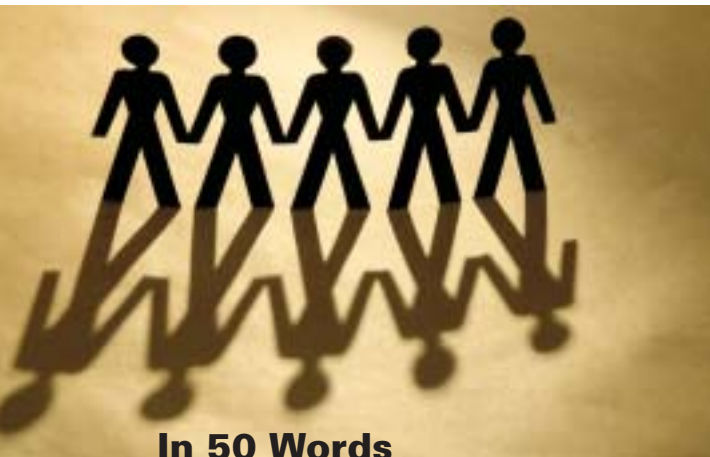# Project Teams: How Good Are They?

by **Howard M. Guttman and Andrew Longman**

## In 50 Words Or Less

- A recent *Quality Progress* survey showed organizations are widely split on project team effectiveness.

- Leadership, process discipline, resources and training are among the elements needed for project teams to succeed.

**P**roject teams have become the basic work units of the modern enterprise. The ability to complete projects on goal, on time and on budget will likely set apart winners from wannabes in the years ahead. But attaining project success is a tough challenge. In 2004, the Standish Group found 51% of the IT projects it surveyed were seriously late, over budget and off goal.[1]

The IT function is not alone in its project failures, as we all know from the "big bombs" featured in the media over the past several years. Consider these:

- **DaimlerChrysler's troubled Smart car division.** The company's missteps hobbled what should have been a car that was a perfect fit for its time.[2]

- **Huge weapons systems being developed for the Pentagon.** A Government Accountability Office review of 26 weapons systems found the total cost of these programs had increased nearly 15% over the first full-cost estimates.[3]

- **The FBI's Virtual Case File system.** The agency declared an official end to its floundering $170

million effort to overhaul its computer software and said it would take at least three and a half years to develop a new system.[4]

- **The Big Dig, a Boston public works project.** Twenty years and billions of dollars later, there are continued budget overruns, investigations of fraud and a newly opened tunnel with blocked fire exits, falling debris and leaks.[5]
- **Hurricane Katrina response.** Poor project planning and execution, from the White House to the New Orleans mayor's office, turned a natural disaster into a political, economic and human catastrophe.

## Few rated their overall project performance as excellent, and, more disturbingly, a significant number reported performance was mediocre at best.

These examples and countless others raise a number of key questions:

- In general, how are projects currently being managed in organizations?
- How well are individual projects led, planned and executed?
- What causes projects to veer off track?
- What is life like on the typical project team?

To answer these questions, *Quality Progress* teamed up with the consulting firms of Guttman Development Strategies and Kepner-Tregoe. In September 2005, *QP* e-mailed our survey on project team performance to about half its readership. Of

the 46,828 people who received the survey, 1,905 responded, for a 4% response rate. Twenty-nine percent of respondents were individual contributors, 42% were first-line and middle managers, and 15% were senior managers. Respondents represented a cross section of industries. Approximately half worked for companies with more than $200 million in revenue and 1,000 employees.

We asked both quantitative and qualitative questions. The qualitative ones asked respondents to identify the most important reasons for project success and failure in their organizations. A representative sampling of answers, called "Voices From the Workplace," is sprinkled throughout the text that follows.

## Project Teams: The Big Picture

From the quantitative responses, a somewhat conflicting picture of projects emerges. On one hand, many respondents were positive about the quality and effectiveness of their organizations' project teams. But few rated their overall project performance as excellent, and, more disturbingly, a significant number reported performance was mediocre at best. When you cut to the heart of the findings, two essential facts stand out:

1. Fewer than half (46.9%) of the projects under way in respondents' organizations always or often meet their goals.
2. Fewer than one-third (32.6%) are always or often completed on time and on budget.

Given these numbers, it's not surprising fewer than half our respondents said their organizations' financial performance was in the top third of their respective industries.

To learn more about what is working and what isn't on project teams, we drilled down, asking respondents a series of specific questions about the way projects are generally managed in their organizations. We began by probing five areas vital to an organization's project success:

1. **Project alignment and goals.** Whether the analogy is with the human anatomy, automobiles or organizations, alignment implies things are effectively lined up to achieve maximum performance. When it comes to projects, how aligned are they, across the board, with overall organization strategy? The good news is 70% of respondents reported their projects were aligned. Yet, nearly one-third reported their projects were off strategy.

