**Project Management for Managers**
**Dr. M. K. Barua**
**Department of Management**
**Indian Institute of Technology, Roorkee**

**Lecture – 04**
**Project Management Office**

Hello friends. So, we will continue with what we have been doing in last 2 sessions, let us look at the third point which is responsible for success of a project you already seen 2 points; the first one was organization strategy, the second point was organization structure and the third point is organization culture. So, you just think for a second and you tell me what is culture, what is your opinion about culture and once you are done with the first question; the second question is how do cultures form. So, let us get started.

Organization culture is something collective behavior of the organization; how employees of the organization represent themselves to outsider and to each other that is known as organization culture. So, whenever a new employee joins an organization, he learns things over a period of time.

So, he would be told about his bosses, about his clients, his suppliers by his colleagues and slowly and slowly he will come to know the culture of the organization and then he will also start behaving in similar way in which the other employees of the organizations have been behaving.

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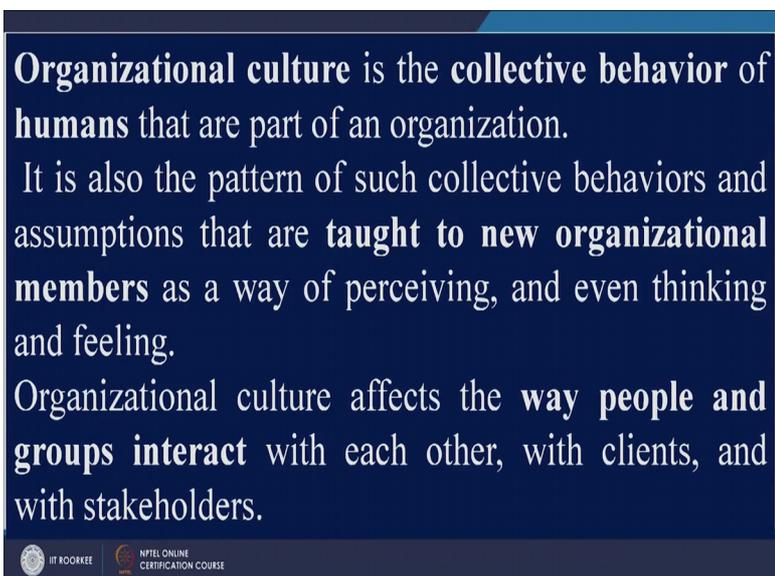


**Organizational culture** is the **collective behavior** of **humans** that are part of an organization.
It is also the pattern of such collective behaviors and assumptions that are **taught to new organizational members** as a way of perceiving, and even thinking and feeling.
Organizational culture affects the **way people and groups interact** with each other, with clients, and with stakeholders.

So, organization culture affects the way people and group interacts with each other with clients and with other stakeholders and there are several stakeholders in a project. So, at the end of the day if you look at let us say culture of a Japanese person. So, their culture is different, culture of Americans is different, Indian culture is different. So, culture depends on several things and we will see what are those factors which affect culture and which form a culture.

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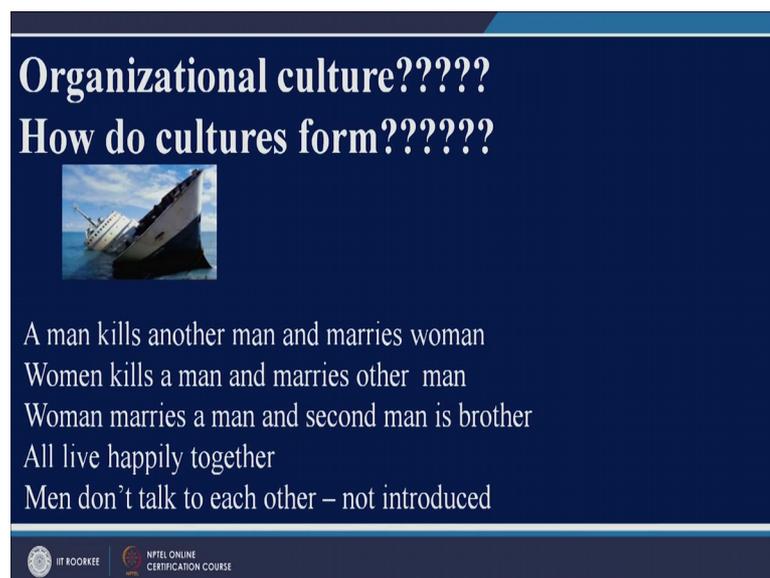


