



2022 Project Management Survey



About the survey

Welcome to the 2022 KPMGxPMI Project Management Survey Report, the second in the series, which provides insight on the Project Management profession in Cyprus based on a survey conducted by KPMG Cyprus and the Project Management Institute (PMI) Cyprus Chapter.

The survey has targeted all current members of the PMI Cyprus Chapter and a group of KPMG Cyprus clients holding leadership positions in organisations in Cyprus. The objective of the survey was to gather valuable information about the Project Management profession in Cyprus, compare with last year's results and identify current and upcoming trends, from both the perspectives of individual Project Management practitioners and organisations' Senior Executives.

As you read through the report it might be observed that percentages sometimes do not 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 would like to thank everyone who participated in the survey and provided us with valuable data and insights for the Project Management profession in Cyprus.



Antonis Bargilly

Board Member
Head of Management Consulting



Sina Zavertha

Senior Manager
Management Consulting,
Transformational Program &
Project Management Services Lead

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Introduction

“Project” and “Project Manager” are popular terms in both the workplace and our everyday life, while the term “Project Economy” is becoming progressively more relevant, on a micro and macro level.

Organisations across all industries around the country are undergoing through various types of transformations; business, operational or technological, which indicates that they are running large and complex projects. Similarly, the Cypriot Government is going through a major digital transformation, with intensified efforts towards the modernisation and enhancement of effectiveness of the public sector.

Following the global trends, the Project Manager role will continue to evolve in Cyprus as well, and is expected to become of higher importance in the following years, while the demand for specialised project professionals is expected to continue its upward trend.

It is our view that for Cyprus to move forward, the continuous development of both the technical and soft skills of Project Managers and the improvement of their capabilities at national level to deliver complex projects effectively while limiting waste, is of the utmost importance.

Demographics

201 respondents

Participants:

63% Project Managers

37% Executive Management

Sector:

77% Private

13% Semi-Government

10% Government

Industry:

33%

Tech

26%

Banking
/insurance

7%

Telco

4%

Construction
/RE

1%

Retail

/Distribution

27%

Other*

*Main categories of Other include Education, Consulting, and Health

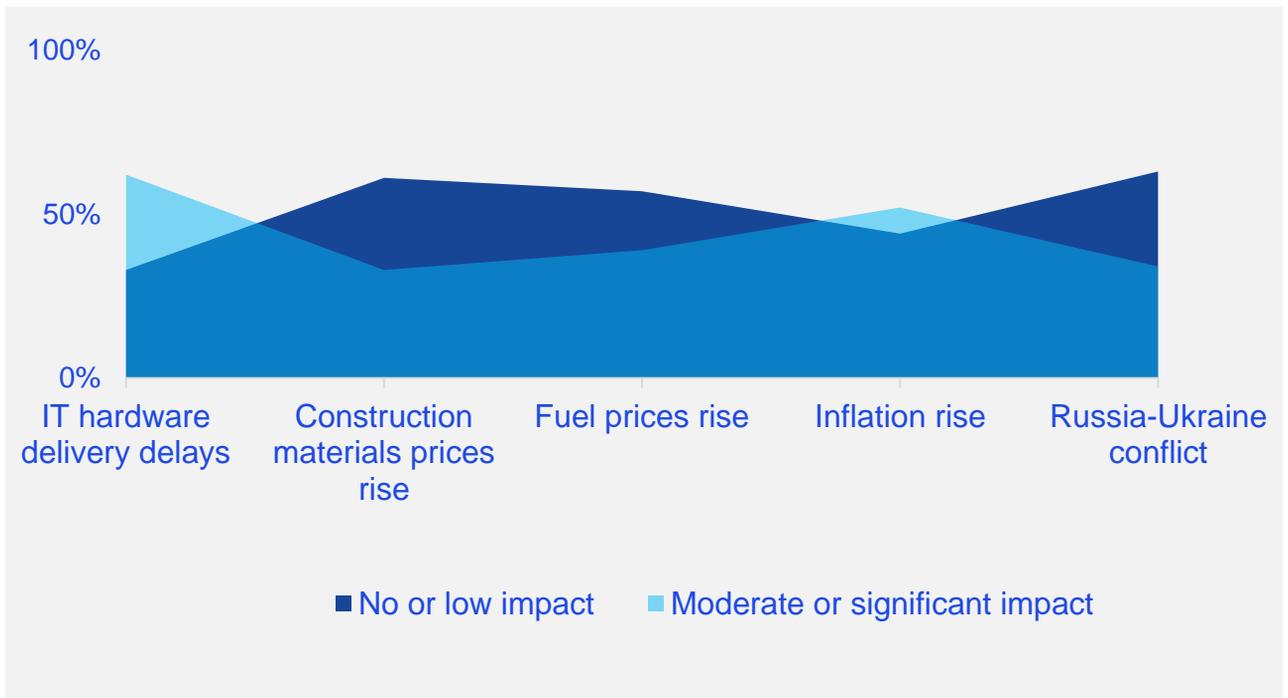
Current landscape

As we are still experiencing the after-effects of the pandemic worldwide, and while in last year's report we focused more on the impact that Covid-19 had in project delivery, this year other global events and unprecedented circumstances have created an upheaval which eventually disrupted projects' delivery.

The conflict between Ukraine and Russia, the rise of inflation and the increase in fuel prices are only some of the events that monopolised our interest in the past year, and have directly and indirectly brought challenges to businesses across the globe.

We aimed to examine the impact that such external factors had on projects in Cyprus. According to the data, 62% of the participants have responded that delays in the IT hardware delivery have moderately or significantly impacted their projects during the past year.

How would you rate the impact that the below factors have had in the projects that you have worked on in the past year?



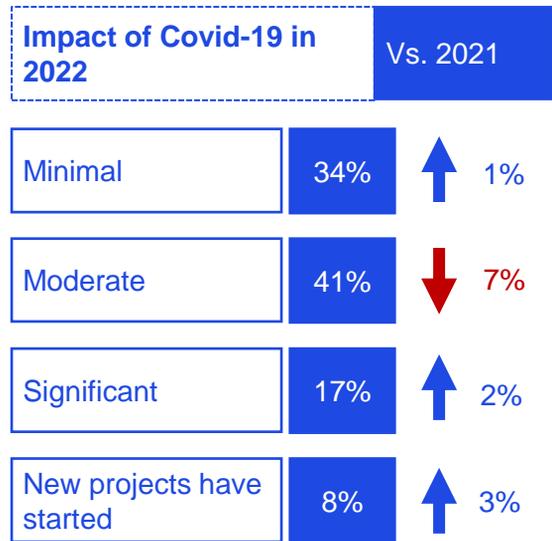
Current landscape (cont.)

In addition to the other external factors, this survey revisits the impact of Covid-19 on project delivery and indicators show that the results are similar to last year's survey, with the majority of respondents seeing minimal (34%) to moderate (41%) impact on their organisations' projects.

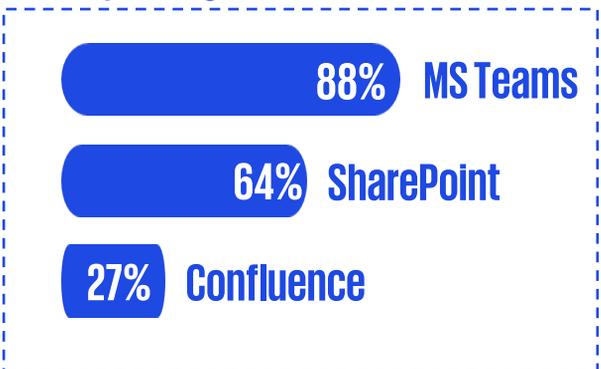
With organisations entering the post-Covid phase, we expect that in the coming years the pandemic's impact will wear off, but for now, it is evident that some organisations are still struggling in the transitional state, where they are experiencing the effects more intensively and are trying to adjust.

One of the main adjustments that organisations had to embark on (due to lockdowns), was the introduction of new collaboration methods in order to keep their businesses running while also keeping the "remote workers" engaged. This was enabled via virtual collaboration software tools, where they experienced an immense increase in use during the pandemic.

