Flex to the Future

In unprecedented times, organizations are delivering remarkable change. Amid a global pandemic and deep economic woes, they have found new ways of working and have improved project performance. Although many planned projects were put on hold, of those that did forge ahead, more met original goals and business intent, and more were completed within budget and on time, compared to last year’s Pulse of the Profession®.

But not all organizations were able to pivot and thrive—it took a special kind of organization to maintain its momentum or even overachieve. What we’re seeing is a fundamental shift in how leading organizations and their teams plan and execute initiatives. We call them gymnastic enterprises: they are focused on outcomes rather than process, with a clear sense of how to balance structure and governance with the need to flex and pivot on demand.

Gymnastic enterprises go beyond reacting or embracing change—they empower their people to make change happen. They enable their employees to master different ways of working, to become well-rounded professionals, and to elevate their power skills—from embracing collaborative leadership to forging an innovative mindset.

Gymnastic enterprises also recognize the importance of enabling all these project skills through a values-based organizational culture that’s focused on customer value, digital solutions, and diversity, equity, and inclusion.

The result? Higher levels of organizational agility, more standardized risk management practices, and less project scope creep, among other benefits, all contributing to better project performance.

Resilient, flexible, and future-focused—these gymnastic enterprises are turning strategy into reality and carving out a true competitive advantage in The Project Economy.
CONTENTS

PAGE 3
INTRODUCTION
The New Work Ecosystem

PAGE 9
PART 1
New Ways of Working

PAGE 12
PART 2
People Have the Power

PAGE 14
PART 3
Breadth and Depth

PAGE 16
PART 4
Connective Tissue

PAGE 20
CONCLUSION
Adapt and Advance
The New Work Ecosystem

The world has no doubt seen extraordinary change in the last few years. But it turns out that was a mere ripple compared to the tsunami of disruption we saw in 2020. As the pandemic upended the world, it accelerated new ways of working and delivering value that had been gathering steam for some time (see Figure 1). It accelerated the pace and scale of digitalization exponentially, with a big impact on talent and the need to upskill and reskill. And it has forced organizations to rethink the future—fast.

FIGURE 1
Big Changes

Q: How would you describe the change in your business over the past 12 months compared to the 12 months prior in the following areas? (“Many/some significant changes” shown)
Room to Grow

Not all sectors are the same when it comes to accelerating business change. Pulse data reveals that government lags behind the norm, which may in part be due to legal and regulatory restrictions, while IT and financial services are, unsurprisingly, ahead of the game.

The UK government’s Infrastructure and Projects Authority (IPA) is showing how inspirational leadership can help government agencies break with the past, according to UK Civil Service COO Alex Chisholm. In addition to the gateway reviews and other checks and balances that IPA applies to ensure that projects meet necessary performance indicators and milestones, leaders are now collaborating with teams to keep initiatives on track.

“It’s not just enough to say that you’re currently rated as a red or amber, but what would it take between us to be able to get you to green,” Chisholm says. “[It’s a very enlightened and good way of trying to get the overall project portfolio delivering on time, which is the objective that we all share.”

Not all regions are the same when it comes to business change either. South Asia exceeds the global average—likely due, in part, to its high percentage of IT business. Sub-Saharan Africa was also significantly higher than the global average in terms of changes to business strategy and organizational adaptability—perhaps due to a relatively higher proportion of financial services business—while Europe was below average in those two areas.

Project leaders rose to the challenge. Despite the pandemic, project outcomes generally did not suffer—and indeed improved compared to previous years—although this may have been due to many planned projects being put on hold (see Figure 2). Likewise, wasted investment due to poor project performance—missed deadlines, overshot budgets, and scope creep, for example—declined to 9.4 percent from 11.4 percent in last year’s Pulse. And 61 percent of respondents reported that their organization had seen productivity gains in the past 12 months compared to the 12 months prior.

Q: How would you describe the change in your business over the past 12 months compared to the 12 months prior in the following areas? (“Many” and “some” changes shown.)