So, I will tell you one small story about organization culture let us take a take an example, let us say in a ship there are hundred people going from point A to point B, but what happens during the journey the ship loses its path and it does not have contact with the external world. What happens after sometime? Many people die after sometime and at the end the day the ship lands at an island and by the time ship reaches at the island there were only means you will have only 3 people left. So, out of those 3; you have got 2 men and 1 woman.

Now, after reaching at an island what they do what they should do? So, they can have that there can be several answers to this question what they will do after reaching at an island there are 2 men and one woman. So, there are several answers to this question and keep in mind that all those 3 persons belong to one particular country or they are having one particular culture. So, the answers could be this a man can kill the other man and he marries the woman this could be one of the answers the other answer could be the

woman kills the man one man and marriage. The second one do not know what is the right answer, the third answer could be woman marries a man and the second man would be her brother that could be one of the answers it is possible that all of them live happily because we really do not know what is their culture and it is also possible that they do not talk to each other because they have not been introduced.

So, it all depends on culture how they live together how they behave together and how do they interact with each other and with external agencies of the organization.

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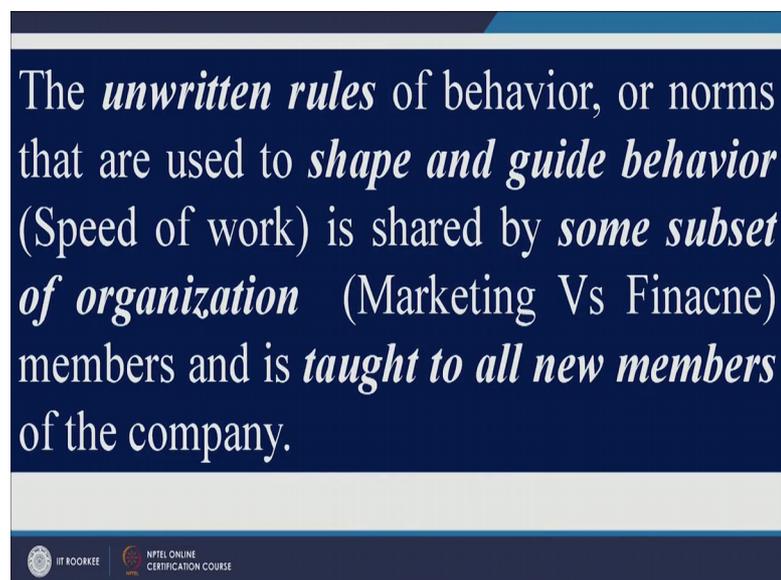


So, this is a brief story on culture; culture plays an important role they are most of the times similar to unwritten rules of behavior or norms that are used to shape and guide behavior of the people because if you look at in an organization you have got different types of departments.

Let us say you have got purchasing you have got quality you have got manufacturing and soon if you look at the behavior of all these people is different from each other many times it could be due to different languages they speak in terms of technical terms are concerned. For example, when a when a marketing fellow says that I need a brand having these many features may not be clearly understood by finance fellow. On the other let us say if finance fellow talks in terms of let us say inventory turnover ratio or let us say internal rate of return these terms are difficult for marketing guy to understand.

