

CEO of the Project Management Institute Mark A Langley discusses the findings of the *Pulse of the Profession*[®] report and provides an insight on trends around project management

Finger on the pulse

AS the scale and scope of public projects expands, the need to ensure high quality project management performance is self-evident. Working with public and private sector leaders, the Project Management Institute (PMI) is a key player when it comes to advancing the project, programme and portfolio management profession. Each year PMI publishes the *Pulse of the Profession*[®] report, highlighting the global trends facing the profession.

The key finding of 2016's edition of the report is that due to poor project performance, out of every billion US dollars spent on projects, European organisations waste an average of \$141m (~€124.4m). With this level of waste, which is more than the global average on spending projects, it is clear that there is room for improvement when it comes to the region's approach to project management. Globally, the 2016 edition of the report found that organisations wasted 12% more due to poor project management practices than in the year before, indicating that the trend is worsening.

During the 2016 European Business Summit, Portal sat down with the PMI's CEO, Mark A Langley. Discussing the findings of the report and other



Mark A Langley

key trends in Europe today, Langley provides an insight on trends around project management.

What were the major takeaways from the 2016 *Pulse of the Profession* report; and what were the principal challenges that you had in putting it together?

The PMI *Pulse of the Profession* report is one of the platform pieces for our thought leadership series and has been conducted annually since 2006. The findings were generally consistent with those highlighted in previous years, and the report also enables us to identify and study the difference between high performing (those that are more successful in projects and programmes) and low performing organisations, along with some of the high performing organisations' key practices. These include things like having a well-defined, documented career path and having ongoing processes for skills development in line with the European Qualifications Framework (EQF) in terms of lifelong learning.

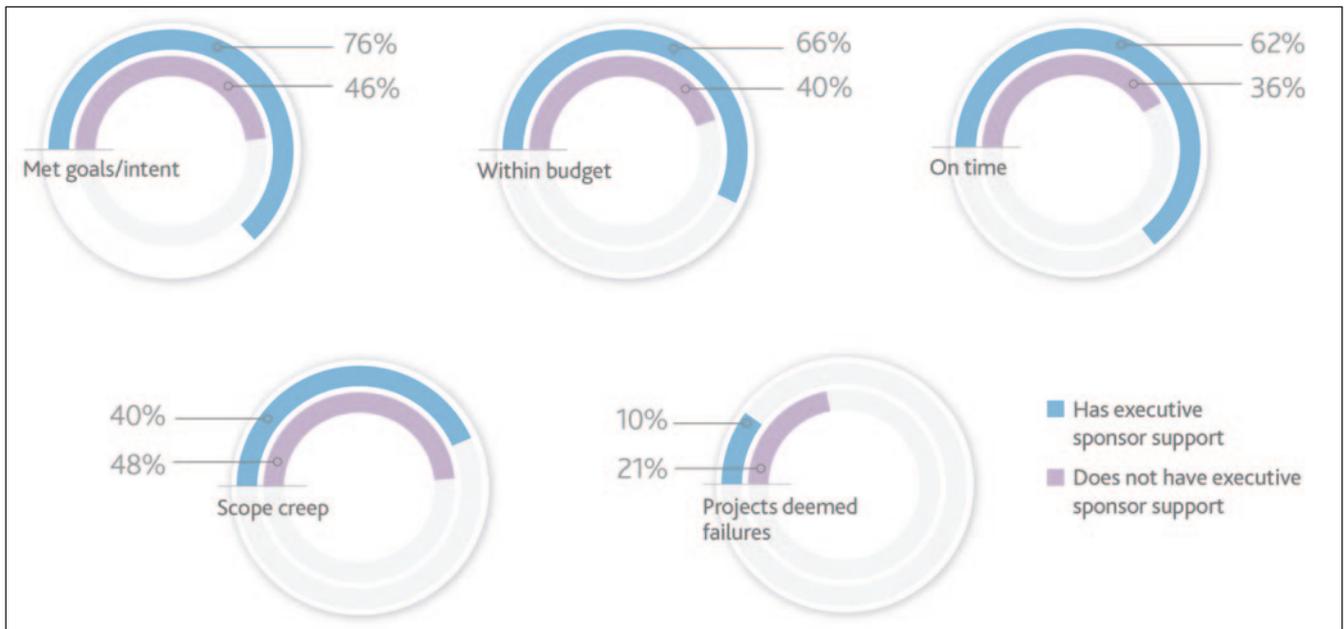
We have found that these organisations are embedded in a process to develop skills in the longer term and, often, they also standardise practices and have a common language for the way they conduct their business. They are also much more aligned to strategy.

We also know that high performers waste 13 times less due to better project performance, which is a significant amount of money.

What do you feel are the key lessons that the European institutions, as well as the stakeholders who are interested in EU level governance and EU funding projects, can learn from the report?

