

# ***A POTENTIAL ROLE FOR COMPETENCY STANDARDS IN THE GLOBAL MARKETPLACE***

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## **1.0 INTRODUCTION**

As many project management professionals around the world are aware, Australia embarked on a process of developing competency standards for Australian Project Management. This process has now reached the interesting point of implementation into the workplace, and as this occurs the relevant strengths and weaknesses of the process will become apparent, and hopefully lead to the continued development, revision and refining of the process.

This paper is offered as an update of information to provide a basis for consideration of the standards as a potential support tool in coordinating a consistent international set of standards. This support tool could possibly lead to multi-national reciprocity of accreditation or certification for project managers and their related institutes.

The initial development of the PMBOK and PMP process by PMI was fundamental in establishing the formal basis of knowledge of modern project management. However, there is still the real need to address competent application of knowledge and skills by project managers in differing cultural and maturity level environments. Multi-national organisations are already very sensitive and aware of these needs.

Australia embarked on the competency assessment route due to the need for workplace reform within Australia. As a result the individual needs of different industries using Project Management need to address specific industry requirements. Rightly or wrongly, the approach taken to determine competency relies heavily on workplace assessment. This means any competency evaluation must be readily available in the specific workplace environment. It is considered that this approach provides a fairer evaluation not only of knowledge and skill, but also of application and aptitude in the relevant marketplace.

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## **2.0 THE HISTORY OF THE DEVELOPMENT OF AUSTRALIAN COMPETENCY STANDARDS**

In 1983, a new government was elected in Australia, one very aligned to the union movement. That year marked the beginning of negotiated wages accords, whereby the government and the union movement negotiated and agreed base wage rises on a whole industry level.

As usual, the union movement was very street-wise, more so than the government, and the government faced negotiations with trepidation. In reviewing wage negotiations worldwide, and attempting to develop an upper hand in negotiations, the government commissioned an inquiry into international competitiveness and Australian industry, finding that the education system and industry were lagging behind other OECD countries. Given Australia's isolation from OECD countries, and relative closeness to the then tigers of southeast Asia, international competitiveness became a hot topic for the government, as well as enterprises that were affected by cheaper imports. The inflation rate and interest rates in Australia at that time saw a huge influx of competitive products, particularly from nations north of the country.

To this end, the final commission report, named the Meyer report (after the commissioner), found that a system broadly based upon the system existing in the UK, but utilising trends found throughout the developing world, could be implemented within Australia, so long as the educational sector, and of course, the union movement, agreed.

As a result the Federal Government stated that the union movement could only receive a pay increase if productivity improvements were made. The union, not being ready to hand over the negotiating upper hand readily agreed, so long as the government found a way to measure this productivity improvement objectively.

Once more behind the eight ball, the government looked to world's best practice at measuring productivity improvement, and found the system existing in the UK, based upon competency standards and workplace assessment, to be the most objective around that could easily be adapted across all industry.

Following several years in development, the government unveiled the Australian Skills Framework, and sought interested parties to develop skills standards for each industry sector. The union movement jumped on the bandwagon, and the development of standards began in earnest.

Two standards for development evolved, one for managerial standards (based upon recognition of equivalence of overseas qualifications to Australian ones, enabling easier registration and licensing) and the one favoured by blue collar unions, and the Federal Government. The latter model, in a rationalisation in 1995, became the sole model the government would recognise (and thereby fund).

These standards became important, as globalisation saw leaner organisations with flatter management structures and remuneration based upon skills rather than length of service. These trends were occurring throughout the developed world. Some industries found the standards easier to compile than others, the pig breeding, wine making and hair dressing industry sectors were first in with endorsed standards (the government endorsed the process, not the content, as the content was compiled by those who should know – the industry, union and employer associations).

## **2.0 THE HISTORY OF THE DEVELOPMENT OF AUSTRALIAN COMPETENCY STANDARDS (Continued)**

During this time, the movement towards professional project management was gaining force. Following the founding of the Project Manager's Forum in 1976, with membership at around 100, growth slowly increased this number to 500 by 1989. In 1989, the Project Managers Forum became the Australian Institute of Project Management (AIPM). This evolution was caused by a desire to improve the professionalism of those practitioners of project management, as well as improving the recognition of the profession. The AIPM embarked on a process to create a certification system that was fair, equitable, rigorous and complete. This certification system was known as the Registered Project Manager (Reg PM), and was thought to only cover the project manager level.