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So, these problems will always be there, but at the end of the day they have to work together how do cultures form now culture forms on the basis of several parameters the culture of high tech from would be different than low tech form for example, culture at Google or culture at apple company would be different than culture at a low tech form for example, let us say in textile industry who their culture would be entirely different. So, culture gets formed on the basis of what kind of technology the firm is using let us say whether it is a high tech firm or low tech firm it also depends on environment. So, if a firm is having global environment then it would have different culture because in global firm you will have employees from all over the world and their culture would be different than regional firm.

Let us say a regional firm situated in a village in India; right. So, there their cultures would be different geographical location of course, plays an important role if a project team is working in USA; it would have different culture while the same or similar team is working in let us says Saudi Arab, its culture would be different because there because the rules and regulations of these countries are different; their working hours are different and because at the end of the day American culture is different and Saudi Arabs culture is different so that the teams would be working according to cultures of the respective countries.

So, a geographical location play an important role how; how is your reward system; how the reward system of the organization is also affects culture. So, if you let us say if there is a reward and award system in an organization then employees would feel motivated and they would work more intensively on projects. So, reward system plays an important role; generally in government sector you do not have this kind of a reward system, but in private sector you have got a very good reward system. So, when you work hard when you work smart; you get more promotions more perks, more allowances and soon. So, that is the culture of private sector rules and regulations of course, very important especially in case of government sectors you have got lots of rules and regulations and because of these rules and regulations the culture gets affected and culture gets formed because of certain rules and regulations.

Now, the most important point is key organizational member how the CEO of an organization is working or how or what is the culture of CEO of the organization because that percolates entirely into the organization from top to bottom. So, culture of top person is very important I will give you an example. So, let us say in a typical government set up you have got a boss and he generally comes at ten thirty in most of the government sector organizations you have got people coming late. So, boss comes at let us say 10:30. So, after coming to the office he will make couple of phone calls not by using his own mobile, but the landline phone provided by the government or the phone provided by the government. So, he would be making certain 5-6 calls after coming to the office and then he will have a cup of tea he will have chit chat with his friends and by the time he starts working it is let us say ten it he say it is let us say 11:30.

So, after 11:30, he starts working and he would work for let us say 1 hour or 1 hour 15 minutes and then he by 12:30 to 12:45; he starts preparing for lunch. So, he goes for lunch before one and after lunch he will come at 3:30 or 3:15 and then again little bit of chit chat with his friends and by the time 4 'o' clock he will think of going from the office. So, this is a typical government culture on the other hand you have got private sector where the top boss works like anything and he gets paid accordingly also. So, you can have several top CEOs in private sector; who are working very hard and that is why private sector is flourishing in India and we will say that culture is an important role in development of private sector in India and there are some other factors as well.

So, culture plays an important role and especially the culture of the top boss apart from these things there are some other factors which also form culture, but organizational values vision working language system symbols beliefs and habits. So, this is not my complete list you can add several points to this particular list.

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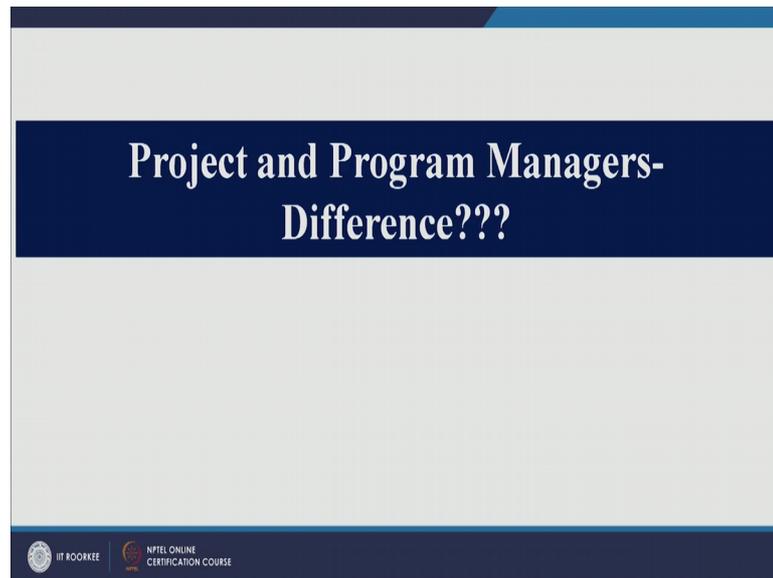


