

# The Development of An ISO Project Management Standard: A Global Challenge for Transferability of Management Systems and Technologies

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## ABSTRACT

The globalization of project management has been strongly promoted by leading professional project management associations worldwide. While such promotion is critical to advancing the knowledge, skills, tools and techniques of project management, an internationally recognized standard is needed to provide requirements or give guidance on good project management practice as governments around the world have committed significant resources to assuring that their highly trained project managers are well-equipped to serve their rapidly growing industries.

In today's competitive global economy, Asia-Pacific has become the world's most dynamic center of international development where virtually all organizations are project-based. Whether they are governmental, industrial or commercial ones, these organizations supply products or services intended to satisfy the requirements or needs of their customers by applying the principles and methodologies of project management to implement their projects. Moreover, customers have increasing expectations for the levels of service and product quality. This is a reflection of global commerce, increasingly tight competition, and the expanding number of choices available to customers. The best performing companies, hence, set the expectations for all service and product suppliers.

In addition, leading companies around the world have chosen to respond to this challenge by implementing structured, systematic project management approaches to effectively managing their projects to meet the project objectives with preset levels of quality expected by the customers as well as to keep them responsive to customers and competitive as global businesses. The elements and structure of good quality systems have been known for a long time in standards published by the International Organization for Standardization (ISO) which have been accepted by, and are being used in, virtually all industrialized countries in the world. Consequently, introducing ISO global project management standard will lead to organizational competitiveness in a rapidly changing global economy and offer project solutions to address global business challenge. In a development that shows the continuing maturity of the project management profession, the ISO has initiated work since 2008 to create a project management standard. In general, an ISO standard takes three to five years to develop, as multiple countries share roles, provide

valuable input and participate in the development process.

The purpose of this paper is to describe how and ISO project management standard will be developed and its significant impact in terms of becoming an effective global transferability of project management systems and technologies. It examines the following key areas:

- The constant evolution of project management systems, technologies and professional practices.
- Current development of ISO project management standard.
- Impact of an ISO project management standard to global transferability of management systems and technologies to Asian Pacific countries.
- Conclusion

## The Constant Evolution of Project Management Systems, Technologies and Professional Practices

The evolution of project management has its genesis in the 1950s. It began with the development of the Critical Path Method (CPM), the network techniques used to manage the problems of plant shutdown and large construction planning and scheduling problems encountered by DuPont, Inc. In the ensuing years, many distinctive project management tools, techniques and concepts have been constantly developed, culminating in an explosion of project management systems, technologies and associated professional practices. By the late 1950s and early 1960s, the construction, aerospace and defense industries were using project management on virtually all projects, e.g., NASA mandated the use of project management for all its activities related to the space program. Bechtel used a project management approach to manage the 1951-53 Transmountain Oil Pipeline in Canada. The 1970's saw an unprecedented expansion in project management application areas and in the development of project management as a distinct discipline in its own right. Whereas the decade of the seventies saw the proliferation of individual applications of project management, and many extensions and refinements of project management tools and techniques, the 1980's was a period of integration of the many different areas of emerging experience into accepted principles and practices common to most application areas. The most conspicuous of these integration efforts was the North American Project Management Institute's (PMI's) development of its Project Management Body of Knowledge (PMBOK), a foundational project

management reference for practicing Project Managers in Canada and the United States.

The 1990's marked the concept of Total Quality Management (TQM) used in the Management by Projects approach, reflecting an accelerating realization of the potential benefits of management by project-based management. In the 2000's, mergers and acquisitions create more multi-national, global companies whose objective to achieve project management maturity is viewed as a strategic competency for them. Within the project management profession, global cooperation in terms of researches, policies, procedures, standards and applications increases significantly. The Project Management Institute (PMI), the world's largest project management association, has experience continued, impressive international growth and expansion with its active professional membership exceeding over 360,000 members who live or work in more than 175 countries worldwide. In 2007, the Project Management Professional (PMP) credential program has earned ISO/IEC 17024 accreditation from the International Organization for Standardization (ISO). ISO, headquartered in Geneva, Switzerland, launched ISO 17024 in 2002. It is endorsed by nearly 100 countries, and is a globally accepted benchmark for organizations that certify individuals worldwide. Organizations that employ PMI-certified PMP credential holders can reference the ISO 17024 accreditation as a qualifier for knowledge, experience and capability in project management. PMP credential program is recognized in the global business community as an international standard for project management professionals. There are currently more than 360,000 PMP credential holders worldwide. ISO 17024 accreditation provides further validation of the PMP's status as the most globally transferable project management credential in the world.

