Unit II

Name of subject: Project Management

Content:

2.1 Definition of project

2.2 Why project management, the project life cycle, project management maturity

2.3 Project selection and criteria of choice

2.4 The nature of project selection models

2.5 Project portfolio Process, project proposals

2.6 The project manager- Qualities, Project management and the project manager, Special demand on the project manager.

2.7 Problems of cultural differences, impact of institutional Environments, Project organization.

2.8 The project as part of the Functional organization, pure project organization, the matrix organization

2.9 Choosing an organizational form the project team.

PROJECT LIFE CYCLE

1. **Eating process group**: - concept development and feasibility. Perform to define a new project or new face of an existing project buy obtaining authorization start the project. The key benefit of this process Chrome it's to define the strategy and tactics as well as the course of action or path for successful completion of the project.

2. **Planning process group**- design and development: those processes required to establish the scope of the project refine the objectives and define the course of action required to attend the objectives that the project was undertaken to achieve.

3. **process group implementation phase**: - those processes performed to complete the work in the project management satisfy the project specific
   4. controlling process group: monitoring reviewing and control
   5. closing process group: pumping project effect

4. **Initiation phase the activities carried out are**: concept development, creation of designs, drawing, creation of test plans, creation of training plans, creation of draft, creating feasibility report knowledge availability and risk, scheduled task account for non vacations, and busy x. update risk, get approval, cost analysis ROI, estimate time and cost, project and result impact
During the project startup these actions are rigorously performed plan review and adjustments, document repository, meeting, include everyone impacted, use of startup checklist, set expectations, all communication channels are used in Planning stage activities are who are project organization resources and stockholders.

What statements of work that is, what work is needed for completion of projects objectives and scope. Schedule and milestones, date and time for each activity of the project is identified

Where facilities required

How development approach work breakdown structure processes and procedures during project execution the plan is carried out, status updates are recorded, issues identification, change control is enable, quality control is most effective, in front of the team regular feedback

**5. Conclusion phase:** post implementation evaluation, lessons learnt and documentation is completed, measuring success, recognition,

**1. advantages of project management**

Increase stockholders trust and confidence, competing demand and identify problem areas, monitoring and control, expand communication among participants, clarify project goals and project scope, refine project Sales of resource requirement, quality project project maturity model organization that deal in multiple projects in order to achieve their objectives, becomes natural for the senior managers to understand if the organizations have the competency for managing multiple projects. Managing the large Complex projects the organizations developed process and follow them. Such projects are said to have developed maturity for managing the project. Operations are called as project maturity model also called capability maturity model.

One of the methods to measure this is the project maturity model described by R. Remy the model describes 5 level

1. Level disorganized, accidental success and failure
2. Level some process exists with inconsistent management and with unpredictable results
3. Level organized standardized process more predictable results
4. Level managed major process, results more in line with plan
5. Level adaptive, improvement in process, success is normal, performance keep improving

**Project selection and criteria of choice**

when the organization have multiple projects in hand and have shortage of resources, need to go through planning for scheduling the available resources to get maximum benefit. Organization
use a method called selection criteria matrix. matrix is prepared by considering total benefit from the projects, value of risks involved, completion time, considerations for funds requirements etc. each such criteria is the major against a scale or a grade. The project with maximum grade is given priority for start.

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**THE NATURE OF PROJECT SELECTION MODELS**

Basically there are two types of project models:

1. Numeric
2. Non Numeric

Project selection decisions are mainly on the degree to which the financial objectives of the organization are met. All elements in the list achieve objective of the firm. Factors for project selection

1. Financial Factors
   - Profitability, net present value of the investment
• Impact on cash flows
• Cash requirements
• Time until break even
• Size of investment required
• Impact on seasonal and cyclical fluctuations.