So, this is how cultures form. So, far we have seen organization structure organization structure strategy and organization culture let us look at something called project and program managers. So, we have seen project definition project management definition and now let us look at what is the difference between project and a program in breakdown structure I have already told you that at the top you have got plans then you got programs and then you have got projects at little lower level.

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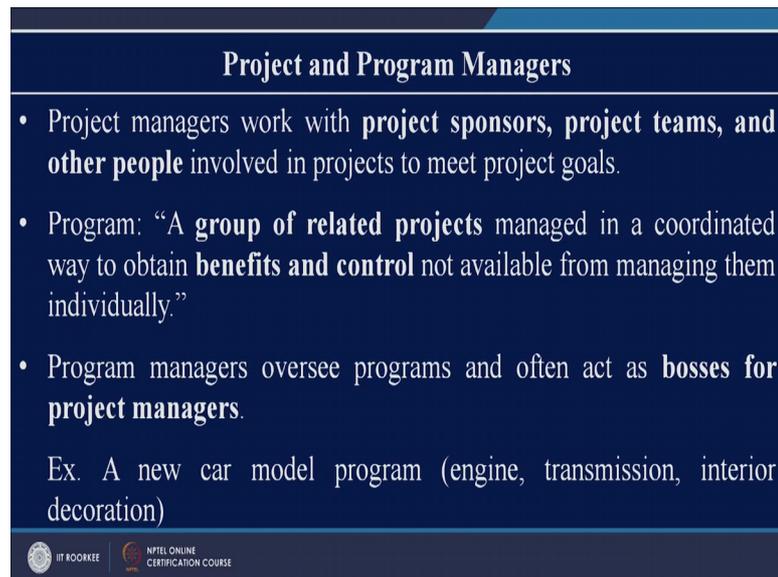


So, let us look at the differences between project and program managers project manager works with its team he also works with sponsorer of the project the fellow who has funded that project he works with client of that particular project and he works with several other stakeholders related to the project on the other hand what is program? Program is nothing, but a group of related projects. So, we will combine similar projects and we will say that this is a program to obtain benefits and control not available from managing them individually. So, you want to have some benefits of by combining those projects program manager oversee programs and often acts as bosses for project manager. So, if there is a program manager there would be several projects under that program and all the project managers would be reporting to program manager.

So, I will give you an example let us say a new car model program now this is a program now you can have several projects under that program now the one project can be how to improve engine of the car the second project could be how to improve transmission system the third could be related with aesthetic issues its shape its size and so on. So, the program is new car model and projects could be these 3 engine transport transmission and interior decoration.

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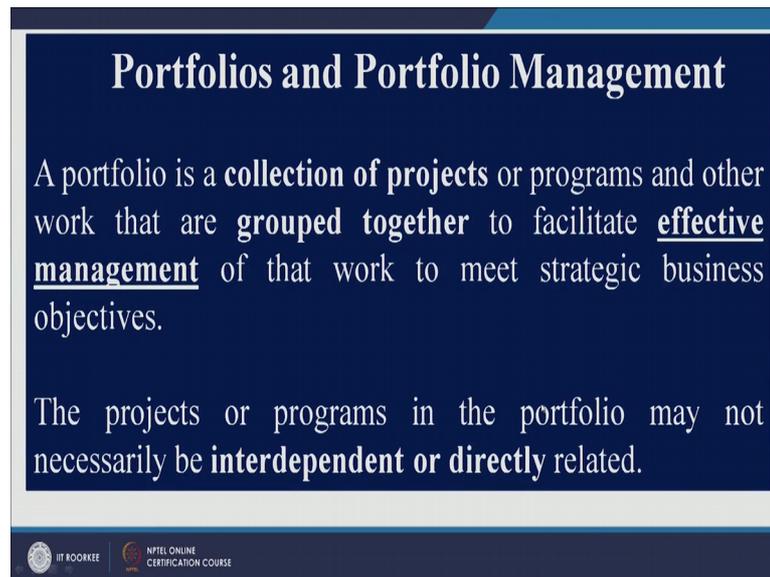


