

Ten Core Competencies of Program Managers: An Empirical Study

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ABSTRACT

Competitive firms today are managing change and responsiveness to a competitive environment through effective portfolio, program, and project management. At the macro level, programs require the vision to align program goals with the strategic objectives of the organization. While project managers lead the work on inter-related projects comprising the program, the key responsibility of program managers is to ensure alignment of the individual projects with the goals of the program. Program managers view this responsibility as being strategic in nature, and playing an essential role in managing the implementation of the strategic goals of the organization by ensuring that the mission is achieved through the successful completion of planned programs. Through the execution of various programs, they direct the strategic plan of the firm. In this context, program management requires essential core competencies towards achieving program success. For this research, several program managers from diverse industries were interviewed to identify a set of core competencies in program management that have consistently contributed to program success—and by extension—project success. As a follow-up to this primary research, a wider, quantitative study is planned to formulate a framework of core competencies that are applicable across industries—and quite possibly transcending geographical boundaries in a globalizing world.

Keywords: Program Management, Core Competencies, Strategy

Introduction

Organizations today are organized through a plethora of time-limited programs that translate organizational strategy into action. These programs require a visionary perspective to align program goals with the strategic objectives of the organization. While project managers lead the work on projects, their responsibility is to ensure alignment of the individual projects with the goals of the program. Program managers thus see their responsibility as being strategic in nature, and play a role of managing the implementation of the strategic goals of the organization by ensuring that the overall mission is achieved through the successful completion of planned programs. Indeed, the execution of various programs helps to direct the strategic plan of the firm and provide both flexibility and competitiveness. This study is an exploratory research of practicing and competent program managers from various industries, who have identified the essential core competencies of program management that result in successful outcomes.

Literature Review

Whereas competence is the ability to perform a specific task, action or function successfully, competency is rooted in knowledge but encompasses the understanding of clinical, technical, and communication skills. It also refers to solving problems through the use of clinical judgment (Norman, 1985). Competency is also described as having knowledge, skills, personal qualities and experience (Milošević, Martinelli, & Waddell, 2007). Competencies are used to create unique standards within disciplines and specialties. This encompasses educators, learners, and practitioners. Competencies create an environment that fosters empowerment, accountability, and performance evaluation—and the acquisition of competencies can be through talent, experience, or training (Verma, et al., 2006).

1. First discussed and assessed in the early 1970s, competencies, or individual characteristics, were recognized as significant predictors of performance and success (McClelland, 1973). A competency model is a behavioral job description for individual job descriptions or occupational function for specific job (Fogg, 1999). Depending on the work and organizational situation, a cluster of seven to nine competencies are usually required of a particular job and depicted in a competency model (Shippman, et. al., 2000). A core competency is a concept in management theory originally advocated by two business authors, C. K. Prahalad and Gary Hamel. In their view, a core competency is a specific factor that a business sees as central to the way the company or its employees work. (http://en.wikipedia.org/wiki/Core_competence).

Methodology

Apart from a review of relevant literature on program management and competencies, and core competencies, fourteen (14) program managers from diverse industries were interviewed to identify core competencies toward successful program execution. There were a variety of six industries represented, including healthcare, IT, pharmaceutical, construction, aeronautical, and telecommunication. The responses by the program managers were reviewed, coded, collated, rank-ordered, and textually analyzed in terms of frequency of key words and themes to extract ten (10) core competency clusters. The identified core competencies were then discussed at length, to provide a basis for further research and development of a conceptual framework.

Analysis

Many similarities exist between the characteristics of a good program manager and a good project manager. However, a program manager must have a greater breadth of organizational knowledge compared to a project manager. This is because projects tend to be specialized, temporary, and have a specific end result. Programs often require strategic visioning and planning skills to align overall program goals and benefits with the long-term goals of the organization (PMI, 2013c).

Based on the literature review and primary research of program managers from the six diverse industries, key core competencies required of program managers toward program success have been abstracted below, with summary supporting discussion.

1. Leadership and teamwork: The program manager is the leader of the team and is responsible for the overall success of the program. Therefore, it is critical to have a clear vision as well as the ability to communicate it effectively to all employees—whether they are charismatic, supportive, or inspiring. Such leaders create an environment in which the team feels valued, respected, and energized to explore new ways of providing services. Strong leadership on the part of the program manager gives direction, builds morale, and inspires both the program team and the project teams. There is increasing evidence that improvements in “productivity, quality, and morale” are recorded when teamwork is astutely utilized (Whetton & Cameron, 2010, p. 495). The program manager as the leader is responsible for engaging all the team members and creating collaboration, individual commitment and accountability. Woods & King (2010) argue that successful team leaders share the following three characteristics: (a) “a team mission statement”; (b) “a team code of conduct”; and, (c) “effective team leaders” (p. 242). Staffing the program core team (PCT) and ensuring the project teams are adequately staffed throughout the development life cycle is important. Program planning is a team effort and the stronger and more balanced a team is, the better the outcome. Staffing is thus a core task of the program manager where proper resources must be allocated to single or multiple projects. The program manager needs to have the capability to build, coalesce, and champion the team to achieve product, service, and infrastructure solutions that will satisfy the company’s customers” (Milošević, Martinelli, & Waddell, 2007). In this context, delegation is an art. A program manager needs to identify tasks that can be delegated and to whom they can be delegated. It is important to understand *what* to delegate, but equally important is *how* to delegate.

