

The Nature of Core-competencies required for Effective Strategic Project Leadership

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Abstract— The unique sets of technical and interpersonal skills that were developed for project leadership predicated on the traditional definition of project success, have been found to be inadequate to effectively lead a project team as current dynamics makes project increasingly complex, uncertain and competitive. Strategic project leadership regards a project to be successful not only when it meets its objectives with the time, quality and budget constraints, but if it adds value to the organisation competitiveness. The aim of this study is to explore the nature and relationship of the core competencies needed for effective leadership and management as apply to strategic project. A questionnaire containing project success and leadership dimension questions was use to obtain statistically useful data from 35 individuals consisting of 5 project managers, 26 project team members, 3 operations staffs and 1 project sponsor drawn from government and private-owned companies including the manufacturing, construction, transportation and communication industry. The respondents cut across different age and gender groups and level of involvements in projects. The questionnaires were administered using the face-to-face and paper-and-pencil approach. Analyses of the responses revealed 15 competencies necessary for effective strategic project leadership. Out of these general leadership competencies, the core competencies were found to be 10. It was also found that the position held and the years of experience of the respondents influenced the choice (and the rationale) of the requisite core competencies required for effective strategic project management.

Keywords—Core competencies; strategic project leadership; effective project management;

I. INTRODUCTION

THE imperative for organisation to imbibe the concept of strategic project leadership was aptly captured by Shenhar (2010)[1] when he wrote that, “any organizations today are using a well-established approach and a set of universal techniques to manage their projects; yet they often find out that the traditional approach to project management is insufficient to deal with today’s dynamic business requirements”

Leadership in all form is a concept rooted in human relationships, personal experience, and introspection (Badger et al., 2009) [2]. It involves influencing individuals or groups to accomplish organizational set goals by communicating, coaching, leading, motivation and supporting (Benator and Thumann, 2003:31) [3]. Reed (2004:1) opined that the issue and concept of leadership will always arise in an organization

when there are corporate goals; or in a team of people, a task, to be accomplished. In the context of project management, effective leadership is necessary to lead the project to a successful conclusion [4] (Yang, Huang and Wu, 2011). Mantel et al (2007:49) [5] argued that an effective leader is one that guides and directs individuals or groups along the direction that will lead to realisation of the project objectives. Effective leaders keep their team energized, enthusiastic, well organized and well informed so that they can be well motivated (Meredith and Mantel, 2003:4) [6]. Leaders that possess effective leadership competencies will be of great use to any organizations (Wei, 2009: 4) [7].

Traditionally, project success is measured in terms of time, cost and performance. However, there is a paradigm shift to rather use the perceived performance and effect of the project on the overall business well-being of an organisation as the proper measure of success[8] (Ingason and Jónasson 2009). The fast changing project terrain has added another burden to the primary task of project leaders. Apart from overseeing projects, they as well need to “provide creative input and use their leadership to foster an environment that can respond rather than react to changing parameters and fluctuating objectives” (Ferraro 2007) [9]. The notion of strategy involves a systematic course of actions intended to result in preferred outcomes. Strategic leadership emphasised that developing a capability to respond to the increasing uncertainty and unknown is a must to effectively managing projects and guarantee success in today’s dynamic environment (Geoghegan and Dulewicz 2008) [10].The idea behind the concept of strategic project leadership (SPL) is to achieve efficiency in the workplace, offer an edge in the marketplace and teach how to adapt to a changing marketplace (SPL, 2009:1).

Shenhar (2009:1) [1] defined strategic project leadership as “a new and integrated approach to project management, which was built on the foundations of traditional project management”. This new approach considers project from the business perspective where success is measured by the value added to the organisation rather than a mere successful completion of the project. SPL took a holistic view of the strategic, business-related aspects of projects, the project operational requirements and the capacity to factor in the rapidly changing and dynamic. These are then integrated with the capacity for inspiring project leadership (Shenhar, 2009) [1].

