

A Comparison of PMI and IPMA Approaches

Analysis to Support the Project Management Standard and Certification System Selection

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Project management continues to grow and is now applied in a wide spectrum of business sectors. There are two main professional organizations that operate at the international level fostering the discipline: the Project Management Institute (PMI) and the International Project Management Association (IPMA). The objective of this research is to help management choose between the two competing standards for implementing project management.

Introduction

Standardization is a process that involves many benefits. In project management different standards have been developed. These are widely used for training and development of human resources, as support for certification programs and as corporate project management methodologies. The latter use bases on the supposition that there is a direct relation between the application of a standard and the performance on the workplace [2, p. 87]. In particular, by introducing a standard, it is expected to improve communication, especially by harmonizing the project management terminology. Another main expectation is to improve the quality of the project management related processes [1, p. 300].

There are two main professional organizations that operate at international level fostering the project management discipline: the Project Management Institute (PMI) and the International Project Management Association (IPMA). The PMBOK® Guide of PMI and the IPMA Competence Baseline (ICB) are well known as project management standards. However, the two documents differ under many aspects.

A recent study [1, p. 294] has shown that in developed countries such as Germany and Switzerland, project management standards still have not experienced a wide diffusion. However, the study has shown that the PMBOK® Guide and the ICB, together with its local adaptation (the NCB – National Competence Baseline), are the most diffused project management standards in that region. In fact, among the companies that apply project management standards, 82.4 % use at least one of the described standards (source: elaboration made from the paper's authors of the raw survey data of the study [1], courtesy of Prof. Frederik Ahlemann). The IPMA and the PMI also provide professional certifications that attest practitioners' knowledge and competence in project management. The previously mentioned standards are the reference documents for the certifications, which in turn, differ as well, especially how the assessments are carried out.

Research Question

“Essentially, much energy and investment is wasted by individuals and organizations forced to make choices between competing project management standards and qualifications” [2, p. 1187].

By keeping in mind this quote by Lynn Crawford, one of the most active scholars in the field of project management standards, this study addresses the selection dilemma arising when the management of an organization has to choose between different project management standards and certification systems. There are many standards available on the market, however, due to their global relevance, only the PMI and IPMA approaches are considered in this research. Thus, the main research question of the thesis is: “Which project management approach between those offered by PMI and IPMA is better for a given company?”, that is: “Which project management standard and/or certification system should be selected (PMI/IPMA)?”.

This dilemma is not just a strategic question; it is a choice that if taken incorrectly may produce huge costs of change or business failure. The figures on the standards diffusion previously presented demonstrate the topicality of the subject. Project management is spreading while standards are not widely diffused: in the future

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Für den Vergleich von IPMA und PMI wurden in der Hauptsache Sekundärdaten benutzt. In einem zweiten Schritt wurden die Ergebnisse von halbstrukturierten Interviews mit Wissenschaftlern und Praktikern einer Inhaltsanalyse unterzogen. Es zeigte sich, dass es zwei Kategorien von Kriterien gibt: solche, die sich auf Aspekte innerhalb einer Organisation beziehen, und solche, die mit Beziehungen zwischen Organisationen zu tun haben.

Ein unerwartetes Ergebnis der Studie war, dass die Ansätze von IPMA und PMI kompatibel und keine Gegensätze sind, sondern dass sie vielmehr integriert werden können.

an increasing number of businesses will face the selection dilemma addressed by this research, in fact the attempts to create a common standard failed.

Methodology

The research problem was addressed considering that, in order to take a wise decision, the management of a company needs to

1. know the two approaches
2. understand the most important aspects that should be considered during the decision making process.

There is no proper analytical comparison between the different standards (or bodies of knowledge) available on the market. An attempt of comparing project management bodies of knowledge was roughly carried out in 1995 [6]. To the authors' knowledge in the last 15 years there has not been any trace in the international literature of an in depth analysis studying differences and commonalities, weaknesses and strengths of project management standards. Thus, it was decided to realize and present an up to date comparison of the two approaches to support the management during the decision making process. This research work was conducted using mainly secondary data.