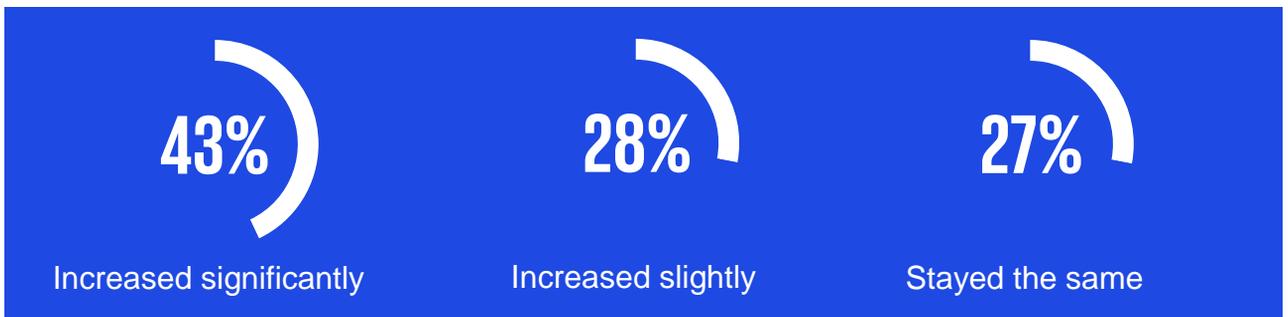
According to the data, 43% of the respondents have stated that the use of collaboration tools in their organisations has increased significantly, with the Microsoft tools being the choice of preference.



Which collaboration software tools does your organisation use?



How has your organisation's use of collaboration software tools changed in the last 12 months?



Transformation is the way forward

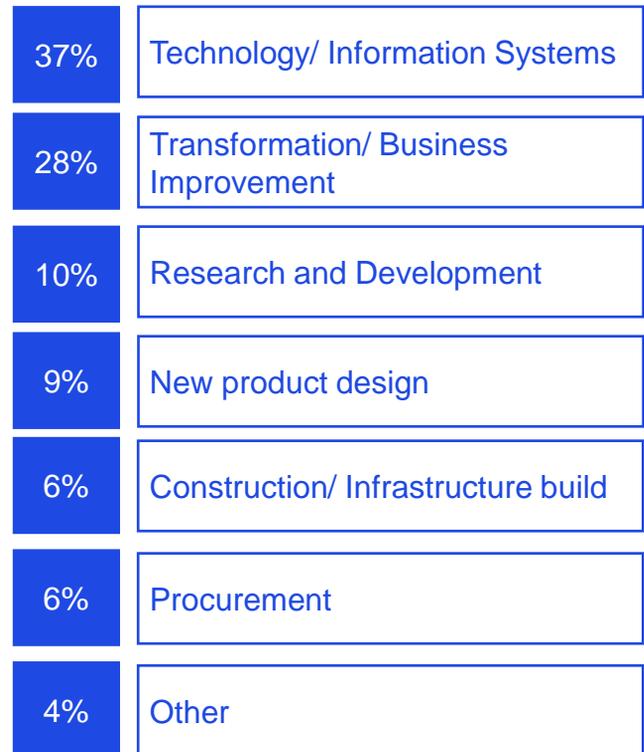
As technology rapidly evolves, businesses implement new methods and processes to remain competitive and relevant. In a post-Covid world and through the accelerating business and digital transformation we are currently experiencing, it is imperative that organisations switch from a reactive way of working and adapting to changes, to a more proactive and agile method of operating and managing projects.

As mentioned previously in this report, currently in Cyprus we are in the midst of tremendous efforts for digitalisation in both the public and private sector and this is depicted in the responses we received.

More than 60% of the projects currently being delivered in Cyprus relate to technology and transformation, which demonstrates that despite the challenges, new opportunities for innovation and improvement can emerge, with many organisations using the uncertainty as a catalyst for digital transformation and the adoption of new technologies, processes, as a new way of working.

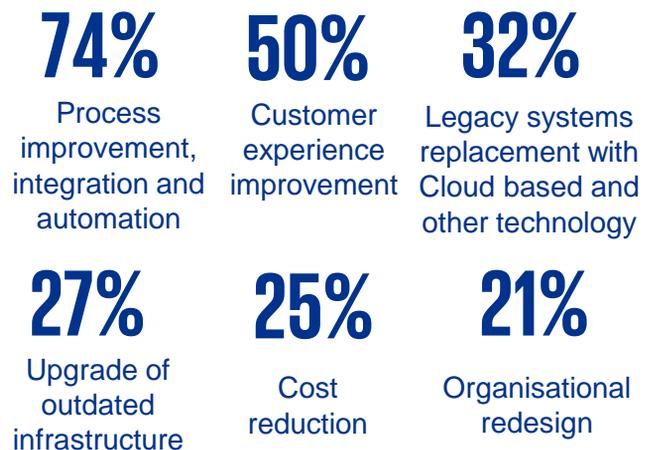
We analysed further the results, and what mentioned above is supported by the data as the majority (84%) of those who have been delivering technology projects, have been involved in transformation projects as well, with primary goal to achieve higher efficiency through process improvement.

