



Major project leadership

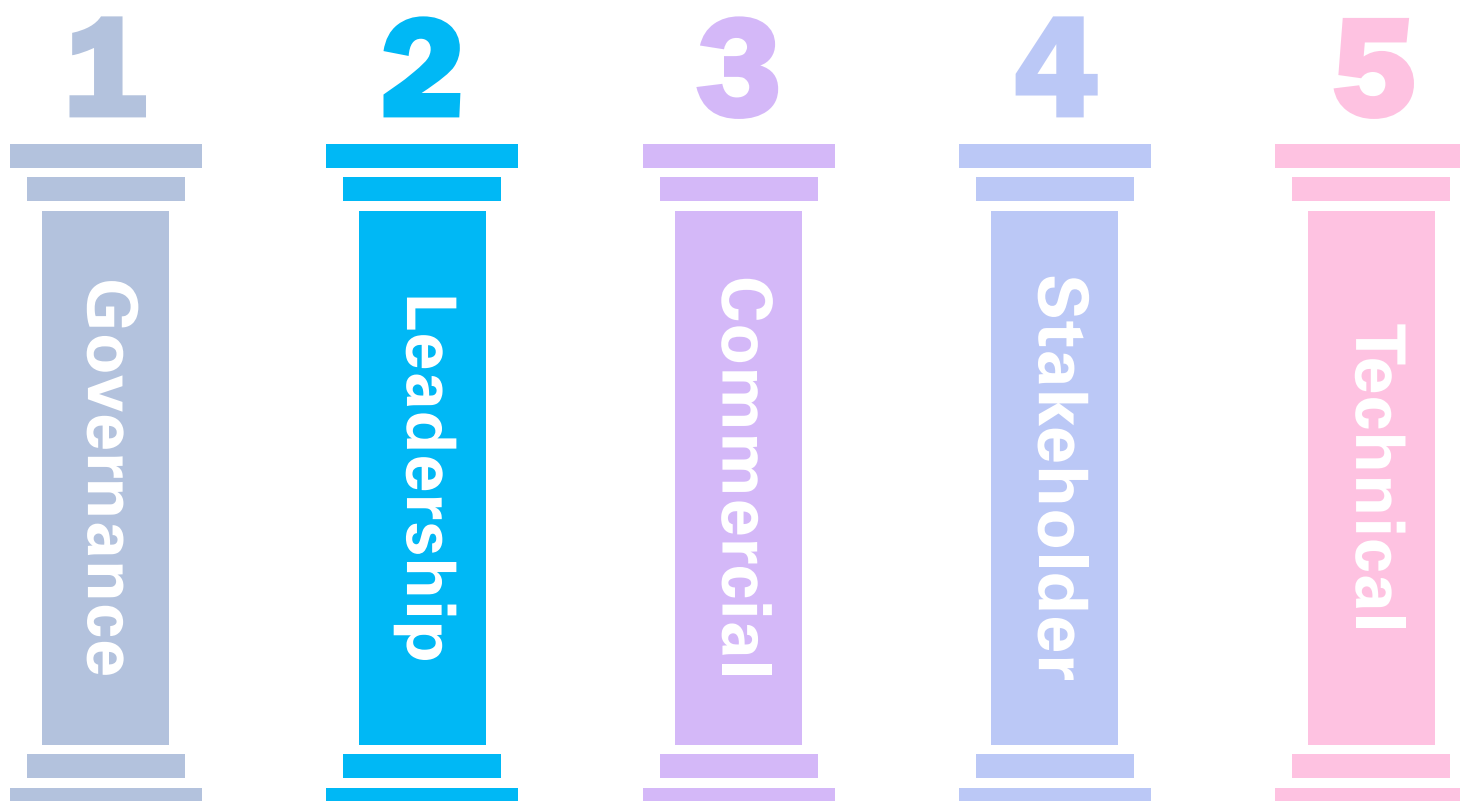
Creating a leadership culture



It's a familiar scene for major project management: an organization sets off with a bold vision and big plans only to discover after making major commitments that its governance and leadership structures are an ill fit for the challenge. Teams become strained, issues compound, and a project that was originally destined to change the game puts companies and careers at risk instead.

Then, there are the stories of massive, complex projects being managed with success. The ones that are improving lives and careers as a result. These are the large-scale initiatives that launch with fit-for-purpose leaders and a leadership culture that uphold the project's vision, mission and values while enabling its team to move with autonomy, agility, and confidence.

Naturally, the second scenario is the preferred outcome. Getting there begins by recognizing how the importance (and uniqueness) of leadership comes into play, and what makes it an essential pillar in major project management.



Management ≠ leadership (and vice-versa)

It's important to draw a distinction between leaders and managers – or more specifically, leadership and management. The latter is the act of undertaking specific tasks and “managing” parameters such as timelines and budgets. Leadership, by comparison, is the act of (and ability to) inspire teams, promote internal and external alignment, and navigate change regardless of their title.

In short: Management is a necessary element for any project, but not sufficient on its own. Only when effective leadership is established up front can projects establish the collaboration, communication, accountability, and authority needed to effectively manage day-to-day project activities.

In short: leadership is the connective tissue that keeps the project on track. It is a difficult skill to practice and can change as projects unfold, which is why major projects benefit by establishing strong leadership from the start and supporting it through all phases.

Leading major projects

It sounds simple on paper: if an organization has conducted smaller-scale projects in the past, then the same hierarchies and strategies will work for something larger. Sure, it may require teams to work a few late nights, but if the company has a track record for conquering \$100M initiatives, then a \$1B-plus project should be feasible.

