Contemporary Leadership in IT Projects: A Key to Project Success in Digital Age

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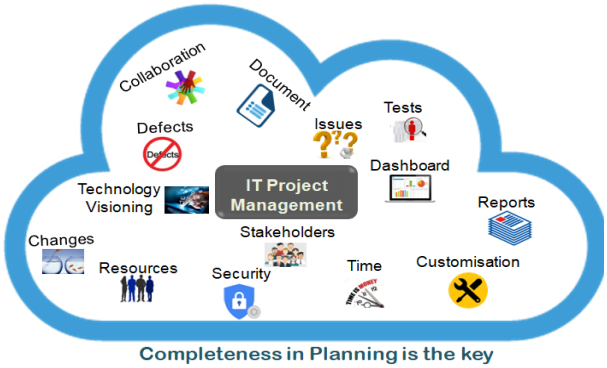
Abstract

Attention to "digital transformation" has been the driving force behind change in project management approach in IT. Relentless initiatives to adopt new technology, has been ongoing for past decades. IT investment has been part of regular budget and resource allocation in the past but IT project performance was far from stellar. It is well-established that the failure of IT projects is not because the solution or technology did not function properly but the changes required at the employee or organisational level did not work seamlessly. To put it simply, adopting new technology does not necessarily confer desired benefits. These benefits have to be unleashed, and the same can only happen via effective organizational changes and efficient project management.

Keywords: *Leadership, IT Project Management, Modern IT Practices, People Aspect in IT Projects, Behavioural Aspect in IT Projects*

I. CONTEMPORARY IT PROJECT MANAGEMENT



II. LEADERSHIP, AN ESSENTIAL ELEMENT IN IT PROJECT MANAGEMENT

Good project leaders are difficult to find. The challenge is to identify the right project leader for an IT project. This is important as today's IT project is critical for creating

business value. Improving IT leadership capabilities is necessary for greater outcome from the project. It is gaining special emphasis as companies are building their digital enterprise. To succeed in this endeavour, IT project leader must possess intimate knowledge of the business and the organization. The success of IT project leadership critically depends on the alignment between IT process and organisational process. The best way to achieve such success is to designate a project leader who can drive the project more from the behavioural side of the project management. The performance of IT project has been prone to overrun despite extensive research, and adopting stated practices. Earlier workswere focussed on the reasons for delayed execution or deviations from the plan. The focus was more on root causes and issues relating to process, system, and technical mastery. It I s observed in recent research that critical element of human aspects has been neglected in project management. These are particularly the "soft" areas of project execution i.e. leadership, mindset, attitude, organisational culture and behaviours. In this paper, the attempt is made to bring focus on the project leadership as against system, standards, processes and technical areas. In literature it is referred as "Project Management Science".

It is emphasized that an understanding of the leadership issues will result in significant improvement around project execution against plan. It is repeatedly found that leadership and organisational aspects such as mindsets, capabilities, practices, behaviours and attitudes, are important for IT project delivery. In our research, it is also found that the project leadership is gaining prominence in IT project execution. There are four mindset areas which are critical for IT projects. Though these leadership skills are termed as soft skills, in reality these are most critical elements to ingrain around IT project organisation.

Mindsets help in developing trust-based relationship and good decisions making. This in turn leads to greater project outcome via high team moral. The identified four mindset issues are critical for project execution from beginning to end of the IT project.

a) Each IT project is to be treated as *business* by the leader and not a project. IT project is to create a business solution involving business areas and processes than mere implementation. Thus, it calls for CXO-type leadership and decision making to meet the challenges for broad range of issues.

b) IT project leader must take *complete ownership*. The project leaders must own full responsibility for delivery. They must have complete update of the project progress and be able to step in for taking tough decisions as and when required.

c) Leaders should make his *contractors or partnerssuccessful*. Project leader should collaborate with a mindset of collective success. Effective collaboration and partnership is the key to project success in IT with a joint problem solving attitude.

d) While process must be respected, leadership is the key. This is important in a dynamic technology environment where IT project execution may not be possible as per defined process. It calls for *change in the process* and the IT project leader must be in a position to recognise the benefits and limitations.

The above mindset issues are important for the entire project group and not just the project leaders. Project leader and top management need to create a positive environment where such mindsets are percolated to the level for day to day work. As a result, it facilitates participative working for all stakeholders. With the above mindsets, leader can steer the IT project towards stated objective. However, leader must have certain core competencies to become an effective leader.