Types of projects



84% of the respondents have been involved in transformation projects

The primary drivers of transformation projects indicated by the survey's respondents:



But transformation comes with challenge

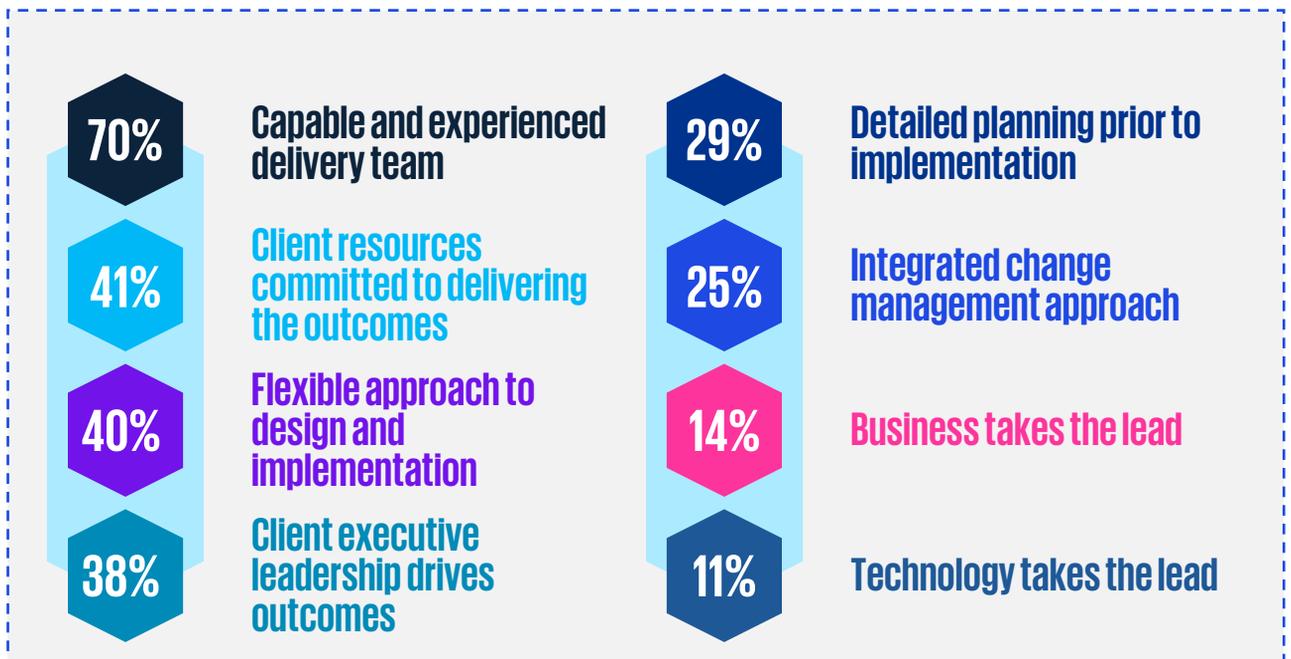
Delivering successful transformation projects is not an easy task. A lot of transformational projects come with an increased degree of complexity, as business transformation entails changes in systems, processes, governance, operations, performance and technology.

So what makes a complex transformation project successful and which factors are increasing the likelihood of success?

By exploring our data further, it is evident that having capable Project Management professionals and a committed delivery team is considered the main factor by the respondents, who identify both as Business Executives and Project Management professionals.

Business Executives consider Leadership as a key enabler of transformation projects, while PMs rate team flexibility first

Key success factors for transformation projects



Current profile of Project Managers

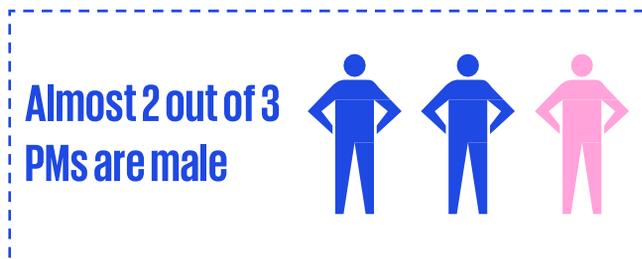
As the demand for professional Project Management services is increasing, indicators show an increase as well in the number of people who are choosing this route of career.

At the current moment, according to the respondents of this survey, 71% of PM professionals are male, while 28% are female and 41% of the respondents have five years or less of relevant PM experience.

