VS VITAL STRUCTURA

EXECUTIVE INSIGHT PAPER

Why Transformations Stall

A Structural Diagnostic Perspective

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CLARITY · STRUCTURE · DECISIONS

01

Introduction

Most senior leaders have been in this situation. The governance structure is in place. Reports go out every week. The steering committee is meeting. The dashboards are largely green. And the program is not moving.

Decisions made three months ago are still open. Issues flagged in early reviews are still unresolved. The same problems appear in every governance cycle. People are working hard. And yet progress has slowed to the point where leadership is beginning to lose confidence in what they are being told.

I have spent more than twenty years inside complex and regulated organizations — in manufacturing, engineering, PMO leadership and portfolio governance. I have seen this pattern repeat often enough to know it is not about the wrong people or the wrong plan. Programs stall because the structural conditions that allow delivery quietly erode. Usually before anyone notices. Often while the reporting still looks fine.

> *The problem is not that the organization stopped working. The problem is that it started working in ways that produce a lot of activity and very little forward movement.*

When a program loses momentum, the natural response is to add things. More reporting. More governance forums. More coordination meetings. More controls. It feels like action. But in most cases, it makes things worse, because it adds more weight to a system that is already struggling.

Part of the reason this happens is a confusion between symptoms and conditions. The missed milestone, the unresolved escalation, the slipping timeline — these are operational symptoms. They are visible and measurable, and they feel like the problem. But they are usually the surface expression of something underneath: a structural condition in how the organization makes decisions, manages priorities or maintains accountability. The signals that a structural condition exists are observable — repeated escalation, rising coordination effort, declining leadership confidence — but they are not the condition itself. A diagnosis requires looking past both.

The real issue is almost never a lack of process. It is something structural — a problem in how decisions get made, how priorities are managed, who is accountable for what, or what leadership can actually see. Structural problems do not get fixed by adding more process on top of them.

This paper describes what those structural problems look like, where they come from, and how to start asking the right questions about them. The patterns described here emerge in complex organizations where programs, portfolios and transformations operate across multiple functions, competing priorities and overlapping decision structures.

02

Structural Signals

Structural problems do not arrive suddenly. They build up slowly, usually mistaken at first for normal operational difficulty. By the time they are recognized for what they are, they have often been present for months.

The first and most reliable signal is repeated escalation. The same issues keep coming back to governance. They were raised last month. Actions were assigned. They are back again this month, essentially unchanged. That is not a team performance problem. It is a structural signal. Either the decision authority required to resolve the issue does not sit at the level it was escalated to or the issue is being avoided for reasons no one is making explicit.

The second signal is rising coordination effort. Mature programs should get easier to coordinate, not harder. When teams are spending more time realigning, re-clarifying responsibilities and re-confirming decisions that were supposedly already made, accountability boundaries have become unclear. Often this follows a reorganization or leadership change that was never reflected in the governance model.

The third signal is the gap between reported status and what is actually happening. The dashboards say one thing. Conversations with the people doing the work tell a different story. When those two versions of reality are consistently different, information is being filtered somewhere between the team and the senior leader. That filter is a structural problem.

> *Reported status and experienced reality are not the same thing. The gap between them is one of the most important indicators of structural health in any complex program.*

The fourth signal is the program working harder while moving slower. More meetings. More resource deployed. More governance attention. But milestones slipping and the timeline quietly stretching. When effort goes up and delivery goes down, the prioritization and governance system needs examination.

The fifth signal is declining confidence at leadership level. Experienced leaders feel it before they can articulate it — a quiet uncertainty about whether the information they are getting is accurate, whether the program will actually deliver, whether the governance papers reflect the real issues. That feeling is worth trusting. It is usually right.

None of these signals triggers an obvious crisis. That is what makes them dangerous. The organization keeps running, reports keep going out and the structural conditions preventing delivery get worse.

03

Governance Overload

Governance structures grow because problems appear. Every time something falls through a gap, the response is to add something: a new forum, a new approval step, a new reporting layer, a new escalation path. Each addition makes sense at the time. But over time the cumulative effect is a governance structure that is too heavy to actually make decisions.

