Project Manager Skills Benchmark
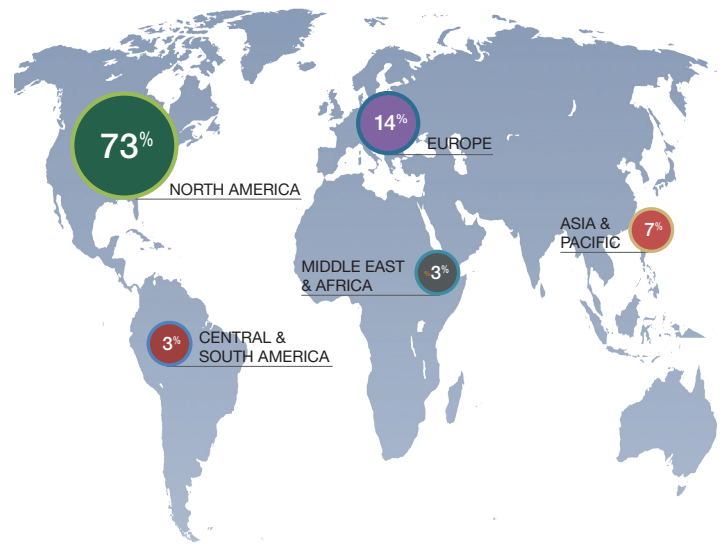
2015

INTRODUCTION

PM Solutions Research has been surveying organizations about their project management practices for more than 15 years. This Project Manager Skills Benchmark was designed to help you understand the current skill levels of project managers – what skills project managers have and how these skills impact project and organizational success. The goal is to help you understand where to focus your project manager improvement efforts and thereby improve your project results.
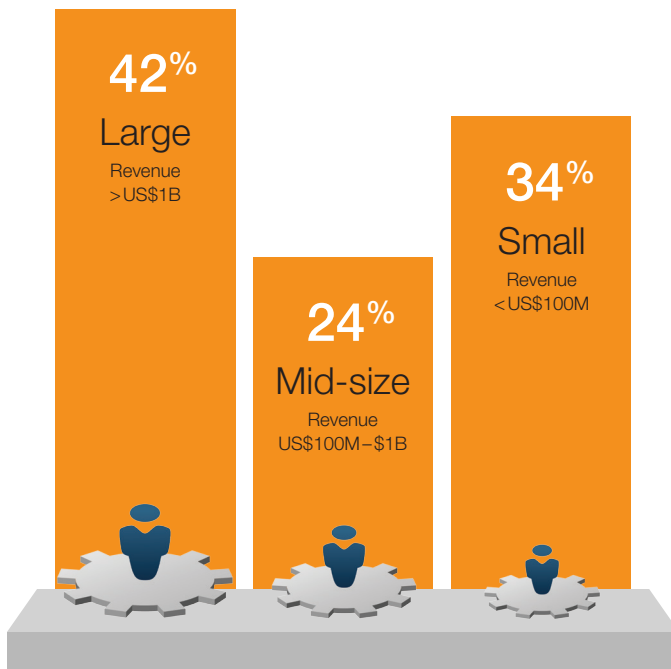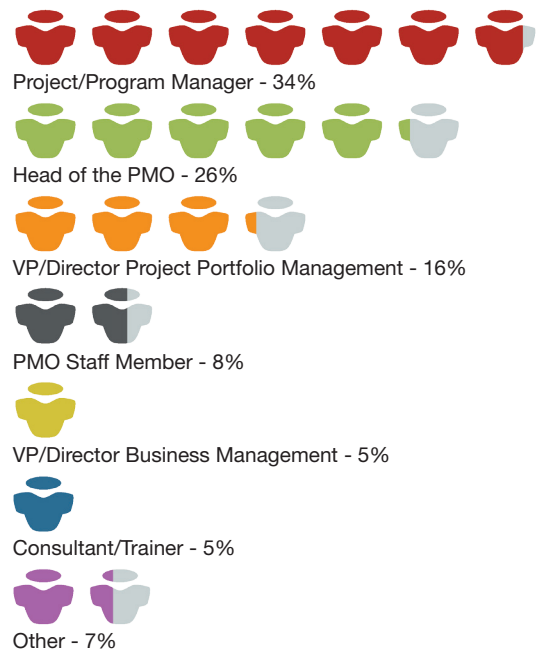
ORGANIZATIONS PARTICIPATING