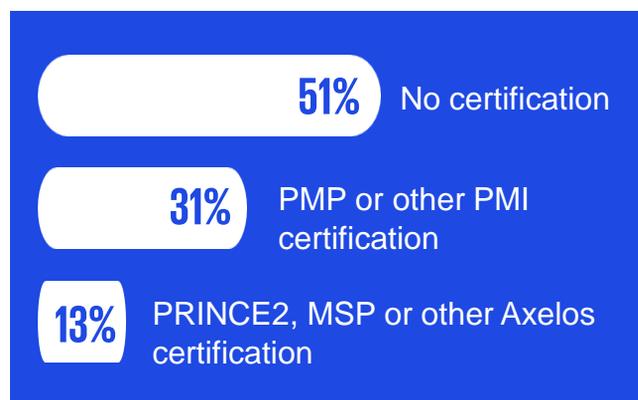
Even though an increase in the number of project professionals getting qualified is observed, we have interestingly identified that more than 50% of the professionals who are exercising the Project Management profession are not qualified.

A competent Project Manager must combine both technical and soft skills. While as per the the data of this survey the most important attributes for a successful PM are leadership (47%) and attitude (37%) we expect enhanced demand by organisations in the technical skills and the level of formal Project Management training required for the PMs selected to run projects in the near future.

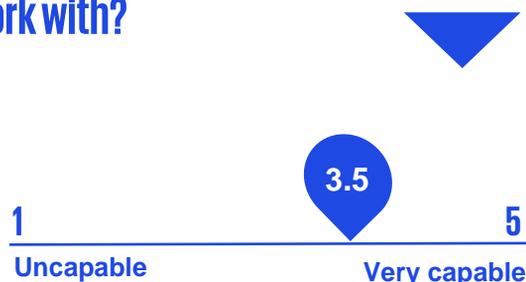
According to this survey, the respondents think that currently Project Managers' capabilities in their organisations are slightly above average. Having highly skilled and experienced Project Managers in the wheel of delivery is a key factor in successful project implementation and is considered as an enabler for promoting a culture of continuous improvement within the organisation. By investing in enhancing Project Management capabilities, organisations can improve their ability to deliver projects successfully and drive growth and competitiveness in today's fast-moving business environment.



Certifications



How do you rate the capability of Project and Program Managers in your organisation or the organisation you work with?



Current profile of Project Managers (cont.)

82% of respondents think that Project Managers are vital for successful delivery of projects

71% of respondents think that Project Managers are perceived with positive image in their organisation

Project Management capabilities are vital for a successful project delivery, and overall, alignment between the Business side and the Delivery side is noticeable on the image of Project Managers within organisations. It has also been observed that organisations are currently trying to attract younger project professionals, by investing in formal Project Management training and certifications and recognising PM as an important skill for advancement.

When it comes to the skills that the majority of Project Managers currently have in organisations, soft skills such as communication and working well in a team rank the highest, while dealing with difficult situations and having technical knowledge in agile methodologies need further improvement and development.

Which skills are ranking as the highest and most lacking skills in your organisation's Project Management professionals?