<table>
<thead>
<tr>
<th>Area</th>
<th>Many Changes</th>
<th>Some Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>68%</td>
<td>68%</td>
</tr>
<tr>
<td>Government</td>
<td>57%</td>
<td>59%</td>
</tr>
<tr>
<td>IT</td>
<td>64%</td>
<td>69%</td>
</tr>
<tr>
<td>Financial services</td>
<td>68%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Q: In your estimation, what percentage of the projects completed within your organization in the past 12 months...

<table>
<thead>
<tr>
<th>Percentage</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Met original goals/business intent</td>
<td>57%</td>
<td>59%</td>
<td>62%</td>
</tr>
<tr>
<td>Completed within original budget</td>
<td>51%</td>
<td>53%</td>
<td>55%</td>
</tr>
<tr>
<td>Completed on time</td>
<td>37%</td>
<td>37%</td>
<td>35%</td>
</tr>
<tr>
<td>Failed project, budget lost</td>
<td>15%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Experienced scope creep</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deemed failures</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q: In your estimation, what percentage of the projects completed within your organization in the past 12 months...

<table>
<thead>
<tr>
<th>Percentage</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital transformation</td>
<td>68%</td>
<td>72%</td>
<td>77%</td>
</tr>
<tr>
<td>Business strategy</td>
<td>53%</td>
<td>53%</td>
<td>57%</td>
</tr>
<tr>
<td>Organizational adaptability</td>
<td>67%</td>
<td>68%</td>
<td>68%</td>
</tr>
</tbody>
</table>
Many organizations were ready to meet the moment; many, however, were not. What separated them?

PMI’s 2021 Pulse of the Profession® survey reveals the emergence of what we call the gymnastic enterprise. These organizations and their project teams combine structure, form, and governance with the ability to flex and pivot—wherever and whenever needed. Gymnastic enterprises focus more on outcomes than process, selecting the very best ways of working from a landscape of possibilities. And they aren’t just good at reacting to change or even embracing it—they make change happen, starting within their own organizations. But most of all, gymnastic enterprises focus on their people, knowing that organizational performance is a well-choreographed dance of individual performances.

We asked respondents to characterize their organization’s approach to ways of working, and nearly a third said that any and all possible methods were primarily or exclusively used to solve problems (see Figure 3). We classified these as gymnastic enterprises. Thirty percent, however, said that only methods that had proven effective in the past were considered most or all of the time. These were classified as traditional enterprises.

The enduring problem that traditional enterprises face today is that their structures and ways of working remain very rigid in the midst of change. Not surprisingly, they’re often predictive enterprises, which favor extensively planned and methodical approaches. But they can also be agile enterprises that are strongly skewed toward iterative, adaptive approaches. Gymnastic enterprises, in contrast, can apply any of these ways of working, depending on what’s appropriate for the situation.

That’s not the only difference. Traditional enterprises may use people skills—what we call power skills—primarily to motivate and gain alignment or—at the other extreme—to facilitate autonomous decision-making. But gymnastic enterprises champion power skills both as a means to inspire and deliver, depending on the circumstances and individuals.

And, while traditional enterprises may either encourage a craftsman-like focus on specialized skills or a more generalist approach, gymnastic enterprises are more aware of the need to build both breadth and depth.

Our research indicates that gymnastic enterprises achieve greater success by developing a range of value delivery capabilities—and that unless traditional enterprises can emulate this approach, they risk becoming obsolete in an increasingly digitalized and unpredictable world.
We found that gymnastic enterprises were more likely than traditional enterprises to have high levels of organizational agility (48 percent versus 27 percent) and were more likely to frequently use standardized risk management practices (68 percent versus 64 percent). That combination is a winner: both traits were significant drivers of project success across the entire respondent base, as evidenced by PMI’s key driver analysis, which identifies the most influential factors for project success, using rigorous statistical models.