2. Marketing Factors
• Size of potential market for the product
• Probable market share for the project
• Time until market share is required
• Impact on current product line
• Consumer acceptance
• Impact on consumer safety
• Estimated life of the product
• Spin-off project possibility

3. Production Factor
• Time until ready to install
• Length of disruption during installation
• Learning’s till full functionality is achieved
• Effect on waste and reject
• Energy requirement
• Facility and other equipment requirements
• Safety of processes
• Other applications of technology
• Change in cost of production
• Change in raw material usage
• Availability of raw material
• Required development time and cost
• Impact on current supplier
• Change in quality of product

4. Human Resource factors
• Training requirement
• Labour skill requirement
• Motivational factors
• Leadership
• Working environment

5. Administrative and miscellaneous factors
• Statutory compliances
• Environmental factors
• Impact on information system
• Stallholders
• Patent and trade
• Impact on image with customer, suppliers and competitors
• New technology
• Project handling capabilities

**TYPES OF PROJECT SELECTION MODULES**

1. **Non numeric models**
   - Influential decision
   - Operating necessary
   - The competitive necessity
   - The product line extension
   - Comparative Benefit model

2. **Numeric Models (Profitability)**
   - Payback period
   - Average Rate of Return
   - Discounted cash flow
   - Profitability Index

**BOTH THE MODELS SHOULD HAVE:**

- Realism
- Capability
- Flexibility
- **Ease of use**
- **Cost Effectiveness**
- **Comparability**

**Advantages of using models:**

1. Simple to use and understand
2. Useful to determine the cash flows
3. Useful to business decision making
4. Identification of project list

**Disadvantages of these models are:**

1. These models ignore all non monetary factors except risk.
2. Ignore time value of money and cash flow.
3. Internal rate of return models can result in multiple solutions
**PROJECT PORTFOLIO PROCESS**

Project portfolio management is the process of selecting the projects that best meet the organization's goals with the resources available to perform these projects. A successful project portfolio management process must be described very well so that everyone in the organization understands the process.

Project Portfolio Management (PPM) is a fancy term to describe how we manage the often-confusing mix of interrelated, dependent, and connected projects. PPM considers the big picture of all projects grouped together; past, present and future – and calculates the optimal prioritization and sequencing of projects to maximize return on investment.

The reality is that they’re interconnected. The question is by how much. Projects are always connected by budget, timeline, or resources. How we manage and prioritize the mix of projects to ensure success across all the projects is what Project Portfolio Management is all about.

You know the score – your agency has got 50 projects on the go, and they’re all overlapping, some of them for the same client, all using the same resources, others for the prospect of awards, and others just for pure innovation.

But as an Agency Owner, Program Manager or Project Director, how do you know if you’re making good decisions? How do you know if you’re focusing your teams and their projects on the right things? We’re all asking the same questions – Is this really a good idea? What should we really be doing? What projects should we be prioritizing right now? How can we focus our resources most efficiently? How can we run these projects concurrently, and profitably?

These are the kinds of questions that project portfolio management (PPM) enables us to answer, and in this post, we’ll discuss how to successfully implement PPM to achieve maximum returns from projects. With many competing projects and priorities stretching resources in different directions, good PPM is the only thing standing between us and bad project decisions which offer nothing but the poor return on investment. In order to get a clear understanding of how a successful implementation of PPM facilitates maximum returns on projects, we first set the context that helps us understand:

- **What is Project Portfolio Management (PPM)?**
We then take a look at the critical steps involved in effective Portfolio Project Management as well as tools that are available to make the process more efficient and effective. As with anything worth investing in, PPM has benefits if successfully implemented, so we conclude with an overview of the benefits of PPM.

**What Is Project Portfolio Management (PPM)?**

Project portfolio management refers to the centralized management of one or more project portfolios to achieve strategic objectives. It is a way to bridge the gap between strategy and implementation, and ensures that an organization can leverage its project selection and execution success.

PPM is generally used by organizations to identify the potential returns on a project. It makes it possible for companies that want to invest in new (and often competing) projects to forecast risk and make an informed decision. It also facilitates team communication and ensures that all parties involved in projects are on the same page.