314

RESPONDENTS BY INDUSTRY

- 22% Professional & Technical Services
- 14% Finance & Insurance
- 12% Information
- 11% Manufacturing
- 10% Healthcare
- 7% Public Admin
- 6% Energy
- 19% Other incl. Pharma, Retail, & Education

RESPONDENTS BY GEOGRAPHY

- 73% NORTH AMERICA
- 14% EUROPE
- 7% ASIA & PACIFIC
- 3% MIDDLE EAST & AFRICA
- 3% CENTRAL & SOUTH AMERICA

RESPONDENTS BY SIZE OF FIRM

- 42% Large — Revenue >US$1B
- 24% Mid-size — Revenue US$100M–$1B
- 34% Small — Revenue <US$100M

RESPONDENTS BY TITLE

- Project/Program Manager - 34%
- Head of the PMO - 26%
- VP/Director Project Portfolio Management - 16%
- PMO Staff Member - 8%
- VP/Director Business Management - 5%
- Consultant/Trainer - 5%
- Other - 7%

Project Manager Skills

WHAT DRIVES PROJECT SUCCESS? Research has consistently shown that it's having an effective project manager. That said, what competencies does a project manager need to be effective? In this survey of project manager skills, participants have identified the skills that project managers have actually exhibited in managing projects, the skills that organizations think are most important, the skills that need the most improvement, and the skills that lead to desired project results. We've focused on three types of skills – leadership, technical project management, and general business skills.
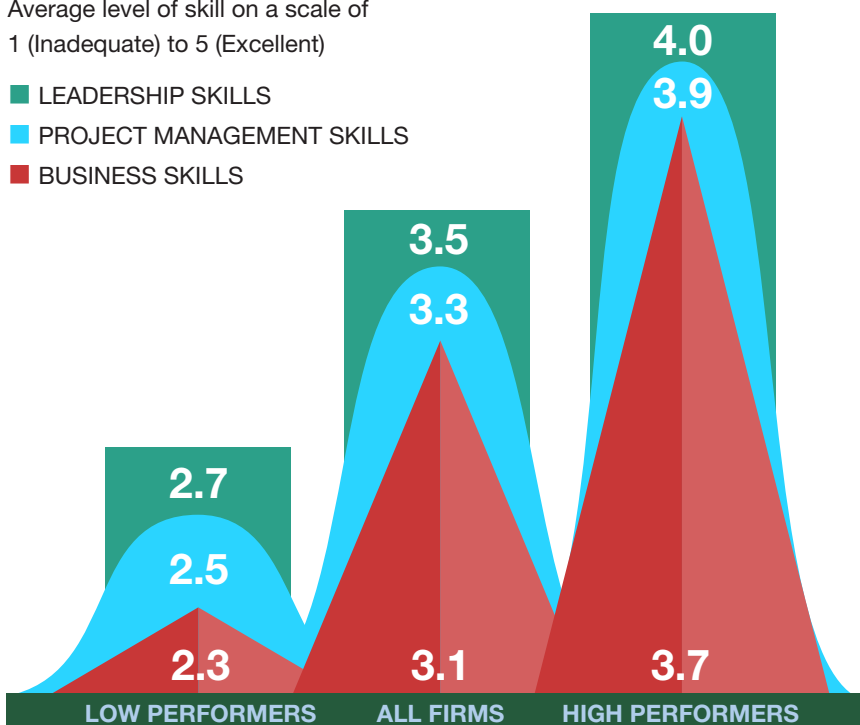
Although project managers generally rate above average in most of the skills surveyed, and project managers in high-performing organizations have been quite effective, the research shows clearly that project managers in all organizations need to improve their skills – in leadership, in project management, and in business. Project managers might be demonstrating good skills, on average, but they aren't meeting expectations (the level of skill that the organization would like to see).

The survey results also reveal the key reason why you want to make sure you have highly skilled project managers: Organizations with highly skilled project managers get significantly better project results.

