

2021 AIPM AND KPMG PROJECT MANAGEMENT SURVEY

Looking forward with renewed
purpose and relevance



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ABOUT THE SURVEY

Welcome to the 2021 AIPM and KPMG Project Management Survey, a Project Delivery Performance in Australia Report based on the survey conducted by KPMG Australia and the Australian Institute of Project Management (AIPM).

This report is the fourth in the series. It aims to deep dive into the current trends in project management in Australia to help elevate the quality of project delivery while highlighting issues facing project management professionals. This year we're also addressing the current challenges and opportunities for the profession.

The first report completed in 2018, which focused on project management in Australia. In 2019 our report was carried out in collaboration with the International Project Management Association (IPMA) and looked at trends in project management from a global perspective. The 2020 report returned to focus on the project management profession in Australia and this year's survey has continued that focus.

As you read through the report, note that the percentages will not always add to 100%. In some cases, responses of "Don't know" have not been included in the report. In other cases, respondents were able to select multiple choices, so that the total adds well above 100%.

We want to thank everyone who gave their time to complete the survey and helped us to provide this perspective on the profession's state and outlook in 2021.

QUALIFICATIONS

42% hold an AIPM certification

29% hold an Axelos PM accreditation such as Prince2®

26% hold formal postgraduate PM qualifications

23% hold a certificate level in Project Management

15% are PMP® accredited

13% are a Certified Scrum Master

ROLES

While the number and geographical distribution of respondents have varied over the four years the survey has been run, we see a remarkably consistent proportional response across the project roles. At a detailed level, people describing themselves as Project Manager (PM) has fluctuated a little but the representation of the more specialist project roles seems constant in the market.

58% Project Manager or Delivery Support

20% Portfolio or PMO leadership roles

13% Project advisory/Consulting or training roles

9% Executive or sponsor roles

473
RESPONDENTS

SURVEY DEMOGRAPHICS

TYPES OF PROJECTS

38% Construction/Infrastructure (down from 48% last year)

23% Technology (consistent with last year)

21% Business improvement/Transformation (Up from 16% last year)

18% Other



INTRODUCTION

The continuing workplace challenges of 2021 underline the importance of delivering projects through times of uncertainty. When the VUCA (volatile, uncertain, complex, ambiguous) descriptor was coined, who could have contemplated the reality of a worldwide pandemic and its enduring impact on our lives?

Regardless, the need to deliver value through projects has been constant, and even accentuated – whether for the critical capability to address COVID-19, infrastructure investments to kick-start and then sustain the economy, or business transitions to pivot to the new or changing environment. Throughout these times, project professionals have maintained focus on delivery, not just of tangible products and milestones but also of the benefits and outcomes that current projects address.

Now that we in Australia and across the world are starting to experience a return to less constrained ways of working, the common question is, “What now?” 2021 AIPM and KPMG Project Management Survey sought the opinions and considerations of those intimately involved in project delivery. The survey results represent project practitioners’ collective opinions and observations at the coalface of delivery and provide insights into what is working and what is not in the project management market.

Overall, we have a positive picture to share. Over the four years in which this survey has been conducted; we have observed and commented on areas of improvement. In addition, we see a significant level of consistency in some responses over the longitudinal view. The findings of this survey offer organisations and project delivery practitioners an invaluable opportunity to reinforce the good practices and identify areas of focus. And in turn, it enables the project management profession to go forward with renewed purpose and relevance.

