Why Project Management Certifications Matter

The value of project management certifications is hotly debated among IT professionals. CIO.com investigates whether certifications make better project managers and whether projects staffed by certified project managers are more successful than projects without PMPs.

By Meridith Levinson, CIO Digital Magazine

Out of 13 advertisements for project manager jobs posted on CIO.com and Dice.com, eight ads either require or prefer project management certification. All eight ads are for mid- to senior-level IT project management positions that require anywhere from a minimum of five to 11 or more years of experience.

Five of the eight ads say project management certification is "highly desirable," "an advantage," "preferred," or "a plus." The three ads that require certification all specify the Project Management Institute's (PMI) Project Management Professional (PMP) credential.

More and more CIOs believe in the importance of project management certifications, according to research from The Standish Group. The publisher of the CHAOS reports which track IT project success and failure rates says that two-thirds of CIOs it surveyed regard a PMI certification as valuable. The number of CIOs who require their project managers to be certified grew from 21 percent in 2005 to 31 percent by 2009.

The job advertisement and Standish Group data speak to the increasing weight employers place on tangible project management credentials. But why? Why do they think certification is so important? Does it create a better project manager, and does that ensure higher project success rates?

CIO.com spoke with certified and non-certified IT project managers as well as with a representative from the Project Management Institute to uncover the true value of project management certifications. What we found: Project management certifications matter a great deal to some employers, but not always for realistic reasons. We also found that project managers can certainly benefit from certification: It can provide them with hold greater access to jobs and higher salaries, but it doesn't necessarily make them a better project manager.

Why Employers Seek Certified Project Managers

To understand why some employers have become so keen on certifications, it's instructive to look inside technology juggernaut IBM.

Steve DelGrosso directs IBM's Project Management Center of Excellence and the IBM Global Business Services' Project Management Competency. DelGrosso's group oversees IBM's professional development programs for project managers and establishes the methods and tools project managers use to run today's array of tech projects. Of IBM's 300,000 employees, 25,000 are classified as project management professionals, and more than half of them—14,000—hold PMI's PMP certification, says DelGrosso (who's one of those 14,000 PMPs).

The number of certified project managers inside the company is growing, says DelGrosso, because clients want them on their projects.

"The marketplace in the U.S. is demanding the PMP or other project management certification," he says. "Going back five or six years, IBM has seen requests for proposals where the clients are demanding certified project managers be part of the proposal. If you can't present a certified project manager on their deal, they won't consider you."

DelGrosso says IBM's customers and prospects are demanding certified project managers because they understand the importance of strong project management discipline in delivering successful projects. Those customers associate certification with discipline. Some IBM clients are promoting certification in their own organizations, and adds DelGrosso, they believe "that there is a qualitative difference overall between a pool of certified and non-certified candidates for a position."

In his own organization, DelGrosso says certifications are not a prerequisite for working in the Project Management Center of Excellence, though seven of the eight project managers it employs are certified. (The one project manager who is not soon will be, he adds.)

"Being a certified project manager doesn't necessarily make you better than any other project manager," he says. "It just indicates that you have a certain level of knowledge and expertise, and that you can work proficiently in a project environment."

The Impact of Project Management Certifications on Project Success

Chris Spivey, who runs his own project management and rescue consultancy Spivey & Co., believes employers are increasingly looking for certified project managers because they think the presence of a certified project manager on a project will increase the odds of project success.

"If you look at the stats," says Spivey, "seven out of 10 IT projects fail. Anyone who's putting in a project is going to ask what they can do to try to ensure its success."

One of the measures organizations can take is to staff the project with a certified project manager. The assumption is that someone who has devoted thousands of hours to preparing for the PMP exam, for instance, has learned something that will help keep the project running on time and on budget.

Whether staffing a project with a certified project manager improves the project's outcome is the $64,000 question.

Mark Langley, the executive vice president and COO of PMI, says two separate studies—one from PMI, the other from PWC—link certifications to improved project performance.

The PMI's 2008 Pulse of the Profession research found "that having project managers without PMP certification results in a lower percent of projects coming in on time and on budget—especially when less than 10 percent of the project managers in the company are PMPs. Organizations with less than 10 percent of project managers who are PMPs are also much less likely to indicate an increase in projects successfully meeting the goals and business intent."

In a 2006 survey, PWC found that "higher-performing projects are significantly more likely to be staffed with certified project managers&80 percent of projects classified as high-performing use a certified project manager."

However, even the most experienced project managers—certified or not—are skeptical of this research. They say it's hard to directly prove the positive impact of a certified project manager on an IT project because so many factors influence project success, from funding and resource management to CEO support and end-user buy-in.