SKILL LEVELS OF PROJECT MANAGERS

Average level of skill on a scale of
1 (Inadequate) to 5 (Excellent)

- LEADERSHIP SKILLS
- PROJECT MANAGEMENT SKILLS
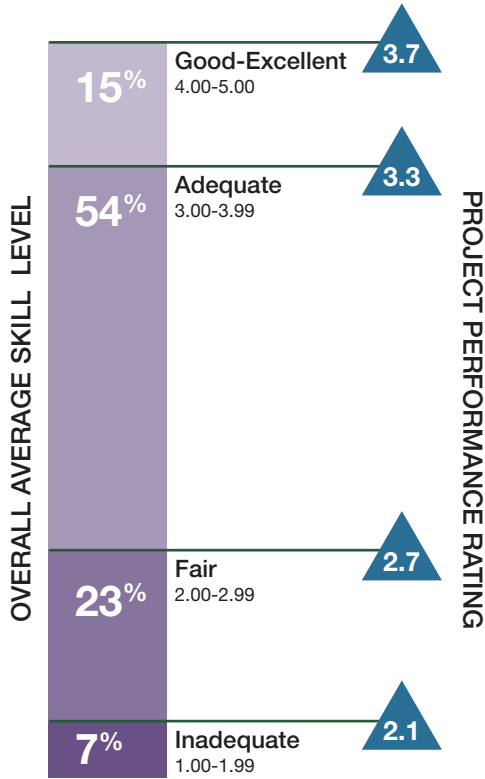- BUSINESS SKILLS

	LOW PERFORMERS	ALL FIRMS	HIGH PERFORMERS
Leadership	2.7	3.5	4.0
Project Management	2.5	3.3	3.9
Business	2.3	3.1	3.7

Project managers in high-performing organizations demonstrate a higher level of skill in all skill areas than PMs in low-performing organizations.

SUMMARY FINDINGS

» Organizations with highly skilled project managers get significantly better project results.

» PM skills are good to excellent in 15% of organizations but only fair to inadequate in 30%.

» Leadership skills are rated more important than all other skills.

» Project managers in high-performing organizations exhibit a far higher level of skill than those in low-performing organizations

» The top skills exhibited by project managers in high-performing organizations were displaying integrity and honesty, building relationships, and building trust and respect.

» Project managers need improvement in almost every skill (for most skills from 10%-20% improvement).

» Leaders are far more likely than project managers to see not aligning projects with strategy and poor communication as challenges.

» High-performing organizations rate communicating/listening the most important project manager skill.

Project Manager Skill Levels

HIGHER LEVEL OF SKILL = STRONGER PERFORMANCE

OVERALL AVERAGE SKILL LEVEL

15%	Good-Excellent 4.00-5.00	3.7
54%	Adequate 3.00-3.99	3.3
23%	Fair 2.00-2.99	2.7
7%	Inadequate 1.00-1.99	2.1

**PROJECT PERFORMANCE RATING**

■ Percentage of firms with project managers averaging this level of skill

▲ Average rating of project performance

Skill level based on average rating from 1 (Inadequate) to 5 (Excellent)

» Project managers in high-performing organizations exhibit a far higher level of skill than those in low-performing organizations.

» Project managers in high-performing organizations exhibited the highest level of skill in displaying integrity and honesty (4.48) followed by building trust and respect (4.25) and building relationships (4.25).

» Project managers in low-performing organizations exhibited the highest level of skill in technical/computer skills (3.81) and industry/functional skills (3.70) far higher than any project management, leadership, or business skills.

» Project managers in small organizations exhibited a slightly higher level of project management skills (3.39) than those in mid-size (3.18) and large organizations (3.26)

» Project managers in small, mid-size, and large organizations all exhibited the highest level of skill in displaying integrity and honesty. The second highest, for all size organizations, was technical/computer skills.

» More than three times as many professional services organizations and twice as many information organizations rated their project managers as highly skilled (ranking in the top quartile) as other organizations.

» Project managers in information organizations exhibited a higher level of skill (3.60) than those in professional services organizations (3.50) and a significantly higher level of skill than those in healthcare (3.20), finance (3.19), and manufacturing (3.17) organizations.

» Project managers in finance, information, manufacturing, professional services, and healthcare organizations all exhibited the highest level of skill in displaying integrity and honesty. The second highest was being results-oriented (finance), technical/computer skills (information, manufacturing, and professional services), and building relationships (healthcare).

» Project managers spanning enterprises exhibited a higher level of skill (3.35) than those in IT divisions (3.29) and business units (3.14).

» Project managers spanning enterprises, business units, and IT divisions all exhibited the highest level of skill in displaying integrity and honesty.

