

## **Profession of Project Managers in the Baltic Countries Problems and Perspectives**

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### **Introduction**

As a project management expert in recent days following the field of news in project management I have read an interesting article on Arras People newsletter. Arras People had analysed a recent headline from an article published by the Sunday Telegraph, by Peter Hepworth from AXELOS, which said that, "we are all project managers now". For this autumn's Project Challenge in London (*The UK's Leading independent show for projects, programmes, process and resource 14 - 15 October 2014, Olympia, London*), Arras People took this headline and examined what this statement could mean and more importantly how it may impact you as a project practitioner.

By reading the article I started again thinking about the project managers' profession in the Baltic States and how the system had developed in recent years. I definitely could agree with experts and my reaction to the statement, "we are all project managers now" as well as from many other project practitioners is of course we are not! But meanwhile there is no restriction for anybody to call themselves a project manager. On daily base I have met several project managers and when it comes to description of duties and position I have realized that it's all far away from what the project manager profession means and what project managers do.

Of course there are no doubts that project management is a part of bigger management system and tasks could overlay between disciplines. And we shouldn't argue about project management knowledge and skills; more or less we all have some of those skills, but still it doesn't make you a real project manager, I mean professional project manager. Professional project manager is an expert who uses and applies project management tools and technics in his daily work. In Latvia as well as in other Baltic countries (Lithuania, Estonia) I have found out that employers (especially in private sector) make a project manager position for duties what could be described as marketing specialist, HR specialist, PR specialist, project manager assistant, project coordinator, IT specialists and etc. Use of project managers' profession name is attractive to many employees; it makes you feel more important than just some worker or field specialist. And that makes an impact on project management system and profession itself.

On November 6<sup>th</sup>, 2014 we have celebrated international project management day and it's a good time to look back on project management development and the importance of project managers as a profession. Further on in this article I will emphasize the background and situation in EU member state Latvia.

## **Case of Latvia**

Stable development of the Latvian economy and constant growth of its competitiveness require certain preconditions for the transition from an economic model based on low-qualification labour and low added value production to the innovative (knowledge-based) model. To achieve that, increase in the volumes of high value-added production must be encouraged, as well as in high-technology product proportion in the production and export structure. The use of innovative technologies and progressive management methods must be fostered in all branches of economy. One of the options available to finance the above actions is provided by the European Union structural funds. The funds' planning period of 2007–2013 envisages a total of around 4.53 billion euro for Latvia, to finance various types of projects. In order to apply this financing efficiently, projects developed in high quality and by professional project managers are needed.

The global need for skilled project management is raised by such organizations as the International Monetary Fund, the World Bank and the European Parliament. To be able to absorb the financing that is becoming available through the EU accession framework programs as well as from other public funds and ensure the funds are spent effectively and the projects accomplished successfully, the economies of the EU countries will need increasing numbers of qualified and certified project managers, possessing familiarity with the globally accepted methodologies and skills and with competence in managing projects, stakeholder expectations, resources and risks.

Project management is gaining ever more importance in the activities of businesses and organizations. It encompasses all fields, and in particular those related to the introduction of new products and reorganization of organizational structures. It pertains first of all to the industries of construction and pharmaceuticals, culture and education, science and research, information technology. All of the above industries realize projects that reach rather high costs; therefore maximum return on investment is crucial. And it can be achieved if the project management is left to professionals well versed in the methods, techniques, and instruments of project management.

## **Development of a national project manager certification system**

National project management certifications are driven by cultural and legal frameworks. For example, the Australian approach is to certify Qualified Project Practitioners, Registered Project Manager and Master Project Directors. To receive a Registered Project Manager certificate, one is required to pass a knowledge examination and an on-the-job evaluation of competency.