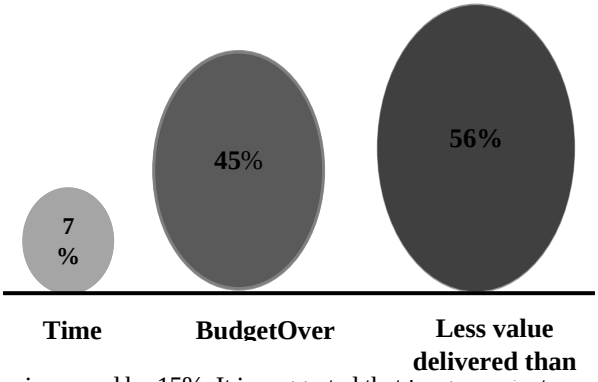
The core competencies are well-performed tasks which are integral and central issues relevant for an effective leader. It helps the leader to drive project for profitable end objective. With the core competencies, leaders can focus on driving the project as a business backed by complete thought leadership capabilities as mentioned in four mindsets. The key question is that the project leadership is to unleash leadership brilliance. To derive maximum enabler for a successful project, business leader must not be overtly tolerant about host of issues. One would need to focus on his own passion and uncover self-brilliance for project success.

III. PROJECT MANAGEMENT IN IT IS NOT ANOTHER INDUSTRIAL PROJECT

IT systems are now being viewed as important element to create competitive advantage. Digital technology projects are becoming bigger day by day. In process of execution, it touches larger parts of the organisation. As a result, it exposes company to a greater

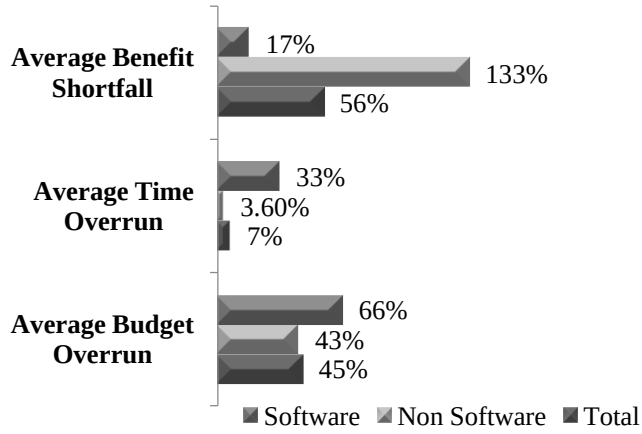
Degree of risks, in case of project failures. It is unfortunate that IT projects go wrong quiteoften. As per research conducted by McKinsey in collaboration with University of Oxford, half of the large IT projects massively blow their budgets. For this purpose, threshold for large IT projects were considered as $15 million. The research has provided the following average data as shown in Exhibit:1. It is found that longstanding projects tend to face more cost and time overrun. For every additional year, the project cost overrun is

Exhibit:1 - IT Project overrun



increased by 15%. It is suggested that longer project execution calls for efficient leadership and management. Further breakdown of such failure analysis can provide closer insight on the reasons and types. This may be noted from the below Exhibit-2.

Exhibit:2 - Performance of different types of IT project



From the above research, it was also found that 17% of the IT projects fail so badly that it can destroy the organisational image and very existence of the business. In industry

Parlance, it is called as "black swans" which are high-impacteventswith greater degree
of uncertainty. The study suggests that the IT projects with 200% overruns are considered as black swans. It was noted in the research that one IT project for a renowned retailer to modernise its system with a budget of $1.4 billion broke down so much that it was eventually abandoned. Subsequently, company initiated another project with budget of $600 million to implement a new IT system for supply–chain and that failed too. Finally, retailer had to file bankruptcy.

As observed above, due to criticality of IT projects, the project leadership is gaining importance over time. Other than avoiding failure and incurring

financial loss, the project leader must focus on few things which are even more critical for the business than mere incurring financial losses. Project leader should ensure that the following are maintained in high esteem:

- Reputation of the company
- Branding
- Technical know-how
- Trademarks and Patents
- Goodwill around existing customer database

IV. TRANSITIONING TO CONTEMPORARY LEADERSHIP PRACTICES RELATING TO IT PROJECTS

The IT project leadership has undergone major change over the years. With the advent of technology innovation in digital world, IT project leaders face challenges to identify the most suitable futuristic solution. At the same, the project leaders are able to use the technology for achieving greater efficiency in project management. It can be achieved by staying connected, using assisting apps and tools. With the changes in project management approaches, the leaders must adopt to this changing environment for efficient execution. While methodologies and processes bring greater efficiency in implementation process, unique challenges within IT projects must be addressed.

