

Interview



"Currently, India does not have a comprehensive policy or directive on project management standards. A government intervention will strengthen the growing trend among corporations, which are following global norms, have begun insisting on professional competence along with experience. As India needs a transformational approach to rise above the challenges and prepare for a stronger economy and a brighter society, Project Management can be that transformational tool. For the infrastructure sector, transformation means embracing newer methods, adopting best practices from other sectors, building transparent and trust relationships with all the stakeholders, and employing sustainable policies for long-term benefit", says **Mr. Raj Kalady**, Managing Director, Project Management Institute (PMI), India, in an interview with **Maria R.**

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Comprehensive Project Management Policy Needed

Could you please throw some light on the evolution of Project management (PM) in India, its needs, progression in its adoption so far and also its prospects?

In the world of project management, the only constant is change. Amid the ever revolving external and internal business environment, meeting the increasingly high expectations of project stakeholders has become a challenge even for seasoned project managers. With the growing complexity and size of projects, as well as a shortage of skilled professionals, organizations are seeking innovative ways to overcome this challenge. In today's complex global environment, the organizations that thrive are the ones that value project management. Because these high-performing organizations emphasize strategy, improve efficiency and cultivate strong talent resources, they reduce their risk and see increased success.

With progress in research and developments, the field of project management continues to evolve in terms of knowledge and practice. Globally, new project management skills are continuously upgraded and successfully implemented across industries. However, the Indian Infrastructure sector, which holds an important position in the Indian economy, has faced resistance in

adopting new project management techniques. Over a long period of time, the sector has witnessed very few changes in terms of new technologies and advanced methods. Non-deployment of project management techniques has resulted in significant schedule and cost overruns for the sector.

A word about the criticalities of PM in achieving success in today's competitive business environment? Why do companies need to adopt a strategic approach to PM?

Every strategic initiative is essentially a project or program, and that all strategic change in an organization occurs through projects and programs. John Kotter, acclaimed author and former Harvard Business School professor, who wrote recently that "Strategy should be viewed as a dynamic force that constantly seeks opportunities, identifies initiatives that will capitalize on them, and completes those initiatives swiftly and efficiently." He recognizes the inextricable link between strategy and execution, which is where project, program and portfolio management deliver unparalleled value to organizations.

"The delivery of business outcomes is realized through the success of projects, and in essence that is the way that project management strategies drive organizational success."

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When organizations continue getting better at executing their projects and programs, they drive success. But when organization executives undervalue the benefit of effective project, program and portfolio management—strategic initiative management—they put real dollars at risk, and perhaps more. PMI's Pulse of the Profession™ research, which is consistent with other studies, shows that fewer than two-thirds of projects meet their goals and business intent (success rates have been falling since 2008), and about 17% fail outright.

Failed projects waste an organization's money: for every \$1 billion spent on a failed project, \$135 million is lost forever... unrecoverable. So if the project that fails is one of the strategic initiatives that is expected to drive organization success, it will most certainly have a financial impact on the bottom line. And if expected benefits aren't realized, competitive advantage can be squandered, efficiencies lost, and organizations cannot function in a "do more with less" business environment.

What is the importance of PM in the India's infrastructure industry and level of differences being gauged and witnessed after its adoption?

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Infrastructure is the basic physical and organizational structures needed for the operation of a society or enterprise, or the services and facilities necessary for an economy to function. This is particularly true for developing economies where investments in Infrastructure Development promotes growth, improves lives and help reduce poverty. India has invested heavily in infrastructure development and in order to realize the benefits, it is vital that the projects are implemented as per the approved plan and within the budgeted time and cost.

The infrastructure sector is slated to grow manifolds in coming years supported by strong plans from Government. However, there exists strong deficiency of skilled professionals in the infrastructure sector, particularly in project management field, which could be detrimental for the growth of the sector. To overcome this issue, the Government has to play a more proactive role. It should consider recognizing vocational or skill training institutes as part of the main stream.

Hence, the infrastructure sector has started accepting the concepts such as Project Management Office (PMO) for independent reporting

and ensuring project management excellence. Project teams that have adopted PMO feel that it helps in ensuring successful implementation of projects through deployment of project management best practices. PMO also helps in proactive risk identification and provides adequate guidance and information for timely decision-making. The government is also realizing the importance of project management capabilities. In the Twelfth Five Year Plan, the Government has plans to focus on improving the project management skills across the country to get better returns from public investment in infrastructure and also in the social sectors.

Currently, India does not have a comprehensive policy or directive on project management standards. Don't you think that a government intervention is important as project management is crucial for infrastructure projects?

Currently, India does not have a comprehensive policy or directive on project management standards. A government intervention will strengthen the growing trend among corporations, which are following global norms, have begun insisting on professional competence along with experience. However, in its 12th Five year plan, the planning commission has stated the importance of project management in the infrastructure projects. "Project management' capabilities must be improved for the country to get better returns from public investment in infrastructure and also in the social sectors. Project management, with a view to deliver on time and within cost, is a learnable capability that can be institutionalized, as demonstrated by the development experiences of Japan, Korea, Singapore, and China. A nation-wide drive to improve project management must be an integral part of the Twelfth Five Year Plan," says

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report. Also Department of Personnel and Training (Training division) is considering to introduce a course on Project Management in public services in the induction/in-training service training programs of various training institutions, both in the government and in the public sector undertakings will help in inculcating principles of project management among officers engaged in various stages of implementation of public sector projects.

