

EXPERT SERIES

The “Expert Series” is a collection of articles, papers and writings by PM Solutions’ associates and other industry experts that provides insight into the practice and value of project management.

Competency Assessment Programs Raise the Bar on Enterprise-Wide Project Performance

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Information technology (IT) project failures in companies account for an astounding \$75 billion in losses each year, according to Gartner, Inc. Current industry research has found that a deficient project management workforce is one of the leading culprits. Gartner, Inc. reports that poor project manager competency accounts for 60% of project failures.

Lost profits due to late, over budget, and failed projects have encouraged more CLOs and other business decision makers to look at project manager competency assessment programs. These in-depth evaluations help CLOs and other executives make better, more informative decisions about project manager recruitment and training initiatives.

The majority of project managers report that they don’t know how or why they were assigned the project manager job. Most say that they just happened to be available to fill the need at the time. Unfortunately, many “accidental” project managers who take on this role do not possess the right skills, characteristics, and background to effectively manage organizational projects. An IT programmer or software developer, for instance, might be technically proficient, but he or she might lack the communication and management skills that are essential to perform well in the project manager role.

With project manager competency assessments, CLOs can determine beforehand who has the best mix of traits and skills to be a superior project manager, or the potential to become one. Competency assessments also help CLOs identify candidates’ skill area strengths and weaknesses. As a result:

- » Project managers are appropriately recruited.
- » Project manager training and development programs are more effective.
- » Projects are managed at a higher quality level.
- » More projects are delivered on time and within budget.
- » Project failure rates decline.
- » Time to market increases.
- » Profitability improves.

Measuring Project Manager Competency

There are three important areas that every project manager competency assessment program must measure: knowledge, potential, and behavior.

Assessment of Knowledge

Evaluating an individual’s project management knowledge is the first step in assessing project manager competency. The knowledge assessment component tests the candidate’s working knowledge of the language, concepts, and practices of the profession.

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The Project Management Institute's (PMI®) *A Guide to the Project Management Body of Knowledge* (PM-BOK® Guide) is the ISO-approved industry-standard baseline that should be used to measure knowledge.

According to the PMBOK Guide, project management knowledge encompasses nine different areas - integration, scope, cost, time, risk, procurement, quality, communication, and human resources.

The actual knowledge assessment consists of a set of questions administered via pencil and paper or electronically. Results are used to determine the candidate's project management knowledge.

Electronic assessments are the industry-preferred method for several reasons:

- » Results are tabulated more quickly.
- » Scores can be aggregated to provide organization-wide outputs.
- » Candidates' strengths and weaknesses are analyzed more accurately.
- » Individual scores are benchmarked against high performing project managers.

Additional benefits of electronic knowledge assessments are record keeping, baseline performance measures, and scheduling flexibility.

Assessment of Potential

The second component of a project manager competency assessment evaluates the individual's potential to perform as a project manager. In this portion of an assessment, individuals answer a series of questions that test their ability to think and solve problems in specific situations. Each question requires the candidate to determine how he or she would handle and resolve a scenario, conflict, or issue. The scenarios are designed to measure an individual's potential performance in areas such as business operations, client management, team management, tool application, leadership, and conflict resolution. Once the potential profile is complete, the candidate's score is compared to the scores of high performers (project managers who show the highest level of competency).

Assessment of Behavior

The final component of a project manager competency assessment is an evaluation of an individual's behavior in a project environment.

One way to measure project manager behavior is to use a 360-degree feedback evaluation. This assessment tool needs to be completed by the individual, as well as several independent assessors; for example, a supervisor, peer, subordinate, and a client.

Individuals rate themselves on their competency in several key performance indicators. The independent assessors then rate the individuals on those same criteria. To see how the candidate's behavior competency measures up, his or her profile scores are compared to the feedback provided by the assessors.

A 360-degree assessment provides a holistic view of the individual's project manager behaviors. Additionally, it serves as a gauge for determining which behaviors are present or absent, how well the behaviors are displayed, and which behaviors demonstrate areas for potential growth. The information is then analyzed to identify the top three to five areas for growth opportunities.

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Together, the knowledge, potential, and behavior assessment profiles determine the individual's:

1. Suitability for the project manager job, or if he or she should be redirected toward another career path.
2. Potential to become a superior project manager.
3. Skill area strengths and weaknesses.
4. Need for training and what types of training programs will be most effective for him or her.

The Benefits in a Nutshell

Successfully implementing projects depends on the people who manage them. Selecting the 'right' people to manage projects is the key to minimizing project failures, maximizing organizational efficiency, improving time to market, and increasing profits.

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