LEVEL OF PROJECT MANAGER SKILL, BY INDUSTRY

Average level of project manager skill in five highest represented industries based on a scale of 1 (Inadequate) to 5 (Excellent).

| 3.60 | 3.50 | 3.20 | 3.19 | 3.17 |
| INFORMATION | PROF. SERVICES | HEALTHCARE | FINANCE | MANUFACTURING |
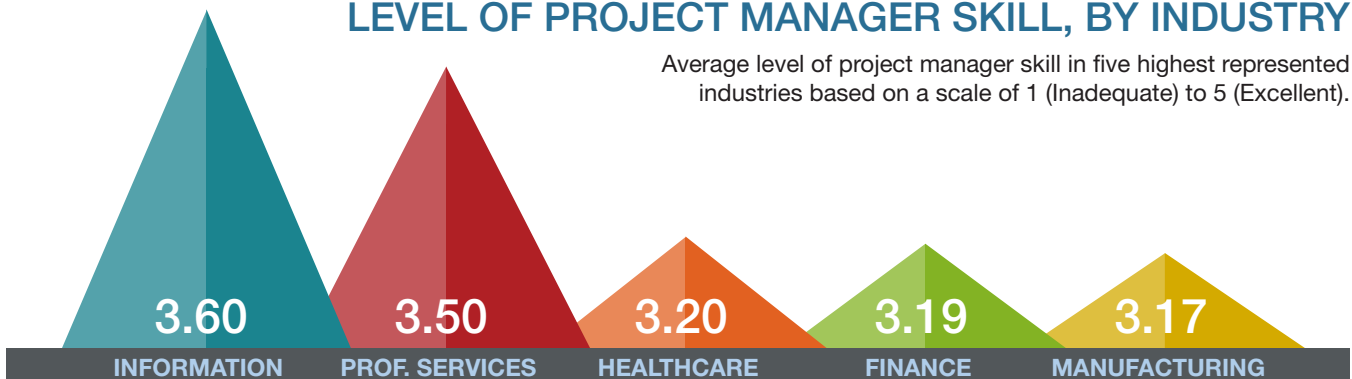
Importance of PM Skills

» Leadership skills are rated more important (4.01) than technical/computer skills (3.88), industry skills (3.88), and project management skills (3.85), and significantly more important than business skills (3.52).

» Small, mid-size, and large organizations all rated displaying integrity and honesty and building trust and respect the most important project manager skills. They all rated exhibiting knowledge of marketing and sales the least important project manager skill.

» Finance, manufacturing, professional services, and healthcare organizations all rated displaying integrity and honesty the most important project manager skill. Information organizations rated project communications most important. Finance, manufacturing, and healthcare organizations rated exhibiting knowledge of marketing and sales the least important project manager skill. Information organizations rated exhibiting knowledge of finance and accounting least important, and manufacturing companies rated fostering diversity least important.

» Enterprise, business unit, and IT organizations all rated displaying integrity and honesty the most important project manager skill. They all rated exhibiting knowledge of marketing and sales the lease important skill.

» Project managers and leaders (C-level, VPs, PMO heads) both rated displaying integrity and honesty the most important project manager skill. Project managers rated communicating/listening second most important while leaders rated building trust and respect second most important.

» High-performing organizations rate communicating/listening the most important project manager skill followed by displaying integrity and honesty and building trust and respect.

» Project managers and leaders differed in their rating of business skills. Leaders rated business skills more important than project managers, particularly acting entrepreneurial (18% difference), exhibiting knowledge of finance and accounting (16%), and nourishing a quality mindset.

SKILL LEVEL VS. PERFORMANCE

Organizations with project managers at high skill levels, on average, outperform those with project managers at low skill levels. Average rating of performance on a scale of 1 to 5 based on eight measures of project performance.