When done properly, PPM is a valuable tool for all stakeholders in an organization. By enabling various stakeholders – including clients and company executives – to see the bigger picture, obtain consistent feedback, understand, manage and mitigate risks. PPM also enhances transparency, governance, and accountability.

**What Is The Difference Between Project Management And Portfolio Management?**

Despite their similar-sounding names, project management and portfolio management are actually quite different, especially in their purposes.

1. Project management, as you know, is the application of knowledge, skills, tools and techniques to project activities in order to meet project requirements and its importance cannot be over-emphasized.

2. PPM is not primarily concerned with running projects; rather its focus is on choosing which projects to be involved in and how to fund them, based on whether or not they support the goals and objectives of the company.

3. Projects that do not fall within the scope of the company’s objectives are removed from content.

4. If you were managing a technology company’s portfolio for example, you would most likely reject a proposed building project, because it doesn’t align with the company’s stated strategy of focusing only on some predefined type of tech projects.

**What Are The Objectives Of Portfolio Management?**

1. The primary objective of PPM is to maximize the benefits of a company from the projects it undertakes.
2. This necessarily involves selecting only those projects that offer the right amount of value, taking into consideration the resources that need to be allocated as well as the strategic fit with the company’s goals.
3. Other objectives include achieving balance in the project portfolio by ensuring an appropriate mix of high and low risk and long term and short-term projects.
4. By establishing an optimal mix of projects, PPM ensures a company is better placed to achieve its operational and financial goals.

What Is The Role Of The Project Portfolio Manager?
1. The project portfolio manager is integral to successful execution of the organization’s strategy.
2. Often, the role of a project portfolio manager revolves around managing one or more portfolios and working with different financial algorithms and financial models to align projects to the company’s strategic objectives.
3. Portfolios Managers often develop management standards to guide the portfolio and they keep a high level overview of everything within the portfolio.

The Project Portfolio Management Process
The Project Portfolio Management process usually involves a step-by-step process which includes:

1. Create an Inventory and establish a strategy
First, identify all the projects in the pipeline by gathering key project and organizational information. Categorize these; identify your company’s strategic goals. Business strategies are the basis of Project Portfolio Management and as such, it is important to have a strategy in mind before proceeding. Preparing answers to common questions you expect to get during this phase is also advisable. Common questions can be anything from “What is project portfolio management?” to “How much will this cost the company?” to “How will this benefit us?” and even “Why do we need project portfolio management?” It’s always good to be prepared. Establish what you would like your process for prioritizing projects to be like. After you’ve set a strategy, you need to build an implementation team. Your implementation team should include technical team members (to help with new systems) and portfolio managers, to name a few. Your implementation team may need a governing body, which is typically made up of senior management.

2. Analyze
Next, analyze the current strengths and weaknesses of your Project Portfolio. Evaluate each project individually – project milestones, potential ROI, reporting schedule and resource allocation. After collecting data, it’s generally a good idea to organize it by category. These categories can be anything you think is necessary, but generally, include completed and canceled projects and growth and survival categories. In conducting this analysis, you should ask questions that aim to reveal whether there is duplication or whether some existing projects might not be better combined for the sake of efficiency or even halted completely. You should also assess the overall risk of the project portfolio as a whole by comparing the probability of
technical success against the anticipated benefit from the project. Remember to have a good communication process in place so that all the key variables are thoroughly discussed.

3. Ensure Alignment

Next, perform an alignment analysis that will show you whether your critical resources are working on critical projects and whether the projects you do decide to carry on with really align with all the strategic initiatives the company wants to undertake. Some of your guiding principles should include:

- The degree of the strategic fit between the portfolio and the company. You need a balance between near-term growth opportunities, long-term goals, and the quest for long-term innovation.
- Ensuring the distribution of projects, including the number and nature of the projects, are aligned to different strategic goals in a way that makes economic sense.
- The probability that the end product will deliver the return expected.
- An evaluation of associated risks. It is important to take a broad inclusive approach to risk and not only measure in financial terms, but include schedule, scope, resource, and technology risks.

