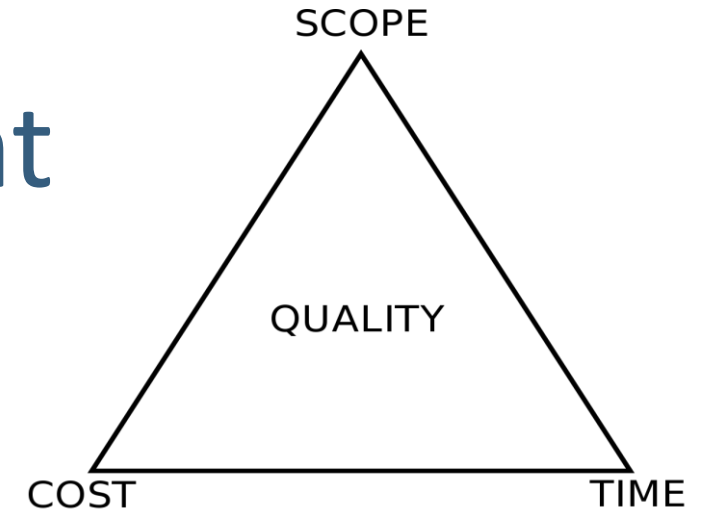


Project Management & Environment

Outlines

- What is Project Management
- Project Management Environment
- Project Stakeholders
- Organizational Influences
- Socio-economic Influences
- Environmental and Legal Influences

What is Project Management



- Definition
 - Project management is the application of processes, methods, knowledge, skills and experience to achieve the project objectives.
- According to PMI
 - Project Management is the application of knowledge, skill, tools and techniques to project activities in order to meet or exceed stakeholder needs and expectations.

The core components of project management

- Defining the reason why a project is necessary;
- Capturing project requirements, specifying quality of the deliverables, estimating resources and timescales;
- Preparing a business case to justify the investment;
- Securing corporate agreement and funding;
- Developing and implementing a management plan for the project;
- Leading and motivating the project delivery team;
- Managing the risks, issues and changes on the project;
- Monitoring progress against plan;
- Managing the project budget;
- Maintaining communications with stakeholders and the project organisation;
- Provider management;
- Closing the project in a controlled fashion when appropriate.

Project Management Environment

- Many project manager wonder, why they should be concerned about the project environment when the objective of project management is to get the project completed within **Scope, Cost and Time**.
- They fail to understand that a project operates in an environment broader than the project, and managing day- to – day activities efficiently will not alone guarantee the success of the project.
- Todays project managers need to be aware of the **organizational, socio-economics, stakeholder and environmental** influences the project success.

1. Project Stakeholder

- Stakeholder management is the processes required to identify the **people, groups, or organizations** that could impact or be impacted by the project. Analyze stakeholder expectations and their impact on the project. Develop appropriate management strategies for effectively engaging stakeholders in the project decision and execution.
- According to PMI
 - The Project stakeholder are individuals and organizations who are actively involved in the project or whose interest may be positively or negatively affected as a result of project execution or successful project completion.
- The project management team should try to identify the stakeholders, determine their need and expectations and then manage and influence those expectations to ensure a successful project.

Stakeholders will include those:

- Who are directly related to the project suppliers, clients, employees and managers.
- Who can influence the physical, organizational, technological, socio-economic, and political environment.
- Who have an authoritative relation to the project like a government agencies at local, regional and national levels.
- Persons, groups and associations that have a stake in the project.

Types of Stakeholders

- Following are the major types of any project stakeholder
 - Project Manager
 - Customer
 - Project Team Member
 - Sponsor
 - Parent Organization

1.1 Project Manager

- Project Manager is a very important stakeholder of any project and he is responsible for:
- Lead the resources, developing the project plan, ensuring that the project activities are completed on time, with budget and according to quality standards.
- Ensuring the overall success of project, setting priorities for various project activities

1.2 Customer

- A person who buys goods or services from a shop or business.
- Companies can boost profits by almost 100% by retaining just 5% more of their customers .
- Even in business where profits can be made from customers in year one, it takes several new customers.
- Ultimate the customers are the major stakeholders who will buy the final product and use it.
- Generally there are the three types of Customers
 - Internal Customers (Who are Internal)
 - Intermediate Customers (Distributors & Wholesalers)
 - External Customers (Who pay for product and use it)

1.3 Project Team Members

- A project team is a temporary team created to deliver a project.
- All the groups and individuals who devote time, skills and efforts to the project are called Project Team Members.
- Generally project team members take care of the technical, managerial or the administrative aspects of a project. They work directly with or under a project manager, depending on the way the project is organized.
- Team members play a very crucial role in the success of a project.

