



2021 Project Management Survey



About the survey



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Dear reader,

We are delighted to welcome you to the first Project Management Survey Report conducted in Cyprus, a collaborative effort between KPMG Cyprus and the PMI Cyprus Chapter.

This survey has targeted all current members of the PMI Cyprus Chapter and a group of KPMG clients holding leadership positions in organisations in Cyprus. The purpose of our first report was to present a snapshot of the current state of the Project Management profession in Cyprus for 2021 and to capture the key future trends from both the perspectives of individual Project Management practitioners and organisations' senior executives.

The participation has exceeded our expectations and we would like to thank everyone who invested their time to complete the survey. Our hope is that by conducting the survey on an annual basis, we will be able to start comparing project delivery data over time and provide insight that can assist in the progress of the project delivery profession in Cyprus.

Introduction

The Project Management profession and the role of the Project Manager (PM) in Cyprus is not new, but it is only in the past few years that it is experiencing growing recognition and demand, by the majority of the professional world.

The number of people in Cyprus getting qualified has increased by more than 25% in the last 3 years as per the PMI membership statistics and from our side as KPMG we are experiencing a steep upward trend on the demand for professional Project Management services. However, we have identified a lack of formal data for the state of the profession in Cyprus, what organisations are looking for and how both organisations and Project Managers see the future unfolding.

Considering the challenges of the past two years and the changes we are experiencing, the need of factual data and the tracking of the evolution and performance of Project Management has been heightened. These sudden changes we all had to deal with, have brought to the surface the imminent need for everyone to become more digital, agile and adaptive and in many cases have also shifted the organisations' strategic priorities. Project professionals had not only to deal with increased complexity in the nature and scope of the projects, but they and their project teams had to deal with the biggest challenge of all, the "seamless delivery", while everything was different.

We are hoping that this and the future reports will provide helpful insights that will enhance the success in project delivery, will identify the pain points of the profession both from an organisational and individual practitioner perspective and will help Project Managers to equip themselves with the necessary skills for the future.



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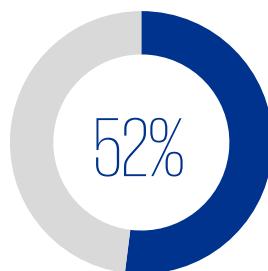


Survey demographics

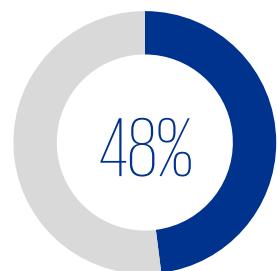
233

Respondents

Participants

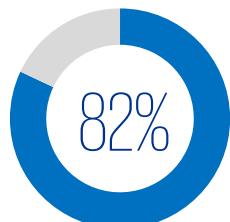


Executives

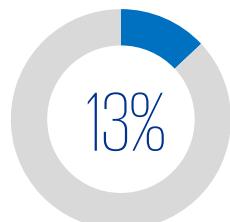


Project Managers

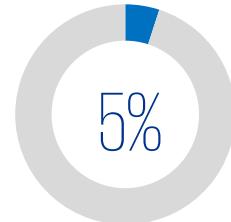
Sector



Private



Government



Semi-Government

Industry



Technology



Banking/Insurance



Construction/Real Estate



Retail/Distribution



Telcom



Other



Covid Impact

It goes without saying that Covid-19 had an impact across all industries and sectors over the past two years and the Project Management discipline is no exception.

We found that for 63% of the respondents, the pandemic has moderately or significantly impacted their project delivery, especially in terms of project delays and budget.

A third of the respondents experienced minimal impact, while a small share (5%) reported an increase in projects and programmes as a result of the pandemic.

We believe, however, that as organisations are consistently being challenged to remain in pole position in these unprecedented times, amid a global pandemic and deep economic woes, they will find new ways of working and at the same time the number and nature of projects will grow, along with their complexity.

How has the COVID-19 shutdown impacted the overall continuation of projects and programmes in your organisation?