Our report has clearly identified that performance in the EU is, on average, slightly





worse than elsewhere, with a waste rate of about 14%. Our subsequent work has found that the appetite for improving this performance is significant, and much of this comes down to administrative capacity. As such, we are now working with members of the European Parliament (EP) and commission in an attempt to raise the overall capacity in Europe to absorb the funds and implement them well. We see the same debate in governments around the world and, typically, two schools of thought prevail: more revenue through taxes or a reduction in spending, and the cutting of the budget. However, there is actually a third asset which should be taken into consideration: greater efficiency. If major programmes become more efficient and effective, they will save money, and that can be added to the funding available in additional programmes.

In terms of trying to resolve wastage, institutional and cultural shifts are regularly cited as being key to making a breakthrough. But what role can be played by leadership in helping to empower and bring forward better performance in projects?

One of the key success factors to every organisation that performs well is engaged executive sponsors who really understand project and programme management and what it takes to be successful. They are not only champions at the beginning, they are champions throughout each of the major

programmes, communicating the value and breaking down the barriers to success.

If the resources aren't there, these sponsors can help break down the barrier to them, and they can help the programme to course correct. Thus, this can help to set the actual culture from the top by helping the organisation to understand project and programme management. The sponsors have a critical role to play, and our research indicates that success is often found where they are most effective.

Could you give me more of an insight on that work you have been exploring with the EU institutions?

From a European Commission standpoint, we work with various director generals, be it with DG Connect (for IT) or DG REGIO (for regional policy), in terms of raising their practice and their capability and helping them solve some of their own issues in terms of competency development. One of the things we focus on is helping organisations develop the right competency skills and behaviours, and we do that in what we call the 'talent triangle' – sound technical project and programme management skills are needed, but leadership skills and strategic and business management skills are also required in order to be effective.

Most organisations tell us that leadership skills – things like communication, conflict resolution, negotiation, organisation change management – are incredibly important early on for project success, because when you manage a programme you are really managing the people who are working on that programme, and so leadership becomes essential to success. We therefore work with the commission and their staff as they implement project and programme management in their various organisations; we identify what the practices are and what competency skills are needed, and then we support them in that.

We also produce standards which the commission can utilise in their methodologies, and we certify project programme portfolio managers so that they align with our qualifications.

Regarding members of the European Parliament, here we are focused more on educating and helping them to solve administrative capacity issues by creating awareness of the potential of improving those through good programme management practices and providing content in EP committee debates. More recently we have been appointed by the commission staff to various countries struggling with administrative capacity. As such, we attend various sessions within the parliament designed to identify these issues and offer to conduct research on their behalf, for example, in order to really identify the practices and steps needed to improve the overall administrative capacity.

From a policy standpoint, we have also helped with the Common Provision Regulation (CPR), which saw numerous amendments a few years ago and which was related to project and programme management.

Do you feel that there is a greater capacity to better engage national governments with the need to include credit management practices? Is there more willingness here to engage with your work than, say, there is from the private sector?

Very much so, and one of the things we noticed as Europe began to emerge from the global financial crisis was that the public sector was much more aligned with private sector practices. In past recessions, which may not have been as steep as the most recent one, the public sector would return to its old ways quite quickly, but here we found that they were much more interested in what the private sector was doing so that they could go on to incorporate some of the best practices back into government. We have seen that in the UK and Scottish parliaments, and a great interest in improving private programme management capability to become even more efficient is now evident.

While, as discussed, the debate often centres on either increased revenue or less spending, it should also include a discussion of efficiency – how can we be more efficient and effective in what we fund so that we actually save money (and waste less), which can then be invested in other areas?

In current US legislation, for instance, there is a bill going through the House of Representatives that is likely to be signed called the 'Programme Management Improvement and Accountability Act', which demonstrates the interest here – and this is something that is also evident in other parts of the world – in building this type of requirement in government. Indeed, India has recently developed a competency development framework utilising the PMI standards, meaning that the Indian government is doing the same thing as the UK and other countries in Europe, and is very much interested in improving the practice.

Looking towards the next six to 12 months, what are your key priorities as an organisation?

We will always be focused on talent management because this is one of our core philosophies and because experience has shown that in order to be successful you have to have the best and the right people. We will thus help organisations, both public and private, to identify competency skills and behaviours as well as practices that will make them more successful and have the most successful people.



On average some 12% of budgets can be wasted due to poor performance

We will also continue to highlight the importance of benefit realisation – in areas that, in 2016, we have already published two studies on, with a third in the pipeline. This is becoming increasingly important to executives in both the public and private sector as we really need to ensure that we get the best benefits from funding.

Are you optimistic looking towards the future that the public sector can address the quite significant waste issues?

I am optimistic due to the fact that the interest we have seen on improvement after the financial crisis has not yet waned, and while progress is slower in some areas than in others, the general sense is that the public sector remains focused on implementing the right steps to achieve an enhanced level of efficiency and effectiveness.

The focus on people is also critical, and this is another common theme which emerged after the global financial crisis, during which, in marked contrast to the approach taken in previous recessions, many organisations tried to retain their top talent so that they didn't have to go back and rebuild that workforce afterwards. This is certainly a reason for optimism moving forwards.

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