

REGAINING CONTROL

**LEADING
PROJECTS AND
DELIVERING
RESULTS IN
TURBULENT TIMES**

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**LEADERSHIP
CONTRACT INC.**

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FOREWORD

In the grip of the pandemic, I reached out to Dr. Vince Molinaro, a global leadership advisor and author of *The New York Times* best-selling book *The Leadership Contract*, for a brief conversation about the new patterns and trends in organizations that we saw around the world. I brought my perspective as a world-leading authority on project management and transformation, and Vince contributed the view from boards, senior executives and human resources and talent development leaders. Together, this conversation helped us see the new frontier emerging from this crisis.

As we continue to work through a world turned upside down by COVID-19, organizations everywhere will need to come back stronger, and more resilient and they should hit the ground running to make up for the lost time and momentum. However, the reality is that many leaders tell us they feel like they have lost control in the face of the sweeping changes and disruption brought by the global pandemic - this is where we need to start. We need to regain a sense of control so we can lead our teams, deliver on our projects and execute on the strategic priorities of our organizations.

Ricardo & Vince

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INTRODUCTION

We were warned.

In September 2019, about 60 days before China confirmed the existence of a new coronavirus, and about 90 days before the virus reached pandemic proportions, a little-known group called the Global Preparedness Monitoring Board (GPMB) issued a report pleading with governments, businesses and global agencies to lay the groundwork for a massive pandemic response.

The GPMB is a special agency formed by the World Bank Group and World Health Organization. Its creation was prompted, in large part, by the 2014 Ebola outbreak in West Africa. The GPMB's mission was to convince political and business leaders to take the initiative to prepare, immediately, for a threat like COVID-19.

The report will be quickly recognized by business leaders and those who work in the project management field: It was a call to action with a detailed blueprint that outlined both our vulnerabilities and prescribed solutions.

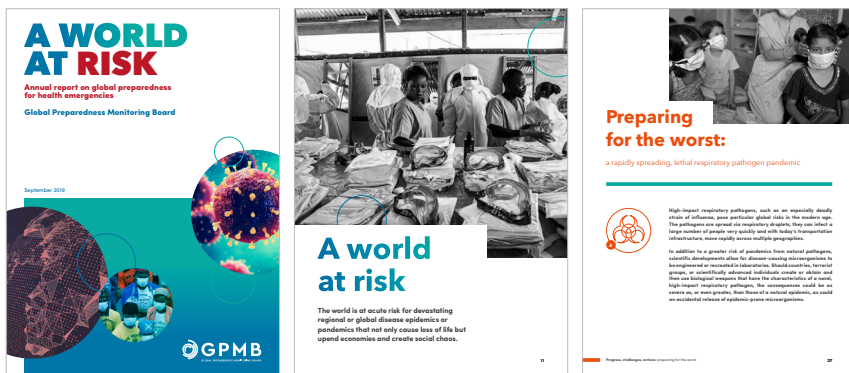


Figure 1 – Annual report on global preparedness for health emergencies. Credit: Global Preparedness Monitoring Board

The GPMB report¹urgently recommended a global effort to standardize

¹ https://apps.who.int/gpmb/assets/annual_report/GPMB_annualreport_2019.pdf

thresholds for closing borders, suspending international travel and enforcing social distancing. It suggested that governments develop protocols to re-task entire industries to produce medical supplies and equipment, and clinical standards for the use of these supplies and equipment. It outlined the need to stockpile personal protective equipment (PPE) for health care workers. There was even a section on how to finance vaccine initiatives and build an income safety net to help prevent the world from descending into a years-long depression.

History will show that not only did we ignore this report, but also it was not the first time we were warned about a lack of pandemic preparation. Our capacity to ignore warnings like this tells us a lot about human nature and about leadership.

“ *In short, we just didn’t have courageous and creative leaders who could respond quickly and decisively at the moment we needed them the most.*

Unfortunately, the world did not have enough business leaders with the foresight to plan global pandemic standards or contingencies for virtual work. Leaders also lacked the creativity to convert their manufacturing operations to produce the building blocks of an effective public health response to a pandemic.