Moreover, the literature review showed that apart from common sense advises, there are no tools, frameworks or other instruments which may help the management in choosing a project management approach. Thus, to fill this knowledge gap, the aspects to be accounted for during the selection process were investigated. A similar topic was not researched before, and thus, given its novel character, this study is exploratory and qualitative in nature. A specific sector or project-type focus is not taken a priori (wide applicability). Seven interviews with practitioners and experts were conducted to support this part of the research.

Findings

To begin the study an analysis and comparison of the two competing professional organizations was undertaken. Both professional organizations are not-for-profit, however, the business and market orientation of PMI is much stronger. PMI has its roots in North America whereas IPMA is well diffused in Europe.

PMI's PMBOK® Guide [5] and IPMA's ICB [3] were analyzed and compared using four different attributes: objectives, approach undertaken, structure of the documents and actual content.

ICB's main objective is to be the base for the professional certification provided through the 4-L-C system. The PMBOK® Guide instead, has as primary goal to be a guideline for managing projects. The approaches used to pursue these objectives base respectively on "processes" for the PMBOK® Guide, and on "competences" for the ICB. PMI's standard describes the management of a project through well defined processes. The ICB instead, describes the competences that a project manager should possess to be successful in his/her daily work. The structure of the two documents, in turn, depends on the approaches chosen. PMI's standard describes each process through inputs, outputs and tools and techniques to be used to perform the process. Each

of the 42 processes presented belongs both to a so called knowledge area and to a process group, related to the evolution of a project (initiation, planning, execution, monitoring and controlling, closing). The ICB instead, describes 20 technical, 15 behavioral and 11 contextual competences. For each competence element there are: (1) a brief introduction of the element, (2) a list of possible process steps to apply the competence in practice, (3) a description of the required competence grade for the different certification levels, (4) a list of topics for further reading and (5) the main relations to other elements. All competence element ranges of the ICB are discussed in the thesis.

The content of the PMBOK® Guide is predominantly technical knowledge that should be applied to manage projects. Similar topics are discussed in the technical competence elements of the ICB. However, the discussion of PMI's standard goes more in depth proposing and describing tools and methods to be applied. The ICB remains at a higher level, the reader has to find more detailed information on tools and techniques somewhere else. Thus, the PMBOK® Guide turns out to be very prescriptive and normative, while the ICB provides a higher degree of flexibility. A further characteristic of ICB's content is the emphasis on behavioral competence elements, recognized as very important for managers of projects. The PMBOK® Guide does not address these topics such in depth, but just marginally, because its focus is rather on technical skills than on interpersonal ones. The PMBOK® Guide is exactly the same reference book worldwide, also when translated in languages other than English. Whereas the ICB, when adopted by a national member association of the IPMA, becomes the National Competence Baseline (NCB) and during this process some degree of local adaptation is allowed.

PMI and IPMA award various project management certifications. The IPMA offers a complete career path along its four level certification system: an entry level certification (Level D), two for project managers with increasing project complexity (Level C and B), and one for program managers (Level A). PMI awards the most diffused project management certification targeting project managers: the PMP®. During the last years it started to award also an entry level certificate, the CAPM®, and a certification for program managers, the PgMP®. PMI's certification process is basically a computer test with multiple-choice questions, while IPMA's assessment, except for Level D, is carried out by people (two assessors) and involves many different tasks to evaluate the candidates' competence. Probably, PMI would like to improve its certification system with a more complete assessment. However, this may involve huge infrastructural costs and the loss of the ability to carry out quickly and almost inexpensively the examination through the internet.

