Public Accounts Committee Inquiry: Developing workforce skills for a strong economy

Evidence submitted by the Association for Project Management

The Association for Project Management (APM) is the Chartered body for the project management profession with over 35,000 individual members and around 500 corporate members. We aim for a world in which all projects succeed. As part of that aim, we are keen to support the development of workforce skills for a strong economy and welcome this opportunity to support that, given how project management offers a wealth of transferrable skills.

The project profession makes a significant contribution to the UK economy. In APM's 2019 research piece the golden thread we identified that there are approximately 2.13 million Full Time Equivalents (FTEs) employed in the UK project management sector and the profession generates £156.5bn of annual Gross Value Added (GVA). This represents 7.9 percent of UK employment (FTEs) and 8.9 per cent of UK GVA.

Given the central role projects play, it is vital that the Government recognises the value of the profession and offers support to develop project management skills to ensure both the current and future demands of the profession are met. The success of programmes linked to economic growth like Levelling Up, NetZero, and those outlined in the 23 September mini budget will depend, in large part, on these skills and the supply of those managing them.

Almost all Government policy is delivered through projects, so naturally APM would like to see Chartered projects professionals appointed across Government projects. The Infrastructure and Projects Authority (IPA) 2021-22 <u>annual report on major projects</u> highlights that the Government Major Projects Portfolio contains 235 projects, with a whole life cost of £678 billion and providing monetised benefits of £726 billion.

While there is currently no estimate for the precise number of project professionals required now, and in the future, (although this is something we are working on) it is clear from projects like Crossrail and HS2 (which employs over 25,000 people) that demand has increased and will only continue to do so. Many corporate members we speak too are struggling to recruit enough project professionals.

This lack of supply comes at a time of increased demand. Our latest member survey showed that 78% of all members were increasing the number of projects they were working on. This was higher in some sectors, rising to 86% in transport. This tallies with a 2021 Transport Select Committee report into major transport infrastructure projects which called on the Government to address "specific skills gaps, such as in transport engineering and project management." It goes on to say this should be done through apprenticeships and training programmes, both of which APM supports. While we do not provide training courses, we do provide qualifications that others use to train people (e.g., Project Fundamentals Qualification, Project Management Qualification). Similarly, while we do not provide apprenticeships, we do provide support, and our qualification sits within them.

The pace at which the working environment is changing, which has only increased since Covid-19, means that in general terms a diverse, resilient, and flexible workforce is needed to meet the demands of the future. As project professionals are responsible for project delivery, their role inevitably involves facilitating this through the removal of barriers to users in both project teams and in project outputs/outcomes. And levelling up through accessible infrastructure, technology, and processes will only come about if teams and projects are inclusive. To deliver cost effective projects on scope, on time and on budget, both now and in the future, we must also emphasise technical capability alongside cognitive flexibility.

The rise of automation shows no signs of slowing down but a key area that automation cannot currently replicate is soft skills like leadership. Simply put, the ability to communicate effectively cannot be replicated by machines or algorithms. So, a focus on interpersonal skills such as empathy, conflict resolution and negotiation which we emphasize when engaging with students and educators about careers, will enable people to effectively engage with stakeholders and build and lead teams. We also see new emerging skill requirements linked to resilience and stress tolerance, both of which have application beyond the project profession.

Interpersonal skills was one of the nine dynamic conditions identified by APM research as leading towards achieving organisational project success. The 2021 <u>dynamic conditions for project success</u> report recommended focus on the following nine areas, which we believe will be relevant for future skills demands:

- interpersonal skills
- training and certifications
- team ethos
- technology and data
- contracts
- knowledge management
- agility
- sustainability
- diversity

This research followed on from our original 2015 <u>conditions of project success</u> report, which looked at more specific core project management skills like effective governance, capable sponsors and appropriate standards. Finally, we support the project community through our <u>competency framework</u>, which offers 29 specific areas of competence where members can assess their current ability and take steps to improve.

The rapid rise of digital technologies also means the workforces of the future will need cognitive flexibility as we increasingly handle substantial amounts of data in order to conceptualise complex ideas in periods of change. Project data and analytics skills are becoming ever more important and may lead to an increasing number of specialisms

Project management is often seen as a second or third career, so we ask that the Department assists in making the profession more accessible (and helps support people retraining into the sector). Often, it is viewed as an add on to another area of study e.g., business studies, so young people do not learn about the basics until later in their educational journey. This needs to change as the skills needed for project management are also highly transferable to other roles e.g., interpersonal skills, organisation, planning.

Within APM we are beginning to look at the accessibility of our own online qualifications and our range of products. For example, moving demand, reviewing our website's accessibility, and considering supplying audiobooks of core textbooks to those that need them. We currently offer outreach services to schools, colleges, and universities with our ambassador network highlighting the value of a career in project management, alongside a mentoring programme to help prepare our future workforce.

APM would also like to see changes to the way schools approach workplace skills. We want to see greater support for teachers to understand workplace requirements and teach the skills needed by business, including project management. This should help with the transition from school to workplace. But we also want to see better support for pupils with neurodiverse conditions whose diversity does not always fit in with the rigid ways in which we examine pupils. The project profession is good for the neurodiverse community as it combines a wide range of behavioural and technical competences which can be combined or deployed as specialisms within the profession. For example, those with dyslexia have valuable skills within project controls like planning and risk. Neurodiversity does not prevent people from becoming project leaders.

Project management was identified as a major skills gap in the 2021 House of Lords Select Committee on Risk Assessment and Risk Planning report, <u>Preparing for Extreme Risks</u>. This called for the Government to "bolster its skills base in the areas of analysis, emergency planning and project delivery and make more use of systems thinking and futures techniques when conducting risk assessments and developing policy." We welcome any opportunity to help deliver on those recommendations, to reduce the skills gap in the project sector, and to increase the number of Chartered project professionals delivering successful UK projects.