Gymnastic enterprises were also more likely than traditional enterprises to have undergone widespread business change during the pandemic (see Figure 4). And, they were more successful across a range of project outcomes (see Figure 5). Of particular note was avoiding project scope creep—a top-three driver of project success among respondents in every industry and nearly every region we analyzed.

There’s more. Gymnastic enterprises were more likely than traditional enterprises to have increased productivity (71 percent versus 53 percent) and high project management maturity (52 percent versus 45 percent). They were also more likely to have high benefits realization process maturity (39 percent versus 33 percent) and “excellent” or “very good” departmental/regional/divisional project management office (PMO) performance (49 percent versus 43 percent)—both of which are significant drivers of project success globally.

As a result of better project performance, gymnastic enterprises only saw 9 percent investment waste compared to 10.5 percent for traditional enterprises.

Size doesn’t matter when it comes to gymnastic enterprises—they were more likely to be among the largest in our survey (>US$10 billion in revenue) as well as the smallest (<US$10 million). The proportion and characteristics of gymnastic versus traditional enterprises were also broadly similar across regions and industries—although there was a higher proportion of gymnastic enterprises in South Asia (38 percent) and in the telecoms industry (39 percent).
FIGURE 4

Gymnastic Enterprises Have Seen More Change

<table>
<thead>
<tr>
<th>Recent Business Changes</th>
<th>Gymnastic</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital transformation</td>
<td>73%</td>
<td>62%</td>
</tr>
<tr>
<td>Business strategy</td>
<td>70%</td>
<td>57%</td>
</tr>
<tr>
<td>Organizational adaptability</td>
<td>70%</td>
<td>53%</td>
</tr>
<tr>
<td>Operational efficiency</td>
<td>65%</td>
<td>52%</td>
</tr>
<tr>
<td>Innovation approach</td>
<td>65%</td>
<td>48%</td>
</tr>
<tr>
<td>Diversity, equity, &amp; inclusion initiatives</td>
<td>60%</td>
<td>51%</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>60%</td>
<td>48%</td>
</tr>
<tr>
<td>Project management maturity</td>
<td>57%</td>
<td>41%</td>
</tr>
<tr>
<td>Talent management</td>
<td>48%</td>
<td>36%</td>
</tr>
</tbody>
</table>

Q: How would you describe the change in your business over the past 12 months compared to the 12 months prior in the following areas? (“Many” and “some” changes shown.)

FIGURE 5

Delivering Better Value

<table>
<thead>
<tr>
<th>Project Outcomes</th>
<th>Gymnastic</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Met original goals/business intent</td>
<td>75%</td>
<td>72%</td>
</tr>
<tr>
<td>Completed within original budget</td>
<td>64%</td>
<td>59%</td>
</tr>
<tr>
<td>Completed on time</td>
<td>58%</td>
<td>52%</td>
</tr>
<tr>
<td>Experienced scope creep</td>
<td>33%</td>
<td>37%</td>
</tr>
<tr>
<td>Failed project, budget lost</td>
<td>36%</td>
<td>37%</td>
</tr>
<tr>
<td>Deemed failures</td>
<td>11%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Q: In your estimation, what percentage of the projects completed within your organization in the past 12 months...

9% Gymnastic enterprises saw wasted investment due to poor project performance compared to 10.5% for traditional enterprises.
Gymnastic enterprises are leading the way in The Project Economy—focused squarely on delivering financial and societal value, no matter what it takes. But how, exactly, are they doing this? By empowering all their people to become changemakers—those who, regardless of their role, feel personally inspired and equipped to drive change and turn ideas into reality.

This happens when people continuously get better at what they do, utilizing a variety of means to build a holistic portfolio of skills, from which they can pick and choose the best ways to drive results and value. Gymnastic enterprises are creating changemakers by enabling their people to work smarter in three key ways:

- **Mastering different ways of working**—whether that’s agile, predictive, or hybrid approaches, or tech-enhanced tools like complex problem-solving techniques or micro-learning apps.