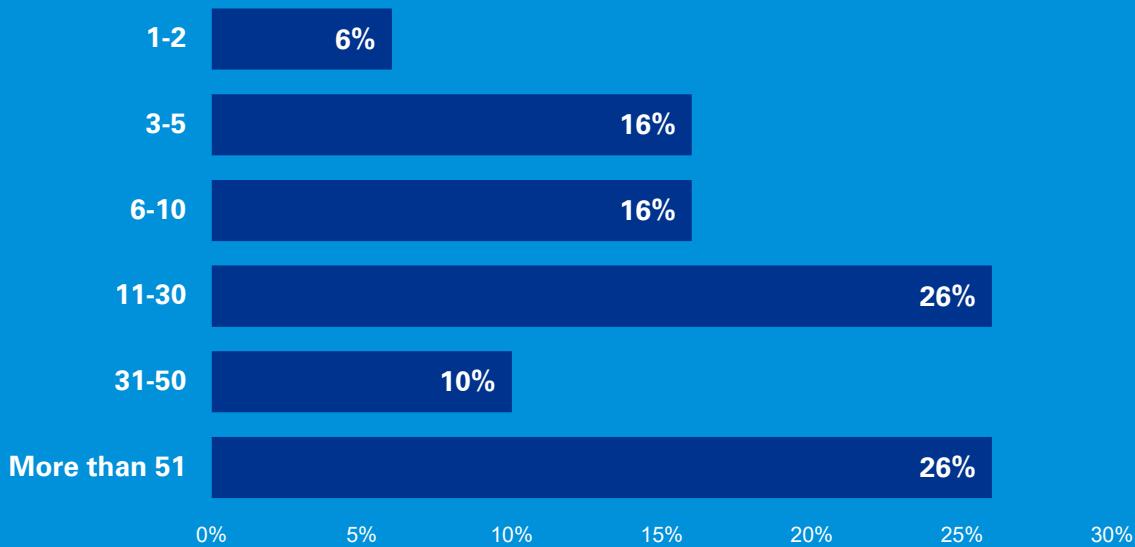
Project Management in Cyprus

The Project Management profession, as well as the role of PMs have been around for a long time in Cyprus, yet it is only recently that it gained a growing recognition and an increasing demand by the local organisations.

This growing demand is in line with the global growing demand trends. According to the 2021 PMI's report*, the field's rapid expansion stems from the global economy's shift to an increasingly project-oriented approach, hence the surge in hiring dedicated PMs spans a wide spectrum of organisations and industries.

Looking at the survey responses, it appears that this shift to a project-oriented approach is experienced in Cyprus too. According to the majority of the respondents (62%), their organisations deliver more than 10 projects per year, while more than a quarter of the respondents stated that their organisations deliver more than 51 projects per year.

How many projects does your organisation typically deliver in a year?



Source: * PMI (2021). Talent Gap: Ten-Year Employment Trends, Costs, and Global Implications.



To PM or not to PM?

Importance of PMs for successful project delivery



92%

Of the executives believe that PMs are vital for successful project delivery

66%

Of the PMs believe that organisations perceive their role as vital for successful project delivery

Undoubtedly, the role of a Project Manager in organisations is imperative as it can help every part of the business run more smoothly, while engaging a PM can reduce project costs by improving efficiency, mitigating risks and optimising resources.

It appears that the respondents do recognise these benefits as they rated the importance of having a dedicated PM for project delivery with 4.8 out of 5, with 5 being extremely important.

To get a better understanding on the participants' views based on their role, we have analysed more extensively the collected data, to distinguish between Executives' and PMs' responses on their perceived importance of PMs' role for successful project delivery.