On the other side of the pandemic response, political leaders did not have the patience or dedication to build up stockpiles of PPE for health care workers. Nor did they have the conviction and the courage to make the tough decisions – to close borders, and impose physical distancing guidelines - that were needed to step the transmission of the virus.

In short, we just didn’t have courageous and creative leaders who could respond quickly and decisively at the time we needed them the most.

LEADING AND DELIVERING RESULTS IN A CRISIS

Prior to COVID-19, many of us lived under the illusion that we had total control over our lives. After the coronavirus spread around the world, claiming lives and laying ruin to economies, we learned pretty quickly that any sense of control we felt was actually a mirage. Chaos has always been lurking in the shadows, ready to impose itself on our day-to-day lives.

Now that we know how easy it is to lose control, our world will never be the same. Our entire sense of “normal” is undergoing a transformative change.

There is lots of speculation about the “new normal.” However, our lives have changed so much since the pandemic struck that no one is actually sure what normal is going to look like. The only thing we know for certain is that we have to keep moving forward until we land on an entirely new way of living and working.

That is going to put a lot of pressure on the leaders charged with delivering on what is referred to as the “project economy.” This is the term used to describe the evolution of our understanding of the word “project.”

Rather than special, one-off initiatives with defined beginnings and endings, project management is now a continuous function for most organizations. The term project has become shorthand for progress: the pursuit of new ways to do more in a way that is better, cheaper and more sustainable. That is our new constant pursuit.

However, the new normal is going to test business leaders like never before.

In many ways, you will need to be a better version of the leader you were before the pandemic. All leaders will need to commit to not only making up ground lost during the pandemic, but also serving as the stewards

of transformation. To do that, we need to take a critical look at how we delivered on projects in the past.

“ 11 per cent of investments in individual projects are “wasted” because of poor performance

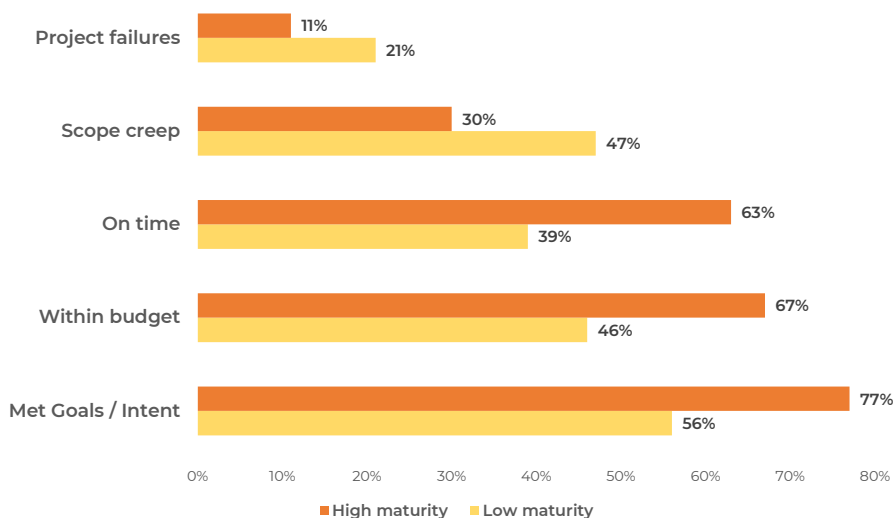
Over many decades of trial and error, it seemed that almost any worthy undertaking could be viewed within the context of “projects.” The origins of project management can be found in disciplines such as construction, infrastructure, engineering, cost management and architecture. Now, project management can be applied to fields such as technology, accounting, law, economics, finance, trade, research and development and corporate governance.

Today, virtually everything we do can be viewed within the confines of “a project” even though we may call it by another name. When you develop a new product or start a new business or even when you need to put in place measures to respond to a pandemic, it is all captured within the term of project. We all understand now that a methodical, adaptable and agile approach is the best way to get things done. But on their own, all these methodologies will not ensure success.