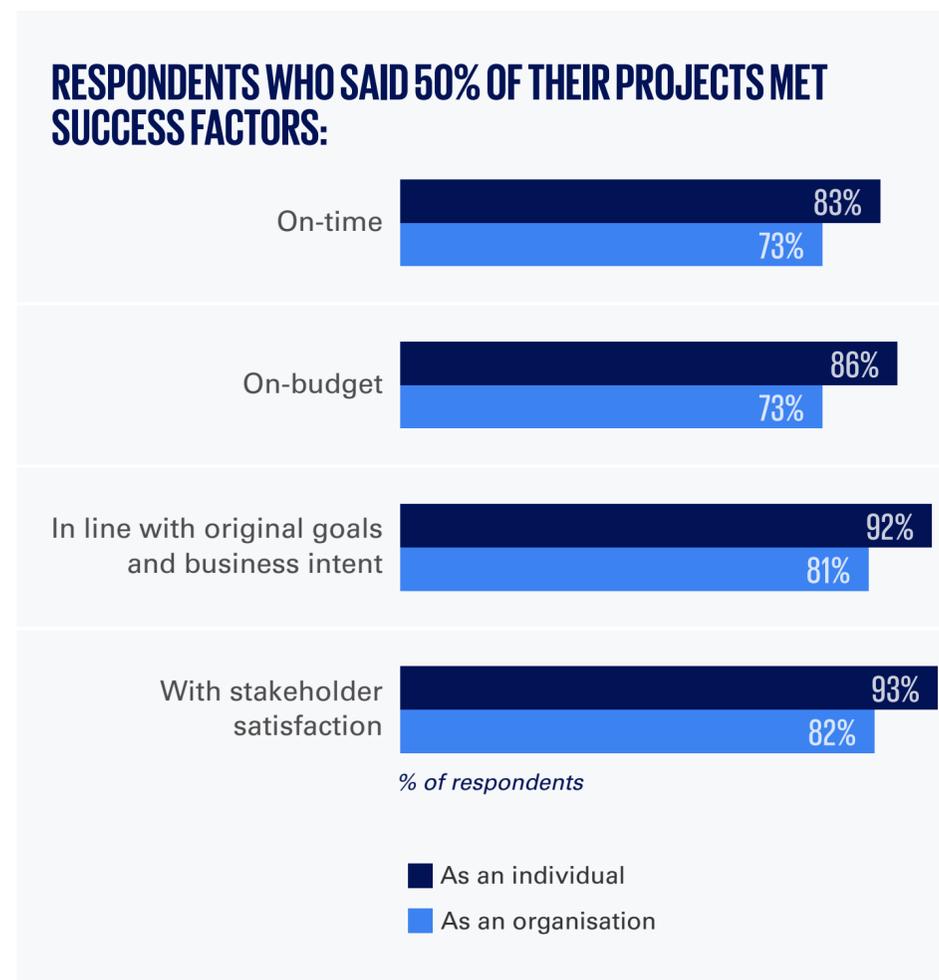
PROJECT MATURITY AND SUCCESS

Reflecting on an organisation's project and program management maturity.

This year, we asked respondents to answer two identical sets of questions about successful project delivery. The first set was about their own experience as a Project Manager (PM), and the second set was about their organisation. We observed that respondents were consistently more critical of their organisation's approaches and success.

In both 2020 and 2021, approximately 50% of respondents rated their organisation's project and program managers capability as effective or excellent. Those respondents then rated their organisation's ability to deliver projects at least ten percentage points higher than the other respondents on the success measures. These statistics indicate that project and program success is correlated to an organisation's project and program management maturity.

Further analysis into how respondents rated their organisation's maturity concerning specific capabilities highlighted that common strengths included procurement and contract management.



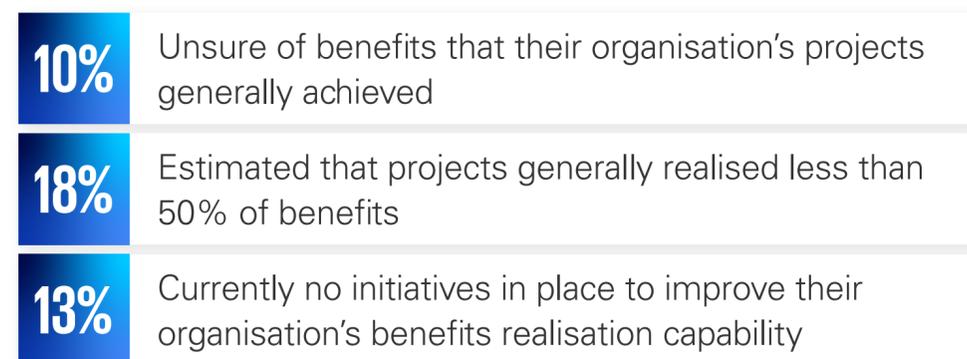
“ ORGANISATION INFLEXIBILITY IS STILL CREATING PROJECT OBSTACLES, TIME DELAYS AND BARRIERS TO EFFECTIVE PROJECT DELIVERY”

“ THE ABILITY TO DELIVER VALUE IS NOT LIMITED TO PREDEFINED SCOPE, ON-TIME AND BUDGET. PMS NEED TO WORK IN PARTNERSHIP WITH STAKEHOLDERS TO DELIVER BENEFITS AND TO AVOID TREATING PROJECTS AND PROGRAMS AS A MERE TRANSACTION”

Quotes from respondents

Capability areas for improvement varied across respondents. The chart below highlights that benefits management remains the capability of lowest maturity across organisations. This is consistent with the 2020 survey findings and suggests organisations need to do more to improve their benefits management capability.