2.48
LOW SKILL LEVEL

3.70
HIGH SKILL LEVEL
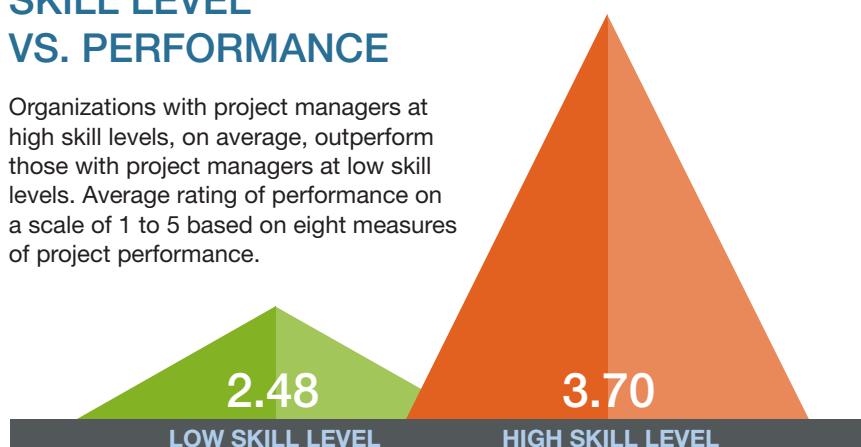
MOST IMPORTANT PM SKILLS

In High-Performing Organizations

» **Communicating/listening**

» **Displaying integrity and honesty**

» **Building trust and respect**

» **Building relationships**

» **Managing project scope**

» **Managing project risks**

» **Being results-oriented**

» **Leading by example**

» **Setting goals and expectations**

» **Having confidence**

PERFORMANCE DEFINED

High-performing organizations are defined by the extent they realise their organizational goals. Respondents rated their companies on a score from 1 to 5, where 1=to no extent and 5=to a very great extent on how well they met eight measures of organizational performance: strategy execution, shareholder satisfaction, financial success, schedule/budget performance, customer satisfaction, resource allocation, strategic alignment, project prioritization. High performers rank in the top 25% in overall performance. Low performers rank in the bottom 25%.

Project Manager Challenges

TOP 5 PROJECT MANAGER CHALLENGES

1	Resource management issues
2	Unrealistic deadlines
3	Dealing with scope changes
4	Lack of clarity in scope
5	Unclear roles, responsibilities

» The biggest challenge facing project managers in high-performing organizations was dealing with scope changes (38%) followed by resource management issues (34%). The biggest challenge facing project managers in low-performing organizations was unrealistic deadlines (57%) followed by resource management issues (56%). Low-performing organizations faced far more challenges than high-performing organizations.

» The biggest challenge facing project managers in small organizations was lack of clarity in project scope (44%); in mid-size organizations it was dealing with scope changing (46%) and unrealistic deadlines (46%); and in large organizations it was resource management issues (48%).

» The biggest challenge facing project managers in finance (60%) and manufacturing (56%) organizations was resource management issues; for information organizations it was dealing with scope changes (57%); for professional services organizations it was unclear roles, responsibilities, authorities (41%); and for healthcare organizations it was lack of clarity in project scope (68%).

» The biggest challenge facing project managers in enterprise organizations was lack of clarity in project scope (45%); in business units (49%) and in IT divisions (49%) it was dealing with scope changes.

» Project managers and leaders differed significantly in their rating of several challenges. Leaders rated projects not aligned with strategy a challenge 113% more often than project managers and they rated poor communication a challenge 63% more often.

Project Results

» Project results were better than average in most measures of project success. The best results realized on average, by far, were in satisfying project customers (3.47) and aligning projects to the organization's business strategy (3.40). The worst result realized on average, by far, was in allocating project resources optimally (2.80).

» Small organizations realized better overall project results on average (3.25) than large organizations (3.14) and mid-size organizations (3.04).

» Information organizations realized better overall project results on average (3.37) than professional services (3.25), manufacturing (3.16), finance (3.13), and healthcare (3.02) organizations.

» Enterprise organizations realized much better overall project results on average (3.23) than business units (3.09) and IT divisions (3.04).

» Leaders (3.20) rated project results higher, on average, than project managers (3.07).

» Project results in organizations whose project managers ranked in the top quartile, the high skill level, were significantly better (3.70) in all measures than the results of those whose project managers ranked in the bottom quartile, the low skill level (2.48).
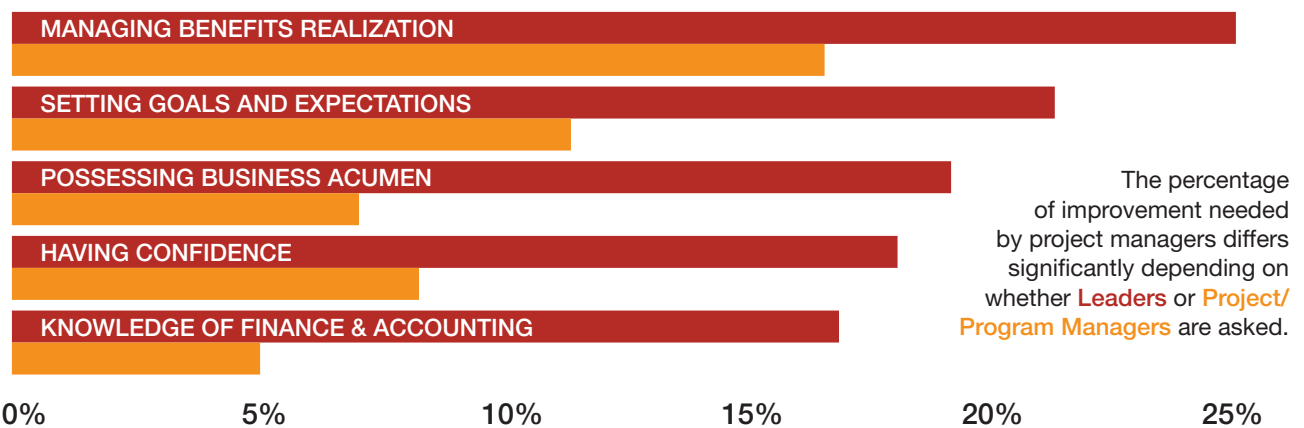
Skills Needing Improvement