Project management is a way to approach a complex problem, but it is not the solution. Not surprisingly, there is a huge trove of data and research on project management and how it is applied.

On the one hand, most business organizations recognize that project management is a critical element in the execution of any business plan. The Project Management Institute (PMI), in its annual Pulse of the Profession survey of nearly 4,000 project professionals and senior executives, consistently finds that business leaders understand the value of project management. However, that cognizance does not always translate into deliverable success.

The 2020 PMI Pulse survey² found that more than 11 per cent of investments in individual projects were “wasted” because of poor performance. United Kingdom-based Wellington, a project management consultancy, found in its annual survey of business organizations that 53 per cent of the surveyed businesses were dissatisfied with their overall project management performance, up from 45 per cent in 2016.



Source: PMI's Pulse of the Profession® 2020

There are organizations that are better at project management. The PMI Pulse survey found that “mature organizations” – those with more complete and evolved approaches to project management – met their project goals more often than low maturity organizations (77% to 56%), stayed within budget more often (67% to 46%), were on time more often (63% to 39%) and had fewer total failures (11% to 21%).



This is borne out by research; the 2018 PwC Project Success Survey noted that 94% of organizations identified that effective engagement of stakeholders is a key factor in the success of any project.

² <https://www.pmi.org/learning/library/forging-future-focused-culture-11908>

With a record like that, why would some organizations continue to suffer through sub-standard approaches to project management that almost inevitably lead to sub-optimum results? You can look to the hard lessons we are learning from the pandemic. Subject matter experts told us, repeatedly, what we needed to do to endure a pandemic and we disregarded the advice. It seems that even when we are confronted by one of the greatest project challenges of all time – safeguarding the world from the ravages of a virulent disease – we simply cannot do what needs to be done.

Perhaps there is a missing ingredient, something that connects all of the usual explanations and excuses and ties them up in a way that explains our collective failure to follow through and deliver on important projects.

Some have theorized that too many projects fail because the people involved do not support the end goals. In other words, the missing ingredient is engagement. This is supported by research: The 2018 PwC Project Success Survey noted that 94% of organizations identified that effective engagement of stakeholders is a key factor in the success of any project.

But engagement, on its own, is really just a reflection of other missing elements in organizational culture. Move one step further into this equation and you will see that the central commodity needed to build mature approaches to project management and cultivate engagement is leadership.

LEADERS WILL MAKE OR BREAK YOUR PROJECTS

No single leader has done more to warn the world about the need to prepare for a pandemic than Microsoft founder Bill Gates. The Gates Foundation, which Bill created with his wife Melinda, has invested hundreds of millions of dollars to improve global health, including vaccine initiatives to combat some of the world's most virulent diseases. Going back as far as 2014, Gates was one of the most strident activists, pleading with nations and corporate interests alike to start building the infrastructure to contain and combat something like COVID-19. He told the world that a pandemic like the one we are experiencing now could be more devastating to the world than a nuclear war.

As he watches the world struggle with the coronavirus, Gates could easily shrug his shoulders with an 'I-told-you-so' indifference and point fingers at everyone who ignored his warnings. Instead, Gates is accepting some of the blame for not doing a better job. "I feel terrible," Gates told *The Wall Street Journal* in a May 2020 story.



"The whole point of talking about (a pandemic) was that we could take action and minimize the damage³."

Bill Gates

The regret and concern felt by the Gateses is one of the best examples of how leadership is the catalytic element in the successful completion of any important project and how a failure of leadership in the face of a challenge like COVID-19 can leave a leader open to contempt and criticism.

³ <https://www.wsj.com/articles/bill-gates-coronavirus-vaccine-covid-19-11589207803>

Many political leaders hesitated to take decisive action or refused to take the best advice available from public health leaders. From British Prime Minister Boris Johnson to U.S. President Donald Trump, the recriminations are flowing fast and furiously even though our failure to meet the challenge of the pandemic is something that all political leaders, going back decades, should wear.