Now let me tell you what was the difference between portfolio and portfolio management how portfolio is different from program I have already told you the difference between project and program now what is portfolio a portfolio is collection of programs or projects. So, that we can have effective management the project or programs in the portfolio may not necessarily be interdependent are directly related it is possible it is very much possible.

So, what is portfolio? It is basically a collection of projects and programs; so, a larger body, right. So, you have got project then you have got program and then you got portfolio right you can also have sub projects as I said if the project is a large; if it is a large project then you can divide it into sub projects, right. So, there are couple of examples how to divide them into sub projects and up to what point you should divide. So, these 2 points we will see so because you want to manage our project in an effective manner.

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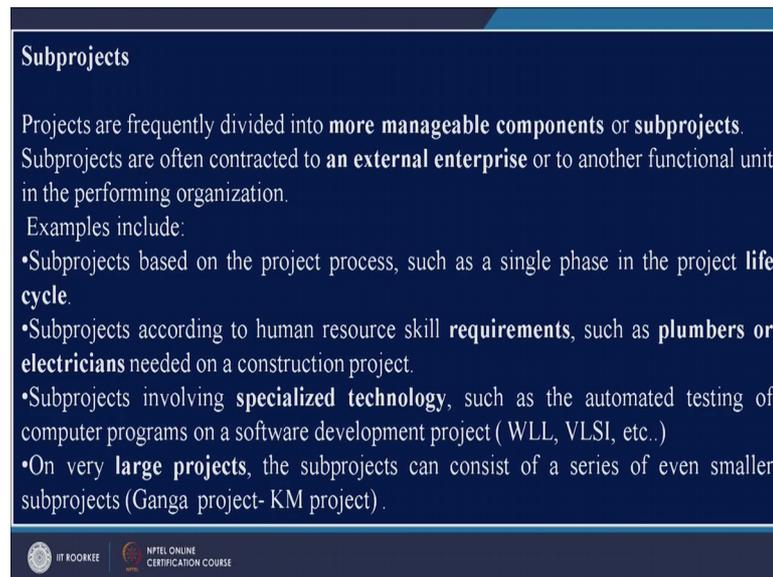


So, we will divide it into more manageable components and these components are called sub projects.
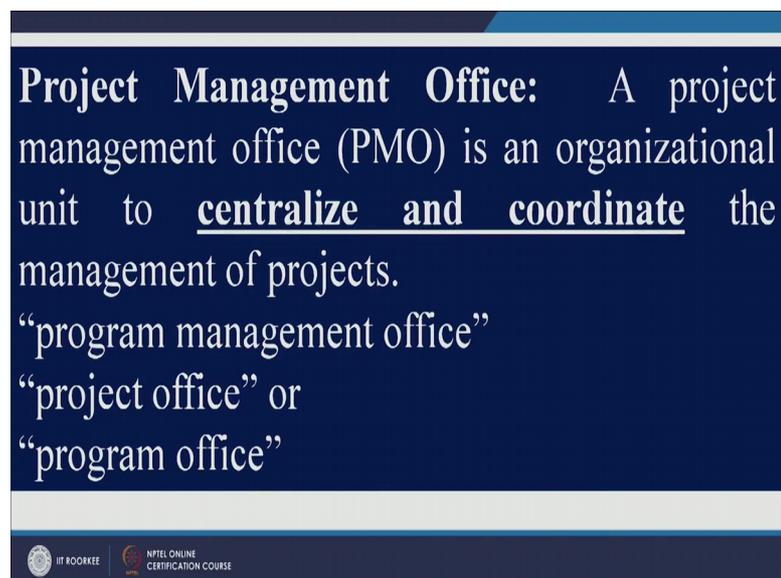
So, many times we do off load some of the activities of project to third party to external enterprise because we do not have time and we do not have necessary skill set also. So, that could be one of the ways of subcontracting a part of project to external agency now this outsourcing can be on the basis of life cycle of the project let us say if you are constructing house. So, you need to outsource let us say painting activity right let us say you need to outsource electricity work to outside contractor.