Strongest skills

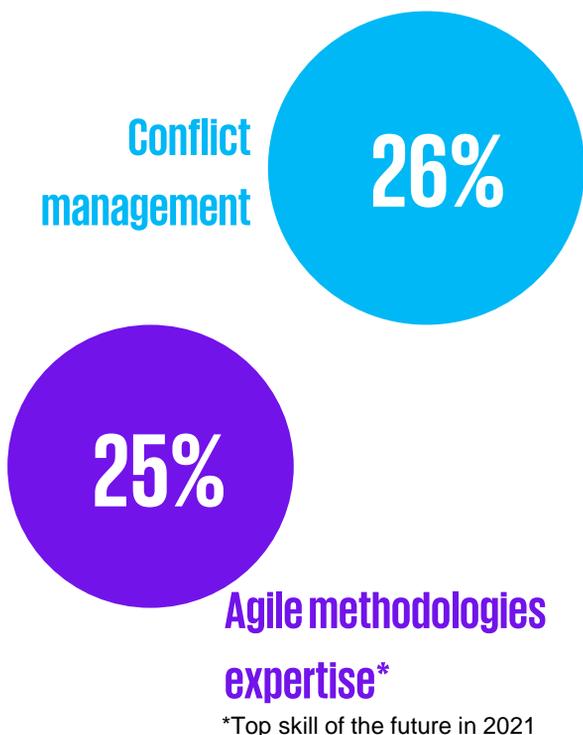


Most Lacking skills



The Project Manager of the future

When it comes to what the future holds in terms of the most desired skills, we asked both Executives and PMs to identify which skills they believe Project Managers should develop in the next five years. **Soft Skills and Communication** will always be critical for success and even though Communication is ranking amongst the top skills, it is also considered as one that must be furthered developed. **Leadership**, which as presented previously is considered the most important attribute of a Project Manager, is in the top three along with **driving change within organisations**. Ability to handle difficult situations and Agile Methodologies expertise, which were identified as the weakest skills of Project Managers, are considered as desired skills for the future but have not ranked within the top, a fact that contradicts our last year's report finding, in which agile expertise was ranked as the top future desired skill.



We believe that the future of Project Management will be shaped by the rapidly changing technological and business landscape. As technology continues to advance, Project Managers will need to be proficient in the use of new tools and systems that enable more efficient and effective project delivery from wherever. The increasing globalisation of business will require Project Managers to have a strong understanding of sustainability matters, cross-cultural communication, as well as the ability to manage virtually international and multicultural teams. Moreover, Project Managers will need to develop their technical skills, knowing both Agile and Waterfall Methodologies, as organisations will have to adopt a flexible approach to Project Delivery. Ultimately, the future of Project Management skills will require a combination of technical expertise, business acumen, and strong leadership skills.

To go agile or not to?

This year, we asked again which methodologies are mostly used, and we saw an increase in the number of participants who use Project Management methodologies in general, compared to last year. This does not come as a surprise and was expected to happen given the rising risks and complexity brought by the current landscape, where organisations need to follow standardised processes to ensure alignment across stakeholders in terms of project goals, timeline and scope and hence achieve risk reduction.

In terms of specific methodologies, results show a decrease in the use of only Agile Methodology compared to last year, a finding supported in the previous section as well, where agile expertise did not rank as the highest amongst the future skills to be developed by PMs.

We delved further into the data in order to understand the decrease in the use of solely agile methodologies and the challenges faced when used, which concluded to the fact that organisations are not ready to fully support agile, due to the skillset available or the low level of organizational maturity.

71% of the respondents who adopted agile methodologies feel that it improved the overall project delivery



Better able to respond and adapt to changing project environment and circumstances

Incremental release approach

Vs. 2021

Only Agile



Only Waterfall



Mix of Waterfall and Agile



No Methodology



Challenges:

25%

Organisational governance processes and structures do not support Agile delivery methods

19%

Managing dependencies with other projects and activities

18%

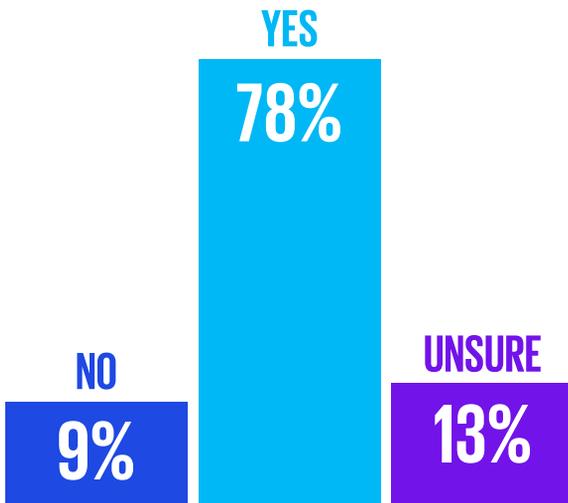
Lack trained and skilled Agile project leaders

Even though the majority of the organisations who have been using Agile Methodologies have noticed an improvement in project delivery, our view is that no size fits all. Not all projects can run with agile, therefore any holistic approach to switch to Agile will not succeed, and there has to be the right level of expertise.

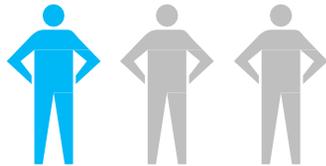
We expect that the new trend in methodologies will be the “hybrid” i.e. a mixture of waterfall and agile, and PMs in order to be on top of their game will have to know very well both.