For the last four years, benefits management and benefits realisation often come into the spotlight for defining the project or program success. Beyond the lifecycle of a project or program, the benefits delivered to the organisation have true longevity. Therefore, it is noteworthy that of the respondents surveyed:

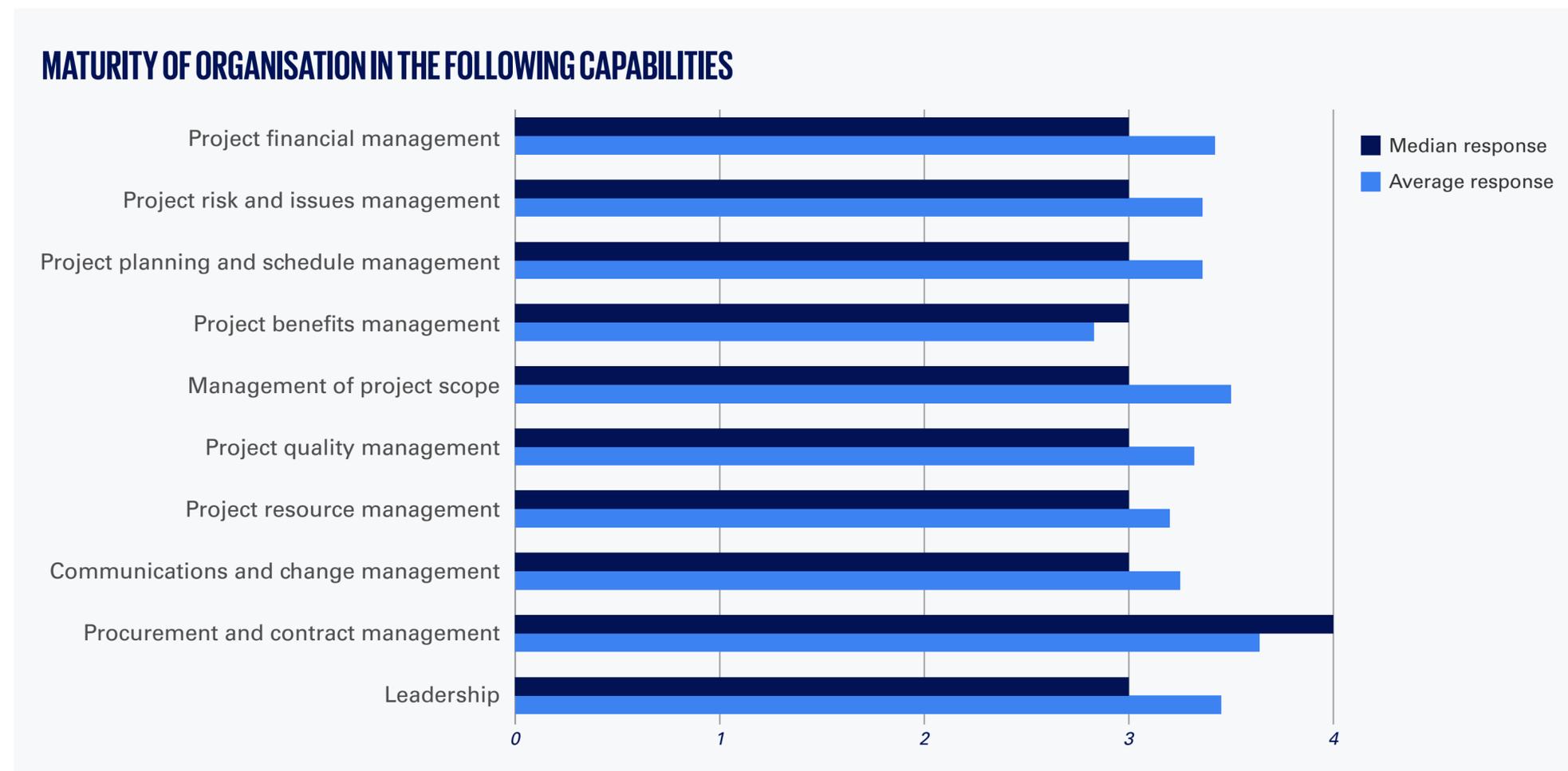


So, there is more work to be done to strengthen this capability across organisations. By far, the most common approach for organisations to improve their benefits measurement and realisation was to align the project/program benefits with their organisation's strategic business objectives (26% of respondents stated that their organisations had this in place to improve benefits measurement and realisation).

A project or program's objectives and its intended benefits are at the forefront of the project. Together with stakeholder support, successful and efficient project and program delivery can go a long way toward facilitating sustainable success and longevity for your organisation and an appropriate return on investment.

Success is more than scope, time and budget.

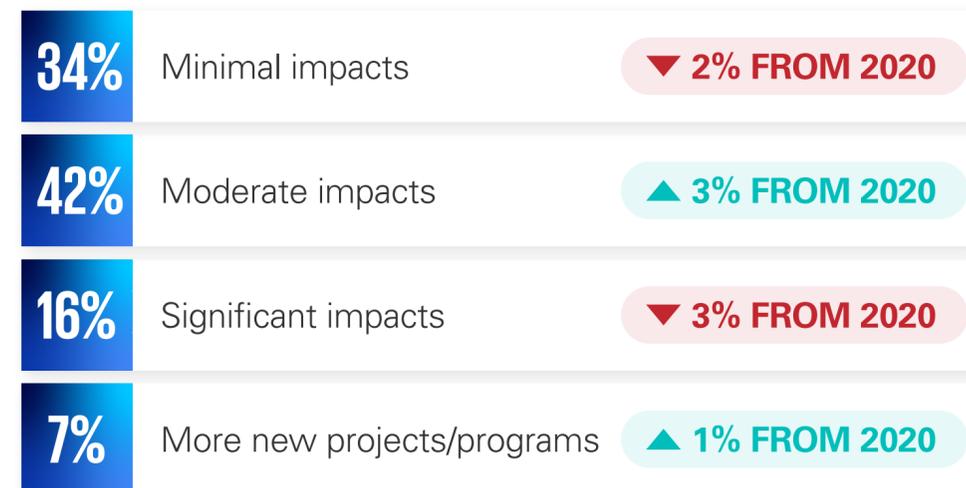
Intended benefits must be delivered and realised for investment to be considered a success.



EFFECTS OF COVID-19

As the pandemic lingered into 2021, we revisited COVID-19 impacts in this year's survey. The data is similar to last year, with most seeing minimal to moderate impact (some observing delays or cancellations) on their organisation's projects.

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



In response to continued pandemic impacts, most organisations surveyed established or further enhanced their use of virtual meetings and collaboration tools to manage projects/programs. Some also took other actions such as governance, communications, or changing the project schedule or business. As the lockdowns persisted, it was good to see data showing team member communications increase even further from 2020.

68% were meeting and collaborating virtually and there was a 74% increase in collaboration tools

2021 saw a significant increase in the use of collaboration tools to support an increasingly virtual working environment – 49% of respondents indicated a marked increase over the previous year. Microsoft tools are leading the way in this area, with Teams and SharePoint the most popular tools of choice for collaborating with stakeholders and sponsors. Confluence and Trello were also used, though by relatively fewer respondents.

Any impact on recruitment?

About 38% of respondents identified that nothing much had changed in their organisation's recruiting experience. While there was an even split between receiving more or fewer applications for advertised roles, in 40% of cases the quality of candidates was assessed as lower than expected.

With increased jobs advertised, coupled with continuing international border closures, the Australian market is struggling to keep up with the demand for experienced and qualified Project Managers. Whilst it is great news for job seekers, it highlights the importance of continued investment in the development and training of project management professionals.

A FOCUS ON GOVERNANCE

Do individuals and organisations have different perceptions of governance effectiveness?