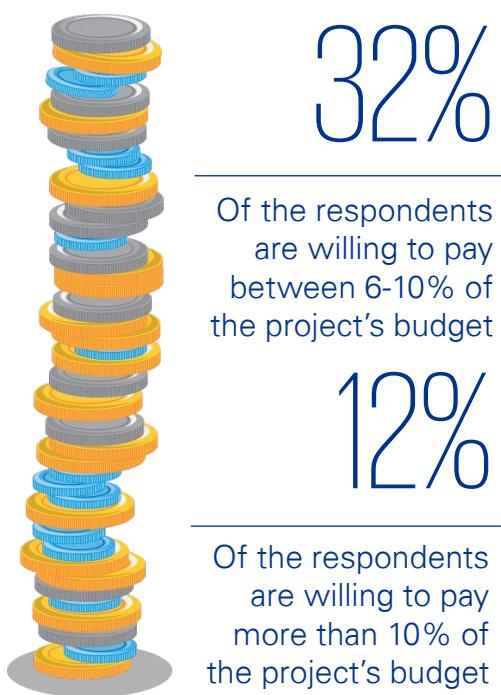
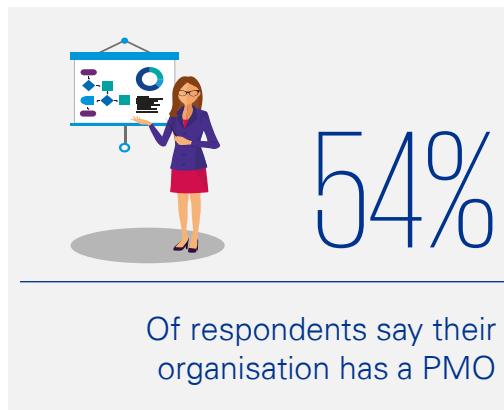
It appears that the key decision makers (92%) in organisations believe that PMs are vital for project delivery and for building organisational project management expertise. Only 2% of the Executives believe that PMs are not needed, while 6% believe that PMs are a luxury to have, but needed.

When we asked PMs how they think their role is perceived by organisations, the results change slightly. Compared to 92%, only 66% of the PMs think that their role is perceived vital by organisations, a fair share (28%) believe that organisations see PMs as luxury to have but needed, while 6% as not needed.

Whereas the results demonstrate that the key decision makers do recognise that engaging a PM pays-off in terms of time investment, money and resources, this view might not be entirely cascaded down to people delivering the projects. This misalignment in views could be attributed to poor communication or to senior management not involving PMs in business strategic decisioning, something that is experienced often, especially in large organisations.



Investing in Project Management



To keep up with the large number of projects, a mature Project Management Office (PMO) is often a good solution.

PMOs are becoming increasingly critical for organisations, as they serve the need of managing and maintaining standards in project across an organisation, while also supporting proper monitoring of the progress made in the various projects that run in parallel.

As per the survey results, more than half of the respondents stated that their organisation has a PMO or a similar structured team. This finding is supporting evidence to the growing demand for PM services and the organisations' increasing need to identify ways for controlling projects centrally and horizontally, during their shift to a project-oriented approach.

The recognition of the importance of managing projects in a structured way, is also reflected in the organisations' willingness to invest a fair share of a project's budget for professional project management services.

We have asked participants to indicate the percentage of a project's budget that they would be willing to pay for professional project management services and the results show that almost one third of the respondents would be willing to pay between 6% and 10% of the project's budget for project management services while 12% of the participants would be even willing to pay more than 10%.

Investing in Project Management (cont.)



However, even if organisations are willing to pay, they often struggle to find and employ people with the right skillset, resorting that way in different types of employment when it comes to project management services.

More than half (54%) of the participants have stated that their organisations prefer to employ PMs on a permanent basis, yet still a large share of the respondents (37%) prefer to hire PMs on a hybrid basis, using a combination of outsourcing and permanent employment. The remaining 9% prefer to outsource PM services entirely.

According to the 2021 PMI's report*, there is evidently a gap between the demand for project management skills and the availability of talent at a global level.

This gap between demand and supply of skilled talent is reflected in the results, as the main reason for which organisations outsource PM services is due to scarcity of suitable personnel (35%), suggesting that individuals and organisations, both from their side, should emphasise in continuous development and to equip with the desired skills that will enable them to deliver their projects successfully.