The change in project leadership need can be established by the latest change in leadership paradigm. The most relevant concept among those leadership practices is the Level 5 Leadership. The core focus of Level 5 leaders is to make the group or team succeed. The leaders come forward and take the responsibility of failures. This advocates what has been emphasised before as mindset issues of a leader. For further clarity on Level 5 leadership traits, the following could be noted for five levels:

a) The leader must be highly capable and possess huge amount of knowledge to do the job;
b) He or she always recognises the team and put forth collective interest ahead;
c) The leader is highly capable of organising the group and drive towards efficient performance level;
d) The project leadermust be accepted by his or her group as natural leader;
e) After above four levels, the leader must achieve the greatness in leadership by adopting unique blend of will and humility.

The above leadership capabilities help the leaders to drive the IT project collectively with team towards stated goal. It also helps in dealing with challenges encountered in day to day management of the project.

With the above level 5 competencies, project leader must adopt the right execution process for delivering IT projects to greater success. Research suggests that the leader can adopt different approach in driving the project. In today's digital environment, IT project leader cannot handle the project in a conventional way. Thereby, there is a greater need to adopt right execution strategy. The leadership can be categorised in typical seven ways for project execution. These are pointedly stated below to evaluate the appropriate effective leadership strategy for today's IT projects.

a) Opportunist: Here leader tries to focus on exploiting other to win personal success. In a way, leader consider other in the team as objects;
b) Diplomat: It makes the leaders to please higher-status colleagues and avoidconflict. They are focused on gaining control of own-self than on gaining control of external people or events;
c) Expert: This is considered as one of the most effective way of leading the project. Here, the leaders focus on the external world around them with a view to exercise influence with their in-depth knowledge of personal and professional areas;
d) Achiever: This is a leadership style where one hopes to work for another manager to develop a positive group and interdepartmental environment. These leaders are creator of focus and work environment to deliver quality outcome;
e) Individualist: In this type of leadership practices, leaders tend to believe that nothing is natural and everything is a construction of individuals and the world at large. Here, leaders put individual issues and perspective with greater importance in dealing with others;
f) Strategist: In this way of leadership practice, one would focus on perceptions and constraints. The leaders here master the second-order organisational issues. They try to develop shared vision for gaining overall buy-in for project success;
g) Alchemist: In this leadership action logic, leaders consider them very different from strategist. They have the ability to reinvent themselves and the organizations whenever required. Alchemist possesses extraordinary capability to deal with many situations at different levels. The Alchemistsare great in dealing with commoners and kings.

With the analysis as done before, the experts and achievers are the larger part of the successful industry leadership. In case of IT projects, the styles of achiever and experts are also very compatible in today's complex projects. This is because of the need for collective working with greater degree of behavioural leadership style.

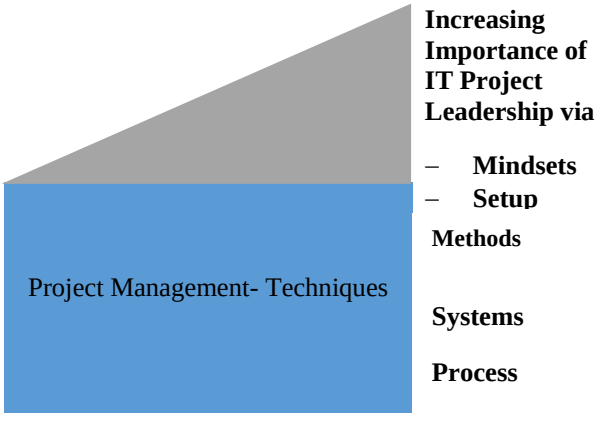
In other contemporary leadership theory, it has been emphasised that leader cannot be viewed as complete person with all abilities to solve complex problem. It is a time to forget the concept of complete leader. In today's project management, leader is not

expected to control and command. His or her job is to cultivate and coordinate the project activities with the participation of all. It suggests that when leaders identify themselves as incomplete, they tend to depend on the others for the missing skills and competencies. To optimise on the strengths of the other, they need to necessarily work towards team working. These collective strengths, add to capabilities of the group which helps in finer execution of the project.