1.4 Sponsor

- A sponsor is an individual or a group within the parent organization who arranges the resources for the project themselves.
- He acts as a link between the project and the parent organization.

1.5 Parent Organization

- The parent organization is a major stakeholder of the project since its employees are directly involved in executing the project.
- Therefore the project should contribute towards achieving the corporate goals of the parent organization.

2. Organizational Influences

- Organizations can be business corporations, government organizations, professional associations, research and development centers.
- Organizations that initiate a project will have an influence on the implementation of the project.
- Following are the major aspects of organizations that influence projects:
 - Organizational System
 - Organizational Culture and Style
 - Organizational Structure

2.1 Organizational System

- Organizations, which primarily carry out projects, are known as project-based organization. They earn revenues mainly by undertaking projects. Project –based organization have well managed system. For example
- Consultancy firms, architecture firms, software development firms and infrastructure firms.
- Non-project based organizations , such manufacturing firms, hotels may not have any management system for addressing project needs.
- So, the project management team should be capable of understanding the influence of various management system on the project.

2.2 Organizational Culture and Style

- Each organization has its own culture, i.e. shared values and beliefs. An organization's policies, procedures and attitude towards authority also reflects its culture. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs.
- Organizational culture and management styles have a direct impact on the functioning of the project team.

2.3 Organizational Structure

- Sometime, the organization structure barrier the flow of resources from the parent organization to the project. The organizational structure can be functional matrix or project based.
- A functional organization has a hierarchical structure , superior subordinate relationship are clear and the line of control is clearly defined. The employees are grouped into departments according to their areas of specialization.
- In project based organization, project manager has the authority to assign priorities and to direct the work of individuals assigned to the project.

3 Socio – Economics Influence

- Socioeconomic factors are the social and economic experiences and realities that help mold one's personality, attitudes and lifestyle.
- The factors can also define regions and neighborhoods. Law-enforcement agencies throughout the country, for example, often cite the socioeconomic factor of poverty as being related to areas with high crime rates.
- Some of the socioeconomic factors that influence projects are:
 - Standards and Regulations
 - Internationalization
 - Culture

3.1 Standards and Regulations

- Standard are measures for judging the quality of products. Generally, standards are documents and approved by a recognized agency / body. These standards specify the rules and guidelines that organizations must observe when producing a product or a service.
- Regulations are mandatory guidelines that lay down the necessary characteristics of product or services. Building codes established by the Roads and Buildings department are an example of regulations.
- The project team should be careful to ensure that the project meets the standards and regulations. They early detection of deviations from standards and regulations can help reduce project costs and duration.

3.2 Internationalization

- The findings indicate that the main reasons underlying the internationalization of these service firms are the size of the firm, the competitive environment and the staff's degree of international experience.
- These factors, which influence the management's attitudes toward operating internationally, determine the firm's degree of internationalization.
- Moreover, firms that have a high number of senior managers with a graduate course and higher skills in foreign languages are more prone to internationalize.

3.3 Culture

- The culture of an organization and the external environment of a project have a significant impact on the success of the project. The culture includes the organizational culture, work environment and the culture of various stakeholders of the project.
- The project manager should have an in-depth understanding of the organizational culture as it has a direct influence on the functioning of the project. The organizational environment and culture depend on:
 - The philosophy and managerial style of the top management
 - The organizational structure of the project (functional , project-based)
 - The character and maturity level of project team members i.e. achievement level, motivation level.

3.3 Continue.....

- The culture of the project team members (their values, beliefs) influence their attitudes towards ethics, achievement, training and supervision and their interpersonal, problem solving and conflict resolution skills.
- It also determines their level of motivation.
- A good understanding of different culture values, languages, special business styles and techniques would be an asset for a project manger especially when handling international projects.

4 Environmental and Legal Influence

- Environmental and legal concerns have a major impact on the successful completion of a project. Therefore, the impact of environment on the project should be assessed before and after a project has been undertaken.
- In addition, analyzing the impact of a future project on the environment will help the project manager define goals for the project and organization.
- The project manager should acknowledge these regulatory processes as a part of good planning, instead of regarding them as barriers to the achievement of project goals.

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- The project manager should obtain the necessary clearance from environmental protection agencies before starting the project.
- All the projects should follow with all aspects of the law. Organizations usually take the help of legal advisors to ensure that the activities of the project manager and his team are in compliance with the law.
- Legal advisors must also ensure that the project has applied for and received all the required permits and licenses.

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