On the other hand, leaders who acted decisively and quickly are now being lauded for their ability to manage this crisis. New Zealand Prime Minister Jacinda Ardern has received international recognition and praise for overseeing one of the most effective COVID-19 control efforts in the world.

Ardern was among the first to close her country's borders and limit international travel after the virus first appeared. She allowed her top public health officials to introduce an alert system to help them identify people who may have been exposed to confirmed cases. Her recipe for success involved clear empathy for the plight of her citizens, highly visible leadership – she appeared on some platform almost every day – and firm, science-based public health decisions.

As a leader managing an ultra-complex project, Ardern demonstrated that a combination of firm decision-making and accountable leadership could build broad, nearly unanimous support for social distancing and other virus-control strategies. She is certainly a model of how any leader should approach a complex project. But is her combination of empathy and firm decision making something other leaders can emulate?

Leadership is undervalued in project management

Across the development of the knowledge base around projects, the role of leaders has been the most overlooked and undervalued constituent element. Unfortunately, project management – which traces its roots back to technical disciplines like engineering and accounting – has not always appreciated the importance of soft skills like leadership in order to get things done.

“ *Whether you are managing a project to bring people back into full participation in the economy following a pandemic, or you are merely overseeing the deployment of a new information technology solution, you will need leaders who can demonstrate the compassion and empathy needed to cultivate confidence.*

Fundamentally, projects live or die based on whether the people most affected buy in. However, most leaders who spearhead priority projects have little grasp of the soft leadership skills needed to build support and engagement. Similarly, they focus too much on the technical changes and consequences, and not enough on the way people affect and are affected by projects. The project environment is a multifaceted ecosystem.

There is a growing acknowledgement that soft skills – empathy, compassion, effective communication, team dynamics – are the defining qualities of modern, successful leaders. This is particularly relevant in the world of project management, where increasingly acceptance of the change delivered by the project has become as important as the change itself.

In the past, project managers would assess their performance based on whether they were able to come in on time and under budget. Now, most mature organizations realize that it is more important to ensure that a project lead to real and sustainable change. The completion of a project can no longer be used as the only measure of success. The level of engagement and acceptance of the project is a more meaningful accomplishment. To do that, you need leaders who can not only complete a project but also build support for the results.

Whether you are managing a project to bring people back into full participation in the economy following a pandemic, or you are merely overseeing the deployment of a new information technology solution, you will need leaders who can demonstrate the compassion and empathy needed to cultivate confidence. That is how good leaders are able to make tough decisions and still reach high levels of engagement and participation.

This is about forging a new approach to leadership that will ensure that the majority of our major projects and undertakings achieve their stated objectives. That will require a new generation of leaders who are committed to leadership in a new and unprecedented fashion.

What we need now is a leadership contract.

THE LEADERSHIP CONTRACT™

The expectations for project managers have continued to increase over the years. Now the stakes are even higher. They must create value beyond completing a project done on time and under budget. In many ways, that's table stakes, or the price of entry for any project manager.

Organizations demand more. They need project managers to evolve in their thinking about their roles and start seeing themselves as leaders in all aspects.

HOW DOES ONE START ON THIS JOURNEY?

We need to begin by looking at how people become leaders.

In our experience, it happens by accident. Many are thrust into leadership roles because of their strong technical expertise. These individuals have excelled as engineers, software developers, accountants, sales professionals, analysts, marketers, or investment bankers.

When people are pushed into leadership, very few are provided with the development and support to learn their complex and demanding roles. As a result, many remain focused on the technical aspects. In fact, even though they may have assumed the formal title of 'leader,' at a personal level, they don't think of themselves or define themselves as leaders. Others neglect leadership tasks and responsibilities as things to be done after they have completed the technical aspects of their jobs. The result is that we have wave after wave of mediocre leaders.

To better manage the transition from technical expert to leader, and to help these individuals fully embrace leadership expectations, it's important that they understand the idea of a leadership contract.