4. Management

At this point, you need to view the project portfolio and make necessary decisions about reallocation of budgets and resources, or prioritization based on information you uncovered during the previous legs of the process. You may also need to reschedule projects which you may have decided to keep, but who scheduling risk does not quite align with your strategy. Obviously, collaboration is absolutely critical before making these decisions and ending up with the right portfolio.

In the end, your portfolio should have a healthy mixture of risk and reward and should meet internal requirements.

5. Test and adapt

Lastly, test and adapt. There is no guarantee you will get your PPM process right immediately, and in fact you shouldn’t expect to. You will need to adapt and make changes as you go. What adaptation means is quite different for every company, as it should be, but it’s generally a good idea to test your new portfolio with a few stakeholders, taking feedback as needed.

PPM can be quite a complex process, especially in the beginning. There are project portfolio management templates and Portfolio and project management software that can help, a little bit.

How to Achieve Project Portfolio Management Success

Once your portfolio has been rolled out, it can be difficult to see where to go from there. Here are a few tips for achieving success:

- Accurate identification of risks and associated remediation strategies is critical and should be prioritized.
- Don’t be afraid to cancel projects if they no longer align with company strategy.
- Enable architects, IT planning teams, and C-suite to align execution with business strategy.
- Simplify time and task management for project team members, ensuring they have the freedom and flexibility to capture task and time data as necessary.
Accurate data is absolutely critical and should be prioritized. So should access to data, as delay in getting data can impact on your decision making ability, as well as your ability to comply with regulatory requirements.

Utilize the right tools to keep on track and simplify the process.

**Project Portfolio Management Software**

Choosing the right project portfolio management software and tools is often the key to successful PPM. There are so many with different capabilities. If you were to search for, “best PPM software”, for instance, lots of software will show up. However, the term “best” is subjective. Something may be the best for one company, but completely useless for another. It really depends on your situation and how many projects you have. Perhaps, the best way to choose software and tools is to keep these questions in mind.

- What do I need this for?
- Do I want my PPM software to be web-based or not?
- How many people will be using this software?
- Do I want to be able to manage clashes?
- Is this software for internal employees or external clients? Is it for both?
- Do I care about how the user interface looks?
- How easy should the software be to use – is the preference for a less powerful tool but that’s

Here are 10 project portfolio management tools worth considering:

10 of The Best Project Portfolio Management (PPM) Tools

2. 10,000ft – [https://www.10000ft.com/](https://www.10000ft.com/)
3. Easy Projects – [https://www.easyprojects.net/](https://www.easyprojects.net/)
10. Accelo – [https://www.accelo.com/](https://www.accelo.com/)

**Benefits of Project Portfolio Management**

1. Project portfolio management has many benefits, which include increased success in project delivery, better decision making and the ability to prioritize high-value projects, among others.
2. Regardless of how high value and successful a project may be, it could still be a victim of overspending. Again, PPM helps a company to avoid this; it allows managers to nip overspending in the bud as it is easy to see where resources are being over-allocated.
3. PPM can also be a veritable tool in organizational change management; with an effective PPM strategy, a company can restructure and improve its methods for project execution as part of a larger process to change the company’s operational or strategic direction. In
the process, it will remove inefficiencies and be better able to focus on appropriate strategies for achieving goals. Lastly, PPM also makes a company more nimble and able to adapt to change with a minimum of fuss or disruption.

4. I have attempted to give you a concise breakdown of what, in reality; can be quite a complex process. An efficient and effective PPM process obviously isn’t going to happen overnight, but with the right tools and internal commitment to the process, it will happen. In the end, what is required to be successful at PPM is commitment and adaptability.