- **Elevating power skills** to ensure effective leadership and communication—including collaborative leadership, empathy for customers and colleagues, innovative thinking, and the ability to build trusting relationships.

- **Building business acumen** to create well-rounded employees—those who not only have expertise in their specific roles and projects, but also understand how their efforts relate to the macro environment, strategic objectives, and other parts of the business.

Gymnastic enterprises are leading the way in The Project Economy—focused squarely on delivering financial and societal value, no matter what it takes.
New Ways of Working
The pandemic was a gut punch to the world’s socioeconomic structure—and many companies still haven’t gotten over the shock. Others seized any opportunity to create positive change wherever they could. Case in point: after months of restrictions on restaurant occupancy, New York City launched a program in June 2020 allowing restaurants to serve customers at tables in adjacent streets and sidewalks. To accelerate outdoor dining opportunities—and help struggling restaurants as quickly as possible—the Department of Transportation, which oversaw the project, shifted from its normal protocols, instead allowing restaurants to self-certify their permits. By focusing on outcomes rather than processes, the agency was able to deliver the change for applications and inspections in just four weeks.

“We responded in a very gymnastic, agile way,” says Cordell Schachter, PMP, CTO and CIO, New York City Department of Transportation. “It was a big change from how we normally operate.”

It was also a prime example in mastering new ways of working—applying the right technique in the right way at the right time to deliver the desired outcome. Pulse found gymnastic enterprises are more likely than traditional enterprises to complete projects using agile (28 percent versus 22 percent) and hybrid (24 percent versus 16 percent) approaches, and less likely to complete projects using waterfall (45 percent versus 59 percent). Yet this isn’t as simple as eschewing waterfall, but rather ensuring that teams customize their approach for the project at hand.

“Organizations shouldn’t mandate any one framework or think that one size fits all,” says Sahar Kanani, PMP, director of program management at health technology company MacroHealth, Vancouver, Canada. “As much as I’m an advocate for agile, I also believe you couldn’t land on the moon or even build a bridge without waterfall.”

Gymnastic enterprises also outpace traditional ones in the use of cloud solutions, the Internet of Things, artificial intelligence (AI), and 5G mobile internet (see Figure 6). And they’re more likely to use tech-enabled ways of working: complex problem-solving techniques, AI-driven tools, microlearning apps, and career assessment tools (see Figure 7).

FIGURE 6
The Technology Edge

<table>
<thead>
<tr>
<th></th>
<th>Gymnastic</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cloud solutions</td>
<td>66%</td>
<td>55%</td>
</tr>
<tr>
<td>Internet of Things</td>
<td>37%</td>
<td>29%</td>
</tr>
<tr>
<td>Artificial intelligence</td>
<td>26%</td>
<td>21%</td>
</tr>
<tr>
<td>5G mobile internet</td>
<td>24%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Q: How often do project teams at your organization leverage each of the following in the management of projects? (‘Always’ and ‘often’ responses shown)
For many companies, the overnight shift to remote working and customer interactions as a result of COVID-19 was a key test of their ability to adopt new ways of working. It’s one that gymnastic enterprises embraced, with 73 percent making changes in digital transformation in the previous year (versus 62 percent for traditional enterprises) and two-thirds prioritizing flexible work as part of their organizational culture (versus 52 percent).

“What the pandemic has made us look at is, how can we tweak all these ways of working, given a dispersed team context?” says Venkatachaliah Kanamanapalli, PMP, associate vice president, Infosys, a global tech consulting firm in Bengaluru, India. “We had a distributed model of delivery. Now that distributed model of delivery is further split into people working out of their individual locations. We are now seeing what the best practices are that we can embrace to be successful in the new context.”

For some organizations, the shift to virtual working was particularly challenging. Prior to the pandemic, banking and retail tech provider Diebold Nixdorf had a minimal remote-work culture in Mexico, depending on roles, says Gustavo Pastrana, PMP, senior manager, global software for pre-sales project, Diebold Nixdorf, Mexico City, Mexico. “The thinking was that you had to be seen in the office—especially in Mexico, organizations didn’t trust you if they didn’t see you.”