54%

Permanent employment

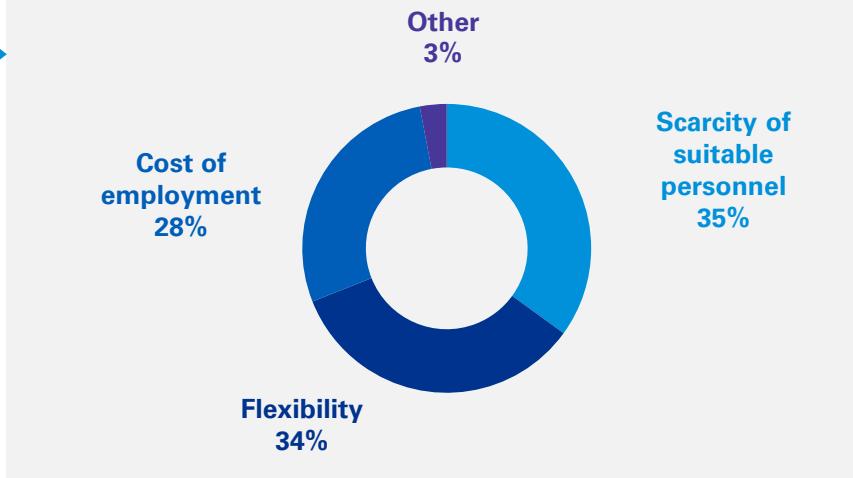
37%

Combination of outsourcing and permanent employment

9%

Entire outsourcing

What are the main reasons your organisation prefers to outsource PM services?



Source: * PMI (2021). Talent Gap: Ten-Year Employment Trends, Costs, and Global Implications.



The right skillset

Recognising the shortage of talent in the PM profession, we tried to identify the necessary skills that PMs are expected to have for delivering projects successfully.

We have gone a step further to distinguish responses based on the participants' role and hence, we have asked Executives to indicate the top skills that they are looking for in PMs, while on the other hand, we have asked PMs to determine the top skills that they believe they should have in order to perform their job.

The results indicate that both Executives and PMs place great importance on communication and problem solving skills, in the same order of priority. Team building and management was also among the top skills identified by both.

Which are the top skills that PMs should have?

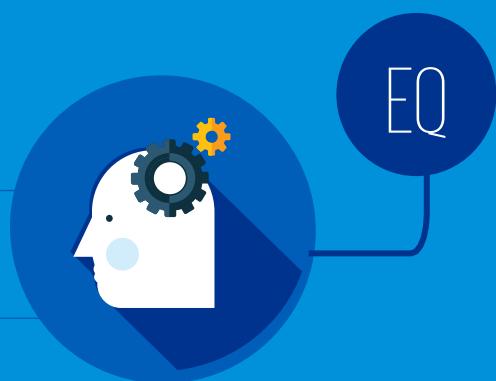
Communication Skills

Problem Solving

In addition to the above skills, it appears that Executives are looking for PMs with leadership skills, whereas PMs place higher importance on stakeholder management expertise.

Based on the results, we are concluding that interpersonal skills are of the utmost importance for a good PM. This is supported by the PMI's findings*, according to which, interpersonal management along other soft skills act as enablers for improving project performance.

Interpersonal skills though, are part of the bigger picture of Emotional Intelligence (EQ). Broadly speaking, EQ is the ability to perceive, use, understand, manage and handle emotions to communicate effectively, overcome challenges and defuse conflict. Emotionally intelligent PMs are able to align intentions with behaviors and essentially build extraordinarily high performing teams, that will ultimately lead to overall higher performance in project delivery.



Source: * Casper, C. M. (2002). Using emotional intelligence to improve project performance. Paper presented at Project Management Institute Annual Seminars & Symposium, San Antonio, TX. Newtown Square, PA: Project Management Institute.