Our results illustrated a gap between how respondents perceived the effectiveness of governance in their projects compared with their organisational perceptions. Most notably, 43% of respondents said their organisational-level governance activities were effective or highly effective, whereas 58% rated their own projects at that level.

Looking further into the organisational perception, 48% of respondents identified that project governance was effective or highly effective in an organisation with an established Project Management Office (PMO), compared with 39% where a PMO did not exist.

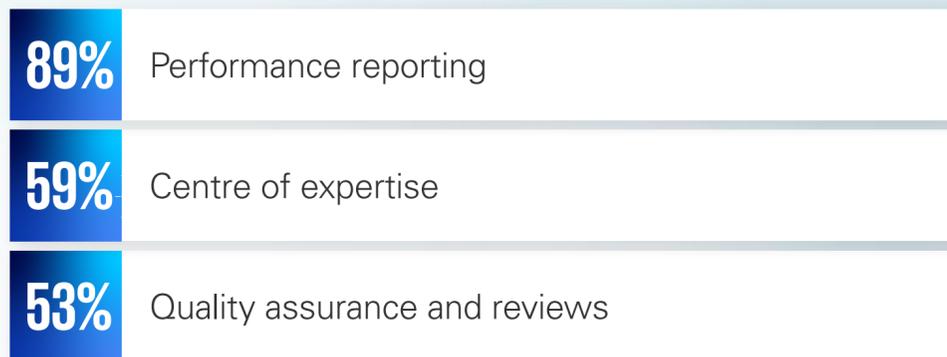
Sponsors stay constant

Most projects have moderate to highly engaged sponsors. However, there's more work to do with 27% saying sponsors are actively engaged in less than 50% of projects.

When it comes to the substantial commitment by business sponsors, results were consistent between the respondents' individual and organisation perspectives.

Improving governance with a PMO

108 respondents work in an organisation with an established PMO, and 77% reported it as being moderate to very effective. The most common functions delivered by the PMOs were:

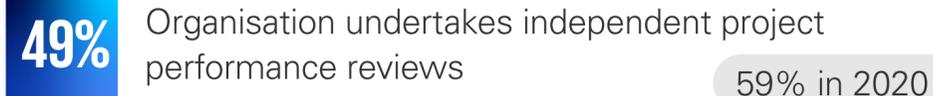


An established PMO can help organisations improve governance, hold people accountable and deliver value through meaningful project support to activities aligned with the business strategy.

Organisations without a PMO capability are potentially missing out on these valuable functions that not only streamline activities but contribute to the consistent success and business benefits of projects and programs.



Organisations with PMOs are more likely to conduct formal project reviews



Around half of respondents reported that their organisation's conduct reviews to determine whether performance or goals are met.

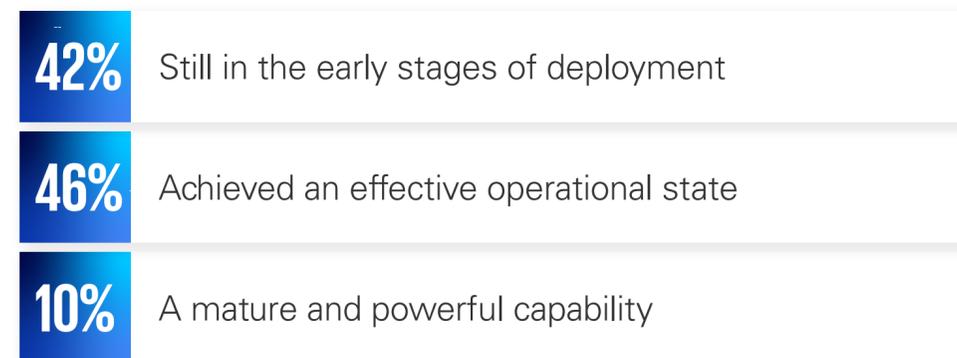
We note that 43% of reviews were taking place regularly throughout the project/program rather than once-off at key times.

These reviews provide both invaluable input to process improvement and help build trust with stakeholders and sponsors. In an increasingly complex project landscape, it's vital for Project Managers to show value, manage expectations and make data-driven decisions.

Project management and collaboration software

In 2021, the increasing virtual working environment shift meant team collaboration between members, stakeholders, and decision-makers became far more critical.