I have worked in programs that had a Steering Committee, a Portfolio Review Board, a Technical Governance Committee, a Risk and Issues Forum, a Change Control Board and a weekly all-hands status review. Several days of senior leadership time every week. Hundreds of pages of documentation every month. And the program still could not get clear decisions made on critical issues in a useful timeframe.

The problem was not that these forums lacked authority. It was that nobody could clearly say which forum was accountable for which decision. An issue requiring a clear direction would be presented to a forum that could note it but not resolve it. A proposal needing executive sign-off would be sent to a technical group that could advise but not approve. A trade-off between two competing programs would go to a body whose mandate was defined around a single function. Then the issue would be escalated, again, somewhere else.

> *Governance designed to improve control can, over time, reduce decision quality. When no single forum has clear authority over a complete decision, the decision either circulates indefinitely or is never genuinely made.*

There is a related problem that is harder to name: governance that is performing rather than functioning. The meetings happen. Minutes get written. Actions get assigned. But the real decisions — the ones that require someone to actually choose, commit and be accountable — are being made in informal conversations outside the structure. Or they are not being made at all.

This is not a sign of dishonesty. It is a sign that the formal governance has become too slow or too difficult to work through to be useful. People work around it because working through it has stopped being productive.

Richard Rumelt, in Good Strategy / Bad Strategy (2011), observed that organizations frequently mistake the production of detailed plans and documentation for actual strategic thinking. The same applies to governance. The existence of a governance structure is evidence of governance activity. It is not evidence of governance effectiveness. The two are not the same thing. The cost is not only lost decisions — it is the leadership attention that governance theatre consumes, week after week, that could have been directed at the issues that actually require judgment.

04

Decision Latency

Decision latency is the time between when a decision is needed and when it is actually made. It is one of the most useful indicators of governance health in a complex program. It is also one of the things almost no one measures.

Status reports focus on what has been done, what is at risk and what is planned. They almost never show which decisions are waiting to be made, how long they have been waiting or why. In my experience, many of the most significant delivery problems in large programs trace back to decisions delayed by weeks or months.

The first cause is unclear ownership. When no one is explicitly accountable for a decision, it drifts. It gets raised in one meeting, referred to another, discussed in several conversations and eventually — if it is resolved at all — resolved by default rather than by choice.

The second is risk transfer through escalation. There is a consistent pattern in hierarchical organizations of escalating decisions upward — not because senior authority is genuinely required, but because the person accountable wants to share the exposure. It looks like good practice. But its practical effect is to move the decision further from the information needed to make it and to add weeks of delay while it travels.

> *Escalation driven by fear of making the wrong decision rather than genuine authority gaps is one of the most expensive sources of delay in large programs. It is also one of the hardest to challenge, because it presents itself as diligence.*

The third is the pursuit of full consensus. When every decision requires unanimous sign-off from functions with genuinely different interests and priorities, you either wait indefinitely or produce decisions so qualified they give no real direction. Alignment matters. But alignment does not mean unanimity.

The fourth is decision recycling. A direction is agreed. Then a new objection surfaces and the decision is reopened. When this becomes a pattern rather than an exception, it almost always means the forum that made the decision did not have enough authority to make it stick.

A program that makes clear decisions and acts on them — even if it runs into problems along the way — will consistently outperform a program with excellent reporting that cannot decide. Decision speed is a better indicator of program health than status colour. And the compounding effect matters: a decision delayed by three weeks in the middle of a program rarely costs three weeks — it costs the downstream planning, resource alignment and dependency management that were waiting on it, often multiplying the original delay several times over

05

Visibility vs. Reporting

Every senior leader I have worked with says they want honest information, not managed information. And almost all of them receive managed information, because the reporting systems of large programs are structurally designed to produce it.

Think about how a typical weekly program report gets assembled. Work stream leads provide their status to program managers. Program managers consolidate before it reaches senior leadership. At every step there is pressure — rarely spoken, usually structural — to frame things in a way that does not cause alarm, protects the reporting team and keeps the confidence of the people at the top. Nobody lies. But the information is shaped, softened and filtered before it arrives.

> *Reporting tells you what the organization has chosen to surface. Visibility tells you what is actually happening — including what the organization has chosen not to surface.*

More data rarely fixes this. When organizations respond to uncertainty by adding metrics and dashboards, the effect is usually the opposite of what was intended. A portfolio tracked across forty-seven KPIs makes it almost impossible to identify the three things that actually matter. Data becomes a substitute for judgment rather than an input to it.