This idea is founded on a belief that any time someone assumes a leadership role, they have taken on a job of great importance. Organizations and the people who work within them expect more from leaders. In fact, when you accept a leadership role, you are making a contractual commitment, a solemn promise to live up to those expectations.

Now, far too few leaders think of their roles in contractual terms. Or, they think of it as an online contract, where they can simply click “agree” without ever reading the terms and conditions.

We can’t do this as leaders. The stakes are too high.

Every contract has a set of terms and conditions, and so does the leadership contract. There are four of them and they serve as the foundation to help develop the mindset of an accountable leader⁴.



⁴ Molinaro, Vince (2018). *The Leadership Contract - The Fine Print to Becoming an Accountable Leader* (Third Edition). John Wiley & Sons.

1. LEADERSHIP IS A DECISION

When you are in a leadership role, you must be fully committed. You must be clear on the expectations and be ready to set the tone for others. You can't approach your leadership role lightly or be ambivalent about it. You certainly can't opt out.

You must be all in, especially in today's era of constant change, disruption and complexity. If you aren't prepared to take part in this environment, then you must decide that leadership may not be for you. Have the courage to step aside and let someone else take the helm. There is no room for ambivalence in leadership.

Ask yourself these questions to see if you're ready to make the leadership decision:

- *Are you as committed to being a strong leader as well as a strong project manager?*
- *In what ways do you set the tone of accountability in the projects that you lead?*
- *Do you fully embrace the challenges and difficulties that come with being a leader of projects?*

2. LEADERSHIP IS AN OBLIGATION

Once you decide to be an accountable leader, you will be held to a higher standard of behavior. You must also recognize that you have obligations that go beyond your own needs. You can no longer be concerned solely about what is best for you and your career.

You must consider the best interests of your customers, employees, organization and the broader communities in which you do business. You need to create enduring value and leave things better than you found them.

Ask yourself these questions to see if you're prepared for the obligation of leadership:

- *Within the confines of your project, are you completely clear on your obligations to your team, your clients and other relevant stakeholders?*
- *Are you prepared to do whatever it takes to ensure that you deliver on these obligations in the course of managing the project?*
- *To what extent do you know what is important to each of your key stakeholders?*

3. LEADERSHIP IS HARD WORK

Leadership isn't for the feeble. You will need to be resilient and determined. You will need tenacity to rise above daily pressures. You will need confidence and courage to have tough conversations and to push through barriers to execution. This term of the leadership contract demands that you get tough and accept that leadership is hard work. You can't avoid it or wimp out.

Most of the hard work has to do with people issues: giving candid feedback, managing poor performance, and making tough and unpopular decisions. If you avoid this hard work, it will weaken you, weaken your team, impede your progress and, ultimately, prevent you from delivering results.

Ask yourself these questions to see whether you're ready for the hard work of leadership:

- *Are you up to the challenge of initiating difficult conversations and making unpopular or uncomfortable decisions to ensure a successful project?*
- *Do you have the resilience and resolve that you need to complete the project?*
- *Do you view the challenges you face when managing projects as opportunities to grow and develop as a leader?*

4. LEADERSHIP IS A COMMUNITY

The fourth term of the leadership contract demands that you connect with others to create a strong community of leaders within your organization. Leadership can be a lonely pursuit, but it doesn't have to be.

Work with your fellow leaders to create a leadership culture where there is a deep sense of trust and mutual support, where you know everyone has your back, and where all leaders share the collective aspiration to be truly accountable.

You will need to break down silos, work across departments and functions, and learn to bring a one-company perspective to your role. If you can, you will stand out as an invaluable leader in your organization.

Ask yourself these questions to see whether you're ready to build a leadership community:

- *Have you identified silos in your organization that could impede the completion of your project? What is your strategy to break down those silos and promote more collaboration?*
- *Does your team understand that there can be no individual success if the team does not succeed?*
- *Do you commit to building high trust relationships with peers and colleagues across your organization?*

CONCLUSION

Successful projects do not come about by chance or mistake. No one stumbles into the solution for a complex problem or happens across a new and dynamic idea that improves a process or finished project. The best principles of project management, which have been honed and revised over decades of trial and error, tell us that success comes from deliberate and focused attention to detail.

