

VIEWPOINT

Project Manager Skills Shortage – Disaster or Challenge?

By Michael Young

Immediate action is needed to pull project management out of the skills-shortage mire to the clear water the profession seeks for its future.

Every day there's more news of the national skills shortage in Australia. Whether in the Government or corporate sectors, but particularly in the ICT sector, it can spell disaster. The news stories of the past six months contain phrases like: "fight to attract workers", "war for talent", "skills crisis" and other panic-inspiring slogans. The latest headline "Defence faces \$10bn project delays" (*Australian Financial Review* March 13) points to defence projects that are at least a year behind schedule and raises concerns about the country's ability to adequately equip its fighting forces as well as industry's capacity to handle a boom in new project spending.

Just how bad is the problem? The Hays Quarterly Public Sector IT Forecast said of project management: "a recent increase in demand for these skills will continue into 2007, particularly as the end of the financial year approaches and employers seek skills to complete scheduled projects on time".

In July 2006, the Department of Employment and Workplace Relations (DEWR) prepared the Skills in Demand Lists. These lists recorded high demand for project management in five out of the seven states and territories. The Queensland Government has created a Centre for Excellence in Project Management to manage the predicted project manager shortfall which will directly impact the ability to implement critical infrastructure projects in South East Queensland. The ACT Government has recognised the problem and includes project managers as one of the professions targeted in the "Live in Canberra" campaign.

Organisations adopt short-term, bandaid solutions like luring people in from interstate. Indeed, the shortage of project managers has been exacerbated in most states by the drain on expertise from the Western Australian resources boom. Evidence suggests the tactic just doesn't work because the pool is finite and insufficient.

And there's evidence to support the shortage on the ground. This year the Australian National Audit Office (ANAO) released its report on the Australian Customs Service cargo management re-engineering project which suffered massive delays and a 600 per cent budget blow-out. The ANAO report largely attributed this to a lack of mature project management expertise.

The report said of the project: "The CMR project commenced under the PRINCE2 project management methodology, however this methodology was abandoned very early in the project because Customs considered that its project management knowledge and experience base was too immature for this methodology to be implemented successfully."

The 2005 KPMG Global IT Project Management Survey found that, in general, projects don't deliver on promises. "In the past 12 months, 49 per cent of participants have experienced at

least one project failure. In this same period, only two per cent of organisations achieved targeted benefits all the time.”

DEWR recently found that across industries the most frequently-occurring reason for non-employment of job applicants was “insufficient experience”. Anecdotal evidence from project managers also supports the same view for this profession.

So is the problem fixable? It’s not so much that there’s a lack of knowledge – it’s a reasonably speedy process to get people trained up and certified as project managers. The problem is more the lack of experience in new project managers.

What is the nature of this experience? Individuals need a broad range of skills that are developed over time. Examples of the importance of experience abound in all organisations. Project managers suffer stakeholders, with big ideas and short pockets, who continually increase the project scope and impose unrealistic timeframes. Inexperienced project managers are less likely to know how to manage these problems without ‘killing the team’ and delivering inferior results. They may be inclined to bear with it for the sake of customer service or worse still, attempt to address it and fall foul of the client.

Australian Institute of Project Management CEO Peter Shears said at a Canberra conference last year: “While older project managers had 30 years to develop skills, today’s generation has to fast track to accumulate the same range of skills in just five to 10 years.”

Organisations must be prepared to make the investment to cultivate project manager capability for the long term. The key is providing practical experience to supplement formal learning. Organisations attempting to ‘grow their own’ project managers need to think more laterally. Rather than seeking a short-term resolution to project backlogs, plans should utilise those backlogs as opportunities for aspiring project managers to transfer learned knowledge.

There are seven key elements to successful fostering of organisational project manager capability:

1. Take a long-term view: don’t assume that project managers can simply be purchased;
2. Apply a structured, three-pronged program involving training, on-the-job experience and coaching and mentoring;
3. Capture and share the experience of ‘older’ project managers;
4. Implement more formal methodologies such as PRINCE2 and adopt a portfolio management approach. A process orientation enables less experienced project managers to achieve quality outcomes;
5. Execute a strong and formal organisational project governance mechanism to engender greater accountability in projects and guide less experienced project managers;
6. Utilise the expertise available within the profession – don’t just take a ‘stab in the dark’;
7. Start now! Organisations can’t afford to wait.

There is no doubt that quality project delivery is critical to business success. The profession finds itself in a situation where there is an ever-dwindling talent pool with which to meet a growing demand for project management of increasing complexity and maturity.

Gone are the days where anybody can be a project manager. Contemporary project managers need a breadth and depth of skills that existing training can't develop. Organisations need to step forward and 'take the bull by the horns'. They need to plan and implement formal development structures for their project managers, to cultivate a new breed of project managers that will not only survive in this complex world but will excel.

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