#### **Current Development of the ISO Project Management Standard**

The ISO standards are a model for a documented quality system which focuses on the company and its customer's needs and expectations. They offer a basis for good understanding and a clear description of "how" we do the "what". The application of the ISO standards is voluntary and covers the entire company, whether service-oriented or product-oriented, with the purpose of formulating the methods or the processes of the company. The most important benefits of ISO are better management control and improved customer services. A development reflecting the constant, continuing maturation of project management systems, technologies and professional practices was the International Organization for Standardization (ISO)'s initiation of the work to create a project management standard known as ISO/PC 236, being developed since 2007 with participants from 16 countries worldwide (Australia, Austria, Canada, Finland, France, Germany, Ghana, India, Israel, Japan, Norway, South Africa, Sweden, the U.K. and the USA). Generally, an ISO standard takes three to five years to develop, as

multiple nations share roles, provide valuable input and participate in the development process. The American National Standard Institute (ANSI), the official U.S. member of ISO, is the ISO/PC 236 secretariat. The Project Management Institute (PMI) took a key role in the process as the Technical Advisory Group (TAG) administrator for the U.S. The Standards Council of Canada (SCC), the recognized member body of Canada on the ISO, established the Canadian Advisory Council (CAC) on ISO/TC236 to participate in the ISO project management development. Hence, the diverse participation will lead to well-vetted and well-represented guidance in the development of this standard which is a practical tool to tackle many of the global challenges faced by all countries, in general, and Asian Pacific ones, in particular.

ISO project management standard shall be developed according to the following principles:

**Consensus:** The views of all interests are taken into account, e.g., engineers, vendors, users, governments, research organizations, etc.

**Industry-Wide:** Global solutions to satisfy industries and customers worldwide.

**Voluntary:** International standardization is market-driven and therefore based on voluntary involvement of all interests in the market place.

There are three main phases in the ISO project management development process: The first phase involves definition of the technical scope and requirements of the future project management standard once the need for an international standard has been recognized by industries and agreed upon by ISO. This phase is usually carried out in working groups which comprise technical experts from countries interested in the subject matter. Once agreement has been reached on which technical aspects are to be covered in the standard, the second phase is entered into the picture, during which participating countries negotiate the detailed specifications within the standard. This is the consensus-building phase. The final phase comprises the formal approval of the resulting draft of the project management international standard.

The acceptance criteria stipulate approval by two-thirds of the ISO members that have participated actively in the standard development process, and approval by 75% of all members that vote. Following this vote, the agreed-upon text is published as an ISO project management international standard. After publication, the standard requires periodic revision as several factors such as technological evolution, new methods and materials or new quality requirements may render the standard out-of-date. In addition, the standard should be reviewed at intervals of not more than five years. Work is being carried out towards completion of the second phase. Current forecasted completion date for the ISO project management standard is in 2012.

### **Impact of an ISO Project Management Standard (ISO/PC236) to Global Transferability of Management Systems and Technologies to Asian Pacific Countries**

Assuming the proposed ISO/PC236 standard will be published as planned and facing the globalization of the project-based world economy, project management professionals in Asian Pacific countries which cover three-quarters of the population and land mass in the world, need to be well prepared to handle the impact of the following significant changes in their professional practices:

Project management is evolving from an accidental profession to a chosen profession, a career path for professionals interested in this profession, resulting in globally increased demand for management system and technology training, education and certification to improve the effectiveness, efficiency and competitiveness of companies and practitioners.

Challenges in integrating the new standard with existing perceptions and utilization of project management in organizations in terms of making project management a key business strategy.

Challenges in the important integration and interface of project, program and portfolio management and their impacts on the operation of the Project Management Office (PMO) and general management.

Global consistency and confidence in the results of project management implementation, certification, accreditation and professional practices.

Senior management will better understand project management systems and technologies and appreciate the benefits and opportunities of project management and will include it as part of the organization's strategic planning process.

### **Conclusion**

The long overdue, anticipated release of an ISO project management standard will be a key milestone in the evolution of project management. Worldwide organizations, particularly those in the Asia Pacific region, will embrace, value and utilize project management and attribute their success to it as projects are a way of life where standard and training is important, and where well-executed project management makes the difference between success and failure. The ISO project management standard will help business to adopt a well-recognized standard way of doing business through effective management systems and technologies on all company's projects to meet the needs of stakeholders, not just shareholders. It is an essential tool for facilitating trade, spreading knowledge, and sharing technological advances and good management practice. It is truly a global understanding of what is required for project management professional practices and for clear, transparent and consensus-based plans to be effectively developed and efficiently implemented for projects worldwide.

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