2.6 The project manager- Qualities, Project management and the project manager, Special demand on the project manager.

3. An effective project leader is often described as having a vision of where to go and the ability to articulate it.

4. Good Communicator

5. The ability to communicate with people at all levels is almost always named as the second most important skill by project managers and team members. Project leadership calls for clear communication about goals, responsibility, performance, expectations and feedback.

6. There is a great deal of value placed on openness and directness. The project leader is also the team's link to the larger organization. The leader must have the ability to effectively negotiate.

7. Integrity, One of the most important things a project leader must remember is that his or her actions, and not words, set the modus operandi for the team. Good leadership demands commitment to, and demonstration of, ethical practices. Creating standards for ethical behavior.

8. Enthusiasm, Plain and simple, we don't like leaders who are negative - they bring us down. We want leaders with enthusiasm, with a bounce in their step, with a can-do attitude.

9. Empathy, what is the difference between empathy and sympathy? Although the words are similar, they are, in fact, mutually exclusive.

10. Competence, simply put, to enlist in another's because, we must believe that person knows what he or she is doing. Leadership competence does not however necessarily refer to the project leader's technical abilities in the core technology of the business. As project management continues to be recognized as a field in and of itself, project leaders will be chosen based on their ability to successfully lead others rather than on technical expertise, as in the past.

11. Ability to Delegate Tasks, Trust is an essential element in the relationship of a project leader and his or her team. You demonstrate your trust in others through your actions - how much you check and control their work, how much you delegate and how much you allow people to participate.

12. Cool Under Pressure, in a perfect world, projects would be delivered on time, under budget and with no major problems or obstacles to overcome. But we don't live in a perfect world - projects have problems. A leader with a hardy attitude will take these problems in stride.

13. Team-Building Skills, A team builder can best be defined as a strong person who provides the substance that holds the team together in common purpose toward the right objective.
14. Problem Solving Skills, Although an effective leader is said to share problem-solving responsibilities with the team, we expect our project leaders to have excellent problem-solving skills themselves.

15. If you’ve started the year and committed to upping your project management skills to be a better project manager, what project management skills is the ticket for success?

16. In fact, being good at telling others what to do, or managing is not even in our list of skills for a project manager.

17. As project managers, we’re responsible for managing work through the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements.

18. Knowing project management theory – but without the skills to apply what we know is useless.

19. Project Management Skills

20. Leadership

Leadership role means we lead and manage teams; setting the vision, motivating the team, serving them, coaching them and inspiring others. As project managers, we lead from both a strategic and operational perspective – we communicate the vision and get team (and organizational) buy-in, we resolve conflict, set goals, and evaluate performance and make sure team members have the tools, money, space etc. that they need to get things done.

The key project management leadership skill to master in leadership is making sure you’re leading, rather than just managing. That means providing a vision and a roadmap for success and serving and empowering your team to get there.

Communication

One of the essential skills for project management is the ability to communicate well – understanding and being understood. Great communication is the crux of any relationship and so the effectiveness of a project manager’s communication has an impact not only on the project team but the client and stakeholders too.

Effective communication doesn’t just happen. It starts by putting in the time and effort required to get to know your team well, and devising an appropriate communication plan that connects with the different personality types. For us, this has meant having to adapt our communications strategy from project to project, for the simple reason that we may have different team members for each project and a particular communication system or structure may not always work for everyone.

The key project management communication skill to master is the ability to listen, to be clear and ensure you’re understood. When information flows with the right messaging, at the right time, to the right person, through the right channel, almost any hurdle can be overcome.

Planning Skills
Project scheduling is a core project management skill. Proper planning means everything from meta to micro. There’s the large scale obvious planning we need to get right to create great meeting plans, statements of work, estimates, timelines, resource plans and briefs, to the more mundane – planning out your day, who you’re going to talk to first, and how you are going to make time to keep your status documents up to date. Planning is all about finding ways to do all that you need to do as efficiently as possible. The extent to which you’re able to effectively plan will directly impact the project’s ability to be successful. No matter how good you are at executing, without being able to properly plan a project, the project won’t succeed.