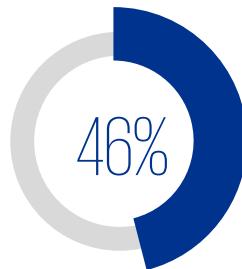
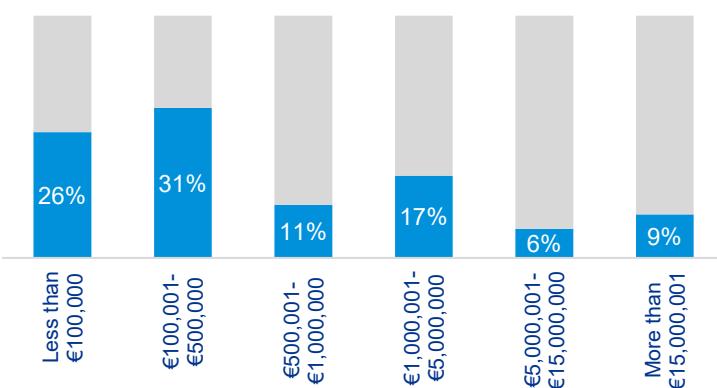


Achieving project objectives

When it comes to performance, we wanted to see how Cypriot organisations are doing in terms of delivering projects on time, on budget and up to the required quality standards. It seems that despite the increasing demand and the willingness to invest in professional project

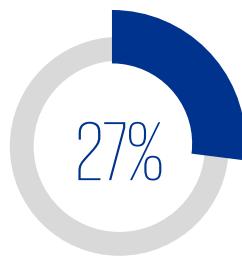
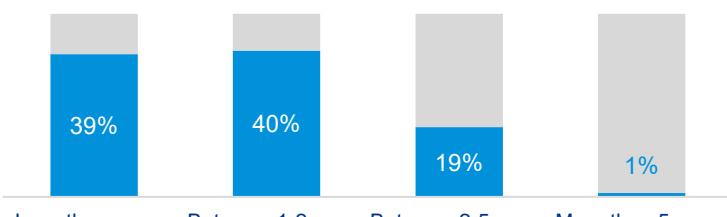
management services, in terms of benefits realisation and value added, organisations are not receiving their anticipated results, with only a 24% of the respondents indicating that are delivering more than 70% of the projects on time and on budget.

Budget



Of the respondents stated that more than 70% of the projects in their organisation are delivered within the agreed budget

Duration



Of the respondents stated that more than 70% of the projects in their organisation are delivered within the agreed time frame



Organisational maturity

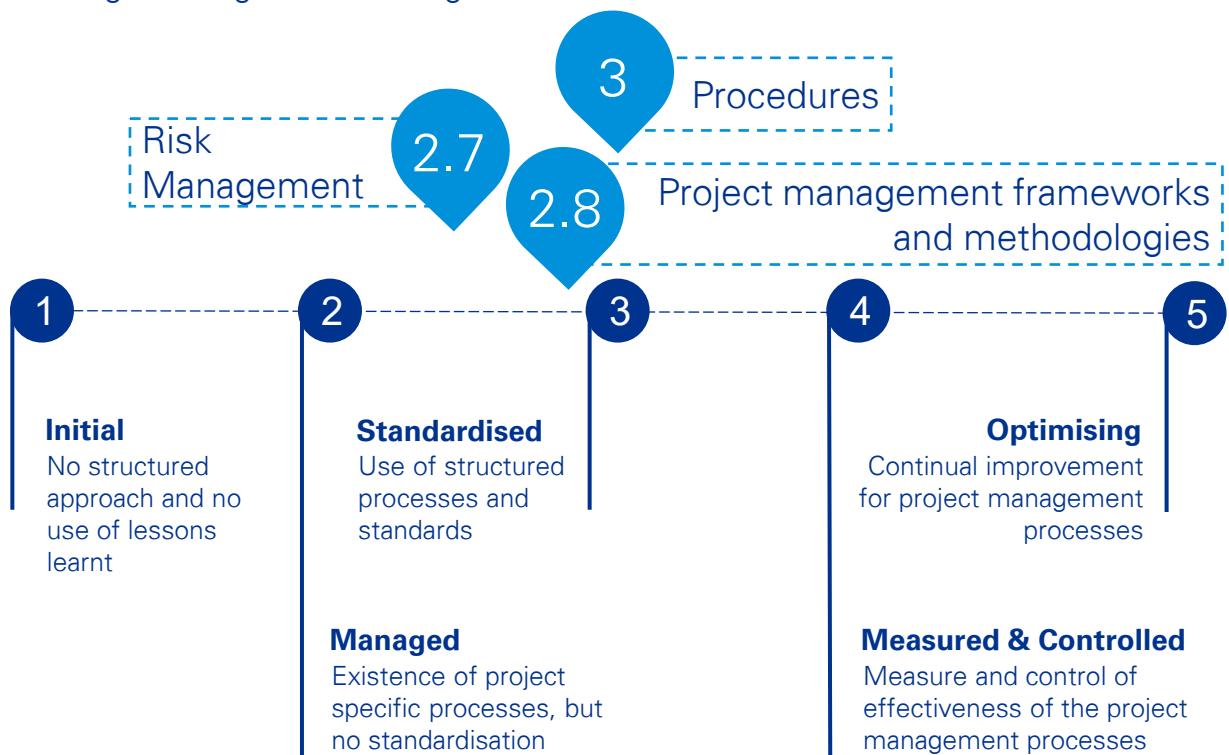
The reasons behind benefits “unrealisation” are many. Often, teams focus entirely on delivering project outcomes on time and on budget because project success is typically recognised by the organisations' management based on these two components. Yet such perspective, for the most part, ignores at a large extend the underlying purpose behind any project – to move the business forward.

