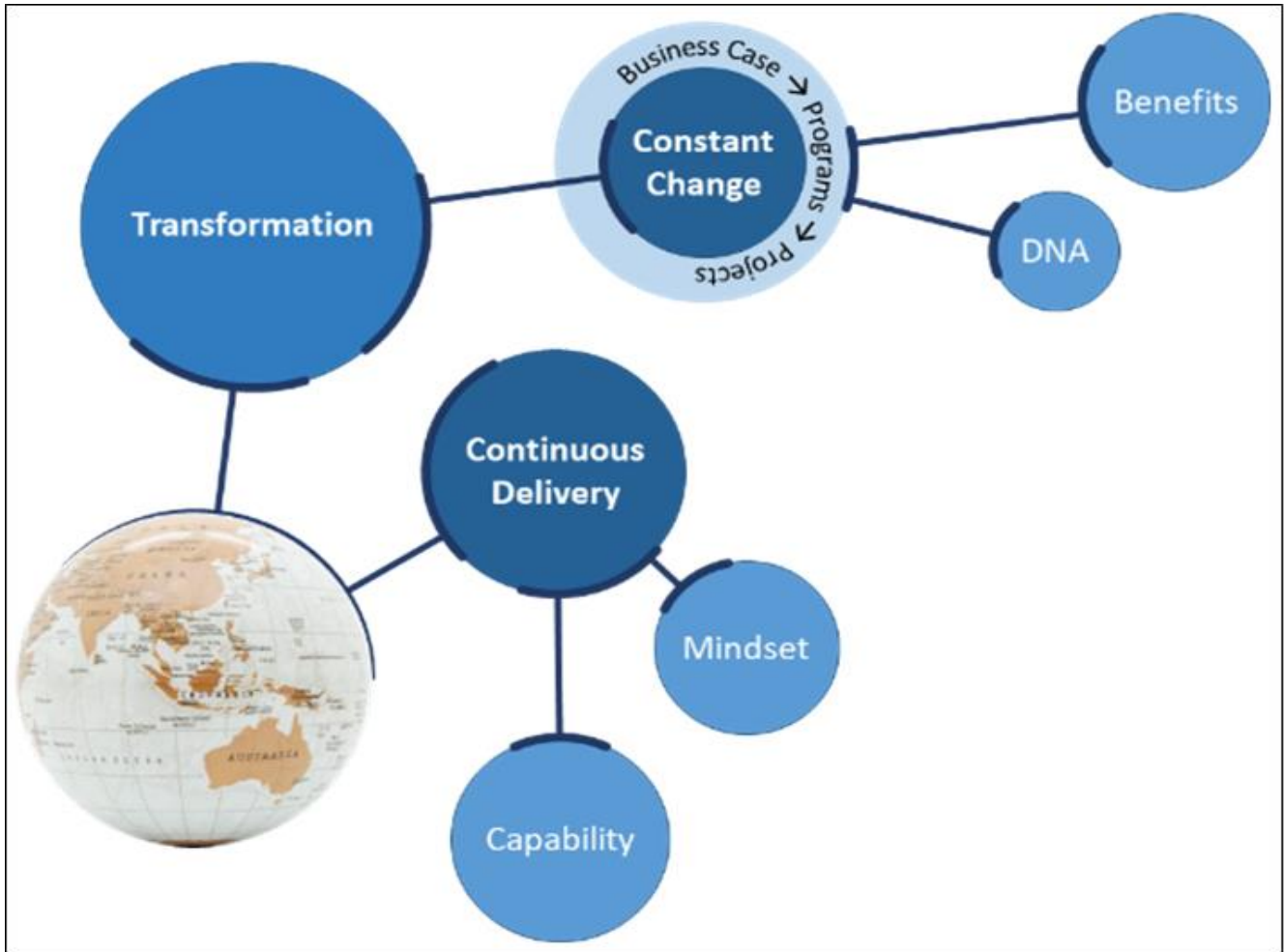


Figure 2: Transformation, constant change, continuous delivery

Constant Change

So how do organizations transform? In the last decade and a half, the dominant way to execute transformation was through multi-year programs derived from executive-level strategic objectives. This has resulted in constant change, where no sooner has one completed a project another is beginning; a response to the dynamic technology-driven business environment that is constantly evolving. It is a reactive symptom of market demand. These transformation programs are underpinned by business cases, and the programs are how organizations get their missions underway, with change management being an essential part of the execution in making them happen (Morris, 2009).