Investigations into other certifications then available found no internationally recognised project management certifications. Only the Project Management Institute's Project Management Professional certification, at that stage with around 400 certified and mainly in the US, had a programme that was in place. The basis of this certification was the Project Management Body of Knowledge, first published by the same organisation in 1984. This standard covers the knowledge component and following an extensive revision in 1996, was renamed the Guide to the Project Management Body of Knowledge.

Given the dearth of internationally recognised certifications, it became obvious that the only way to develop a recognised certification was the same way that every other professional association in Australia had proceeded – the development of an in-house programme based upon an assessment of education and experience. The AIPM then commissioned a tender to produce a study guide from which the education could be assessed. This would lead to an examination, plus an assignment and interview to assess the experience component.

After two years in development mode, the AIPM reviewed the original decision and found there was an alternative way, that of being assessed against a competency standard. This was also the only way the Australian Government would recognise the certification as being valid. Hence, the two main parties to the development of the National Competency Standards for Project Management crossed paths.

Until then, competency standards in Australia related only to the technical and trade areas, with no understanding or recognition of the issues of a cross industry, managerial, professional standard. Despite being advised by other professional bodies to steer clear of the "blue collar" route, the AIPM agreed to develop an alternate line of development based upon this standard, and this method of development (being the only way the government would fund the initiative).

Fortunately, the AIPM received a government grant, which, in conjunction with industry contributions and membership involvement, enabled the AIPM to commission a consultant to facilitate an industry led group in developing what are now known as the National Competency Standards for Project Management (NCSPM).

The original plan was overtaken by the "contingency" model, and a certification system based upon the competency model was now the preferred option. In spite of government rationalisations, restructuring and political changes to the ruling parties, the process adopted by AIPM, including many of the solutions to previously undefined problems, were adopted as best practice within Australia, particularly in the development of cross industry, managerial level standards.

## **2.0 THE HISTORY OF THE DEVELOPMENT OF AUSTRALIAN COMPETENCY STANDARDS (Continued)**

So the outcome of three years, tens of thousands of man hours and hundred of thousands of dollars later, was the first statement of competence for project managers in the world. They were and are based upon the most recent advances in project management theory, knowledge and practice. References include the Guide to the Project Management Body of Knowledge (GPMBOK) from PMI (1996 Edition), the International Competency Baseline (ICB) from IPMA (current draft version issued in 1996) and from leading texts in the field. The NCSPM were endorsed by the Australian government in June 1996.

Part of this process is the fact that the NCSPM is an iterative document, with periodic reviews, and is constantly updated to reflect current competent practice of project management.

The development of the NCSPM was important, as any competency system needs two basic building blocks – firstly a standard to measure against, and secondly, a standard of measurement.

The standards themselves identified the two primary components of competence – the skills required to be demonstrated, and the underpinning knowledge and understanding required to display those skills within different contexts, and different project settings. The third component of competence – attitudes and behaviours, have no current documented standard for project management, and are not supported in any Australian competency standard developed under the Australian government system (as unions in Australia are wary of pay being based upon a subjective evaluation of behaviour).

The NCSPM were also subdivided into units and elements within each level, which reflect current thinking on the extent of project management. There are nine units, equivalent to the units in the GPMBOK. Each unit is subdivided according to the tasks normally undertaken as part of the project life cycle, and each element has performance criteria, which denotes what each process is in the element.