Status of software deployment



Software challenges identified:

Respondents identified two areas of concern that they felt impact on project management:

1. The rate of technology change
2. Developing software and AI to support project management productivity

“ KEEPING UP WITH TECHNOLOGY AND HOW TO BEST USE IT IN THE DELIVERY OF PROJECTS”

“ LACK OF KNOWLEDGE/INTEREST IN THE 21ST CENTURY TECHNOLOGY... WE ARE STILL BACK IN THE LAST CENTURY”

“ KEEPING UP TO DATE WITH NEW SOFTWARE FUNCTIONALITY AND THE ABILITY TO ADAPT QUICKLY TO NEW SOFTWARE”

“ ... THE CHALLENGE OF HOW AI CAN BE INCORPORATED SUCCESSFULLY TO ASSIST IN THE INCREASING COMPLEX PROJECT ENVIRONMENTS”

Quotes from respondents on the software challenge

CHANGE INCREASES COMPLEXITY

Project and program complexity certainly increases as business transformation evolves and fundamentally changes systems, processes, people, governance, performance measurement and technology across the whole business.

Similar to the 2020 survey, respondents tell us the number of projects and programs involving significant uncertainty and volatility has grown over the last ten years.

71% Complexity has increased

What makes a complex program successful?

Overwhelming response highlights two key contributors:

- Strong and active leadership with a clear vision
- Strong relationship and stakeholder management and collaboration

What increases the likelihood of success?

A third of respondents identified two other factors:

- A professional PM who has experience in complex project delivery
- The right skills mix in the project or program team



Transformational projects

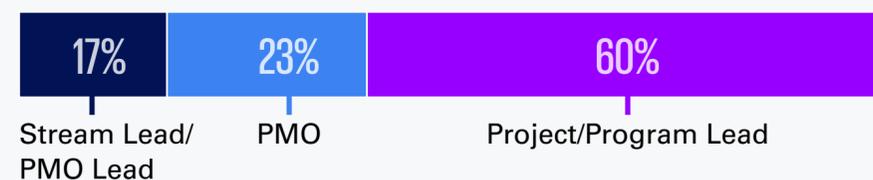
Recently, transformation projects are most often linked with digitisation of the business and its processes and migrating to Cloud based services.

Those respondents who identified they generally deliver transformation, technology, and other projects (252 of the 473 respondents) were asked about their transformation experience. Of these, 219 indicated they had played a role in a transformation project recently. Together with the 11 wanting to be involved, this represented just under half of the total survey population (48.6%).

Key indicator of strength in this field

A large proportion of the project management population is actively involved in transformation projects across a wide range of industries.

ROLES INVOLVED IN DELIVERING BUSINESS TRANSFORMATION PROJECTS (219 RESPONDENTS)



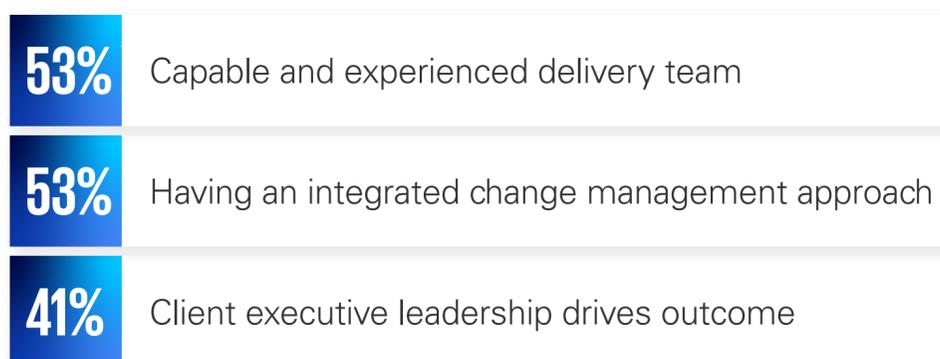
Primary driver of transformation projects

- Process improvement, integration and automation (80, or 32% of respondents to this question).
- Technology, through infrastructure upgrades or Cloud implementation, accounted for 27% of reported transformation drivers.
- According to an online survey by KPMG of mid-market* business leaders, customer experience (CX) improvement is the primary driver at 57% – however at 13%, the project community see CX relatively less important.