How successful are these transformations? Did they deliver the benefits as per the business case? According to the Roundtable attendees, many were regarded as inadequate. While most of the transformations reflected on delivering a solution or a technology into the organization, many did not adequately address the organizational or behavioral changes that were needed for the initiative to succeed (Gelbard & Carmeli, 2009;

Gichoya, 2005). For example, a digital transformation program intended to drive efficiencies using technology is unlikely to succeed if the organization does not change its business processes and behaviors to align and adopt the technology.

Another recognition highlighted that organizations where managing projects was part of their normal modus operandi, tended to be more successful in such transformations. They were familiar with various project management methodologies, their people trained for project delivery, and the executive leadership understood the importance and how to adapt to new ways using change management (Hosman & Fife, 2008; Morris & Edkins, 2014). It was noted the success of digital transformation projects partly relied on the business's ability to be agile and change as fast as the industry; this notion of agility needing to be embedded in the business culture (DNA). Another reason for unsuccessful transformation projects was the speed at which technology was evolving. By the time the transformation project was completed, another project needed to be established to upgrade the current system.

Continuous Delivery

With transformations being large and organizationally intensive, there seems to be an appetite to move away from them, to what could be termed 'continuous delivery'. Continuous delivery is recognizing that change is unavoidable, and rather than undergoing a big transformative step change, it is about breaking down changes into small batches and deploying them progressively into the organization. In simple terms, if one's job was to produce 100 widgets, it is also their job to continuously evaluate what processes to keep, refine or streamline, and what to stop / start. As this mindset appears to become the normal business practice, much less emphasis will be accorded the big programs / projects as they will be less central to the context of delivering organizational change.

To migrate into a continuous delivery mode, an organization needs to rework its mindset and culture at both an individual / team level, and must be supported by the executive leadership (Obeidat & North, 2014; Nawi et al., 2014; Nelson 2007; Akkermans & van Helden, 2002; Hartman & Ashrafi, 2002). Incorporating improvement to business as usual (BAU) activities leads to projects being replaced by 'continuous delivery' activities. This is important because unless everyone acknowledges the need for continuous delivery, there will be tension between those who are continuously delivering, and those that are not; leaving organizations exposed to misaligned strategy and eroded competitive capability.

In mature organizations capability can be enhanced, for example educating the organization on the basics of project management to self-manage change, considering:

- Why change is needed
- Who benefits from the change; and tackling the WIIFM mindset?
- What resources are needed
- When to have governance checkpoints
- Where to look for risks and opportunities
- How change can be implemented

For continuous delivery, project management capabilities and knowledge need to be embedded into the organization (Wu & Fang, 2010; Nawi et al., 2014; Gelbard & Carmeli, 2009).

FACTORS INFLUENCING CHANGE

In implementing change, whether it be transformative / constant change or via continuous delivery, there are factors that influence how successful these changes will be implemented. As noted earlier, a key driver is an organization's maturity, where maturity is defined by its ability to understand the project environment and how to effectively manage change. Change accommodation just being part of the corporate culture.

Organizational maturity, sponsorship of projects and programs, and organizational culture were key themes repeatedly raised in the Roundtables, refer to Figure 3.

