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# A framework to improve performance measurement in engineering projects

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**Abstract:** A wide range of methods and good practices have been developed for the measurement of projects performance. They help project managers to effectively monitor the project progress and evaluate results. However, from a literature review, we noticed several remaining critical issues in measuring projects performance, such as an unbalanced development of Key Performance Indicators types between lagging and leading indicators. On the other hand, systems engineering measurement is a more recent discipline with practices and theories that appeared with the emergence of the systems engineering discipline; however, this discipline offers very deep developments, published in several standards and guides. In particular, systems engineering measurement does not only manipulate lagging indicators, useful to track how things are going, but defines methods to promote leading indicators, used as precursors to the direction the engineering is going. Indeed, 18 leading indicators were recently proposed, validated, and finally engineered in a practical guidance. The objective of this paper being to improve project performance and success rate, one mean is to improve the measurement of projects performance by enriching its leading indicators, on which decisions rely on project management. To reach this goal, we propose to refine and extend the performance measurement activities in the Project Management Body of Knowledge (PMBok version 5) by considering systems engineering measurement. This paper thus considers transferring and adapting the good practices in systems engineering measurement such as described in systems engineering guides as well as the set of systems engineering leading indicators to the well-defined project management processes in PMBoK. To this effect, we propose a methodology resulting in a framework to explore this integration. This way, systems engineering leading indicators can be applied to project performance measurement, thus providing project managers with a wider set of leading indicators and straightforward measurement techniques.

**Keywords:** projects performance; systems engineering measurement; leading indicators; lagging indicators;

## 1. Introduction

In the PMBoK, measurement of project performance is thought as an assessment about the magnitude of variation from the original scope baseline. Project performance measurement is receiving wide focus from both academy and practitioners and some remarking results have been achieved, such as earned value project management, performance measurement of engineering projects (Atkinson, 1999), or benchmarking project performance management. Even though these results have great contributions to the economic development and enterprise competitions, it seems that most studies are based on the outcome measurement of project performance with a wide variety of lagging indicators, used to track how things are going and be able to confirm that something is occurring or about to occur (Atkinson, 1999; Zidane et al., 2015). Relatively few studies focus on prediction-based measurement of project performance with leading indicators which are performance drivers and provide early warning information (Guo and Yiu, 2015; Kueng et al., 2001).

Conversely, systems engineering measurement is related to more recent practices and theories, which appeared with the emergence of the systems engineering discipline (Wilbur, 1995); however, systems engineering measurement offers very deep developments, published in several





Technical measurement trends		X			X				
Facility and equipment availability trends			X	X					
Defect/ error trends					X				
System affordability trends			X	X			X		
Architecture trends					X				X
Schedule and cost pressure			X	X			X		

A second step consists in deepening the analysis by focusing on each Knowledge Area, by turn, in order to integrate each SELI identified in the list of useful indicators to this KA (cf first step) with the processes of the KA.

For example, we look at the project quality management knowledge area from Table 1, there are 11 SELIs mapped to it. But the assumed information needs here is the quality of documentation. So the leading indicator--defect and error trend can be chosen to monitor the quality of documentation by tracking the defects of it. Once the SELI is chosen, we should further tailor it to satisfy the current project context. The tailored indicator includes: a base measure—number of defects found at each discovery stage, a derived measure--estimated number of latent defects, thresholds and outliers—range of acceptable values for defect discovery based on past project history. A defect discovery profile can thus be built based on the tailored indicator.

#### 4. Conclusion

This paper addresses the measurement of engineering project performance and its balanced utilization between lagging and leading indicators to ensure the project in a healthy status. It provides a framework that associates leading indicators used in systems engineering with the project management processes described in the PMBoK knowledge areas. This contributed to improve performance measurement in engineering projects, thus resulting in a better monitoring and finally a better performance of these projects.

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