Are business leaders and project managers not aligned in their perception of the reasons for digital transformation?

Businesses contemplating a transformation should ensure project leads understand the full business context of the project and the impact of the changes, not just the technological implementation.

When asked about the key success factors for transformation projects, the key factors identified were:



Change management

Transformation project leads recognise that change management is an essential contributor to the success of the transformation.

What respondents are saying about their organisational change management capability.

- Majority (60%) identified their organisation has formal change capability.
- 86% of those reported change capability as moderately to highly effective.
- For complex and transformational projects, the project and change management leads benefit from being closely aligned.

* *Data and Digital Transformation in the Mid Market Report 2021*
<https://home.kpmg/au/en/home/insights/2021/09/data-digital-transformation-mid-market-report.html>

AGILE ADOPTION

Successful adoption of Agile methodologies and practices continues to be a challenge for organisations. In this year's survey, we compare individual and organisational responses to Agile methodology adoption and implementation:



(either using full agile adoption or utilising a mix of agile and waterfall methodologies.)

Interestingly, 52% of respondents reported that adopting Agile methods had improved their individual project delivery capability but only 37% identified that organisational project management capability had improved by adopting Agile. There thus seems to be mixed responses in the ability of Agile methodologies to provide the required outcomes for businesses and reflects the need and reliance for individuals to advocate the benefits that Agile approaches to project management can bring to organisations.

Main concerns for organisations in adopting Agile methodology

- Driving leadership commitment.
- Agile delivery governance approach and structures.

Other concerns reported

- Existing governance, financial and change management requirements conflicted with Agile delivery models of the project teams.
- Existing structures and functions often need transformation when transitioning to Agile delivery but are typically left as is.
- Unrealistic expectations of leaders in what Agile approaches may provide for organisations.

By committing to providing Agile training opportunities to leaders, change agents, and other stakeholders like finance and risk functions, organisations can expect to see improvements in their ability to deliver Agile projects.

Organisations also need to ensure they have project professionals who have the right skills and experience in Agile who can drive impactful conversations to achieve the desired improvements agile to overall project delivery.

DO YOU FEEL THAT THE ADOPTION OF AGILE METHODS HAS IMPROVED OVERALL PROJECT AND PROGRAM SUCCESS RATES?

Individual responses



Organisation responses



- Yes
- Similar overall success
- Don't know/Unsure
- No

FUTURE FOCUS – DEVELOPMENT AND RECOGNITION

How do project professionals see their role in the organisation?

62% Project management skills will be more important in the future

The Project Manager of the future

Respondents identified the three strongest and three weakest skills:

Strengths

- 1 Planning and direction setting – 32%
- 2 Communication skills – 31%
- 3 Complex problem solving – 29%

Weaknesses

- 1 Difficult conversations and conflict management – 30%
- 2 Leadership in ambiguity – 25%
- 3 Leading change in the organisation – 22%
Teaching, mentoring and knowledge sharing – 22%

Note that respondents self-identified strengths in technical areas, with the perceived weaknesses all related to interpersonal (“soft”) skills. It also reflects the increasing responsibility of the Project Manager as a business and people leader as well.

What contributes most to a Project Manager’s success?

- Split between “Leadership” and “Attitude”
- Experience and qualifications were not highly rated as a strong identifier of success. However, there is a clear preference for candidates with relevant qualification and/or certification (63%).

Training and accreditation

Project management theory and methods are the foundation, but success relies on technical competency and developing strong personal skillsets.

How project professionals are perceived within their organisation

66% Positive image

73% Project management as an important capability

Satisfaction with the investment being made by the business is lower

36% Organisation does enough to improve project management skills and capability

This survey indicates that there’s a strong desire for greater recognition of the project management profession.

Challenges to the profession

- Around 70 respondents (35%) voiced concern about the value of project management skills being eroded by inexperienced or unskilled people being appointed into the role.
- A further 30 respondents expressed concern about the lack of business recognition of the value of project management as a role and as a profession.



CALL TO ACTION

In an environment of constant change and upheaval, successful organisations must adapt and implement quickly, demanding more of Project Managers than ever before.

Project management must evolve to meet the needs of today's challenges. Improving project and program delivery to ensure success is a challenge to the project management community globally. The potential for organisational effectiveness and community benefits are significant.