Hence, the role of projects should not be seen solely at the project level, but as a mean to deliver business value, as a direct result of the project.

To achieve this though, organisations are more likely to do so if they adapt continuous improvement practices and provide tools to enable systemic knowledge sharing across the organisation.

We wanted to understand better to what extend the participating organisations follow this concept of the broad impact and role that projects have in their wider business, as well as to whether they have the right tools in place to facilitate continuous improvement practices.

We have asked participants to rate their organisations' maturity in terms of procedures, project management frameworks and methodologies and risk management. The analysis has shown average maturity in all three areas (2.8), suggesting that Cypriot organisations are close, though not there yet, to having a standardised use of structured processes and standards, while highlighting a relative weakness and room for improvement in areas such as use of project management methodologies and management of risks.





Measuring projects' value

The way organisations measure the value of a project reflects the organisations' strategic objectives and vision.

According to PMI*, in cases where project success is limited to the "iron triangle" metrics of scope, schedule and cost, then these are perceived as poor return on investment for organisations.

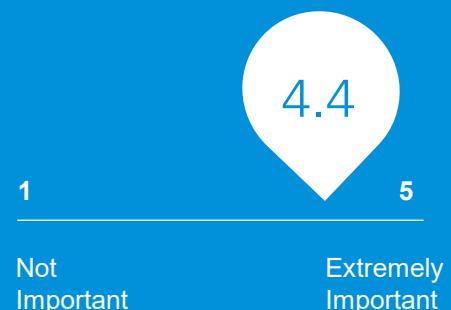
We wanted to see how the Cypriot organisations measure the value of a project, so we asked participants to rate the importance of measuring a project's value in financial terms, a main KPI when it comes to measuring project success and two outcome-based benefits; stakeholder satisfaction and impact on society in order to understand where Cypriot organisations place higher emphasis.

The results unsurprisingly indicate that the highest value is placed on stakeholder satisfaction, followed by financial success.

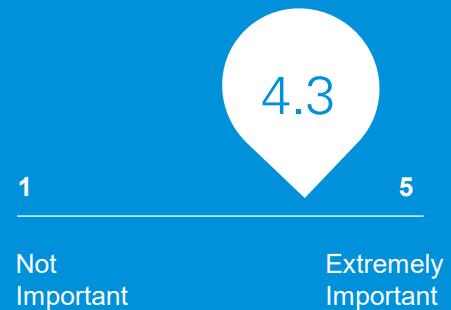
The impact on society appears to be the least important for the participating organisations. However, we anticipate that their interest in this factor will grow over the coming years, as along with the shift of the legislative landscape at global, EU and local level, the corporate world is increasingly being pressured to adapt ESG practices.