   Fuzzy or unrealistic goals kill project effectiveness. While slightly more than half (54%) said their organizations' project goals were often or always clear and attainable, the remaining 46% reported this is only the case sometimes, rarely or never. This points to a significant potential problem related to goal clarity and realism.

2. **Resources and staffing.** This area has frequently been a lightning rod for organizational conflict, and survey responses affirmed it still is. More than two-thirds of respondents said their organizations' project teams are only sometimes, rarely or never given sufficient resources to accomplish their goals. Insufficient resources was also the most common answer to the open-ended question "What is the most common reason for the failure of projects in your organization?"

   More than half our respondents did not think the right people were always or often selected to lead or serve on project teams. In answer to a related question, 84% said employees rarely, if ever, were relieved of their routine job responsibilities while serving on a project team.

3. **Training and development.** Eighty percent of respondents said only sometimes, rarely or never do employees receive training in project management methodology before serving on a project team. It's probably no coincidence that 62% reported project teams throughout the organization don't often follow a standard methodology to define, plan and implement projects.

4. **Rewards and recognition.** While the drive to excel may spring from deep within, sustaining that drive over the long term requires ongoing rewards and recognition. So, are project teams

receiving sufficient rewards? It seems not—58% of respondents said only sometimes, rarely or never is the successful completion of projects recognized publicly by top management.

Not many teams receive financial rewards/bonuses for the successful completion of projects, with more than 87% of respondents reporting these are given only sometimes, rarely or never. In nearly 61% of the cases, there is no link between employees' annual reviews and their performance on project teams.

*VOICES FROM THE WORKPLACE:*

"We have a mandatory requirement: Part of your pay depends on completing a certain number of projects, with a certain target for savings or increased productivity."

5. **Senior executive team.** Because top teams exercise an almost gravitational pull on the collective psyche of an organization, we asked for an assessment of the following statement: "Our senior management team serves as a positive role model for project management." Seventy percent of respondents said this occurs sometimes, rarely or never.

Of all the survey findings, we find this to be the most troublesome. You can have clear, specific and attainable project goals. You can embed the right project management processes and methodologies and train project teams to use them. You can tweak rewards and recognition. But unless the senior team demonstrates high performance, teams elsewhere in the organization will follow the wrong example.

*VOICES FROM THE WORKPLACE:*

"Projects are successful when we, as management, basically live with our team and lead by action, letting them see we are not deterred by roadblocks."

"Our plant manager is the best leader of projects in the plant and is the role model for correct application of project management and TQM tools."

Overall, the responses to this section of our survey should raise serious red flags about how organizations view and manage projects. The bottom line: While responses reveal a large number of projects are sufficiently well managed, many others are not. Those these may never show up on a future list of big bombs, continued poor performance will likely compromise the organization's competitive vitality.

## Project Teams: Up Close And Personal

The survey results painted a picture not only of how organizations manage projects in general but also of the personal experiences of respondents when serving on typical project teams—as team leaders, members or facilitators. Not surprisingly, a comparison of the responses of these three groups shows a slightly more optimistic view from the team leaders. Otherwise, among all three groups, the picture that emerged was one of sharp contrasts, with many respondents reporting very good to excellent experiences and many others describing teams that needed substantial improvement.

We began by asking for an assessment of the typical team's goals and roles:

- Two-thirds answered their teams' overall goals were very clear, which is good news—except

for the remaining third, who said their goals were only somewhat clear or not at all clear.

- While it's one thing to be clear about your team's overall project goals, it's quite another to be clear about the individual roles of you and the person sitting next to you on a project team. Here again, while the majority (57%) said they were clear about these roles, a significant number (42%) said they were not.

Think of project management processes as organizing principles for team performance. How many typical teams followed standardized processes during their project? Once again, there was good news and bad. Sixty-two percent of respondents said their teams had followed a visible, common project management process—but the remaining 38% said a process wasn't used or they weren't sure. Similarly, 56% said their teams had used a common process for problem solving and decision making, but 43% weren't sure or said the teams hadn't used such a methodology.

We next probed the interactions and behavior of the team members. A house divided does not allow for a high performance team. Energy gets diverted from meeting project goals to dealing with dysfunctional behavior and subterfuge, which is why we asked how well typical project teams handled this critical issue.

The good news: On a scale of one to five—with one equivalent to no tolerance for confrontation/conflicts suppressed and five meaning tensions surfaced and were confronted and resolved—about half (51.3%) gave their teams a four or five. Those teams dealt with conflict in an open manner. But that leaves nearly as many respondents (48.2%) who rated their teams' performance in this area three or lower. And, while only 8.3% reported the team spent more than half its time dealing with unresolved conflict, more than 90% said the team had spent up to half its time in this unproductive activity (62.2% up to a quarter of their time, 28% between one-quarter and one-half of their time).