The second building block for a competency process was the standard of measurement. Again, the Australian government had not developed a proven model for assessment against a standard which could apply in almost any industrial context, other than blue collar trades where outputs are definable by a product or action. So, once again, the AIPM commissioned what could be regarded the premier consultant on competence assessment in Australia, to develop that system. In doing so, the AIPM wanted to ensure that the assessment process:

- was accessible to anyone, anywhere in Australia (or even by members overseas)
- was consistent, regardless of time and cost differentials
- could be undertaken in a variety of ways, particularly as some industries had commercial or military confidences that could not be released
- could ensure the assessors were well trained, and maintained their “certification” as assessors
- was legally defensible and therefore as rigorous and objective as possible
- was equally applicable no matter what cultural or industrial basis was underlying the assessment

## **2.0 THE HISTORY OF THE DEVELOPMENT OF AUSTRALIAN COMPETENCY STANDARDS (Continued)**

As can be seen, the AIPM criteria were indeed onerous. The resulting Quality Management System for assessment, again adopted by the Australian government as best practice, met each and every criteria. The AIPM also realised that it needed a body to monitor and maintain this system, so as not to divert its attention from its core business, and so it created the Project Management Recognition Council, which is currently in the process of being incorporated.

This assessment system, though some of the procedures are still evolving, relies on assessors meeting a competency standard for workplace assessment, as well as a recognised project management assessment. These assessors are then on a register, with criteria developed to ensure that they practice their assessment skills regularly, and with random verifications to ensure consistency between assessors. The assessments can be done a variety of ways, ensuring flexibility, as well as the capacity for distance assessment.

Given that the NCSPM were iterated across three levels, roughly equating to a team member, a project manager and a programme manager, the capability for issuing a multilevel certification was apparent. As the AIPM had “hyped” the name Reg PM (affectionately known as Reg to those in the development group), it was decided that the programme should remain named as Reg PM, with the three tiers being known by their three letter acronyms (TLAs) – Qualified Project Practitioner (QPP), Registered Project Manager (RPM) and Master Project Director (MPD).

And the result – a world class certification process, that was launched in April 1997, titled Reg PM, in a series of seminars held around the country.

What is the basis of the assessment? This central question has dogged many in the AIPM, particularly as the idea of competency assessment as part of a certification programme was totally new to the public of Australia. Many, either because of experience of other professional associations or because of fear of a large cost-driven impost on their time, seemed to find the concept very difficult to understand.

The basis of assessment is simple. In conjunction with a registered assessor (who will judge the evidence provided by the candidate), assemble evidence that is generated in the execution of a project, that indicates the individual undertakes the process which reflects the skills in the NCSPM. The evidence is required to be:

- verifiable
- accurate
- valid (reflective of the standard)
- reliable
- sufficient to infer competence
- authentic as being generated by the candidate
- consistent, showing several instances where the skill was utilised
- current (not more than three years old)

The candidate can assemble the evidence into a portfolio for assessment, or have the assessor observe the action in the workplace. Evidence is also valid regardless of where it is generated (either in the workplace, or out of it, in such places as the home, social or sporting work). The assessor also, through any number of techniques, assesses the underpinning knowledge and understanding.

## 2.0 THE HISTORY OF THE DEVELOPMENT OF AUSTRALIAN COMPETENCY STANDARDS (Continued)

The assessment has a number of benefits to it:

- The assessment costs are determined individually, as there are no preset rates for assessment. As the nature of assessment is time driven, and even style driven, the candidates are responsible for locating their choice of assessor from the Registered list, and negotiating the fee based upon these factors.
- There is no time limit to assessment, however, the requirement for AIPM's certification is at the time of completion of all units, the units must be against the current standard, and so taking too long may require rework.
- The assessment process can be undertaken in a number of ways, so the assessment is extremely flexible to fit in with the requirements of the candidate. There are assessors entering the network continuously, particularly from outside Australia.
- The assessor qualification in assessment mirrors international standards, for true transportability
- The competency and assessment environment has been adopted (even improved) by other countries, so that both the AIPM award and the standard is being internationally recognised.
- There is a five tier appeals matrix, to ensure every candidate has every opportunity to ensure their assessment is executed correctly (the higher levels do attract a fee).
- There is no such thing as failing the assessment. The assessor works with the candidate in identifying areas the individual could undertake more development in, and with no time constraint, the process is evolutionary with the skills of the candidate. If the candidate aims too high, or uses the process to develop skills, then there are no certification programme cost penalties. However, as the assessor's cost is generally time based, the cost may increase.
- There are an increasing number of courses, seminars and training programmes which support the NCSPM, to allow top up or full training for candidates with deficiencies in their skills or knowledge.