A strategic project leader to be effective, must then be

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competent in all the core skills identified from the traditional approach to project management, and in addition, must be a strategic thinker with high shifting mind, uncanny ability to detect unstated assumptions (Haughey n.d), and the recognition that risk must be lessened to ensure success.

In realizing the broader objectives of projects, organizations are continually in search of proven practices (Yang et al., 2011: 2) [4] that give them a competitive advantage edge over competitors. In this regard, the leadership competencies of leaders are critical and extremely important (Muller and Turner, 2005: 49; Muller and Turner, 2010: 22). It therefore follows that a leader will perform better in a position if their personal characteristics and idiosyncrasies meet the requirement at that time of the position [12] (Muller and Turner, 2007: 437) [11]. One of the key ingredients for the successful implementation of a project is to have the right people on the job and managing them appropriately (Yang et al., 2011:259; Kerzner, 2009:30) [13].

It needs not be over-emphasised then that the core competencies developed for project leadership predicated on the traditional definition of project success, has been found to be inadequate to effectively lead a project team as current dynamics makes project increasingly complex, uncertain and competitive. An investigation to the nature and relationships of the core competencies required for a person to be an effectively strategic project leader is the focus of this study

II. RESEARCH PROBLEM & AIMS

A. Problem Statement

Recent and previous researchers have identified several factors relating to leadership competencies required for effective management of projects. However, with the increasing complexity and competitiveness of projects, these core skills intended/defined for traditional project management have been found to be inadequate due to the very dynamic and rapidly evolving environment. Managing and leading strategic projects is more complex and uncertain, requiring supplemental critical skills depending on level of leadership involved. The nature of strategic project leadership and the particular core competencies required will be investigated in this study.

B. Aims of Study

Effective leaders in all cases require competency in unique technical and personal skills. An investigation into the nature and impacts of the most critical of these leadership competencies required for strategic project leadership is the focus of this study. It will highlight the distinctive features of strategic project leadership as compare to traditional project leadership.

C. Research Questions

Towards realizing the broad objective, this study will provide answers to the following questions:

1) What are the competencies required for effective strategic

project leadership?

- 2) Which of the competencies required for effective strategic project leadership are core?
- 3) Is level of experience a factor in identifying the core competencies?
- 4) Are the core competencies identified for traditional project leadership adequate for effective strategic project leadership?

III. LITERATURE REVIEW

Crawford (2007:2) [14] wrote that a project manager competence can be viewed as a combination of knowledge, skills and core personality characteristics *that lead to superior results*. In the work, he established that ability to lead a project effectively is dependent on the competence of the project leader. This in turn is a factor in the successful delivery of projects (Geoghegan and Dulewicz 2008) [10]. The advantages of strategic project leadership include facilitating the development of competitive edge and how to adapt to a changing marketplace (SPL, 2008) [15].

There is no doubt that the project environment now prevailing is far different from the past. Among others, the current project environment is characterised by more intense competition, increased uncertainties, economic pressures, and rapid technological change. This has necessitated the search for better ways to manage projects (Patanakul and Shenhar, 2011:1[16]). This is very important because apart from waste of time and money, failed projects will lead to significant losses in productivity, profitability, and employee morale (Williams, 2005) [17]. The *strategic project management* concept was developed in response to this (Davies and Hobday, 2005; Shenhar, 2004 cited in Patanakul and Shenhar, 2011:1) [16]. This new approach will expand on the traditional project management mind-set, such that projects leaders will understand the strategic goal of the organisation and then plan and execute their projects in such way to add value to the business of the organisation while still meeting time, budget, scope and quality constraints (Patanakul and Shenhar, 2011:4). The majority of projects in the future will have to be managed as strategic activities.