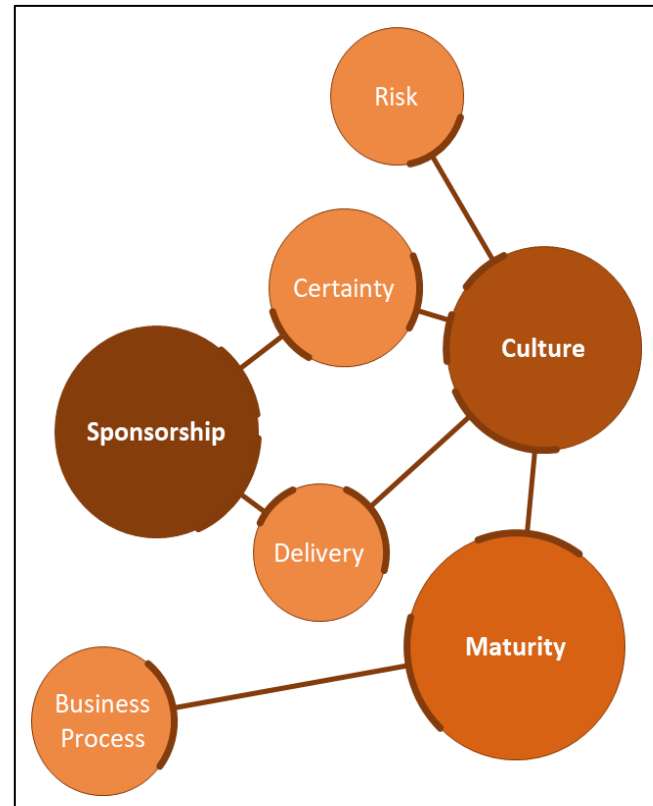


Figure: 3. Organizational maturity, sponsorship, and culture

The Project Management Institute (PMI) defines organizational maturity as the ability to deliver the desired strategic outcome in a predictable, controllable, and reliable manner (Seesing, 2003). According to PMI, levels of maturity can be measured on a scale of 1 to 5, where level 1 represents an organization which has few processes defined, is poorly controlled, and success depends on individual efforts. To the other end of the scale at level 5, such organizations not only codify project processes, they speak a common project language, and most importantly continuously learn and institutionalize process improvements.

Business Processes

Projects do not exist in isolation, rather they are executed within an organization's ecosystem of business activities. If a project needs to procure goods and services, it needs to follow organizational procurement processes. If it needs funds, they must align with the organization's financial model, where investment funding is often constrained to financial years, with future years allocation based on estimated project financial returns. If business resources are needed for a project, the resource managers' must be relied upon to allocate adequately, trusting to balance operations against project demands. In many cases, these business processes do not align to the

objectives of a project, and it is a frustrating position to be in where a project's performance is impacted by such processes; in effect, the Project Manager has full accountability of the project's performance but has no authority to change the business processes.

Culture

Maturity is not just limited to business processes; there are more subtle factors at play, i.e., organizational culture. It can be broadly defined as values, customs, social behaviors, and practices of an organization. Organizational culture can dramatically influence corporate decision-making and business goals (on a conscious and unconscious level) (Nawi et al., 2014; Koh & Maguire, 2009; Madon, 2004; Kuruppuarachchi et al., 2002).

Take, for example, an organization's view on risk, a topic repeatedly raised in the Roundtable discussions. Some organizations are more risk averse than others. All organizations however need someone to take the initiative to identify, manage, and where possible, ameliorate risks. Commonly though, possibly due to an organization's cultural inertia, this appeared to be poorly managed. Without a consistent understanding of risks and a culturally shared responsibility, internal barriers can exist that hinder project risk performance, impacting achieving project objectives and eroding the delivery of benefits. This facet highlighted the necessity that risk policies, and cultural approaches towards risk, need to be framed and managed by organizational executives in a clear manner. They need to consciously understand the organizations risk profile and appetite, along with its governance framework (Department of Treasury and Finance, 2014; Flyvbjerg, 2014; Milis & Mercken, 2002; Jeffery & Leliveld, 2004).