Industry and government can choose between a numbers of project management standards. Some of the issuers are:

- International Organization for Standards (ISO),
- Association for Project Management – Project Management Body of Knowledge (APM BoK),
- Project Management Institute (PMI®) – Guide to the Project Management Body of Knowledge (PMBOK®),

- International project management association (IPMA) – Project management competence baseline,
- Software Engineering Institute – Capability Maturity Model (SEI CMM),
- US Department of Defence – Earned Value Management System (EVMS),
- Canadian Government – Cost/Schedule Performance Management Standard (C/SPMS),
- CCTA Projects in a Controlled Environment (PRINCE).

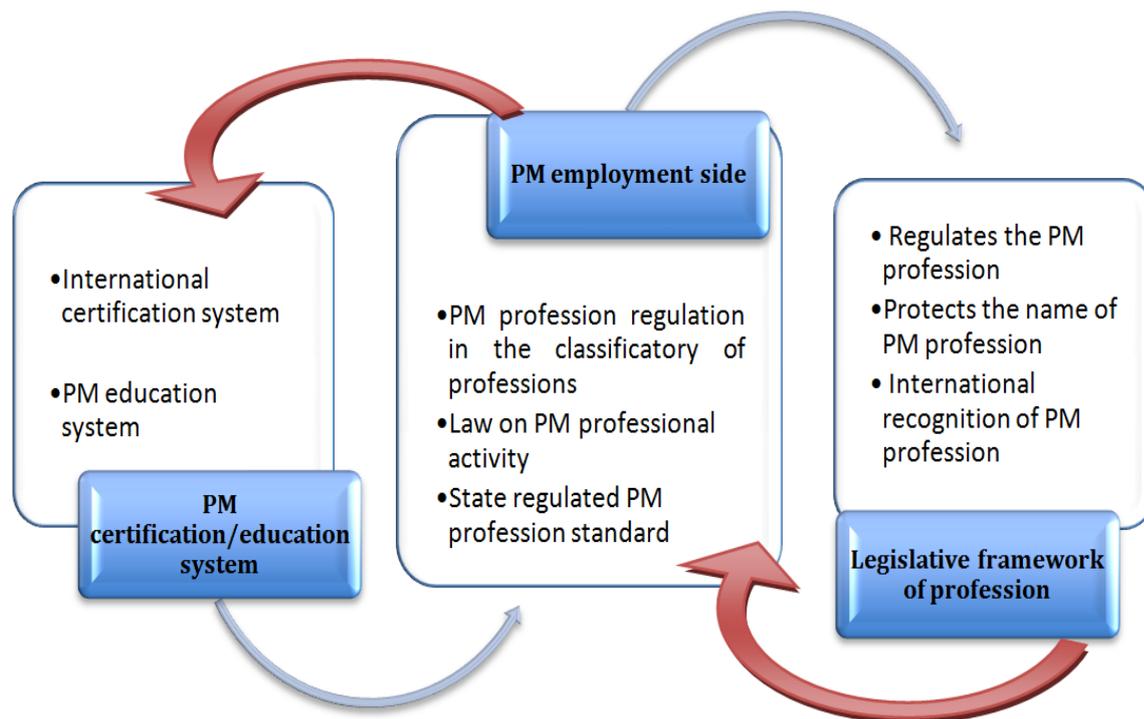
Each standard is applied to particular national and international project management undertakings.

Consequently, the characteristics of the regulation types and management of the regulation professions should cover the following requirements and parameters:

1. regulated education;
2. set of proofs of education;
3. additional professional certification concerning professional knowledge, skills and/or professional experience required after acquisition of the official education – in cases when education and professional qualification are separated and differing assessment procedures are applied;
4. professional experience;
5. participation or at least registration in professional associations or organizations;
6. licensing, including mandatory education and/or professional certification requirements and performed by state, municipality institutions, or professional organizations (associations and unions), for professions and businesses of limited accessibility;
7. confirmation of professional programmes at state institutions (branch ministries) and/or professional organizations;
8. accreditation of professional education programmes; supervision of the educational process and graduation tests, performed by state institutions and/or professional organizations.