» Project managers need improvement in almost every skill (for most skills from 10%-20% improvement).

» Leaders and project practitioners differ on what skills they think need improvement (see graph below).

» Project managers in high-performing organizations have far less need for improvement (6% need for improvement) than those in low-performing organizations (24% need for improvement). Project managers in low-performing organizations need the most improvement in planning strategically, managing benefits realization, and managing project risks. Project managers in high-performing organizations need the most improvement in managing project risks, communicating/listening, and managing project stakeholders.

» Project managers in small, mid-size, and large organizations need the most improvement in managing project risks followed by communicating/listening (for small organizations), planning strategically (for mid-size organizations), and managing benefits realization (for large organizations).

» Project managers in finance, information, and healthcare firms need the most improvement in managing benefits realization. Those in manufacturing need improvement in communicating/listening, and those in professional services firms need improvement in managing project risks. The second skills most in need of improvement are in planning strategically (finance), managing project stakeholders (information), managing project integration (manufacturing) communicating/listening (professional services), and managing project risks (healthcare).

» Project managers in enterprise organizations and business units need the most improvement in managing project risks. Those in IT divisions need the most improvement in championing and managing change. The second skills most in need of improvement are managing benefits realization (enterprises), planning strategically (business units), and managing project scope (IT divisions).

PM SKILLS NEEDING MOST IMPROVEMENT

(including percentage of improvement needed)

» **Managing project risks (23%)**

» **Managing benefits realization (21%)**

» **Planning strategically (21%)**

» **Championing and managing change (20%)**

» **Communicating/listening (19%)**

» **Managing project schedules (19%)**

» **Managing project stakeholders (19%)**

» **Managing project quality (19%)**

» **Managing project cost (19%)**

» **Managing project scope (18%)**

LEADERS AND PMs DIFFER ON SKILLS THEY THINK NEED IMPROVING

MANAGING BENEFITS REALIZATION

SETTING GOALS AND EXPECTATIONS

POSSESSING BUSINESS ACUMEN

HAVING CONFIDENCE

KNOWLEDGE OF FINANCE & ACCOUNTING

The percentage of improvement needed by project managers differs significantly depending on whether **Leaders** or **Project/Program Managers** are asked.

| 0% | 5% | 10% | 15% | 20% | 25% |

PM COLLEGE'S FIVE-STEP PROCESS FOR DEVELOPING PROJECT MANAGER COMPETENCY

ASSESS
Months 1-3

DEVELOP
Months 4-9

PERFORM
Months 10-12

Define Roles and Competencies → Assess Competency → Establish Professional Development Plan → Execute Training → Measure

About PM Solutions

PM Solutions is a project management services firm helping organizations apply project management and PMO practices to improve business performance. We are the leader in applying project and portfolio management processes and practices to drive operational efficiency for our clients.

Founded in 1996 by J. Kent Crawford, PMP, the former president and chair of the Project Management Institute (PMI®), PM Solutions delivers expert project management solutions and services to help organizations and their people perform to maximum potential. Comprehensive offerings include:

» PMO transformation

» Project portfolio management process improvement

» Program and project management resources

» Corporate training and competency development delivered through our training division, PM College®

About PM College

PM College provides corporate project management training and competency development programs for clients around the world. We partner with you to identify your organizational learning objectives, deliver relevant training content, and achieve measurable behavior changes that lead to improved performance. Course offerings cover all learning needs — from basic to advanced — including both technical project management skills and relationship-driven soft skills. PM College's unparalleled customer service, top-rated instructors, modular course content, and robust learning management system (LMS) make us the provider of choice for many global companies in the finance and insurance, manufacturing, consumer goods, technology services, and government sectors.

As a division of a project management consultancy PM Solutions, PM College is recognized as a Charter Global Registered Education Provider (REP®) by the Project Management Institute (PMI).

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