The pivot to virtual became a paradigm shift for the organization: it now focuses less on how people work and more on what they achieve. Leaders still review and monitor performance, but “the organization trusts its employees to do their work based on results, not on daily checks. It’s about outcome, not processes,” Pastrana says. And along the way, it discovered another benefit: “Employees are now more engaged.”

“With the pandemic, we face a key test of our ability to adopt new ways of working. It’s one that gymnastic enterprises embraced, with 73 percent making changes in digital transformation in the previous year (versus 62 percent for traditional enterprises) and two-thirds prioritizing flexible work as part of their organizational culture (versus 52 percent).”

Venkatachaliah Kanamanapalli, PMP, Infosys, Bengaluru, India
People Have the Power
Real change doesn’t happen without people—and those people need power skills like collaborative leadership, empathy, an innovative mindset, and the ability to build trusting relationships, developed continuously through a variety of ways. For gymnastic enterprises, power skills represent the new face of project talent. For example, 54 percent saw collaborative leadership as a high priority for talent development, compared to 42 percent of traditional enterprises (see Figure 8).

“We believe that those on the front line drive the change,” says Heba Al Shehhi, PMI-ACP, PMP, head of the PMO, Dubai Municipality, Dubai, UAE. “The role of leadership and managers has to be shifted to become supporters and catalysts of the change for all the stakeholders in the organization.”

The advantage goes not to those with the greatest technology acumen but to those who can combine that know-how with uniquely human qualities to meet increasingly complex and ambiguous challenges. This explains why gymnastic enterprises—and traditional ones to a lesser extent—prioritize key power skills over data science and developer skills. The talent-plus-tech equation is the only way to move true change forward—whether it’s new processes or new technology.

During the pandemic, for example, Indian infrastructure developer GMR Group accelerated its digital transformation, adopting new technologies like 3D modeling and transitioning to a digital project management platform to monitor its projects around the world. The goal was to improve processes and slash waste, but it was a big change from the organization’s previous reliance on time-consuming spreadsheets. And it would only be possible by building trust through clear communications around the shift.

“If we can’t explain the benefits to everyone who will be impacted, it will fail,” says Nirbhik Sengupta, PMP, vice president, operations, GMR Group, Singapore.

Empathetic leadership makes a difference, too, particularly with soaring levels of anxiety, depression, and burnout. For example, Pastrana says leaders at Diebold Nixdorf now ask their team members about their personal and mental health and their family lives. “It’s about seeing your people first as human beings and second as parts of an organization driving results.”

It’s the kind of future-focused skill that gymnastic enterprises see value in, with 21 percent of respondents saying empathy is a high priority for talent development, compared to 17 percent at traditional enterprises.

But empathy isn’t just about being a kinder, gentler leader. It’s about helping an organization’s people be better at what they do. “The underlying message is that your physical and mental well-being is vitally important to the company. It underpins everything,” says Paul Jones, P&PM community lead—Europe, Fujitsu, Birmingham, UK.

Q: Considering the skills below, which are the highest priorities for talent development at your organization?

<table>
<thead>
<tr>
<th>Powering Up</th>
<th>Gymnastic</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaborative leadership</td>
<td>54%</td>
<td>42%</td>
</tr>
<tr>
<td>Adaptability</td>
<td>50%</td>
<td>40%</td>
</tr>
<tr>
<td>Innovative mindset</td>
<td>46%</td>
<td>32%</td>
</tr>
<tr>
<td>Empathy</td>
<td>21%</td>
<td>17%</td>
</tr>
</tbody>
</table>
Breadth and Depth
Projects don’t happen in a bubble, and changemakers must be able to see the bigger picture. This means not only having deep expertise in their own roles but also having the range of knowledge required to understand macro business objectives and their implications. It also means understanding how other roles relate to their own and how they all ladder up to strategic goals. The importance of having both breadth and depth has never been more apparent than during the pandemic, when employees at all levels had to think and act like entrepreneurs.