One of the hallmarks of a high performing team is the degree to which its members see themselves as responsible for the success of the team as a whole, rather than being narrowly "me" focused. Here again, responses were split, with nearly 60% feeling very to highly responsible for the success of their fellow team members and the other 40% feeling no or little responsibility for others.

In terms of intrateam communication, the picture was not much better: On a scale of one to five, with one equivalent to not at all effective and five very effective, nearly 44% of respondents answered one, two or three.

The final questions in the set dealing with experience on a typical project team related to project outcomes. On the positive side, 82% of those who responded said their projects were completed, and 89% said the projects met their goals. However, 36% reported the projects were late, and 26% said they came in over budget, indicating that meeting project goals is often a costly and time consuming enterprise.

### VOICES FROM THE WORKPLACE:

"The main reasons for success are project management methodology and our quality management system."

"Ours is an extremely siloed organization that does not work effectively across functions and business units."

## Project Leadership

In today's project environment, the leader-follower paradigm seems like an antiquated relic from the past. Teams reach the highest levels of performance when members step up to assume greater responsibility for thought leadership and results. Today's project leaders are less directors

and more facilitators of team performance. One of their major roles is to keep resources focused and help the team set guidelines for decision making and behavior.

How well does the typical team leader carry out this role? When we asked respondents to tell us how effective their teams' leaders were at helping teams meet their goals—on a scale of one to five, with one being not at all effective and five being very effective—42.5% gave the leader three or less. And, when asked to rate the team leader's overall project management skills on a scale of one to five, with one being poor and five excellent, nearly half gave the team leader a grade of three or less.

Our last two questions about project leadership focused on interpersonal relations. First, we asked how effective the team leader was in managing conflict among team members. With one being poor and five excellent, more than half rated their leaders' conflict management skills three or less. When asked to describe their leader's behavioral style, fewer than half of team leaders were characterized as having a healthy, assertive way of interacting. The remaining half was split nearly equally between the less effective nonassertive and aggressive styles.

Overall, responses indicate there is an across-the-board deficiency of leadership capabilities. In a significant number of cases, project leaders are lacking many of the process and behavioral skills necessary for project success.

*VOICES FROM THE WORKPLACE:*

"We have a lack of trained and experienced project management people to serve as team leaders."

"Success depends on a good project leader, with both hard and soft skills."

## Pathways to Change

In general, survey respondents reported that, on a significant number of projects, processes are loose, informal and left to chance. In many cases, team behavior is poorly managed and less than productive.

Stepping back from the survey data, how can all projects—those that are performing badly and those that are just average—be improved? One answer: Provide more resources. After all, nearly three-quarters of respondents reported projects were under resourced sometimes, often or always. But this solution may not be realistic, given the resource constraints in most organizations. And it is certainly simplistic, in light of the array of other factors that respondents say lead to project failure. Sadly, there is no one silver bullet.

Based on the survey data and our consulting experiences, moving project teams to higher levels of performance requires an integrated approach that addresses four major areas:

1. **Leadership.** Top management teams must learn to serve as role models of high performance. They must become aligned strategically, reach agreement on business goals, be clear on roles and responsibilities, determine ground rules for decision making and strive for transparency in business relationships. In addition, the organization's leaders must provide visible and meaningful support for projects throughout their organization. This includes prioritizing the organization's portfolio of projects to avoid the stop-start syndrome and project overload, providing rewards for superior performance on projects and providing team leaders and members with the requisite technical, process and interpersonal skills needed to succeed.

2. **Process discipline.** As organizations become more matrixed and project teams more cross functional in nature, there is a need to move beyond a helter-skelter project management approach. Project management has evolved

into a discipline, and organizations would do well to absorb project management processes, transfer them throughout the ranks and build a knowledge management legacy system that captures lessons learned. Seat-of-the-pants problem solving and decision making on projects is not working. It is crucial for project teams to employ a common, systematic process for resolving the problem solving, decision making and planning issues that come before them.

3. **The performance system.** Think about project teams as mini performance environments that must be carefully managed. Team members must be clear on project goals and the end game, possess the right skills, receive accurate and timely feedback and be aware of the positive and negative consequences for various behaviors.

4. **Interpersonal dynamics.** Given all the performance pressure on project teams and the mounting complexity of the environments in which they operate, it is not surprising that such teams have become holding pens for unproductive behavior. Such behavior takes many forms: putting functional self interest over team accomplishments, engaging in conflict (both overt and hidden), adopting a nonassertive or aggressive style, passing the buck, playing follow the leader and hesitating to confront one another's poor performance and unacceptable behavior. To eliminate these negative behaviors, all project teams should go through the same alignment process as the senior team and receive training in conflict management and related skills.

While many respondents report experiencing project success, almost all point to an urgent need for improvement. To begin your improvement efforts, ask yourself how your organization's responses would compare to those we received.

Then, look to leadership, process discipline, the performance system and interpersonal dynamics as prime targets in which to make the changes that will propel project teams to the next level of performance.

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