"There are many times when the best project managers have given their all and projects have either slipped or failed due to things they can't control," says David Krull, a senior IT project manager who's currently consulting.

Even IBM, which has collected eight years of internal data on certifications, can't say that there's a direct correlation between certification and better project outcomes, according to DelGrosso.

"We've never been able to say unequivocally that putting a certified project manager on a project will give you better results," he says, "because we can't get that data point clearly."

The Strengths and Weaknesses of Project Management Certifications

Some experienced project managers who aren't certified are bothered by the increasing importance of certifications. These project managers believe that the employers who require them are making uneducated assumptions about the credentials and the impact a certified project manager can have on a project.

Independent project management consultant Spivey, who has 17 years of project management experience but holds no certifications, says employers tend to overvalue credentials like the PMP.

When a project manager has a PMP certification, he says, it creates an expectation among employers that a PMP will complete a project smoothly. What's missing from that assumption, Spivey adds, are the leadership and governance components of projects that are so critical to their success, but that certification exams don't, in his opinion, adequately measure. These include: how decisions get made, how project managers motivate and inspire people working on the project, and how they influence buy-in. (PMI's Langley says the PMP exam poses scenario-based questions designed to evaluate a project managers leadership skills.)

"Just because you have a PMP [certification] doesn't mean you have that [leadership] ability," he says. "The PMP is a good indicator that a person has been able to pass a test, but it doesn't mean they're the right person to implement and execute a project in every organization."

Spivey's opinion is based on the PMPs he's hired and worked with over the years. Some have been excellent project managers, he says. Others "couldn't find their way out of a wet paper bag with a flashlight and a knife."

Erik Hamburger, who runs his own project management company Ambidexter Management, says good project managers need to bridge what he calls the knowing and doing gap.

"Knowing what you should do as a project manager and being able to do that in the real world are two completely different things," he says.

Hamburger, who says he has a love-hate relationship with certifications and whose own Prince 2 certification has lapsed, is particularly critical of PMI's PMP certification.

"You can become a PMP without ever having managed a project end to end, which is kind of scary," he says. (Hamburger is a former board member of his local PMI chapter in Canada.)

PMI's Langley says project managers vying for the PMP credential "would not have to lead every project end to end," he says. But at a minimum, they have to "lead and direct" all the processes in five domain areas of project management: initiation, planning, executing, monitoring and controlling, and closing.

"Just being a team member on a project is not sufficient," says Langley. "You have to lead and direct against each of those domains."

Other requirements for earning the credential include three years or 3,500 hours of project management experience (five years if an applicant doesn't have a bachelor's degree) and 35 hours of project management education. Project managers also need to fill out an application documenting their education and project management experience, which PMI says can take as much as eight hours. Finally, they need to pass a four-hour, 200 question exam.

Langley says between 60 percent and 75 percent of applicants pass the exam.

Certification cynics may downplay the importance of project management credentials, but the ones interviewed for this article characterize the process for earning the PMP as rigorous.

"It takes a lot of preparation and practical experience," says Spivey.

The Benefits of Certification for IT Project Managers

Even the project managers who are skeptical of certifications agree that the creation of credentials like the PMP and Prince 2 have helped unify the profession by creating a common language and standard frameworks for project managers to use when executing projects. And according to PMI's and PWC's respective research, having a common language and standard processes improves project performance.

The skeptics also agree that even though a certification does not necessarily make a project manager better than a non-certified professional, project managers can still benefit personally and professionally from the training and study required to earn a credential.

"Any time you invest in yourself focusing on your profession is good time spent," says Spivey. "You're going to get better at what you do."

That appears to be true for the certified project managers at IBM. DelGrosso says they tend to be rated higher on their performance evaluations than non-certified project

managers, but he doesn't have data that explains exactly why. He suspects that certified project managers may receive better performance reviews because their projects turn out better than non-certified project managers, but IBM's data doesn't explicitly link certifications to better project outcomes. Certified project managers' higher rankings on performance reviews may also stem from their internal drive to be high performers, DelGrosso adds, which led them to seek out certification in the first place.

"The best project managers inside IBM are certified project managers," he contends.

Project managers who certifications might even earn higher salaries than non-certified project managers. According to the PMI's salary survey, project managers who hold the PMP certification earn an average of 9.4 percent more than non-certified project managers. (The salary survey notes that the median salary for U.S. project managers is $91,000 per year.)

Prestige is the reason David Krull is pursuing a PMP certification this year. Having spent the past year working as an independent project management consultant after being laid off from his job as a senior project manager with Oxford Computer Group in November 2008, he's hoping the PMP certification will improve his job search.

"It's more letters to put after my name," he says. "Sometimes that makes a difference."

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