Shenhar (2004:569) [18] defined strategic project leadership (SPL) as a concept that “combines the strategic, business-related aspects of projects, the operational needs of getting the job done while adapting to context and changes in the environment, and the leadership sides of inspiring and leading the project team”. This result of this comprehensive approach is helping organizations to “deal with their strategic projects in a flexible and adaptive way; and more important, it focuses those projects on creating value, competitive advantage and winning in the marketplace” (Badger et al, 2009) [2]. Patanakul and Shenhar (2011:4) [16] used the Mintzberg’s five “P”s mode to break the concept of strategic project into manageable parts (Figure1). A detail description of this is presented in the reference.

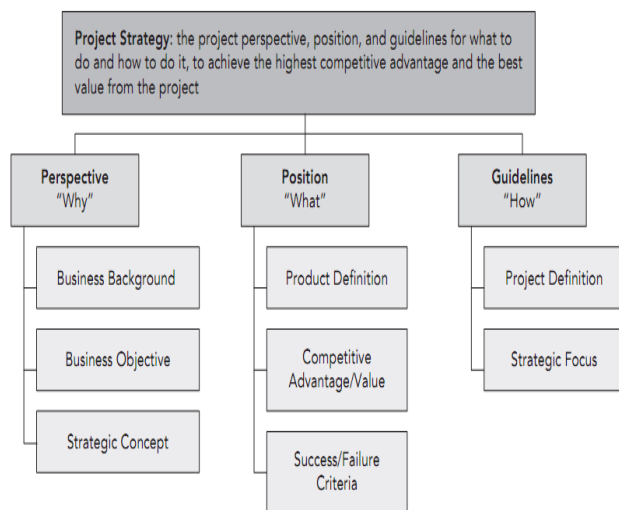


Fig 1: Project Strategy and its components

Source: Patanakul and Shenhar (2011:4)

Table 1 developed by Shenhar (2004:571) presents a comparison of the traditional project management approach, as compared to the new, SPL approach.

TABLE I
FROM PROJECT MANAGEMENT TO STRATEGIC PROJECT LEADERSHIPS

	Project management	Strategic Project Leadership®
Basic paradigm	Projects are a collection of activities that need to be executed on time, budget, and requirements	Projects are strategic organizational processes that are initiated to achieve business goals
Focus	Efficiency	Effectiveness and efficiency
Perspective	Operational	Strategic, operational, human
Manager's role	Getting the job done – in time, budget, specifications	Getting the business results Winning in the market place
Project management style	One size fits all	Adaptive approach
Project definition	Project scope (SOW) What needs to be done?	Product, competitive advantage, strategy, scope
Planning	Activity, schedule, budget	End results, success dimensions, activities
Project reviews	Progress, status, milestones, budget	Customer needs, strategy, success dimensions, status
Human side	Teams, conflict resolution	Leadership, vision, spirit, meaning, motivation

Source: Shenhar (2004: 571)

The seven principles of Strategic Project Leadership (Shenhar, 2004: 573) [18] are,

- 1) Leadership: Turn project managers into leaders. Make them responsible for business results.
- 2) Strategic Project Portfolio Management: Group your projects based on their strategic impact and form a policy for project selection.
- 3) Project Strategy: Define the competitive advantage of your product, and articulate a detailed project strategy to win in the market place.
- 4) Project Spirit: Articulate an inspiring project vision, and develop an appropriate project spirit, which will support the strategy and create energy, excitement,

and commitment.

- 5) Adaptation: Assess the environment and your task. Classify your project, and select the right project management style to fit the project type.
- 6) Integration: Create an integrated hierarchical plan. Start with Strategy, and include Spirit, Organization, Processes, and Tools.
- 7) Learning: Create a project learning organization. Every monitoring and controlling activity will include lessons learned. Summarize your project in a lessons learned event and report

A. Core Competency

Lampel (2001) [19] reported that the concept of core competencies was developed by Prahalad and Hamel (1990) to explain the challenges that many diversified firms faced to sustain their strategic position. The key characteristics which distinguished core competencies were listed as:

- It is the “*tested and proven knowledge*” an organisation accumulate over the course of executing projects.
- It embodies skills developed in coordinating diverse operations, customer relations and in adapting to the rapidly evolving technology.
- It is a borne out of shared understanding of customer needs.
- It features a deep understanding of the product and market possibilities that can be competitively tapped using the organisation’s technological knowledge base.
- Culture and ideology that serve to bind the firm's various businesses together are required core competencies

IV. RESEARCH DESIGN AND METHODOLOGY

A. Research Design

This is the roadmap or the blueprint of the research, that is, the strategy adopted to generate solutions to the research questions and objectives, in an efficient and effective manner analysis will be used. For this study, a descriptive quantitative methodology was chosen to allow us to generate conclusions and results that can be generalized. The methodology is a formal and systematic process that makes use of numerical data in making deductive conclusions. This is achieved with the aid of a structured questionnaire. The questionnaire was drafted to obtain statistically useful information about the core and critical strategic leadership competencies require for an effective management of projects across different industries and positions. The respondents cut across different age and gender group, positions in organization, project and operational staffs and extent of involvements in projects. The questionnaires were administered using the face-to-face and telephonic interview method where the questionnaire was read to the respondent and the response ticked off by the interviewers. The paper-and-pencil administration approach was also used where the questionnaire were handed out to the respondents to be completed and collected back for subsequent analyses.

B. Target Population

The target population for this descriptive study is people occupying management posts in both the private and public sectors with a substantial involvement or exposure to projects leadership. The focuses of this study are project leaders irrespective of specialization. This group of individuals will be better placed to appreciate what makes effective project leaders and the core competencies necessary for effective strategic project implementation.

A well-structured questionnaire was used to obtain data from individuals that fall within the target population in the selected companies.

Cross tabulation and correlations will be used to associate between the variables, which in this case, are the core leadership competencies required for effective project executions.

V. FINDINGS

A breakdown of the responses revealed 5 project managers, 26 project team members, 3 operations staffs and 1 project sponsor drawn from government and private-owned companies including the manufacturing, construction, transportation and communication industry. The respondents cut across different age and gender groups and level of involvements in projects (Table 2).

From the Figure 1, it could be seen that more than 70% of the respondents are project team members. This is due to the industry selected as reported in Report 1. Also in Figure 2, the bulk of the respondents have between 0 and 10 years involvements with projects. Figure 4 graphically depict the age distribution. Analysis of the responses revealed 15 competencies, personal and technical skills, necessary for strategic project leadership. These include effective communication ability, good interpersonal skills, time and resource management, and adaptability such that the leader will employ different leadership style as the occasions requires. It was also found that entrepreneurial skills and ability to be innovative, self-esteem, empathy, and team building, and ability to network, resolve conflicts and manage all the stakeholders, are important.