This is also particularly important in light of increasing shareholder activism, meaning that success in regards to stakeholders' satisfaction, is at threat if businesses do not take immediate actions for assessing their ESG compliance and practices.

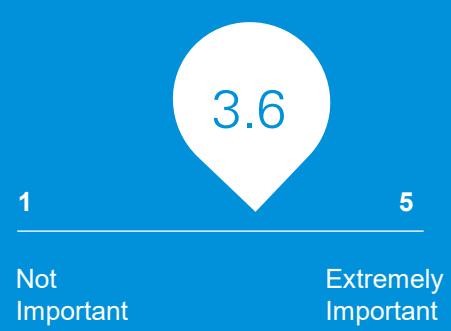
Stakeholders satisfaction



Financial Terms



Impact on Society



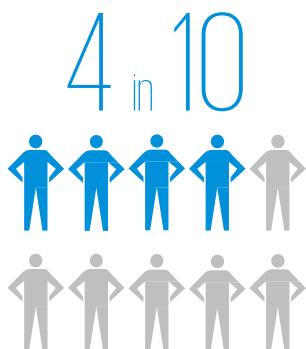
Source: * Weninger, C. (2012). Project Initiation and Sustainability Principles: What Global Project Management Standards Can Learn from Development Projects when Analyzing Investment. Paper presented at PMI® Research and Education Conference, Limerick, Munster, Ireland. Newtown Square, PA: Project Management Institute..



Findings per sector

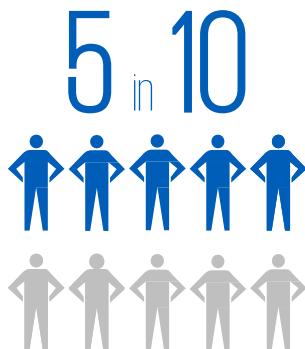
60%

Of the executives who find PMs role vital for successful project delivery work in the Banking/Insurance and Technology sectors



The results show that Technology companies (43%) are more likely to hire PMs on a permanent basis compared to other sectors, which is an interesting finding given the short duration of the projects indicated in this sector. Following is Construction/Real Estate sectors, with 15% of the respondents stating that their organisations hire PMs on a permanent basis.

Banking/Insurance companies (35%) had the highest share of responses among the group of organisations that prefer a hybrid employment model (outsourcing and permanent employment).

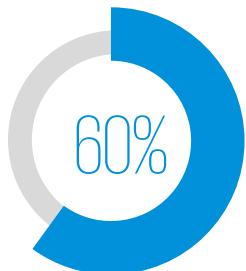


More than half (52%) of those organisations that are willing to pay more than 10% for PM services, belong to the Technology sector. The same sector has a high share of responses (38%) among those willing to pay 6-10% of the project's budget for PM services.

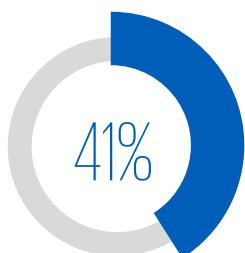
A quarter of those willing to pay 3-5% of a project's budget for PM services, belong to the Banking/Insurance sector.



Findings per sector(cont.)



Of the respondents who claim that their organisations deliver more than 50 projects per annum work in the Banking/Finance and Technology sectors