2. Planning and Organization: Programs often require strategic visioning and planning skills to align overall program goals and benefits with the long-term goals of the organization (PMI, 2013c). There the program manager needs to be adept at planning and organizing for results. Apart from program scheduling, developing a work breakdown structure (WBS) for the program at the summary level is critical. The WBS ensures that “that nothing is left out and no extra work is completed” (PMI, 2013a, p. 121). It also leads to the establishment of control accounts, where cost, schedule, and scope management take place. A well-constructed WBS not only helps to get the team organized at the beginning of a program, but can help to make change management easier.

3. Communication: A program manager—as for project managers—needs to be first and foremost a communicator. Much of the success of a program is the ability to effectively move information between resources in the project. Negotiating effectively, managing conflict wisely, and mediating constructively are undoubtedly essential core competencies of the program manager. The program manager must have the ability to effectively negotiate and use persuasion when necessary to ensure the success of the team and project. Through effective communication, project leaders support individual and team achievements by creating explicit guidelines for accomplishing results and for the career advancement of team members (Barry, 2010). It is important to build trust and respect in order to effectively build key relationships. Thus effective communication involves working to break down barriers within and across projects as well as functional departments. The “hard skills” of communication involve the process of collecting and distributing performance information, including status reports, progress measurements, and forecasts. The program manager needs to communicate effectively, not only with the program and project teams, but also with upper level management and stakeholders. In essence, both vertical and horizontal communication are to be effectuated in a fluid and transparent manner.

4. Ethics and ethical values: When it comes to effective program management, one of the major keywords is *ethics*. The word ethics stems from the Greek word ‘*ēthos*’ which means “custom, habit, significance, disposition” (Holjevac, 2008, p.1034). The great philosophers placed significant emphasis on ethics, honesty, and fairness, not only in their lives, but also in their work. They also taught that ethical values are permanent and they should be cultivated, respected, and applied by everyone (Holjevac, 2008). Furthermore, according to the Chinese philosopher Confucius, uprightness, wisdom, kindness, faithfulness and decorum belong to the category of *permanent* values which reflect enduring values even today

(Holjevac, 2008). Krummeck (2000) opined that ethical values should become a fundamental part of each dimension of the strategy to prevent and detect fraud: commitment, communication, control and culture. Woods & King (2010) argued that “ethics builds trust and integrity” (p. 363). Greenberg and Baron (2008) contended that “good ethics is good business” (p. 59). Treating people fairly and exhibiting responsible, ethical behavior towards subordinates creates a working environment where employees feel secure, protected, and confident in knowing that there is no room for injustice or discrimination.

5. Internal and external stakeholder management: The program manager should be able to focus both internal and external stakeholders simultaneously. Identifying all people or organizations impacted by the program and its projects, and documenting relevant information regarding their interests, involvement, impacts heavily on program and project success. That gives the ability to deal with internal stakeholders (other project managers, senior managers and the likes) and external stakeholders (other agencies and regulators). The relationships program managers have with customers is significant. Many program teams have customer representatives who are part of the program core team. These representatives provide input and product needs as well as the development process. It can be useful and beneficial to gain the perspective of a customer as principal stakeholder. All of these need to be done with the strategic vision of the organization in mind.

6. Political understanding: Another competency the program manager must have is the ability to understand the political environment of the organization. This includes the political components of networking and strategic thinking toward making the best decisions. With a solid understanding of the political environment the program manager will need to form positive relationships so that the full benefits of the program can be realized when the activities are transitioned to gain leverage and buy-in for overall success of the program. As PMI states in *The Standard for Program Management*, well managed stakeholder expectations and established buy in can ensure success of the program. (Project Management Institute, 2013c). In this context, the acquisition of soft skills by the program manager allows him or her to interact appropriately with other stakeholders of the project. Knowing the working dynamic of the firm and its environment is essential to the success of the program manager and the program.