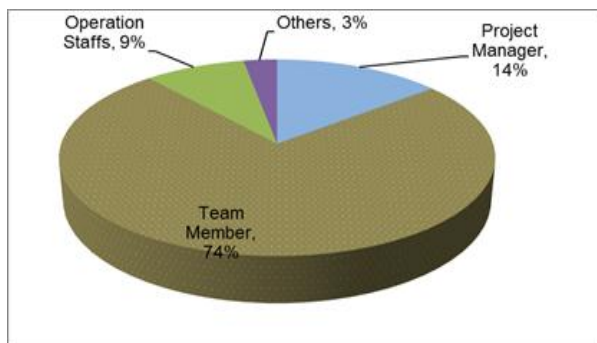


Fig. 1 Respondents Position in the Organisation

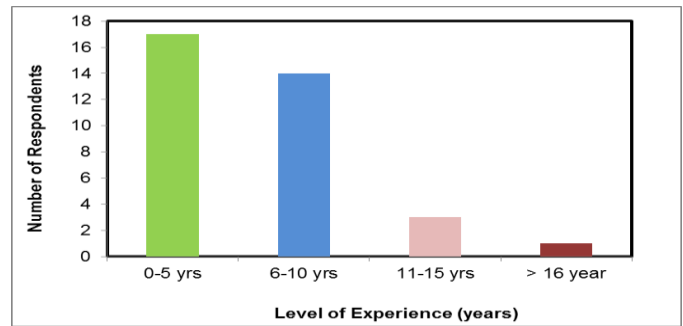


Fig. 2 Level of Experience of Respondents

Competencies	No of Agree (Score 4)	No of Strongly Agree (Score 5)	TOTAL
Communication Skills (CS)	15	20	35
Time Management (TM)	14	20	34
Interpersonal Relation (IR)	14	20	34
Innovative and Entrepreneurial skills (IES)	27	8	35
Personality (PE)	24	11	35
Knowledge (KL)	10	21	31
Emotional Intelligence (EI)	5	21	26
Networking (NT)	9	25	34
Power (PW)	21	4	25
Organisational Awareness (OA)	13	19	32
Team Building (TB)	5	28	33
Self-esteem (SE)	14	20	34
Resource Management (RM)	6	25	31
Management/leadership style (MLS)	16	15	31
Conflict resolution skills (CRS)	25	5	30

1. Level of experience vs choice of core competencies

Figure 4 obtained present a comparison of the ranking of the identified core competencies as a function of the level of experience of the respondents. It could be seen that there is correlation between the choices.

Hypothesis 4: A strong correlation was found. People with more than 5 years of experience demonstrated a vivid knowledge of project competency requirement, as seen from Figure 6. Level of expertise in and knowledge of project leadership management do influence perspective on SPL core competencies

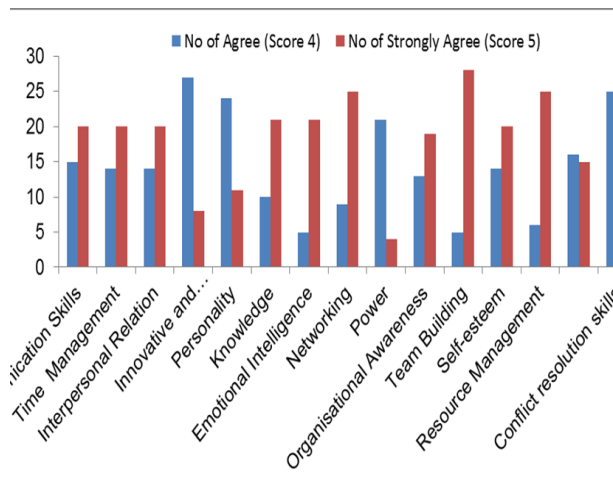


Fig 3: Absolute Weight of the Core Competencies

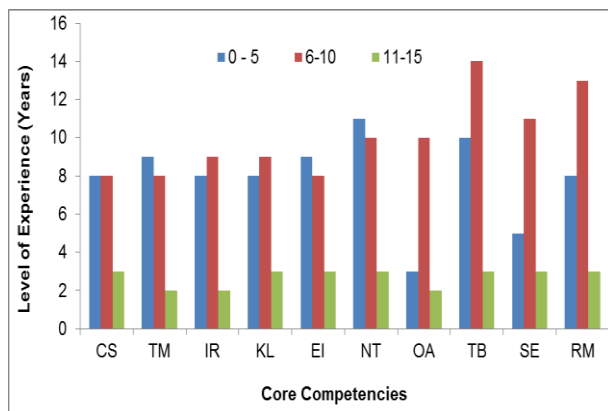


Fig 4: Level of experience vs Choice of Core Competencies

VI. CONCLUSION

In conclusion, the hypotheses for this research were to a good extent supported. These findings highlight a link between leadership competencies and strategic project success. The level of expertise seems to play a role in perspective of SPL. It was found that the position held and the years of experience of the respondents assist in highlighting the core competencies required for effective project management. Majority of the respondent believe that effective project management leadership requires effective communication ability, good interpersonal skills, time and resource management, and adaptability such that the leader will employ different leadership style as the occasions requires.

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