The project management planning skill to master is planning to the extent that you’re always ten steps ahead and always know ‘what’s next’. That means not only for success but for the disasters too. As a skilled project manager, you’ve always got a plan up your sleeve.

**Time Management**

As project managers, a huge part of our job is determining and communicating how other people will spend their time. But it’s equally important to be aware of how we are managing our own time. Steven Covey’s quote, “The enemy of the best is the good,” applies really well when it comes to the project manager’s management of time (theirs and their team’s). There are a million and one good things you could be doing, but a good project manager recognizes that only a few things fall into the category of “best” and these few things are what need to come first each day. Knowing when to say “No” is a critical project management skill.

Successful project managers also respect their teammates’ time, so being able to read the body language of people in the room is also critical to ensuring that you’re staying on course. Lastly, look for opportunities to delegate responsibilities, multi-task, or rearrange your schedule as necessary.

The project management time-management skill to master is doing the right thing. If you can make sure you don’t get caught up in wild goose chases on your projects and can stick to focusing the best part of your time on the important things everyone will win.

**Risk Management**

Project managers are always an easy target when projects don’t go to plan. Regardless of the circumstances, everyone wonders whether the project manager could have foreseen and prevented the risk before it became an issue.

The skill for effective risk management is really experience – it’s knowing what could go wrong. And having the humility to ask your team too. You obviously first need to identify risk and the earlier you do that, the better your chances of avoiding the risk occurrence.

The project management risk management skill to master is the ability to identify risks well before they become issues, and come up with effective mitigation plans so that the risk of them ever becoming issues is nullified.

**Negotiation Skills**

Project management is somewhat like politics; it often brings together a disparate group of people, often with competing interests, and our job is to get these different interests on the same page, so that we can accomplish project goals. In other words, a good project manager must be
an excellent negotiator. “Negotiating the use of resources, budgets, schedules, *scope creep*, and a variety of other compromises that are unavoidable” for a project manager.
The key project management negotiation skill to master is finding that middle ground – working out compromises so everyone that matters feels like they’ve won!

**Subject matter expertise**
The key project management subject matter expertise skill to master is just about everything when it comes to digital.

**Conclusion**
Creating realistic project plans, budgets, estimating time and effort, etc. are all things that a good project manager must do. But keeping your work organized and your teams informed and happy is critical to your success and these skills are what you need to achieve these.

**Types of risk**
- **Schedule risk**, the risk that activities will take longer than expected. Slippages in schedule typically increase costs and, also, delay the receipt of project benefits, with a possible loss of competitive advantage.
- **Performance risk**, the risk that the project will fail to produce results consistent with project specifications.
- **Governance risk** relates to board and management performance with regard to ethics, community stewardship, and company reputation.
- **Strategic risks** result from errors in strategy, such as choosing a technology that can’t be made to work.
- **Operational risk** includes risks from poor implementation and process problems such as procurement, production, and distribution.
- **Risks associated with external hazards**, including storms, floods, and earthquakes; vandalism, sabotage, and terrorism; labor strikes; and civil unrest.

**PROJECT MANAGEMENT AND THE PROJECT MANAGER**
A project manager is a person who has the overall responsibility for the successful initiation, planning, design, execution, monitoring, controlling and closure of a project. Construction, petrochemical, architecture, information technology and many different industries that produce products and services use this job title.

The project manager must have a combination of skills including an ability to ask penetrating questions, detect unstated assumptions and resolve conflicts, as well as more general management skills.

Key among a project manager's duties is the recognition that risk directly impacts the likelihood of success and that this risk must be both formally and informally measured throughout the lifetime of a project.

Risks arise from uncertainty, and the successful project manager is the one who focuses on this as their primary concern. Most of the issues that impact a project result in one way or another from risk. A good project manager can lessen risk significantly, often by adhering to a policy of open communication, ensuring every significant participant has an opportunity to express opinions and concerns.