In reality, overseeing projects of this magnitude is never 'business as usual'. They are much like running a second organization entirely, complete with its own goals, culture, cost considerations, and operating frameworks designed to bring a specific vision to life. Moreover, the timelines for major projects can extend far beyond what the organization may be used to, spanning anywhere from 10 to 15 years from conception to completion and all the vital stages in-between (e.g., planning, procurement, commissioning, etc.). Lastly, major projects are no small expense, and can cost millions per day in the construction period alone.

These reasons and more make major projects a unique and monolithic undertaking for organizations; one that requires a bespoke approach to team development, culture building, governance, and controls. These projects are feats for any organization, and require leaders who have experience with large-scale projects and the specialized knowledge to see them through to the final ribbon cutting.

Backgrounds and skillsets may differ, but essentially, effective leaders are those who:

- Shape the project and direction to meet project objectives and align with the organizational vision, mission, and values.
- Ensure a project team includes the right capabilities, capacity, and competencies.
- Possess superior communication skills.
- Trust their team to deliver on the project mandate.
- Safeguard the project against optimism bias.
- Have the courage to implement and maintain change through the project lifecycle.

Major project leaders are also somewhat of a paradox. They are optimistic, but always thinking about what can go wrong. They have faith in their teams but are prepared for the worst. They are confident and ready to lead, but willing to give their team the space and support to do what they do best.

Cultivating leaders at all levels

The term ‘leader’ can refer to anyone at any level who has the knowledge and expertise required to drive their respective departments forward in service of the project’s – and organization’s – vision and goals.

Major project teams also benefit from leaders with diverse skills and areas of expertise. There may be those who excel at technical delivery but fall short in business acumen, and there may be individuals who have a natural ability to guide teams but lack specialized knowledge in key areas. Success requires that teams have complementary leadership skills across the team, and that mechanisms are in place to share those skills and experiences.

That’s not to say there aren’t ‘leaders’ who rank higher within a project governance hierarchy. It’s saying that ‘leaders’ can be cultivated and championed through all teams and at all levels for the benefit of the project.



It takes a leadership culture

\$1B+ projects exist to serve an organization's vision, but they need to be driven by values, objectives, and goals tailored to the task at hand. Herein, effective leadership structures are those which are continually fostering a workplace culture that keeps these guiding principals at the fore.

Transparency, accountability, and communication are critical to building a leadership culture. As such, effective leaders are ones who can work with both internal and external stakeholders to maintain alignment between teams and stakeholders with varying goals, perspectives, and objectives. Whether it's in the field with the contractors, in a presentation with concerned citizens, on a call with organizational higher-ups, or in the boardroom with special interest groups, they are the people keeping the big picture in view among all project stakeholders.

Major projects also suffer when their teams lack the trust and support to practice timely decision-making. This is common roadblock in 'owner-led' cultures which punish mistakes more than they reward initiative and progress. In these environments, the fear of making the wrong move can create a decision-making bottleneck at the top that slows down schedules and holds leaders back from demonstrating their full potential.

Managing organizational change

Major projects are living, evolving entities. From planning to design, execution and oversight, there are distinct stages of a 'megaproject' that require distinct leadership approaches. Each stage comes with different cadence and challenges, requiring leaders and leadership structures to manage change and a changing internal environment. Change on these large-scale initiatives can refer to two distinct things: organizational change as the project team moves through the project phases and project change where the organization and people adjust to various pressures.

When designing your leadership approach, consider asking: "How will it look throughout all phases?", "How will it support the change effort?" and "What processes will make that change quick and effective?" The answers will depend on the hard controls and culture in place and the ability to move in unison with other teams.

Change management is not something to be taken for granted. It needs to be strategically and thoughtfully planned out with a sustained focus and effort until the very end.



Breaking down the silos

It's common sense, but always true: communication is the glue that binds major project stakeholders. That includes internal communication between project teams and boards (or other governance structures), as well as parallel communication between day-to-day collaborations with contractors, investors, business partners, and other stakeholders, no matter where they fall in the project organization.

There's not an organization on the planet that doesn't recognize the value in good communication. Even still, there are communication missteps and pitfalls that can weaken a leadership culture.

One of the biggest communication blocks is when bad news is discouraged out of fear of repercussions. No one likes to hear that schedules are off course or a costly problem has come to light, but these updates need to be tabled with the relevant stakeholders immediately so they can be dealt with quickly and appropriately. Remember: **bad news is one of the most valuable commodities on a project since that's where action needs to occur.** As such, the channels and support need to be in place that allow bad news to be escalated to the people who need to hear it.

Another impediment to project success is when people only communicate when they feel it is necessary. In truth, if you feel like you're over-communicating, then you're probably not yet communicating enough. Staying aligned means staying connected and leaving little room for incorrect assumptions, knowledge gaps, or misinformation to take root.

Good communication is never a given. It needs to be built into the organizational design, championed by leadership, and actualized through meetings, internal reviews, or other agreed-up methods.

On solid footing

Leadership describes several elements in major project delivery. All combined, it's about establishing the culture, people, objectives, and controls that lead a project to its planned outcome. The worst time to find out a costly initiative has poor leadership is years down the road when it's more costly to correct. That's why leadership is one of the five pillars that organizations are compelled to get right in the beginning when time is on their side.

Contact us



Doug Ewing

Partner, Deal Advisory, Infrastructure

604-691-3022

dewing@kpmg.ca



Zach Parston

Partner, Advisory

403-691-8161

zparston@kpmg.ca

home.kpmg/ca



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2022 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization. 17288