### **3.0 THE CURRENT IMPLEMENTATION PROCESS OF COMPETENCY STANDARDS**

Given that the competency standards were endorsed by the government in 1996, what has happened since then. A small core of consultants and trainers has engineered an amazing level of acceptance of the standards, and through AIPM, of the Reg PM programme. Over 400 applicants have been processed for the Reg PM programme, and over 500 others put through whole or part training to qualify against the standards.

What are the standards being used for? Those companies that have responded to a recent survey (given the use of the standards in a benchmarking manner may mean companies did not respond due to competitive advantage), the following are just some areas where the standards can be used:

- job evaluations
- staff development
- recruitment and selection
- training and professional development
- professional registration
- training needs analysis and planning
- job descriptions
- assessment and appraisal
- course accreditation and qualifications
- skills audits
- organisational planning

In line with the ideal of continuous improvement, and given the continual evolution of project management theory and practice, the standards will continue to evolve. Unfortunately, the NCSPM, through a mandatory periodic review, may outstrip the underlying documents in their evolution. Already, the preliminary review of the NCSPM has identified several areas that are not covered elsewhere, either through an omission in the development of these other documents (either intentional or not), or through the fact that documentation of what is project management is evolving at a faster rate than the review processes of some documents. After all, the NCSPM are industry driven, and the global marketplace is driving the development of domestic industries. The fact is that all major project management texts of good repute (apart from a very small number) were published in the last five years, with the core being published in the last two. No one can afford to stand still in this profession, and it takes the commitment of a professional body to ensure best practice is reflected in all of its products.

### **4.0 THE GLOBAL CONTEXT AND POTENTIAL FOR COMPETENCY APPLICATION**

It is apparent throughout the series of Global Project Management Forums held over the years the need to recognize specific local and cultural differences in different countries. This draws a parallel to the need for recognition of differing needs and practices in project management in different industries. Thus, there is a clear importance in the ability of any standards to be capable (and suitably flexible) to be relevant to the appropriate marketplace, and to be assessed in accordance with that marketplace.

#### **4.0 THE GLOBAL CONTEXT AND POTENTIAL FOR COMPETENCY APPLICATION** (Continued)

As is often said, the world is becoming a “smaller place” and with the advent of technology and improving communications, project managers are becoming more mobile and working in different areas of the world. The globalisation of project management information is creating naturally in itself a commonality in project management theory and understanding.

The increasing multi-cultural role of multi-national organisations is also supporting the international commonality of Project Management.

As a result of these processes, there is clearly a need for cross-boundary recognition of project managers, thus resulting in the need for project management associations and practicing organisations to have common generic standards that provide professionals and the profession with the international recognition and reciprocity that is becoming increasingly required.

From the perspective of practicing project management organisations there is a driving need to gain a skills profile of their project managers and organisations. This need is market driven such that an organisation can continually refine and upgrade its skills and maintain an edge in the marketplace.

These are two quite clear objectives that will eventually come to fruition, as both are market driven. The challenge for current project management leaders is to find the best and an immediate way to respond to these objectives.

Any approach must be applicable yet flexible to respond to local and legal requirements. Any approach must be a consistent yet continually iterative and developmental approach.

Our current experience with the assessment process of the competency standards appears to provide a potential for this process to achieve these objectives. There is a commonality with Project Management knowledge and skill in a global sense, the addressing of attitudes and behaviours in the competency process may well be the area of assessment that is flexible enough to address local or cultural needs. Certainly the competency assessment provides a skill profile for individuals as well as collectively for organisations.

In its application to a global context, it is important to ensure (as AIPM has endeavoured to do) that the assessment process:

- is accessible to anyone, anywhere in the world.
- is consistent, regardless of time and cost differentials
- can be undertaken in a variety of ways, particularly as some industries have commercial or military confidences that cannot be released
- can ensure the assessors are well trained, and maintain their “certification” as assessors
- is legally defensible and therefore as rigorous and objective as possible
- is equally applicable no matter what cultural or industrial basis was underlying the assessment.