By sharpening business acumen through multiple approaches to learning, and being open and clear about the organization’s strategic objectives, organizations build project teams that are better positioned to sense shocks earlier—and to even get ahead of them. Here, too, gymnastic enterprises have the edge, with 37 percent saying a top talent-development priority is promoting the understanding of how different parts of the business work together, compared to 32 percent of traditional enterprises.

By building that knowledge base, companies can ensure project teams are in sync with organizational strategy—and that they’re delivering value.

“Organizations should prioritize transparency about the problems they want to solve,” says MacroHealth’s Sahar Kanani. “When they do that, they get a higher level of support from their people, especially in difficult times of change.”

On a product her team was developing in 2020, for example, the engineers on the team proposed a solution that made the most technical sense from their work perspective. But after iterating with the broader business team, they suggested an alternative that would get the product to market faster and hit the revenue targets more quickly—and they took the time to walk through the rationale. “Once we explained the impact in terms of revenue and goals, the team understood the thought behind the decision we made and was quite supportive,” she says.

In other areas of business acumen that we asked about, however, gymnastic enterprises did not have the edge over traditional enterprises—but they’ve been working hard. Forty percent (versus 29 percent) made very good or excellent progress over the previous three years in helping their people develop awareness of the business environment. And 32 percent (versus 24 percent) did the same in developing skills and competencies among youth and young adults.

“Organizations should prioritize transparency about the problems they want to solve. When they do that, they get a higher level of support from their people, especially in difficult times of change.”

—Sahar Kanani, PMP, MacroHealth, Vancouver, Canada
Connective Tissue
Building an environment where changemakers thrive doesn’t just magically happen. The role of organizational culture cannot be overstated. Nor can the role of executive leadership in intentionally identifying the culture and capabilities they want to have—and the role of talent management in promoting and reinforcing the right behaviors.

“If you don’t have a very strong culture, your strategy is not going to work; your projects are going to be impacted,” says Marcelo Tocci, PMP, PMO and deputy program director at aerospace giant Embraer, São Paulo, Brazil.

It’s no surprise that gymnastic enterprises placed far higher priority on all aspects of organizational culture that we asked about, compared to traditional enterprises (see Figure 9). Top of the list was a culture centered on delivering customer value (80 percent versus 65 percent)—which was a top-three driver of project success among global respondents and a key driver in most regions. A focus on customer value helps to explain why gymnastic enterprises carried out more R&D (78 percent versus 73 percent), service development (85 percent versus 81 percent), and IT product development (79 percent versus 75 percent) projects than traditional enterprises.

Gymnastic enterprises also put a greater focus on building a digital culture (67 percent versus 52 percent)—another significant driver of project success generally (see Figure 9). This helps to explain why gymnastic enterprises were more likely to use different types of technology and tech-enabled ways of working, and more likely to embrace digital transformation and flexible work.

At Telstra, on-demand learning has helped teams dive deeper into delivery approaches and new tech tools—all part of the organization’s mission to develop more action-oriented leaders who are focused on customers and outcomes, says Peter Moutsatsos, PMP, chief project officer, Telstra, Melbourne, Australia.

“We’ve gone from being very controlling to be more competing,” Moutsatsos says. “There’s a stronger drive now to drive every dollar of revenue from the business, that business is not just going to fall in your lap. You have to go chase it and win it.”

Crucially, gymnastic enterprises also recognize that values create value: 71 percent prioritized a culture that’s aligned with organizational values, compared to 60 percent for traditional enterprises. And 82 percent had senior leadership who were guided by those same values, compared to 85 percent of traditional enterprises.

