



The value of Project Management qualifications Opportunities within the recession

With the potential for GFC2 looming as a result of the Euro crisis and an extended downturn in business continuing there is still a jobs market and many project managers are proactively using the downturn to move their careers forward. As a consequence of the uncertainty in world markets, corporate training budgets have been reduced leaving a window of opportunity for people seeking a step up on the career ladder by investing their own resources to obtain a useful credential to advance their career.

We've noticed a significant shift in our training market since the original GFC. Corporate training has slowed significantly and discretionary skills development courses have been largely deserted. However, these two downturns have been counterbalanced by a pick up in interest from self funded trainees focused on earning recognised credentials to boost their position in the job market. Despite the tough times it seems Project Managers are prepared to spend their hard earned wages on training provided there is a recognised credential at the end.

So whilst the slowdown has changed the training business, it would appear the value attached by project managers to professional credentials such as PMP, RegPM and PRINCE2 has not diminished with year-on-year increases in the number of candidates taking each of the credential examinations. This trend seems to be a positive step with more people being willing to accept greater responsibility for their own career path development, and being conscious of their job stability in a rapidly changing work environment, are seeking to bolster their curriculum vitae in the most effective manner.

The good news is there is a positive return on this investment. The latest series of Salary Surveys, show a steady increase in salaries for qualified project managers and in the USA, Australia and a number of other countries, a \$10,000 gap between PMP credential holders and unqualified project managers. Combine this with the evidence from IPMA (International Project Management Association) surveys and the message is clear: if you are interested in a successful project management career, holding a recognised credential is becoming essential. Whether this is a good thing for our profession is a different question; over the years there has been a lot of discussion on the value of credentials such as PMP frequently triggered by the failure of a 'qualified' person to perform in the workplace.

From a credentialing view point there are essentially two ways to assess a person; testing what they know or assessing what they do. Competency based assessments (what they do) tend to assume knowledge based on performance. You cannot perform a complex task such as managing a project without knowledge; however, competency based assessments have two disadvantages:

- Competency is demonstrated in a specific a time and location. There is no guarantee the competent person will perform as well in a different setting with different people, cultures and relationships.
- The assessment of interpersonal competencies tends to be subjective and project management is very much focused on directing and leading people. Assessing behavioural competencies goes some way towards solving this dilemma but the assessment is still subjective.



Knowledge based assessments are empirical. The person had sufficient knowledge to pass a defined test at a defined point in time. However, the passing of a knowledge based assessment such as PMP¹ or for that matter an MBA only shows the person has a predefined level of knowledge. The disadvantages of knowledge based assessments are:

- There is no indication the person can apply the knowledge effectively in the workplace.
- The knowledge tested in any exam is only a portion of the overall domain knowledge.

Given the problems with either assessment process, assessing the relative value of a qualification is complex and differs depending on who is making the value judgment, an employer or an individual. The value of a qualification to an individual can be measured in at least three areas:

- The advantage it offers in the job market;
- The recognition governments and other licensing authorities give to credential holders and
- Its recognition by other entities offering higher qualifications through credits or advanced standing.

The value of a qualification to an employer is in part a function of the credentials reputation, and in part what this tells the employer about the credential holder. However the current state of development leaves some gaps:

- Both PRINCE2 and PMP are uniquely valuable industry based credentials; but no single assessment is ever going to provide a guarantee of a person's suitability for employment in a particular organisation. Being a credential holder provides one point of assessment; the person had the knowledge needed to pass a difficult, quality controlled exam.
- Whereas the relative subjectivity of competence assessments lacks the clarity of pass/fail and is situational. Many of the current competency based certifications lack a rigorous testing of underpinning knowledge and there is no way of knowing if the demonstrated competence is transferrable.

To select the best candidate, employers needs to look to other aspects of a person's overall capabilities as well as the credential they hold. But employing qualified staff helps lift the credibility of the employer in the market.

Looking 5 to 10 years into the future I expect the PM credentialing process will have change substantially to blend aspects of workplace assessment (competency) with the formal testing of knowledge. The PMI Program Management Professional (PgMP) credential is a start along this route; my prediction is most other credentials will follow.

However, don't wait for the future! If you are in the job market today, or want to improve your prospects with your current employer holding a recognised industry credential is becoming essential. The biggest change we've noticed in the last decade is the general shift from the view that having a credential was a major advantage in the job market to the current situation where not having a credential has become a significant disadvantage. I'm not sure this is a good thing but it is the reality we all have to live with.

¹ To appreciate the degree of difficulty in passing the PMP examination Mosaic Project Services publishes free PMP and CAPM questions:

- Free sets of questions and answers can be downloaded from: http://www.mosaicprojects.com.au/Free_Questions_1.html
- New questions are Tweeted daily, for today's see: <http://www.mosaicprojects.com.au/Training-PMP-Q-Today.html>



The choice in Australia is between PMP, PRINCE2 Practitioner, RegPM and possibly the IPMA Levels C or B². A few organisations have a preference for one of these, most seem to be unaware of the differences. So, if you want to advance your career in project management and increase your income the market has spoken – get credentialed... you really do need to be certified if you want to be a project manager... 😊

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² For more on PM qualifications in Australia see:

- Our published paper: http://www.mosaicprojects.com.au/PDF_Papers/P138_PM_Credentials_Aus.pdf
- Mosaic's PM certification & career planning page: http://www.mosaicprojects.com.au/Training-PMI_Framework.html