Best project management practices have been developed over the years. Ithasenabled performance and project controls in terms of time, budget and benefits. Thiscan be called as project management "science" and it is mostly around methodologies,processes and systems. Though this science has been well-established in the industry as efficient project management practices, many organisations still lag infollowing these best practices. These are commonly used drivers for project management. However, contemporary art of project managementis becoming critical for greater project success. There is a need for blend of leadership skills in managing and organising projects with right mindset, behaviour and skills as supported by the contemporary leadership theories.

In all, IT project of today's technology environment, excellence beyond best practices is required. As projects are becoming morecomplex in terms of technology requirement and size, this style becomes increasingly critical. Though these skills can be viewed as soft but in reality, these are the most difficult skills to ingrain in a large IT environment. Today researchers suggest that the IT project leadership has become vital with the increase in project scale and criticality for business success. Thus, the current shift in IT project management is presented in diagram below as Exhibit:3. It may be observed that the conventional project management has been greatly dependent on processes, systems and methods. It is mentioned below as project management techniques. However, in last 3 decades and especially in post

Exhibit:3 - Shift in Project Management Methodology



millennium period, IT project is become complex and very large in size. As a result,more than the methods and techniques, organisational and behavioural aspect has become important over time. This is where mindset, attitude and team approach are gaining importance. The same can be driven the leader effectively to achieve greater project success.

V. WHY THIS CHANGESO RELEVANT, IN IT PROJECTS

The success of IT project is paramount in today's world of business. Project leader needs to manage the application of methods, processes, skills, experience and knowledge to gain project success. It is not only the financial cost that businesses incur in case of project failure. There are many costs which are sometimes even more critical as mentioned above, for successful project execution. So companies must focus on maximising their chances in IT project execution. It can be achieved through aneffective project leadership where leader is capable of driving the project with its all complexities and challenges. It is important for the leader to stay alert and identify the early warnings. Taking corrective actions and mitigating the same are the most effective way to manage projects within plan. Such warnings are stated in Exhibit:4 next.

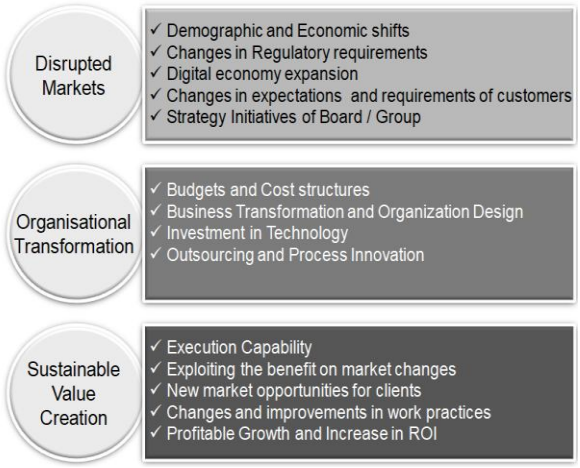
Exhibit:4 – Early warnings of IT project failure

Lack of stakeholder support and engagement	Overrun cost and time
Reallocation of resources	Ineffective communication
Lack of planned progress	Milestone misses again and again
Continuous creeping in scope	Increased overtime
Base-line plan is ignored	Irregular MIS and reporting

With continuous learning from project execution process, the early warning system can be institutionalised. For large IT projects, leaders tend to develop project-based early warning management systems. This is the key to make smooth progress of theprojects. In turn, it leads to timely execution within budgeted time and cost. At the end, it is also necessary to review why the contemporary leadership is critical for IT project success from external points of view. In many cases external issues derail the project and the external changes make the project outcome redundant.

The key external areas with their relevant impacts are stated in Exhibit:5 below.

Exhibit:5 – External forces for change in leadership style



VI. CONCLUSIONS

As observed in the paper above, the shift in IT project leadership from conventional systems and approaches to contemporary style of leadership is becoming important. The shift is particularly driven by the following key reasons:

a) IT projects are becoming critical for organisational process especially in managing market interface and engaging with customer effectively;
b) The size of the IT projectsis significantly increased leading to greater financial exposure;
c) In this technological environment, business process innovations are impacting the organisation and the same is influencing IT project more than ever before;
d) Due to criticality of IT, the success of the project is paramount for future business growth and competitive advantages. This can make the organisation more sustainable and help to stay ahead in competition;
e) It can be achieved via contemporary project leadership as the core for success of IT projects.

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