Sponsorship is a game changer

Importance of Sponsor



The role of the Sponsor is as fundamentally important for project success as is the role of the Project Manager and it has noticeably started gaining recognition in Cyprus as well. Even though it is evident that the role's criticality is recognised by the majority of the survey respondents (78%) across all industries from both Business Executives and Project professionals, in many cases the scope of this position, is misinterpreted and poorly executed. To unlock the maximum potential, and to contribute as much as possible to the project success, Sponsors must have a close relationship with Project Managers by becoming their allies and through the unblocking of dead-end situations, the provision of quick decision making by being the point of escalation, the ownership of the project outcomes and benefits, and by creating the vision. Our findings present that while the importance is recognised, we are far from having actively engaged sponsors in all projects.



one in three state that less than 50% of projects have actively engaged sponsors

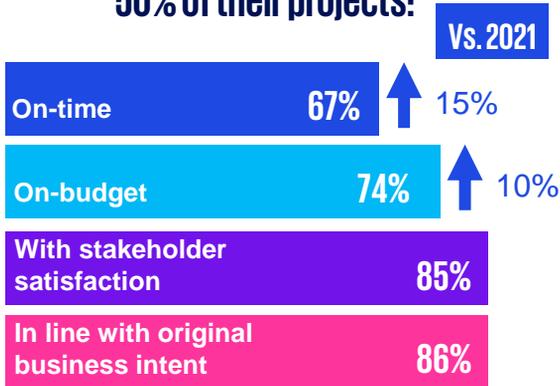
Sponsors should be appointed based on their level of seniority in an organisation and based on their interest on specific projects. Having Sponsors who are interested and involved in the projects, can help eliminate the silos culture, which is very common in Cypriot organisations. The appointment will eventually lead to better collaboration between teams and the organisation departments which is also evident by data, as organisations which have actively engaged Sponsors achieved higher rate of success.

Organisations with actively engaged sponsors are more likely to deliver projects:



Project maturity and success

Respondents who said they have successfully completed more than 50% of their projects:



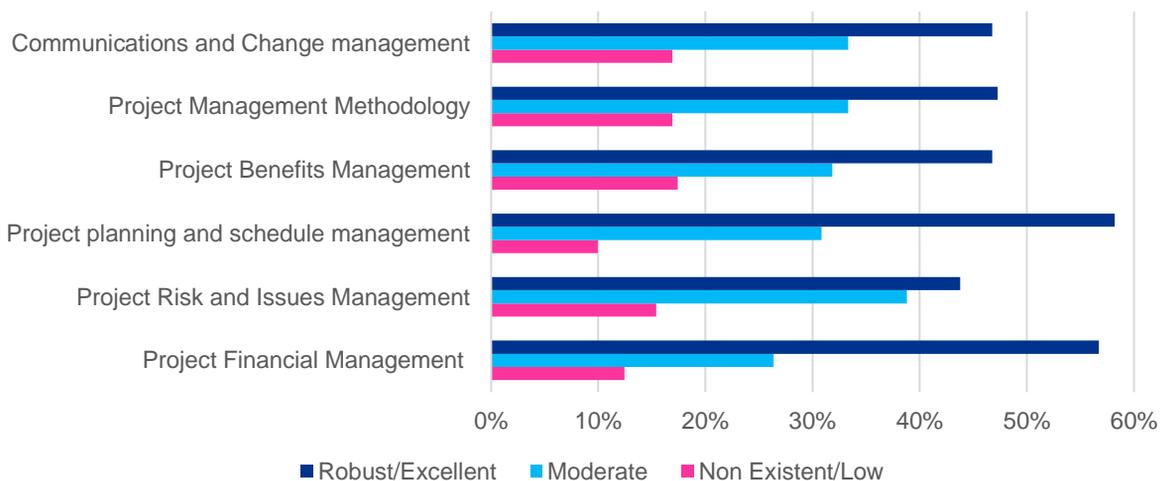
A mature organisation has well-defined processes, methodologies, tools in place and a culture that supports project delivery. As organisations mature in their project management capabilities, they are able to deliver projects more efficiently, with greater predictability and lower risk. This in turn, leads to higher levels of project success, as projects are completed on time, within budget, with stakeholders satisfaction and in line with the original goals and business intent.

Overall maturity level of organisations



According to the data, more projects were completed on time and on budget compared to last year and the overall level of maturity of organisations in Cyprus, compared to 2021, has increased by 0.7 points to 3.5 points. We have also identified that the reasons behind the increase of the overall maturity level, were that organisations are investing more in skillset, are understanding the importance of methodologies and have been adopting them (0.6 points increase in average level of maturity in terms of PM methodologies). As organisations are focusing on governance, standardised procedures, embedded change control and risk management techniques they will be moving towards higher maturity levels, which is proven to lead to higher success levels in overall project delivery.