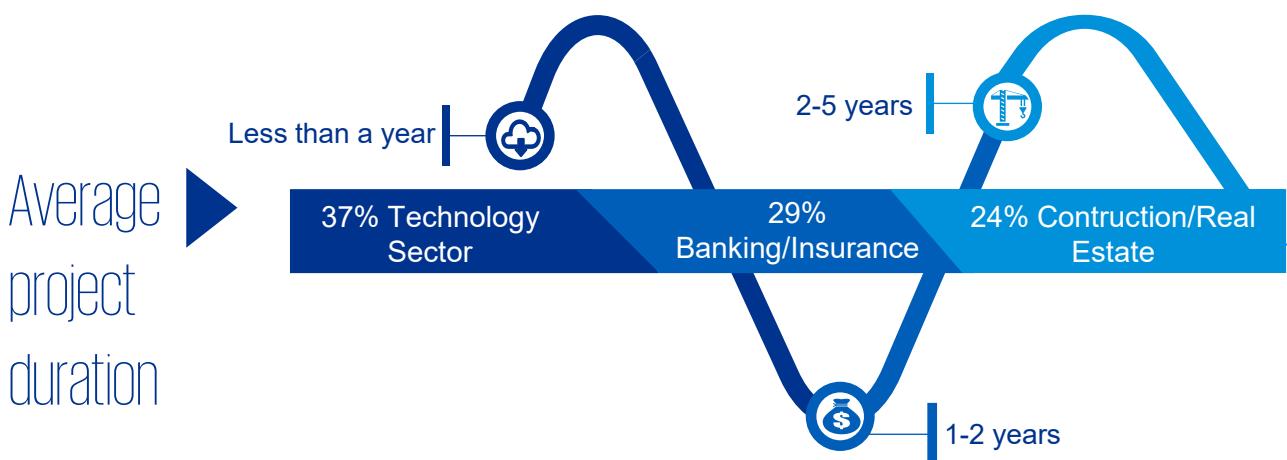
Of the respondents who claim that their organisations deliver projects of over €5,0 million work in the Construction/Real Estate sector

When it comes to the number of projects delivered by organisations, 60% of the respondents who claim to have more than 50 projects per annum, belong to the Banking/Insurance and Technology sectors.

It appears, however, that responses from the Technology sector vary as the sample is larger and different types of organisations (in terms of size) have participated.

Participants from the Construction/Real Estate sector had a higher share of responses among smaller number of project groups (less than 30 projects per annum).

Yet, when looking at organisations which deliver projects of over €5,0 million, 41% of the respondents belong to the Construction/Real Estate sector. Among those who deliver projects of €1,0 to €5,0 million, 38% belong to the Technology sector, whereas Banking/Insurance respondents had a larger share of responses among the group of projects, with a budget of €500,0 to €1,0 million.





The future: agility is king?

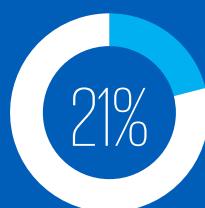
Our view is that Cyprus follows the global trends, where a growing demand for PM services is shaping the business environment. Yet, Cypriot organisations are in the process of maturing and developing in the area of effective project management.

Along with the increasing need for PM services, organisations are looking for skilled talent, which is equipped with the majority of the soft skills suite. However, in anticipation of the future, certain technical skills such as agile methodologies need to be embedded in the PMs skillset in order to perform to the highest standards. Equally, or even more important, is the need for infusing PMs skillset with ESG related knowledge. Sustainability in its broader term is topping the C-level agenda and PMs need to, on the one hand, ensure they are keeping up with relevant knowledge and, on the other hand, facilitate the delivery of more sustainable projects.

Which are the top 3 skills PMs should develop in the future?



Agile Methodologies



Leadership



Stakeholder Management

Agility in project management, apart from being a buzz term, embodies the core principles of frequent iteration, continuous learning and high quality. Such techniques, when applied correctly, can help overcome organisational resistance and enable businesses to quickly adjust and respond to changing business needs and volatile environments, which is the current situation we all live in. Yet, experience shows that the use of agile methodologies can be quite challenging for organisations and if not done right could lead to poor project delivery.

As we expect that the projects will continue becoming increasingly complex, Project Managers and organisations need to prepare by continuously developing their technical and soft skills, keep educating and by remaining relevant with the global trends and developments.

It is also imperative that organisations see Project Managers as their strategic partners rather than delivery people and work closely with them, in the pursue of delivering successful projects, amid these challenging times.



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