So, in different phases of the project you are outsourcing to external agency. So, on the basis of life cycle you can outsource outsourcing can also be done on the basis of skill requirements if you are let us say constructing a house then you need to outsource plumber plumbing activity you need to outsource electrification to external agency and so on, right. So, outsourcing can also be on the basis of specialized technology several times you do not have all the technologies. So, you need to outsource a particular part of the project to third party and if the project is very large then you can also divide it into different parts and you can outsource those parts to different external agencies example can be let us say currently we are having Ganga project; government of India is working on clean India project and it has got several parts different states are involved in it different stakeholders are involved in it.

So, there are several activities which have been outsourced to different, different, different third party, different third parties; similarly you can have knowledge management project because again government of India has given this project to do a group of IITs and we are also a part of this project if this project is our and we were part of this particular project. So, how to divide project into different parts these points we have seen in the slide now let us talk about PMO of course, I am not talking about Prime Minister's office then what is PMO.

PMO is project management office; it is a place where we would do screening of all the projects before we sanction projects. So, PMO is an organizational unit to centralize and coordinate the management of projects

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So, either you call it program management office or you call it project office or you call it program office in almost all the organization you will have this type of unit you might be having different names for this particular unit, but it would always be there in all the organizations and you may call it let us say headquarters you may call it administrative block you may call it main block and so on; right.

So, you will have a similar kind of unit in every organization which would be screening all the projects.

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Now, PMO oversees management of projects programs or both it coordinates it coordinates with all the projects it prioritizes the allocation of resources to all the projects and it helps project managers and program managers to execute their projects and programs respectively it also helps in resource leveling and variance reporting. So, what do you mean by resource leveling and variance reporting just think over a about these 2 points resource leveling and variance reporting you see what happens in an organization you will always have limited resources and there would be several projects which would be looking for those limited resources

So, first of all you need to allocate limited resources; resources to those projects right. So, this resource it should be leveled as far as possible we should give resources to all the projects right what happens in variance and when I say resource leveling you cannot have let us say if a project requires 100 people; on first day 50 people, on second day and 150 people on third day now you cannot have for 100 people on first day and next day you should not fire remaining 50 people because requirement on second day is 50; similarly on third day requirement is 150. So, you cannot have 100 on third because 50 and you are already having from second day.

So, you need to have resource leveling as far as possible that should not be much hiring and firing in the project. So, this is resource leveling variance reporting see whenever you plan something you most of the times do not execute according to plans because of

some reasons there might be several reasons for delay of the project in many times you do not have budget for the project. So, those variances delay in time the variance in plan budget and actual spending.

So, there will always be some variance. So, those variances should be reported to PMO. So, these 2 are important activities which PMO looks after then you have got central repository of lessons learnt because with PMO you will have several programs and projects working under PMO. So, PMO keeps track on what mistakes a project manager has done or a program manager is done. So, these PMO this PMO will keep repository of lessons learnt the lessons learnt from mistakes from different projects. So, that would be a central repository. So, new project management improvements are first identified tested refined and passed at this level of course, PMO is responsible for training of the project managers if some special training is needed on softwares then it is the responsibility of PMO it is standardizes policies and procedures so that those policies and procedures can be implemented at all at all the levels in programs.