A project manager is a person who is responsible for making decisions, both large and small. The project manager should make sure they control risk and Minimize uncertainty. Every decision the project manager makes must directly benefit their project.

Project managers use project management software, such as Microsoft Project, to organize their tasks and workforce. These software packages allow project managers to produce reports and charts in a few minutes, compared with the several hours it can take if they do it by hand.

Roles and Responsibilities

The role of the project manager encompasses many activities including:

- Planning and Defining Scope
- Activity Planning and Sequencing
- Resource Planning
- Developing Schedules
- Time Estimating
- Cost Estimating
- Developing a Budget
- Documentation
- Creating Charts and Schedules
- Risk Analysis
- Managing Risks and Issues
• Monitoring and Reporting Progress
• Team Leadership
• Strategic Influencing
• Business Partnering
• Working with Vendors
• Scalability, Interoperability and Portability Analysis
• Controlling Quality
• Benefits Realization

Finally, senior management must give a project manager support and authority if he or she is going to be successful.

### 2.7 Problems of cultural differences, impact of institutional Environments, Project organization

**Introduction:**

Projects today have dramatically increased in complexity, requiring a culturally and functionally diverse mix of individuals who must be integrated into an effective unit – a project team. Effective teamwork is the key to project success during all phases of the project life cycle. Tough global competition has created an acute need for faster, more flexible, and highly competitive operations. With the advent of the global economy comes an increased interaction between people of different countries and an increase in the need to deal with cultural differences divisions within large corporations. The important thing to understand about culture is that. Every organization has a culture unique to itself, and this is true of in most cases there in nothing absolutely right or wrong about cultures – they just are. But cultures, values, beliefs and social usages cause a special style of communication for an individual or group of individuals.

**The advantages of a multicultural team:**

Global project managers can use originality to deviate from general norms and obtain competitive advantage, improving the likelihood of project success. Global teams can provide all elements for an effective fusion of different project management practices: people from various country and company cultures, enriched by different experiences and management theories.

Hybridization is another concept on multicultural management, which can be defined as the use of a common body of knowledge, enhanced with selective parts of successful practices from the countries where the project is being implemented, or from the team members’ original culture.

Some examples of characteristics that define our cultural groups can be: -
The region (inside the country), the age or generation, the ethnic origin; the education level, the gender, the job function, the religion, the industry you work in.

The impact of cultural differences in project management.

It is helpful if the project team members can meet each other face to face even one time. When starting a global project in a new country, or when new project team members the language, the company, have a cultural origin that you never experienced before, the cultural dimensions can be a first source of reference to understand their general mindset, and the cultural patterns likely to be found in their culture.

The impact of cultural differences in project management. It is helpful if the project team members can meet each other face to face even one time. While this can be very expensive, it may be much less expensive than not performing well on the project. Sometimes, the core project team is assembled to write and approve the project charter. The core team members would then know each other and would be inclined to give each other the benefit of doubt if there is a misunderstanding.

1. Material culture (refers to physical objects or the results of technology).
2. Language (helps develop better understanding among team members).
3. Aesthetics (encourages informal and open communication).
4. Education (indicates how different team members view the problems).
5. Religion, beliefs and attitudes (affect general attitudes toward work ethics).
6. Social organization (helps in networking and setting informal meetings).
7. Political life (relates to approvals of permits, labor laws, import/export and financial transactions)

Conclusions:
With globalization comes an increased interaction between people of different countries and an increase in the need to deal with cultural differences. A project manager needs to understand his or her own culture and the cultures of the project stakeholders. The key to success in international business is the sincere desire to integrate into a new and different culture.

The project as part of the Functional organization, pure project organization, the matrix organization

The concept of Functional organization was suggested by F.W. Taylor who recommended the appointment of specialists at important positions. For example, the functional head and Marketing Director directs the subordinates throughout the organization in his particular area. This means that subordinates receive orders from several specialists, managers working above them.