FIGURE 9
Changing Priorities

<table>
<thead>
<tr>
<th>Organizational culture</th>
<th>Gymnastic</th>
<th>Traditional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is centered on delivering customer value</td>
<td>80%</td>
<td>65%</td>
</tr>
<tr>
<td>Is aligned with organizational values</td>
<td>71%</td>
<td>60%</td>
</tr>
<tr>
<td>Embraces digital solutions</td>
<td>67%</td>
<td>52%</td>
</tr>
<tr>
<td>Supports flexible work options</td>
<td>66%</td>
<td>52%</td>
</tr>
<tr>
<td>Fosters diversity, equity, and inclusion</td>
<td>63%</td>
<td>52%</td>
</tr>
<tr>
<td>Is receptive to change</td>
<td>62%</td>
<td>40%</td>
</tr>
<tr>
<td>Fosters innovation</td>
<td>62%</td>
<td>41%</td>
</tr>
<tr>
<td>Values project management</td>
<td>52%</td>
<td>42%</td>
</tr>
<tr>
<td>Values upskilling</td>
<td>52%</td>
<td>38%</td>
</tr>
<tr>
<td>Is attractive to next-gen project leaders</td>
<td>45%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Q: How high a priority is each of the following aspects of organizational culture? (“Very high” and “somewhat high” shown.)
Senior leadership at gymnastic enterprises also go the extra mile when it comes to building project capabilities. They’re creating changemakers by placing a high priority on enterprise-wide project management skills (43 percent versus 35 percent). Gymnastic enterprises are also more likely to have projects with active sponsors (69 percent versus 64 percent). The importance of active project sponsorship is hard to overstate; it was the number-one driver of project success globally. Highly engaged executive sponsors play a critical role in closing the gap between strategy and execution by facilitating communication and collaboration, boosting project success rates.

Additionally, gymnastic enterprises focus on building culture and capabilities from the bottom up, outdoing traditional enterprises in every aspect of talent management we asked about, including performance management (58 percent versus 44 percent) and learning and development (56 percent versus 44 percent). They also placed higher priority on workforce planning (52 percent versus 41 percent)—which was a significant driver of project success for respondents globally (see Figure 10).

Q: How high of a priority is each of the following for your organization? (“Very/somewhat high” responses shown.)

FIGURE 10
Prioritizing Talent Management

- Performance management
- Learning and development
- Workforce planning
- Talent acquisition
- Talent retention
- Investing in youth
- Fair compensation
- Succession planning for key employees
- Mentoring

Gymnastic vs. Traditional:

- Performance management: Gymnastic (58%) vs. Traditional (44%)
- Learning and development: Gymnastic (56%) vs. Traditional (44%)
- Workforce planning: Gymnastic (52%) vs. Traditional (41%)
- Talent acquisition: Gymnastic (36%) vs. Traditional (50%)
- Talent retention: Gymnastic (34%) vs. Traditional (47%)
- Investing in youth: Gymnastic (32%) vs. Traditional (45%)
- Fair compensation: Gymnastic (33%) vs. Traditional (44%)
- Succession planning for key employees: Gymnastic (31%) vs. Traditional (38%)
- Mentoring: Gymnastic (29%) vs. Traditional (40%)
Where gymnastic enterprises barely do better than their traditional counterparts, however, is increasing diversity at the top, with only 44 percent having at least one female C-suite leader, compared to 42 percent for traditional enterprises. Yet both believe that having diversity and inclusiveness increases project value (96 percent at gymnastic enterprises; 94 percent at traditional). However, gymnastic enterprises are working to make progress, at all levels: 63 percent placed a high priority on fostering a culture of diversity, equity, and inclusion, versus 51 percent of traditional enterprises, and 45 percent are focusing on youth by prioritizing a culture that’s attractive to the next generation of project leaders, versus 34 percent.

When clinical laboratory network Labcorp installed Adam Schechter as its new CEO in November 2019, he initiated a flurry of changes to establish a culture that promoted a better work-life balance and cultivated more female leaders, says Lauren Kapler, PMP, acquisition integration program director at Labcorp, Burlington, North Carolina, US. For instance, the company introduced new leadership courses for women, focused on erasing the barriers and obstacles they typically encounter during career development.