However, attention to detail is not enough. Coming in ahead of schedule and under budget with a final solution that does not completely solve the problem is no longer acceptable. You need to deliver a solid result and ensure that your team, along with the wider organization, support the result. You can only do that through effective and accountable leadership.

As the technical demands of project management have evolved, so too has the role of the leader. Rather than just taking account of tasks completed, leaders must motivate and build engagement. You must leave your organization better – fewer silos, more collaboration, and a higher degree of commitment – than it was before you started on the project.

Project managers can be the ultimate leaders, but only if they accept that their responsibilities go beyond the deliverables of one specific project. They must be complete leaders in both the technical and people aspects of any great challenge.

RICARDO VARGAS

Passionate about transforming ideas into action, Ricardo Vargas is a chief advocate in the project economy. Specializing in implementing innovative global initiatives, capital projects and product development, Ricardo has directed dozens of projects across industries and continents, managing more than **\$20 billion in global initiatives** over the past 25 years.



Ricardo shares his expertise with millions of professionals around the globe through his "[5 Minutes Podcast](#)," which he's hosted since 2007. He has written [15 books](#) on project management, risk and crisis management, and transformation, which have been translated into six languages and sold more than **half a million copies**. His influence on the sector was affirmed when he became the first Latin American to be elected Chairman of the Project Management Institute.

Ricardo directs the **Brightline Initiative**, a Project Management Institute think tank bringing together leading organizations into a coalition dedicated to helping executives bridge the expensive, unproductive gap between strategic design and delivery. Prior to his work with Brightline, Ricardo was Director of the United Nations Office for Project Services (**UNOPS**) Infrastructure and Project Management Group, leading more than **1,000 projects** and \$1.2 billion in humanitarian and development projects.

Ricardo holds a **Ph.D. in Civil Engineering** from Federal Fluminense University in Brazil and an undergraduate degree in Chemical Engineering, as well as a master's degree in Industrial Engineering from Federal University of Minas Gerais in Brazil.

When he's not traveling the world to share his passion for strategic transformation, Ricardo enjoys gardening and cooking with his wife and daughters in their sunny home in Portugal.

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VINCE MOLINARO

Vince Molinaro, Ph.D., is a strategic leadership advisor, speaker, and researcher on leadership accountability. As the founder and CEO of **Leadership Contract Inc.**, Dr. Molinaro travels the world helping organizations build vibrant leadership cultures with truly accountable leaders.

Vince experienced a defining moment early in his career when he saw a respected colleague and mentor succumb to cancer that she believed was the byproduct of a stressful, toxic work environment. As a result, he has made it his life's work to boldly confront mediocre and unaccountable leadership.



Vince calls out the global leadership crisis today and thoughtfully lays out the strategy to address it head-on. His unique combination of provocative storytelling, evidence-based principles and grounded practicality has leaders at all levels stepping up to fulfill their obligations to drive the success of their organizations.

He is a *New York Times* best-selling author and has published several books including [*Accountable Leaders*](#) (Wiley, 2020), [*The Leadership Contract*](#) (3rd ed., Wiley, 2018) and [*The Leadership Contract Field Guide*](#) (Wiley, 2018). He has also co-authored two other books: *Leadership Solutions* (Jossey-Bass, 2007) and *The Leadership Gap* (Wiley, 2005). His ideas serve as the foundation of leadership development programs in leading companies around the world.

Vince lives leadership accountability every day as an entrepreneur and global executive. His research and writing on leadership accountability are featured in some of the world's leading business publications. He also shares his insights in his Gut Check for Leaders blog and through the [*Accountable Leaders App*](#) available from the Apple and Google App Stores.

Vince and his family live near Toronto, Canada.

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