The author found that one of the biggest problems in new project management systems is that anyone can call themselves a project manager, since it is not a state regulated profession. The project manager's profession is no less worthy than any other profession, such as advocates, engineers, teachers, medical doctors, etc. So there shouldn't be any problems starting to protect the profession. The author proposes to start with the employment side, which means that there should be state legislation on the project manager profession standard and appropriate position in the classifier of professions.

The next movement and initiative should absolutely be to develop national legislation and laws on project managers' professional activity. As project management nowadays is still a self-regulated profession, it could be too difficult to make such kinds of legislation initiative. First of all there should be consensus between the actors in the project management field and professional organizations before the law is accepted on the state level. In order to provide an adequate national certification model for project managers, a profession recognition model must be developed that would encompass three basic fields (*Fig.1*).



**Fig.1 Project managers' national recognition system model**

Source: Author elaborated model

To ensure appropriate legal regulation of the field of project management, a common understanding and approach within the project management field should be achieved, which would then along with the respective government entities develop the necessary profession standards, profession classifier updates, and the umbrella law – on the Professional Activity of Project Managers. Only when a compromise is attained within the field, which can currently be considered self-regulatory, can we begin a discussion on the regulation of the profession.

In the picture above, the process is depicted by a left-to-right flow. The object-oriented PM profession recognition model developed by the author consists of three objects - certification/education system, employment, and legislative regulation. In order to achieve recognition of PM as a profession, we must understand the processes within each of the objects and observe the development process steps according to the flow indicated in the model. It is important to ensure a unified understanding of the industry and a coordinated application of standards in the certification and education system.

Since 2002, Latvia has developed and enforced a professional standard for project managers, and has included them as a profession in the state-developed profession classificatory. In 2010 Latvian government (Cabinet of Ministers of Republic of Latvia 18<sup>th</sup> May, 2010 regulation No.461 “Regulations Regarding the Classification of Occupations, Basic Tasks Corresponding to the Occupation, Basic Qualification Requirements and Procedures for the Use and Updating of the Classification of Occupations”) adopted the new Project Manager Profession standard (*see annex No.1 unofficial translation of legislation*) which should be applied in labour force.

Alongside, there are professional higher education programmes in project management. The different certification and training systems are the ones limiting the recognition of project

manager as a profession on a national scale. Meanwhile, development of an appropriate legislative framework, taking into account both the different training and existing international certification systems and the already established employment market regulation, would enable the project manager profession to be recognized on a national scale and regulated by setting the requirement for appropriate certification.

There is some additional national legislation regarding the project managers' profession for those who are working in the public sector. Government has adopted regulation of Ministers Cabinet of Republic of Latvia where has stated 3 levels for those who are working in the field of project management. Same regulation includes description of project size and complexity which in my opinion for such a small country and small economy as we have in the Baltic Sea region is too overrated (see table No.1).

Table No.1

**Project scope, size on national legislation in Latvia**

Project scope	Project budget, EUR	Implementation time	Involved persons	Involved organizations
Small, standardize, typical project	7 114 359	<1 year	<5	One
Medium, not standard project	7 114 359 - 14 228 718	1-2 years	5–10	2-5
Big, complex, not standard project	More than 14 228 718	>2 years	>10	More than 6

Currently the international certification systems (PMI, IPMA, PRINCE2, etc.) do not grant to person a qualification of the project manager, and it's not an evidence of qualification or compliance to project manager professional standard. Certification systems are based on granting certificates on certain personal competence assessment, but still it's not a proof of qualification.

According to Latvian legislation for public procurement procedures when evaluating candidates and reviewing documentation submitted by bidders (as well as submitted complaints on tenders), when discussion on qualification requirements arise, the professional master's degree in project management (5<sup>th</sup> level higher education degree) is valued higher than the existing certification systems. At the same time, if the principal selection documentation as proof of qualifications requested by one of the existing PM certificates or equivalents, the professional master's degree in project management should be considered as appropriate for stated requirements.