Another emerging trend is an executive's need for certainty on projects, delivering projects strictly to their scope, time and cost. Providing certainty is already a challenge even when the scope is well defined with few assumptions, a comprehensive schedule, and a definitive cost estimate. What makes it even more challenging is that this certainty is being demanded much earlier in the project's lifecycle, specifically during the project initiation phase, when reliable information is scarcely available (Gibson, et al., 2006). This need for certainty seems unreasonable and driven primarily through pressure placed on executives. Sometimes the result of an organization's commitment to a market or customer; where failure to provide certainty can lead to reputational damage or loss of revenue.

In some cases, this need for certainty, coupled to a lack of understanding, has resulted in organizations imposing a particular delivery methodology onto a project team. The two common methodologies are Waterfall and Agile, where Waterfall is a sequential form of delivery, moving from one phase to another with a governance gate

between each phase. In contrast, an Agile methodology centers more on short sprint cycles that incrementally produce an output at the end of each cycle. Both methodologies have their place in project management but need to be used in the right context.

There were numerous cases referred to where organizations had grown accustomed to and built their whole project frameworks around one methodology. However, it was noted they ran the risk of missed opportunity in capitalizing on efficiencies that could have been introduced using an alternate delivery methodology, including hybrid approaches. The Roundtable debate concluded that there should be a renewed emphasis on the project outcomes and less focus on the methodology of itself. The aim should be in extracting maximum profit or (economic) utility from such projects and less on how they are implemented (Milis & Mercken, 2002; Hosman & Fife, 2008; Morris & Edkins, 2014).

Sponsorship

A critical factor for delivering a successful project is the active participation of the project sponsor. According to Obeidat & North, executive management is the 'single most important advancement' in improving the project success rate; increased 'competency of the executive sponsor' (2014, p.59). Good sponsorship of a project creates momentum, brings alignment, and buy-in across the entire organization. It closely follows how the project is progressing and continuously guides the project to ensure alignment with the organization's strategy. Effective sponsorship understands the project's risks, and works with the steering committee, business stakeholders, project manager, and team to make critical project decisions (Morris & Edkins, 2014; Morris, 2009).

However, there was consensus with Roundtable participants that good sponsorship was often lacking. A common complaint by project practitioners that the role of sponsorship was often poorly defined, and Sponsors, unlike project participants, were not held to account. Sometimes even well-intended Sponsors did not have the resources or project management competence to support effective decision making.

CHALLENGES FACING THE PROJECT PROFESSION

The Roundtables were dominated by discussion on the change factors that influence the performance of implementing projects. Three related challenges, refer to Figure: 3, that impacted change capability were:

- Toolkits and frameworks
- Trust
- Agility

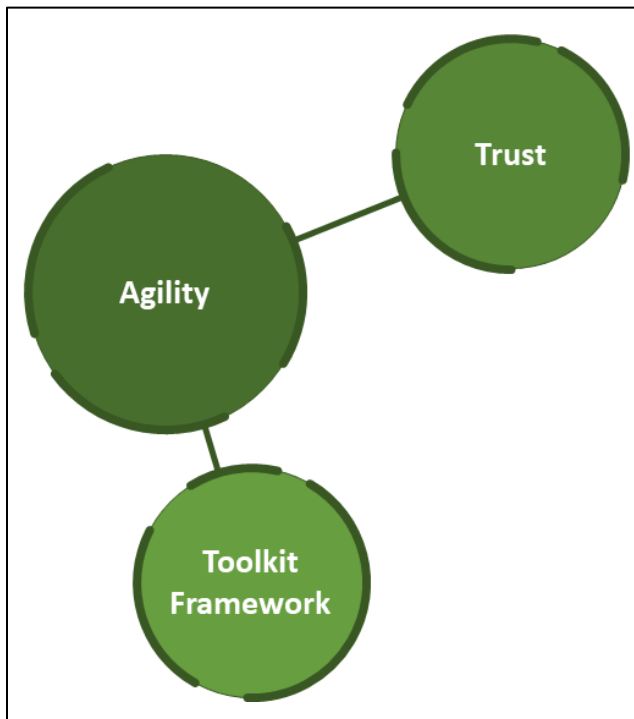


Figure: 3. Toolkits and Frameworks, Trust, and Agility

Toolkits and Frameworks

The first challenge was understanding toolkits and frameworks. In the first Roundtable a key topic was ‘why is there a challenge in moving away from Waterfall to an Agile project method of delivery’. As discussed earlier, both Waterfall and Agile have their place in project management, however, the right methodology depends on the project context and the type of project (Westerveld, 2003; Nawi *et al.*, 2014). It is important to understand both methodologies, their pros/ cons, and how they can be used appropriately in the right circumstance to deliver successful outcomes. For many, there is a need to take personal responsibility to upskill while for others, to recognize and set-aside biases or legacy issues from working in established patterns.

Having well-defined but flexible structured frameworks and culture that fosters knowledge harvesting by integrating people and processes seamlessly builds organizational capability (Wu & Fang, 2010; Nawi, Rahman & Ibrahim, 2014). Businesses that seek to be agile need to be flexible in the methods they deploy. This requires training staff appropriately in different project management approaches and being prepared to then use these processes in the right way; future-ready to embrace continuous delivery.

Trust

Another critical success factor strongly acknowledged on the Roundtable was that project managers need to have significant soft-skills capability, *i.e.*, emotional, social and cultural intelligence, communication as well as

stakeholder management skills. Furthermore, Other attributes of effective project managers raised were leadership, an engaging personality, empathy, ‘street-smarts’, confidence, strong negotiation skills, accountability, and integrity. Having such interpersonal skills helps the project manager build trust with stakeholders and their project teams and is an imperative for project success.

Businesses are becoming more client-centric and high-quality outcomes are critical for successful projects. When the project manager has the trust of their stakeholders, it is much easier to have open and honest conversations about project progress, managing project risk, and working together to resolve issues. Trust instils confidence in stakeholders that what is being done is what has been communicated and agreed in terms of scope, budget, and timeframes. Embodying such trust and confidence then allows stakeholders to be more open and flexible during decision-making and problem-solving.

Building trust is primarily delivering what was promised and ensuring results are aligned with stakeholder expectations. It works both ways also, where trust is built with busy executives when project managers respect and appreciate the time constraints they work under; minimizing the volume of reporting to highlight only the key messages succinctly or reporting by exception.

Agility

It can be defined as the ability to think and understand a situation quickly. Agility is a trait that is highly regarded in the project profession (Heisterberg & Verma, 2014). An agile business model is required in a dynamic world, this includes being able to navigate organizational behaviors and remove constraints that hinder the project performance and when implementing operational change much along the lines of Goldratt’s constraint theory (Goldratt, 2017).

The agility of the organization is about being able to leverage from the strengths of multiple methodologies to deliver successful projects. An agile culture is when at both organizational and individual levels there is a recognized conscious attitude that change to improve is part of everyday business. It is a quality-focused culture that fosters a continuous delivery mindset through constantly rethinking how to add value to the organization.

CONCLUSION

This paper is a summary of four business Roundtable forums held in Melbourne from late 2018 through to mid-2019. The Roundtables comprised a diversity of corporate executives all keen to share their experience. A focal of the four meetings was the strong theme of business change, and rate that change was occurring.

Key points of the Roundtable's were: types of change - now demanded by business is constant change (transformation, albeit in smaller parcels) and with continuous delivery. The Roundtables explored concepts with organizational maturity with regards to delivering projects, culture and sponsorship that influence the performance in implementing change. Coupled to this were three related aspects that directly impinge the effectiveness of the change processes; making the best use of toolkits and frameworks, building trust, and responding to change through agility. The APFPM intend to run further business roundtables in the future.

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