Features of Functional Organization
1. The entire organizational activities are divided into specific functions such as operations, finance, marketing and personal relations.
2. Complex form of administrative organization compared to the other two.
3. Three authorities exist - Line, staff and function.
4. Each functional area is put under the charge of functional specialists and he has got the authority to give all decisions regarding the function whenever the function is performed throughout the enterprise.
5. Principle of unity of command does not apply to such organization as it is present in line organization.

Merits of Functional Organization

1. **Specialization** - Better division of labour takes place which results in specialization of function and it’s consequent benefit.
2. **Effective Control** - Management control is simplified as the mental functions are separated from manual functions. Checks and balances keep the authority within certain limits. Specialists may be asked to judge the performance of various sections.
3. **Efficiency** - Greater efficiency is achieved because of every function performing a limited number of functions.
4. **Economy** - Specialization compiled with standardization facilitates maximum production and economical costs.
5. **Expansion** - Expert knowledge of functional manager facilitates better control and supervision.

Demerits of Functional Organization

1. **Confusion** - The functional system is quite complicated to put into operation, especially when it is carried out at low levels. Therefore, co-ordination becomes difficult.
2. **Lack of Co-ordination** - Disciplinary control becomes weak as a worker is commanded not by one person but a large number of people. Thus, there is no unity of command.
3. **Difficulty in fixing responsibility** - Because of multiple authority, it is difficult to fix responsibility.
4. **Conflicts** - There may be conflicts among the supervisory staff of equal ranks. They may not agree on certain issues.
5. **Costly** - Maintainance of specialist’s staff of the highest order is expensive for a concern

**Pure Project**

A Pure project is where a self-contained team works full time on the project.

**Advantages**

- The project manager has full authority over the project.
- Team members report to one boss.
- Lines of communication are shortened. Decisions are made quickly.
- Team pride, motivation, and commitment are high

**Disadvantages**

- Duplication of resources.
- Organizational goals and policies are ignored.
- Lack of new technology transfer due to weakened functional divisions
- Team members have no functional area home.

**Matrix Project**

The matrix project attempts to blend properties of functional and pure project structure. If the matrix form is chosen, different projects (rows of matrix) borrow resources from functional areas (columns).

Senior management must then decide whether a weak, balanced, or strong form of a matrix is to be used.
ADVANTAGES

- Communication between functional divisions is enhanced.
- A project manager is held responsible for successful completion of the project.
- Duplication of resources is minimized.
- Team members have a functional “home” after project completion, so they are less worried about life-after-project than if they were a pure project organization.
- Policies of the parent organization are followed.

DISADVANTAGES

- There are two bosses. Hence, who can promote you or give you a rise?
- It is doomed to failure unless the PM has strong negotiating skills.
- Sub optimization is a danger, as PMs Hoard resources for their own project, thus harming other projects.

Choosing an organizational form the project team

Project organizational structure refers to the creation of an independent project team, the team’s management is separated from the parent organization’s other units, have their own technical staff and management, enterprise assigns certain resources to project team, and grant project manager of the largest free implementation of the project.

The advantages of this structure: First, focus on this project team, project manager is solely responsible for the project, the only task for project members is to complete the project, and they only report to the project manager, avoiding the multiple leadership; Second, the project team’s decision is developed within the project, the reaction time is short; Third, in this project, members work with strong power, high cohesion, participants shared the common goal of the project, and individual has clear responsibilities.

The disadvantage of this organizational structure: First, when a company has several projects, each project has its own separate team, which will lead to duplication of efforts and the loss of scalable economies; Second, the project team itself is an independent entity, prone to a condition known as “Project inflammatory” disease, that is, there is a clear dividing line between the project team and the parent organization, weakening the effective integration between project team and the parent organization; Third, the project team members lack of a business continuity and security, once the project ended, return to their original functions may be more difficult.