**Conclusions**

The project manager's profession is no less worthy than any other profession, such as advocates, engineers, teachers, medical doctors and etc. So there shouldn't be any problems to start protecting the profession. The author proposes to start with the employment side, which means that there should be state legislation on the project manager professional standard and appropriate position in the classifier of professions.

And I would like to emphasize that certification or accreditation alone cannot make a project manager. However there are more ways of principles and conditions what we should consider as

important but which stand outside of project management tools and technics, like competencies, leadership, goodwill and many other characteristics and circumstances that make us better project managers.

The next movement and initiative should absolutely be to develop national legislation and a law on project managers' professional activity. As the project managers nowadays is still a self-regulated profession, it could be too difficult to make such kind of legislation initiative. First of all there should be consensus between the actors of the project management field and professional organisations before the law is accepted on state level.

Considering the ever growing demand for project managers in various branches of economy, it is necessary to settle the national legislation basis by recognizing project manager as a profession and to include it in the list of the regulated professions on an international scale. The establishment of such a system would be an incentive for the existing pseudo-project managers to obtain the knowledge pertaining to the profession on an academic level or by certification in compliance with the international project management standards. In order to ensure appropriate national recognition of the project manager profession, it is important that the system is well-organized on all levels, i.e. corresponding education programmes are developed and respective employment market regulations are provided – including the profession standard and profession classificatory.

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## **Annex No.1**

Cabinet of Ministers  
Republic of Latvia

18<sup>th</sup> May, 2010 regulation No.461

“Regulations Regarding the Classification of Occupations, Basic Tasks Corresponding to the Occupation, Basic Qualification Requirements and Procedures for the Use and Updating of the Classification of Occupations”

### **1.46. Occupational Standard of Project Manager**

#### **1.46.1. General**

1. Name of occupation - project manager
2. Occupation code - 2422 01

#### **1.46.2. Occupation description**

1. Professional qualification level - fifth level of professional qualification
2. Summary of main tasks of occupational activity

A project manager develops the project bid (the project can be of any industry); organizes and manages the project team; creates the project organization and culture; determines the project members' roles; chooses the project organization form; shapes the project team members' communication structure; plans for the project stages; structures the project; plans, coordinates and controls the project tasks, terms, resources, and costs; performs the project environment analysis; plans for the project milestones and work meetings; performs the project risk analysis and coordinates the interests of various interest groups; follows up on the project plan performance, analyses the results, develops proposals, corrects the existing plans; collects the project's midterm reports and the final report; manages the project administration and documentation.

A project manager performs his/her activities in accordance with the requirements of the project management legislation and the international project management standards and guidelines.

A project manager works both for government or municipal institutions and for businesses in any industry.

#### **1.46.3. Professional competencies necessary for professional activity**

1. Ability to understand and analyse the operational activities of businesses and suggest new and innovative development strategies.
2. Ability to analyse problems, set goals and the alternative solutions for their achievement.
2. Ability to perform assessment of a project's alternative solutions based on various criteria.
3. Ability to formulate justified project bids and project tasks.
4. Ability to organize the infrastructure necessary for the project.
5. Ability to analyse the company structure and adapt it to the needs of project and program management.
6. Ability to select and apply the planning and control methods necessary for project management.
7. Ability to ensure successful project management process and its coordination.
8. Ability to develop and maintain the specific documentation necessary for project management throughout the project development and implementation.
9. Ability to make independent justified decisions on the project process.

10. Ability to lead the project team, delegate tasks, accepts and assesses the work results.
11. Ability to communicate in the state language and at least two foreign languages.
12. Ability to make use of information technologies in the performance of his/her activities.
13. Ability to comply with labour protection, fire safety, and electrical safety regulations, and environmental protection regulations, and to protect the environment.
14. Ability to ensure compliance with the employment legislation.
15. Ability to carry out research of scientific value in the field of project management.