Dave Snowden and Mary Boone's Cynefin framework (Harvard Business Review, 2007) is useful here. It distinguishes between complicated environments — where cause and effect are knowable and data can guide decisions — and complex ones, where causality is only clear in retrospect. Transformation programs almost always operate in complex environments. In those conditions, aggregated status data does not tell you what is happening. It tells you what has already happened, filtered through several layers of organizational interpretation. The leaders who navigate complex programs best are not the ones with the most complete dashboards. They are the ones with the most direct, honest signal about what matters now.

Real visibility is selective — it surfaces what matters for decisions, not everything occurring. It is current, unfiltered, and direct. It tells leadership what they need to know, rather than requiring them to read between the lines.

06

Portfolio Drift

Portfolio drift is what happens when a portfolio gradually loses its coherence. Not through a single decision. Through dozens of small accommodations, each of which made sense at the time.

A new initiative gets added because a senior leader has championed it. An existing program gets extended because the original scope was not enough. A temporary resource reallocation becomes permanent. A priority central a year ago gets quietly displaced by operational pressure nobody formally authorized but everybody accommodated. The cumulative effect is a portfolio that no longer reflects the strategic intent it was built around.

> *Portfolio drift is difficult to detect because it does not look like failure. Individual programs are progressing. Governance is meeting. Resources are deployed. The problem is that the sum of things going right is no longer adding up to what the organization actually needs.*

Resource contention accelerates drift. When multiple programs compete for the same people, capital and leadership attention, the programs with the strongest advocates tend to win — regardless of their strategic importance. The portfolio starts to reflect political weight more than strategic priority.

The root cause is usually the same: no clear mechanism for making trade-offs explicit and binding. Without it, everything stays important. Resource conflicts get resolved through negotiation rather than principle. New programs get added without anything being explicitly removed. The portfolio grows. Capacity does not. And what gets quietly displaced in the process is almost always the strategic delivery the organization originally set out to achieve — not because anyone decided against it, but because the accumulated weight of everything else left no room for it.

07

False Escalation

In most program environments, escalation is treated as a sign of good governance. Issues being escalated means issues are being managed. Governance reviews often point to escalation volumes as evidence that the system is working.

Sometimes that is true. Real escalation — moving a decision to the level of authority that can actually resolve it — is essential. Without it, issues that cross organizational boundaries or require leadership trade-offs never get resolved.

But in many organizations, escalation has become disconnected from resolution. Issues get escalated, discussed, assigned actions and come back to the next governance cycle essentially unchanged. Weeks pass. Months pass. The escalation activity looks correct. The issue persists anyway.

> *Escalation that does not lead to resolution is not governance. It is the performance of governance. That performance can be sustained indefinitely while the underlying problem remains completely unaddressed.*

False escalation takes one of three forms. The first is escalation as information-sharing: the issue is raised at a senior level not because a decision is needed but to make sure leadership knows about it. That may be appropriate. But it is not governance. It consumes senior attention without creating accountability for resolution.

The second is escalation as risk transfer. The issue goes upward so that the consequences of non-resolution are distributed more widely. The person escalating has reduced their exposure. But no one with clear accountability for making the decision has been identified.

The third, and most damaging, is escalation without authority. The issue reaches a forum that can discuss it but cannot resolve it. The forum notes it and refers it on. The same issue appears at the next level. The cycle repeats.

The useful question is not how many issues were escalated. It is how many were resolved, how quickly and whether the same issues keep reappearing. These questions are rarely asked in governance reviews. But they tell you more about whether the system is actually working than almost any other measure.

08

Diagnostic Questions

The questions below are for senior leaders who want to assess the structural health of their own programs. They are not a methodology. They do not require a formal process. Most can be answered — honestly — by a leader who is willing to separate what they actually know from what they are being asked to take on trust. They are designed to surface structural conditions, not operational symptoms.

DECISION-MAKING

01

Can you name, without looking at a status report, the three most important decisions your program needs to make in the next 30 days?

If the answer requires thought, the decision landscape probably lacks the clarity that good governance requires.