Kapler calls the new CEO an advocate for women in leadership and diversity, focused on “putting the right person in the job who’s going to come with new ways of thinking and approaches.” And that has had a ripple effect across the company: “The culture change has been extremely noticeable and extremely positive.”

Putting the focus on diversity and inclusion isn’t just the right thing to do; it can also fuel innovation and creativity. That’s a prime spot for improvement, across all organizations, especially in these times. But it’s no coincidence that gymnastic enterprises are more likely to prioritize a culture that’s receptive to change and that fosters innovation (62 percent for both), compared to traditional enterprises (40 percent and 41 percent, respectively).

Embedding an innovative mindset into the company culture requires diversity of race, gender, age, experience, nationality, and thought. Getting all points of view doesn’t necessarily mean everyone is right, “but it creates a sense of ownership so that they feel this business is also their business, its problems are also their problems,” Kanani says.

Breaking down silos is helping forge a more collaborative mindset and engaging culture at renewable energy solutions provider Goldwind Science and Technology.

“With the expansion of our company scale, the culture of departmentalism began to prevail, which is a severe obstacle for the further development of our groups,” says Jason Xiao, PMP, director of strategic and project management, Goldwind, Beijing, China. “We are trying to destroy the walls between departments, trying to make people have more cooperation and alignment. It really works. I think that’s the type of change we want.”
Adapt and Advance

It took resilience to initiate and sustain pandemic-driven changes. But the next normal demands even more from organizations, project leaders, and their teams. Our 2021 Pulse of the Profession® shows gymnastic enterprises leading the way, by tailoring their approaches to achieve desired outcomes.

Gymnastic enterprises empower their people to master new ways of working by applying the right approach in the right way at the right time to deliver what's needed. Sometimes that's agile; other times it's hybrid or waterfall. And they help their people work more effectively by using a variety of powerful tech-enhanced approaches like complex problem-solving techniques and on-demand, microlearning apps. It's all about figuring out what works for the project.

Gymnastic enterprises also emphasize the human element, enabling people to work well together and understand how everyone contributes to the bigger picture. Every organization has the potential to create its own squad of changemakers, but those people will need power skills like collaborative leadership, empathy for customers and colleagues, an innovative mindset, and an ability to build trust. They're also going to need business acumen, enabling them to understand how their roles and other people's roles come together to achieve wider business objectives. It's that combination of uniquely human qualities, together with new ways of working, that will enable organizations to meet increasingly ambiguous challenges.

Last but not least, gymnastic enterprises understand the central role that organizational culture plays in enabling all of these capabilities, particularly in the areas of customer value, organizational values, and digital solutions. They're also recognizing the crucial role that a culture of diversity, equity, and inclusion plays in boosting project value and encouraging a mindset of collaboration and accountability. None of this can happen without executive leaders who can spot and shape the culture and capabilities the organization seeks, and who take an active role in project sponsorship. Nor can it happen without a strong talent management function that builds desired behaviors from the bottom up.

By enabling their people to become changemakers, gymnastic enterprises are better able to sense and respond to shocks, drive change, and face the future, knowing that they have the mindset, skills, and tools that it takes to win.
About This Report

Conducted since 2006, Pulse of the Profession® is the premier global survey of project management professionals. Pulse tracks major trends in project management now and in the future, featuring original market research that gathers insights from project, program, and portfolio managers. The 2021 edition of Pulse comprised an online survey of 3,950 project professionals conducted in October and November 2020. Respondents represented a range of industries and regions, including North America, Europe, Asia Pacific, Sub-Saharan Africa, Latin America, South Asia, Middle East/North Africa, and China. The survey was supplemented by in-depth interviews spanning a wide range of industries and regions.

Sources

2. PMI’s Make Reality Global Survey 2020 showed that 93 percent of business leaders said they had to put a project on hold in 2020. Of those, only 39 percent said they had adjusted their plans to execute these projects later in 2020. (For more information about the survey, please contact PMI at customercare@pmi.org.)