#### **1.46.4. Skills necessary for the basic tasks of professional activity**

1. Understand and analyse the operation activity of the business and suggest new and innovative development strategies.
2. Analyse problems, set goals and the alternative solutions for their achievement.
3. Determine the product quality, time and expenses necessary to implement the alternative solutions of the project.
  1. Predict the potential income and benefits during the product or service life.
  2. Predict the product maintenance and operational costs.
  3. Determine the net cash flows expected in the future.
  4. Perform the cost-benefit analysis of a project's alternative solutions.
9. Assess a project's alternative solution value analysis and justify the choice of the best solution.
10. Formulate justified project bids and project tasks.
11. Organize the infrastructure necessary for the project.
12. Analyse the organizational structures and adapt them to the needs of project and program management.
13. Possess the skills to apply project planning methods - structural analysis, main network planning methods (CPM, PERT, MPM), Gant diagram methods etc.
14. Possess the skills to apply project control methods - trend analysis, integrated work quantity, term and cost control methods.
15. Ensure successful project management process and its coordination.
16. Develop and maintain the specific documentation necessary for project management throughout the project development and implementation.
17. Make justified decisions on the project process.
18. Lead the project team, delegate tasks, accept and assess the work results.
19. Form positive communication; comply with the norms of ethics and behaviour.
20. Possess command of the state language.
21. Use professional terminology in the state language and in at least two foreign languages.
22. Possess command of at least two foreign languages on a conversational level.
23. Comply with the labour protection, fire safety, and electrical safety regulations.
24. Comply with the employment legislation.

#### **1.46.5. Knowledge necessary for the basic tasks of professional activity**

1. Concept-level knowledge necessary to perform the main tasks of professional activity:
  - 1.1. civil legislation;
  - 1.2. commercial legislation;
  - 1.3. insurance.
2. Understanding-level knowledge necessary to perform the main tasks of professional activity:
  - 2.1. multi-project management;
  - 2.2. program management;

- 2.3. project portfolio management;
  - 2.4. project-oriented business activity;
  - 2.5. professional ethics and business ethics;
  - 2.6. psychology of communication;
  - 2.7. accountancy;
  - 2.8. taxes;
  - 2.9. audit;
  - 2.10. professional terms in state language and at least two foreign languages.
3. Application-level knowledge necessary to perform the main tasks of professional activity:
    - 3.1. theoretical fundamentals of project management;
    - 3.2. project management methods, techniques and tools;
    - 3.3. project initialization;
    - 3.4. project organization;
    - 3.5. project start;
    - 3.6. project planning;
    - 3.7. project control;
    - 3.8. project conclusion;
    - 3.9. project quality management;
    - 3.10. project risk management;
    - 3.11. project personnel management;
    - 3.12. project documentation management;
    - 3.13. administrative and economic legislation;
    - 3.14. delivery and contract management;
    - 3.15. international and national project management standards and guidelines;
    - 3.16. statistical data processing methods;
    - 3.17. computer science (IT);
    - 3.18. labour protection;
    - 3.19. employment legislation;
    - 3.20. environmental protection;
    - 3.21. state language;
    - 3.22. at least two foreign languages on a conversational level.

## About the Author



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**Emils Pulmanis** is a member of the board of the Professional Association of Project Managers in Latvia and Deputy Director of the Project Implementation and Control Department at the State Regional Development Agency of Latvia. He has gained a BSc. in engineer economics, a professional master's degree in project management (MSc.proj.mgmt) and currently is a PhD candidate with a specialization in project management. He has elaborated and directed a number of domestic and foreign financial instruments co-financed projects. He was a National coordinator for a European Commission-funded program – the European Union's financial instruments PHARE program in Latvia. Over the past seven years he has worked in the public administration project control and monitoring field. He was a financial instrument expert for the Ministry of Welfare and the European Economic Area and Norwegian Financial Mechanism implementation authority as well as an expert for the Swiss – Latvian cooperation program as a NGO grant scheme project evaluation expert. He has gained international and professional project management experience in Germany, the United States and Taiwan. In addition to his professional work, he is also a lecturer at the University of Latvia for the professional master study program in Project management. He has authored more than 25 scientific publications and is actively involved in social activities as a member of various NGO's.

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