After the extensive comparison of the above mentioned standards and certification systems, the aspects that should be considered during the selection between IPMA's and PMI's approach, were investigated. Those are the result of a content analysis applied to the transcripts of the semi-structured interviews carried out with experts and practitioners. The criteria found were grouped into two main categories: intra-organizational and extra-organizational aspects. The latter category

includes (1) market situation of and demand for project management standards, (2) coordination and communication, as well as (3) the geographical focus. The intra-organizational category instead, includes: (1) personnel maturity in project management, (2) the national and organizational culture, (3) the project character and (4) the project size and complexity.

Based on the discovered aspects, a model to support the selection process was developed. The model involves two main steps. First, the extra-organizational aspects, which often are more relevant, are considered. A sample of the questions management must answer to support the extra-organizational aspects are:

- Do the customers demand a specific project management standard/certification?
- Do the customers prefer the IPMA or PMI approach? Which one can I sell better to them?
- What are the competitors doing regarding project management standards and certification? Why?
- Is there any standard from which we may benefit in the relations with our partners or along our supply and/or value chain?
- Is there a standard required by our suppliers or one that may improve the communication with them?

However, if the first analysis does not provide a preferable approach or, if the intra-organizational aspects count more, those aspects intrinsic to the organization shall be evaluated. Examples of the intra-organizational aspects effecting choice would take the form of:

- Personnel maturity in project management
- The national culture of the employees as well as the culture that the organization imprints
- The project character (i.e. the nature of the project deliverables and final output)
- The project size and complexity

Recommendations for different scenarios were formulated and are presented in the full paper.

Nevertheless, the particular context of an organization has to be evaluated carefully when selecting between the approaches of PMI and IPMA. In fact, each business operates in a unique environment. Once the appropriate standard has been chosen, the management should develop a business case to evaluate which parts of the standard should be implemented and how. It is important to keep training people in project management, caring about change and awareness management; the standards in fact are just an improvement [1, p. 301].

Finally, a partially unexpected finding was that the two approaches are compatible. They are not antagonists at all, they can be integrated. The ICB standard is written at a higher level with respect to the PMBOK® Guide and thus, the latter can perfectly fit within IPMA standard's structure. In general, regarding to certifications, IPMA ones are superior to PMI ones due to the variety of the assessment tools and aspects considered. Nevertheless, the purpose of the certification must be taken into account in order to choose the best solution for a given company.

Conclusion

The selection model presented aims at helping management to face the selection dilemma. Nevertheless, it should be kept in mind that the presented recommendations are merely of general nature. Every organizational context is different, and thus the optimal project management approach for a given case must be evaluated separately and carefully. In fact, there may be some cases where the presented general recommendations may become misleading. Management has to focus on the company's characteristics and context, and match them with the most appropriate project management standard and/or certification system. Optimally, the decision maker should read the complete standards or at least look through them to gain an own understanding of the subject and relate it with the organizational requirements.

Especially the second step of the research opens quite a few new research questions and opens the door for future quantitative and more sector-, project- or region-specific studies. ■

Note

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New Strategies for Competitive Advantage („Neue Strategien für Wettbewerbsvorteile“) ist der erste Band der englischsprachigen Reihe „IBSA-Studies in Management and Innovation“. In ihm stellt die Fakultät Wirtschaftswissenschaften der Hochschule Bremen Forschungsergebnisse und Fallstudien des Studiengangs International Master of Business Administration einer breiteren Öffentlichkeit vor. Das Buch enthält zwei weitere Arbeiten: Anahid Shamsi Nejad zeigt mittels ihrer empirischen Untersuchung auf, wie fortschrittliche Anwender („Lead User“) für die Entwicklung neuer Medizinprodukte identifiziert und in den Forschungsprozess eingebunden werden können. Anirudh Krishen Koul analysiert basierend auf dem Erfolgskonzept von Ryanair die Geschäftsstrategie von AirAsia, der führenden Billigfliegergesellschaft im asiatisch-pazifischen Raum.

Alle Beiträge richten sich an Manager, Praktiker, Experten und Masterstudierende, die offen sind für neue Ideen und Verbesserungen.

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Keywords

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