7. Knowledge management: As in other arenas, for program managers also, knowledge is indeed synonymous with power. A successful program manager should have a strong knowledge base and understanding of the organization and its business practices—as well as familiarity with technologies used in the projects within the program. Program managers need not only the “hard skill” of technical expertise, but also detailed cross-functional knowledge. This prevents the PM from being overly influenced by functional experts who either have an agenda or are making decisions with a limited amount of information. That is, program managers need to be technically knowledgeable or else they may risk credibility in the industry. A wider breadth of organizational knowledge compared to that of a project manager is called for. This is because projects tend to be specialized, temporary, and have a specific end result. Being the leader of the program core team, knowing a little of every aspect will be advantageous. (Milošević, Martinelli, & Waddell, 2007). More in-depth technical skills may be acquired through conferring with subject matter experts. The program manager is responsible for the interpretation, implementation, and review of program policies, procedures and requirements—and to convey these optimally to all program team members and project managers. In addition to having the knowledge of the company’s product, services and infrastructure capabilities and key application, the program manager should have the knowledge of future trends of the market. Because the program manager serves as a catalyst for converting ideas into products, services and infrastructure, he or she has to be farsighted. Management of program knowledge through effective communication is thus a critical core competency.

8. Financial Management: IN the prevailing environment of scarce and competitive resources, it is vital that program managers have a sound understanding of financing their programs with alacrity, economy, and efficiency. Program managers are responsible for handling the budgets and managing the return on

investment (ROI). They need to be familiar with the financial aspects of the program to control the budget at all times. These include EVMS (Earned Value Management System) and CAM (Control Accounts Management). They will need to make decisions that will directly impact the budget and ROI for all the projects within the program; therefore it is crucial for program managers to be knowledgeable about the financial matters involved. The program manager works with the financial department of the organization to integrate the contributory project budgets into an overall program budget that needs to be economical, controlled, and justifiable.

9. Risk management: Program management resolutely endeavors to mitigate business risk. Without risk, a project offers little potential for reward. Effective risk management requires identifying risks, measuring their potential for harm, and creating plans to deal with the threats. Although very few program managers have the skills to defuse all of the time bombs lurking within their initiatives, effective leaders must marshal resources to help their teams overcome risk (Taylor, 2013). Only by carefully collecting and considering as many factors as possible that can affect success can the program manager recommend a strategy to mitigate risk (Koehler, 2013). Program managers are responsible for collecting all risks from the functional teams and leading the team in a risk analysis exercise to determine which of the risks are program-level risks and which are project-level risks. The program risks are then categorized and prioritized by potential impact to the program. A similar exercise is made to mitigate project risks throughout the project life cycle in order to minimize overall program risk. In this context, it may be noted that uncertainty is inevitable in program management, and handling it well is essential to risk management. Reactions to the uncertainties, ambiguities, and complexity that are linked to risk are important, even if they are “off the radar” (as one program manager from the healthcare industry put it); it is certainly one of those competencies that are lauded. Overall, the ability to be versatile and flexible within any situation of risk, but still be able to drive the results needed to succeed is a unique competency that program managers need to possess.

10. Project and process management: The transition from managing projects to programs requires more focus on the horizontal domain and less on the technical capabilities. This requires the program manager to have increased competencies related to strategic efforts over tactical skills which can be delegated. The program manager, ideally with prior project management skills, is expected to have excellent project and process management competencies (Chatterjee, 2010). Managing the complexity inherent in programs through efficient and effective project management is vital for program management. Program management implements structure and provides a framework which simplifies the complexity of managing a cluster of dynamic, time-limited projects into more manageable and cost-and-time effective elements. This is important for planning, scheduling, budgeting, and quality management. A program manager with strong core competencies in project and process management is able to lead between and across multiple projects successfully.

Conclusions

We are living in an era of constant change. Because businesses are becoming less dictatorial and more social, the understanding and value of soft skills to an organization are growing daily (Smith, 2010). One company estimated that 90-95 percent of its program management issues relate to soft skills, with the remaining 5-10 percent being technical, or ability-related (Munzio, Fisher, Thomas & Peters, 2007, p. 30). It is clear from the identification of core competencies in this primary research of practitioners that most of these can be described as soft skills. Coates (2006) notes that “soft skills” (also called “people skills”) are typically hard to observe, quantify, and measure. One program manager from the telecommunications industry captured this idea aptly by stating that, “Hard skills are important—however, *soft* skills are critical in keeping a program team operating efficiently.”

It is necessary to have enough knowledge to be able to make strong, smart decisions in any competency area. As one practitioner put it concisely, a program manager needs to be able to “talk the talk” with the stakeholders of all the key components of the program. Many of the program managers interviewed felt that there are core competencies they can continue to work on, and those that are innate. It is a rare program manager that comes to the role totally qualified to fulfill all aspects of such a broad and encompassing set of skills and competencies—and continued training is an important part of competency (Milošević, Martinelli, & Waddell, 2007). Training and mentorship have enabled many of these practitioners to inculcate strong core competencies toward effective program management. Future research will be geared to comparing core competencies of program managers between industries, and across geographical boundaries. A theoretical framework of core competencies to guide program managers would thus be a viable outcome of sustained research with larger samples of program managers across a wide spectrum of industries and nationalities.

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