02

Are there decisions that have been discussed in governance three or more times without being resolved?

Recurring unresolved decisions are a clear signal of either unclear authority or deliberate avoidance.

GOVERNANCE

03

Which forum in your governance structure has the authority and accountability to make trade-off decisions across competing programs?

If the answer is unclear, or if multiple forums share this responsibility, priority conflicts will consistently escape resolution.

04

How much senior leadership time goes into governance activity each week and what proportion of that time actually produces decisions?

High governance activity with low decision output is a structural problem, not a people problem.

LEADERSHIP VISIBILITY

05

What is the gap, in your honest assessment, between what your program reports and what is actually happening?

Some gap is normal. A significant or growing gap points to structural filtering that will compound over time.

06

When teams surface bad news, what happens to the people who surface it?

The answer to this question does more to shape what reaches leadership than any reporting process.

07

Can you describe the three most significant risks your program faces today without looking at the risk register?

If the risks in the register are not the risks you are most concerned about, the visibility system is not working.

ACCOUNTABILITY

08

For the last three significant problems your program encountered, was there a named individual who was clearly accountable for resolving each one?

Accountability spread across multiple teams or functions tends to produce a lot of activity and limited resolution.

PORTFOLIO MANAGEMENT

09

When two programs compete for the same resource, what mechanism resolves the conflict?

Resource conflicts resolved by negotiation rather than principle accumulate into systematic portfolio misalignment.

10

Is your portfolio today a reflection of deliberate strategic choice or a record of what has been added and never removed?

Most large portfolios, examined honestly, are closer to the latter than their documentation suggests.

09

Reading the Pattern

A single difficult answer rarely tells you much. The pattern across several of them often tells you everything.

These questions are not a diagnosis. They are a first layer of observation. No single answer is conclusive and no single theme points to a firm conclusion. The questions are designed to surface structural signals — not to provide a score, a rating or a methodology. Where several answers across different themes point to the same underlying condition, that is where further examination is usually warranted.

STRUCTURAL THEME	QUESTIONS MAY SURFACE SIGNALS RELATED TO
Decision Latency	Decision ownership, decision speed, unresolved decisions, escalation patterns
Governance Overload	Governance effort vs. output, decision authority, forum accountability
Visibility Gaps	Reporting quality, information flow, risk awareness at leadership level
Portfolio Drift	Prioritization clarity, trade-off mechanisms, resource conflict resolution
False Escalation	Escalation effectiveness, issue resolution rates, authority at escalation point

No pattern in this table should be read as a diagnosis on its own. Structural conditions in complex programs rarely appear in isolation and what is visible on the surface is not always what is most significant underneath. These signals indicate where to look. They do not determine what will be found.

10

Closing Thoughts

When programs stall, the instinct is to look for something to fix: the wrong resources, the wrong plan, the wrong people. Sometimes that is the right diagnosis. But often it is not. Programs stall because the structure around execution has quietly broken down. Governance that exists but does not decide. Priorities that compete without resolution. Reports that substitute for visibility. Escalations that circulate without authority.

These are structural conditions. They do not get fixed by operational responses. A new governance forum does not resolve a system that already lacks decision authority. More reporting does not create genuine visibility. Better escalation processes do not address the absence of a mechanism for actually resolving what gets escalated.

> *Before redesigning plans, redeploying resources or restructuring teams, it is worth asking a prior question: do we understand the structural environment within which we are asking execution to occur?*

This is not an argument for slowing down. It is an argument for diagnosing correctly before acting. The most expensive mistakes in complex programs usually come not from inaction but from acting quickly on the wrong diagnosis.

Understanding the structural conditions clearly is usually the most useful thing a leadership team can do before deciding what to change. It is not the intervention itself — but it is the prerequisite for choosing the right one.

ABOUT THE AUTHOR

Veronika Vitál is an independent Transformation & Portfolio Governance Advisor with more than 20 years of experience in complex operational, manufacturing and highly regulated environments. Her background spans manufacturing, engineering, PMO leadership and portfolio governance across large-scale programs, infrastructure investments and organizational transformations. She is building Vital Structura, an independent advisory practice focused on clarity, visibility and decision quality in complex programs, portfolios and transformations. She works internationally from Budapest, Hungary.

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11

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