We suggest:

Effective use of PMO construct for project and program success

This is related to an organisation's project and program management maturity. That success cannot be a product of the project or program manager alone.

Our results illustrated a large gap between perceptions of individual and organisational capability, a notable difference between those organisations with and without a PMO.

The strategic role of the PMO is vital, with responsibilities including:

- Aligning the project portfolio to business strategy, navigating risk, enhancing governance and accountability, and managing talent.
- Ensuring that a program or project's objectives and intended benefits are at the forefront of delivery, and that stakeholders are fully engaged.
- Through consistency of project management practices, establishing the trust of the executive, the delivery leads and the Project Managers.
- Supporting effective project delivery and the project team.

Nurturing the project professional community

As we are seeing in many industries, the Australian market is struggling to keep up with the demand for experienced and qualified Project Managers. The role of Project Managers has been shifting away from Technical Managers to encompassing strategic leadership roles for transformation and realising change.

Complex projects need a steady and experienced hand and a particular set of skills for successful delivery, highlighting the importance of continued development and training of project management professionals.

Project professionals must seek to develop their skills beyond technical capabilities and strengthen interpersonal skills to continue to be relevant and effective in an environment of increasing project complexity. Recognition by organisations of the value of professional project experience and certifications will build support for the profession to grow and continue to develop required capabilities.

Invest in project delivery and collaboration tools

Consistent with previous survey findings, investment in collaboration tools and project delivery tools has proven invaluable, especially in the COVID-19 world; when face-to-face engagement isn't always possible and collaboration tools contribute substantially to project success.

Project Managers need options that will help them deliver. And that means being able to choose from predictive, iterative and hybrid ways of providing the work and blending what works to get the best results.

The survey highlights an opportunity to watch out for is the potential for Artificial Intelligence to really contribute to the effectiveness of project management.

Ensuring success by being agile

Project management methodology is never one size fits all, and this year's data highlighted the importance of adopting the approach best suited for the organisation's environment. Agile can contribute to organisational and project success but requires several pre-requisites.

To ensure the success of Agile project outcomes, organisations need to ensure they have project professionals with the right skills, qualifications and experience in agile who can drive adoption and understanding.

To be truly successful with Agile, organisations and project leaders will need to upskill and develop leaders and project staff.

Regardless of the methodology chosen, aligning project outcomes to the organisation's strategy and goals, ensuring active stakeholder engagement, adapting to changing project environments, and appointing skilled project leaders are fundamental factors of successful implementations.

Mobilising transformational change

Half of the survey population has played a role in a transformation project or were looking forward to being involved. We believe the importance of transformation projects will continue as businesses focus on digitising.

A carefully planned and executed transformation can change the organisation's future. At times, this may involve dramatic strategic changes, but in most cases, it's about building a better version of what the organisation is today.

What makes the winners win? At the heart, we believe it's fundamentally the same principles that have driven successful projects all along: leadership, professional project delivery capability, and a strong integrated team.

Contact Us



Natasha Moore

**Partner, Transformational Program Management
KPMG Australia**

Tash is a transformation specialist, experienced in delivering difficult, complex, and high-profile initiatives to her clients. Working with a team of over 150 program professionals, Tash drives societal outcomes through transformation. Her vision is to steer transformation through five foundational elements: people, growth, brand, professionalism, and transformation.

Supporting KPMG's Defence, National Security & Justice practice, Tash engages with a range of clients within government to transform their operating and business models, and to prioritise and optimise their portfolios.

Tash is passionate about transformational change and realising lasting benefit and value for our clients and our communities.

[KPMG.com.au](https://www.kpmg.com.au)



Sid Gokani

**CEO
Australian Institute of Project Management**

Sid Gokani is a business leader with a passion for and core strength in the leadership of change, expertise in building high-performing, resilient organisations and a career focus on helping organisation to better understand, serve and engage customers.

Sid's role as CEO of the Australian Institute of Project Management allows him to draw on his experience in driving member-based organisations and in project and change leadership. A constant career theme for Sid has been supporting organisations through transformational change. This includes experience as an Executive Sponsor and Change Leader, as a Practice Lead shaping project delivery practices, and as a hands-on Project Manager delivering programs of change for global brands across multiple markets.

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