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And projects it shares and coordinates resources across all projects identification development of project management methodology best practices and standards.

So, let us say if a project manager has done something new to execute project then that would be reported to PMO and such a good and such good practice can be implemented in all other projects. In fact, this; what is happening in India when a project is successful

at a particular state then similar kind of project the other state governments also start. So, this is quite a practice in India also whenever something good happens we should try to accept it then it text as a clearing house project management office act as a clearing house for clearing projects for clearing policies procedures templates and soon for clearing of budget clearing of resources and so on. So, it is basically a clearing house it is basically a centralized repository of shared and unique risk of all the projects.
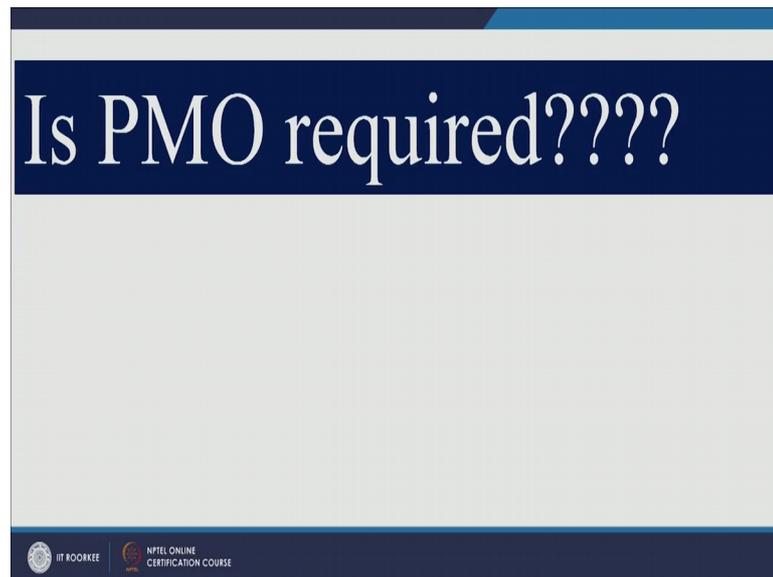
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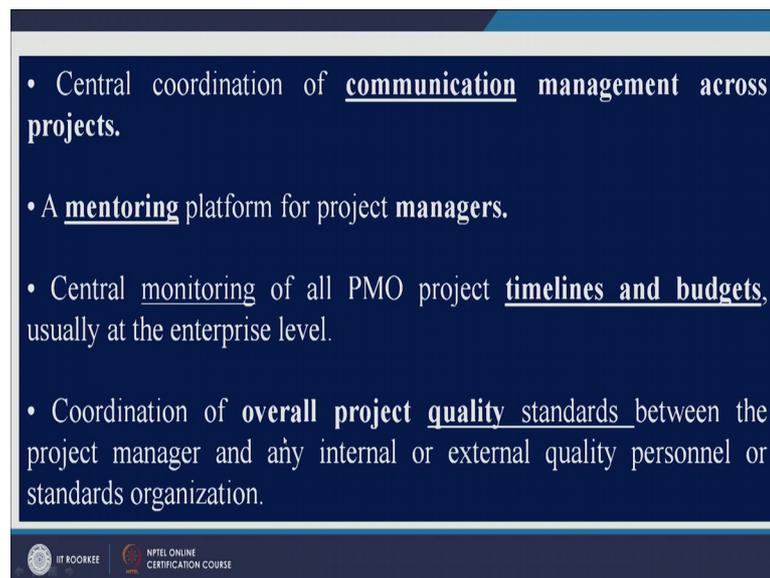


I have already talked about the mistakes which are committed at project level are reported to PMO central office for operations and management of projects tools such as enterprise wide project and management software it of course, it helps in communication across all the projects it also; it text as mentoring platform for project managers and in PMO you will have several experienced people those people who have got experience of handling several programs and projects, these people at PMO work as mentors for new project managers of course, the last point is coordination of overall project quality standards. So, of course, it is an important point the PMO should keep track of quality of all the projects.