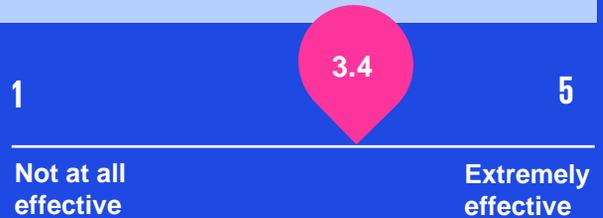
Maturity of organisations' processes around core project delivery capabilities:



Governance and effectiveness

Our results show that similarly to last year, around one in two organisations have a centralised Programme or Project Management Office and there is alignment in views between Business Executives and Project professionals with regards to its importance, with 74% of respondents rating having a PMO as very important.

The complexity of projects is increasing and as organisations are running more and more projects simultaneously, having a central, horizontal office to govern and control projects amid the shift to a project-oriented approach becomes a necessity. In terms of effectiveness, the average rate according to the data is ranking at 3.4 amongst the respondents which indicates that there is room for improvement.

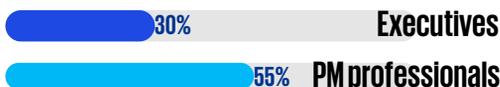


How effective is your PMO's ability to deliver projects and programs?

Through our in depth data analysis, we interestingly observed in organisations with established PMO's a misalignment between the Business and the Delivery side, in terms of the level in effectiveness.

The misalignment highlights what was mentioned earlier, the need for higher involvement of senior management and sponsors in the project, in order for all parts to be aligned in terms of what is expected.

My organisation's PMO is very effective in project delivery



This misalignment also indicates the need for specialised professionals in positions such as leading a PMO and managing projects in general, who are acquainted with project management knowledge and have the right level of experience to improve effectiveness.

55%

Seek relevant qualification and/or certification when hiring project management staff

Change management is key

In today's rapidly changing business environment, organisations must adapt to new technologies, business models, and market trends in order to stay competitive and sustainable. This often requires undergoing significant transformations, which highlights the importance of effective change management activities in order to achieve successful outcomes. Consequently, a critical aspect of Project Management today is change management, since it involves effectively managing the people-side of change which is often overlooked, including behavioral and cultural changes, to ensure that the desired outcomes are achieved and sustained. Effective change management helps ensure that the transition to the desired future state is smooth and that all stakeholders, including employees, customers, partners and sponsors, are fully engaged and committed to the change, securing the sustainability of the project results long-term.



While the majority of respondents report using a formal change management approach during the project lifecycle, the effectiveness of such activities and the maturity of understanding regarding the role of Change Management remains unclear. Effective change management is not limited to communication and training, but also encompasses sponsorship, coaching, and managing resistance that is inevitable with change.

Change management effectiveness



This is further supported by the data, which shows significant variability amongst the respondents in terms of how they assess the effectiveness of such Change Management activities, with the majority rating them as variable effective or effective. This suggests that there is still room for improvement for organisations.

Change management

is an increasingly important skill for PMs

Change stems from the top and therefore Senior Management should lead the way. Project Managers, by becoming connected facilitators of change, utilising their unique position that provides a deep understanding of the processes and systems involved, can support in this journey. By leveraging this knowledge and experience, Project Managers can identify areas for improvement and drive change within their organisations.

For organisations to be ready for the ever changing environment and in order to stay competitive, they must adopt formal change management activities, and for PMs it is crucial that they develop their Change Management skills. The survey results indicate that this skill is currently lacking and will continue to be one of the top skills required in the coming years.

What's next?



PMO as an enabler

Investing in establishing a central PMO will pay off, as it can be the enabler in achieving higher success rates across the organisation, while help maintain a portfolio view over projects.

Mind the people

It is apparent that Project and Change Management go hand in hand. Organisations that introduce formal change management procedures and invest in the management of the people/culture-side of change will achieve sustainable project success.

Learn the hybrid way

Agile and waterfall are not mutually exclusive. Staying ahead of the curve entails continuous development and high levels of adaptability in order for PMs to remain relevant.



Contact us

Antonis Bargilly

Board Member

Head of Management Consulting

T: +357 22209021

E: antonis.bargilly@kpmg.com.cy

Sina Zavertha

Senior Manager

Management Consulting,

Transformational Program & Project

Management Services Lead

T: +357 22207589

E: sina.zavertha@kpmg.com.cy



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