



Eligibility Factors and Behavioral Traits of Effective Project Sponsors

by

Karsten Isenbeck & Joel Friedman

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IV. Abstract

The world is increasingly project-driven. The World Bank's 2009 WDI "gross fixed capital formation" statistic indicates that projects already comprise about one-fifth of world GDP (also referred to as "GWP") or USD 12 trillion (World Bank, 2009). This figure has grown substantially from just USD 7 Trillion since 2000. McKinsey Quarterly's 2008 article "Managing Capital Projects for Competitive Advantage" (Hundertmark, Valle Silva & Shulman, 2008) stated that, in addition to these fixed capital formation projects referenced above, trillions more would be spent on projects for IT, new product and service development, entertainment / IP and Non-Government Organizations. The Anderson Economic Group's 2008 report (AEG, 2008) further indicates that by forecasting that, by 2016, projectized industries are forecast to increase by USD 4.5 trillion. Anderson also sees project-oriented career growth growing at 1.5%, 50% faster than the average 1% growth in non-project related careers.

From the above-cited project investment trend statistics and reports, it is obvious that mankind is increasingly using projects as a means of achieving business goals and other endeavors. As most of these projects are undertaken and executed by organizations, it follows that an organization's ability to successfully and consistently deliver projects (that are aligned with its strategy) is fundamental to its success and continuing longevity. It is therefore widely accepted that successful organizations will achieve and maintain success through their ability to consistently choose and successfully execute the projects that align with and fulfill their strategic goals.

Despite huge organizational investments of time, money and other resources into traditional project management techniques & practices to ensure that projects are successful and that they deliver the planned benefits to the organization as set out in the project business case, many studies on project success (CHAOS – Standish Group, 2009, PwC - Nieto-Rodriguez & Evrard, 2004, Flyvbjerg, 2003, FMI, 2007, 2010) concur that organizations are struggling to achieve even a single instance of project success, let alone achieving it on a consistent basis. These low project success rates indicate that



organizations are struggling to achieve accurate forecasting of their project Return on Investment (ROI) and that they are not confident in their projects benefits realization timing. They're also probably not consistently achieving customer satisfaction throughout their project lifecycles and upon delivery of their projects. The results of consistently falling short of customer and / or other stakeholder expectations is a significant potential risk to an organization's reputation in the near-term and ultimately, to the organization's prolonged existence.

Whilst other reasons cited for project failure include incomplete project scope definition and project scope creep, one of the top reasons cited is "lack of executive support".

And so, as organizations continue to seek a more reliable project management paradigm to enhance their control over their ability to achieve repeatable project delivery success, they've begun to concentrate project sponsorship and, even more specifically, on project sponsors and their role in consistent achievement of project success. For many years, project management academics and practitioners alike have been studying the role of project sponsors and their supporting role in organizations' consistent achievement of project success.

In contribution to the growing body of research about project sponsors and their critical role as the links between organizations executive management and the senior members of their respective project management teams, the aim of this research thesis is to review the project sponsor's role in project success and to further elaborate on the project sponsor roles, competencies, eligibility factors, behavioral traits, behaviors, motivations, as well as engagement levels and types of engagement through-out not only the project life cycle, but the entire asset lifecycle.

This thesis consists of three main components:

- An extensive literature review of relevant, peer-reviewed academic papers, books, articles and studies.



- A description of the authors' research project methodology which includes the authors' generation of an "ideal project sponsor's behavioral trait profile" based on the literature review. The authors went on to challenge the accuracy of this profile through implementation of a pilot study assessment of real-world project sponsors. The pilot study project sponsor assessment was created through close cooperation with the very highly regarded, globally renowned, online recruitment and talent behavioral trait assessment organization, Harrison Assessments, which has, through more than 20 years of pioneering, honed very respectable predictive accuracy with respect to recruitment and employee development success. In all, twenty six project sponsors of a wide distribution of demographic backgrounds participated in this assessment.
- The authors' conclusions, based on the combination of knowledge gained through the literature review and the "ideal project sponsor profile" compared with the project sponsor behavioral traits pilot study.

The key conclusions this research produced are:

- Total eligibility traits and total suitability factors, as defined by the ideal sponsor profile, are independent variables.
- Some independent variables or behavioral traits are positively correlated with essential or desired traits and negatively correlated with some traits to avoid. One example is the essential trait "Helpful", which is positively correlated with the essential trait "Wants to Lead", the desired trait "Handles Conflict" and which is negatively correlated with the traits to avoid "Blunt" and "Stubborn Persistence".
- **Project Management Success and Business Plan Success:**
 - Overall, more experienced project sponsors perceive themselves as more successful, particularly with those sponsoring type 1 "Engineering" projects.
 - Overall, project sponsors exhibiting the combination of behavioral traits, as defined in the ideal project sponsor profile, perceive themselves as more successful.



- Overall, project sponsors exhibiting the combination of eligibility and behavioral traits, as defined in the ideal sponsor profile, perceive themselves significantly more successful.
- The behavioral traits "diplomatic", "handles conflict" and "collaborative", as well as the "total eligibility", were identified as being positively correlated to project management success. Focused analysis on the group of project sponsors sponsoring engineering projects reflects that "collaborative" is a desired trait in which more successful project sponsors have a significantly higher value.
- The behavioral trait "persistent" has been positively correlated, and the trait to avoid "permissive" has been negatively correlated, to business plan success. Again, analyzing just the sponsors who sponsor engineering projects reveals that the essential trait "authoritative" and the desired trait "enlist cooperation" show a significant impact to business plan success. Surprisingly, the higher the trait "analytical" the less successful the business plan success.
- **Successful Project Output:**
 - Overall, there is no difference perceived in successful project output between more and less experienced project sponsors.
 - Overall, there is no difference perceived in successful project output between project sponsors exhibiting more or less behavioral traits, as defined in the ideal project sponsor profile.
 - Overall, project sponsors exhibiting the combination of eligibility and behavioral traits, as defined in the ideal project sponsor profile, perceive themselves more successful.
 - Experience does not correlate with successful project output.
 - The behavioral trait "helpful" shows a positive correlation to successful project output. By looking at engineering projects alone, no trait is important for successful project output.
- Project Management Success, business plan success and successful project output are correlated to each other. However, our research shows, that



"successful project output" does not follow any findings applicable for the other two dependent variables project management and business plan success.

- The highest project sponsor eligibility is of those sponsoring engineering projects and, in particular, those employed on the continents of North America and Australia.
- Based on the study results, the authors conclude that that many behavioral traits are only situationally required and, therefore, patterns of positive correlations between traits did not always emerge as might have been expected. However, the research results do robustly support that Project Management Success and Business Plan Success of type 1 projects can be enhanced by using experienced, eligible project sponsors, who do exhibit the behavioral traits "collaborative", "handles conflict" as well as "diplomatic".