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Now, I have talked about several functions of PMO now do you think it is really necessary is PMO necessary there are many people who think that it is not necessary because it is creating another layer of bureaucracy.

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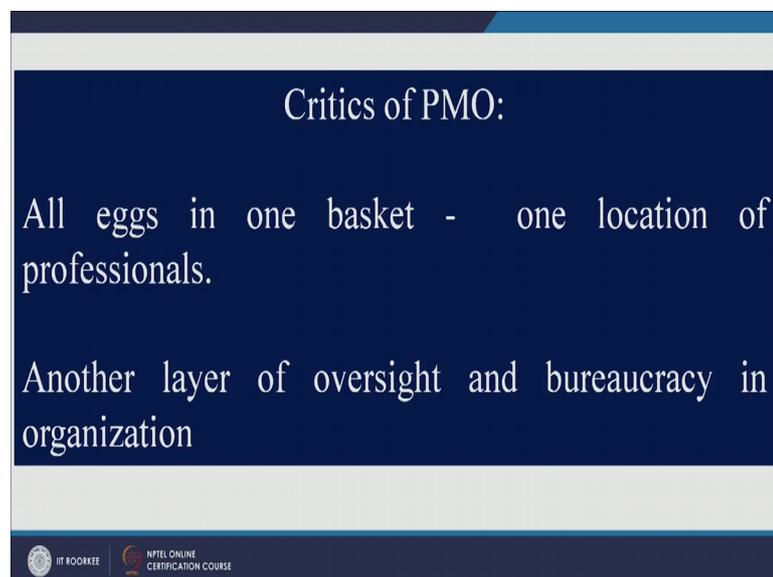


And in PMO as I said you got all the experienced people and one of the critics of PMO is that we should not keep all eggs in one basket. So, we should not keep all our professions professionals at one place, right. So, we will discuss the difference between pm project manager and PMO little later.

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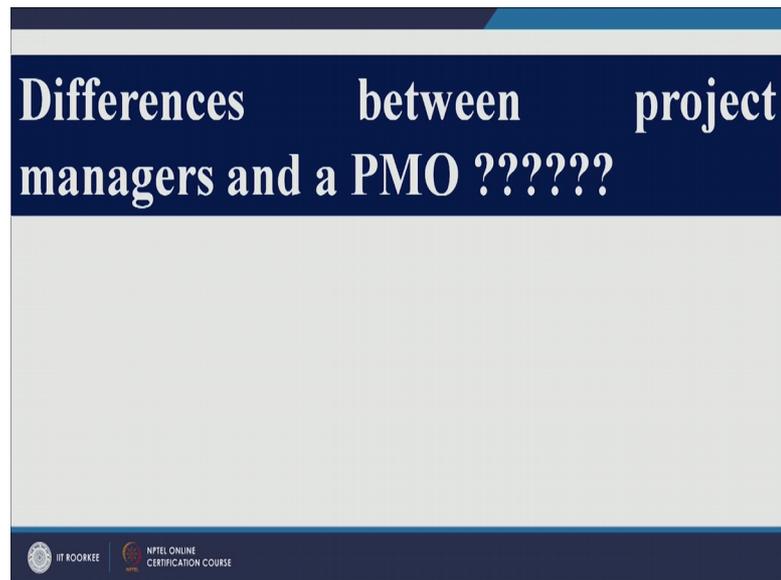


So, let me summarize what we have done in previous session I have talked in detail about what is culture how cultures form what are the factors which affect cultures we have also seen PMO project management office and its functions. So, with this I complete the session.

Thank you very much.