As the Indian economy expands global companies will become an integral part of the nation's development. Thus, formulating a policy to guide the planning, execution, and accountability of projects becomes desirable.

Today, India needs a transformational approach to rise above the challenges and prepare for a stronger economy and a brighter society. Project management can be that transformational tool. For the infrastructure sector, transformation means embracing newer methods, adopting best practices from other sectors, building transparent and trust relationships with all the stakeholders, and employing sustainable policies for long-term benefit.

A country poised for growth can achieve its target only with concerted effort from all corners. India today needs the public and private sector to manage its infrastructure projects on time and within budget, which in turn will facilitate the development of other sectors. The need of the hour is a collaborative approach between the government, the private sector and academia to build a talent pool of skilled and certified project managers to deliver projects successfully and contribute to the transformation of the country.

According to Ministry of Statistics and Programme Implementation (MoSPI) Flash report December 2012, out of 566 central sector infrastructure projects (costing more than INR 150 crore) about 46% were delayed resulting in cost overrun of about 18 percent (of original cost). Thus, it is in the interest of the Government and private sector to promote project management techniques in the infrastructure sector to achieve the envisaged vision.

Many infrastructure projects in India are suffering due to the dearth of competent and experienced project managers and project professionals. This is due the lack

of focus on project management courses in India's education system. How do you think this education system can be promoted in a big way to get top-class project managers in India?

Many infrastructure projects in India are suffering due to the dearth of competent and experienced project managers and project professionals.

Lack of highly skilled professionals becomes critical to address as per the PMI KPMG report on – Infrastructure – Study on project schedule and cost overruns.

The survey suggests that there is a dearth of manpower across categories; however, non-availability of highly-skilled professionals can have an adverse impact on the project delivery and cost. By 2022, Indian infrastructure sector is expected to have a shortage of around three million project professionals including project managers, civil engineers, planners, surveyors, safety professionals, etc. Hence, it is imperative to increase investment in training and mentoring to develop the requisite skill set in the professionals, deployed across various departments.

Further, to meet the incremental demand of project professionals, it is important to introduce project management in the curriculum of engineering, management and other technical institutes. Moreover, the Government should play a more proactive role by recognizing project management, vocational or skill training institutes as a part of the main stream education. In many of the advanced industrial countries, vocational training is considered at par with university education. However, this is not the case in India. As a result, vocational training is not sought after by the bright and ambitious students. One of the primary reasons is that these institutes cannot offer a



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'degree' – which seems to be a critical requirement for any further formal education in India and across the globe. It is important to understand the manpower and skill requirements of the industries before we begin our reforms in the vocational training area. The rapidly growing Indian needs trained manpower now more than ever. There are multiple sectors, Government organizations, support institutions that need manpower to support them.

The introduction of project management curriculum in main stream education is rapidly becoming global. India is expected to benefit immensely by adopting global standards and allowing globally renowned institutes to set up training centers in India. In the short run, it will help some of the best global construction companies to work

efficiently and effectively in India and contribute to the richness of workforce in India. In the long run, it will help the Indian labor to be world-class and claim higher salaries and wages.

Please brief us the role of PMI India and its various initiatives to get recognition and acceptance within governments, organizations, academia and industries.

The PMI India office fosters the advancement of standardized, professional project management principles through the advancement of its leadership development and certification projects.

As India globalizes and is on the growth trajectory with rapid developments taking place in both the private and public sector, we see a need for formal project management principles. The growth of the business process outsourcing industry

continues to drive India's services sector. Large and mid-size firms from around the world have adopted the practice of outsourcing non-core business processes to business partners based in India. This practice has been notably beneficial to the ICT, pharmaceutical and automotive industries in India. Indian ICT firms have transformed from simply a low cost provider of services to strategic partners that are now accountable for entire business deliverables that act as extensions of their client organizations. In return, client firms are no longer just outsourcing to reduce cost but now seek innovation and product development from their India partners. In-turn, Indian IT firms are now growing by acquisition and global expansion, thereby raising the complexity of the global distributed service delivery model.

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Taking into consideration the above, project management will be even more imperative than before and PMI India will continuously reach out to organizations in private and public sector in its advocacy efforts and bring out the importance of certifications and standards in project management.

There is also a very strong need for focusing on government relations efforts for embedding project management in government contracts via legislative/regulatory advocacy. Also, PMI India will continue to educate government leaders about the benefits of project management and target government leaders for awareness building and public relations activities, particularly related to the need for project management on infrastructure projects.

Also, PMI India has specific initiatives focused on advancement of project management through partnerships with colleges and universities and driving the importance of having project management as part of the curriculum in engineering and MBA colleges.

With India's burgeoning economy, there exists a strong need for project management in every single sector. From Aerospace, Financial, IT, social sector, manufacturing, defense, telecom, government and practically all industries, the role of project management is becoming immensely vital.

The focus of PMI in India would be to increase the emphasis on professionalization of PM practices, and inculcating a PM culture within the establishments. We aim to do this in a three pronged strategy targeting the government, the academia and the industry.

Over the last few years, we have had several informal discussions with various government bodies and regulators – both directly and indirectly. Our objective has been

to spread the principles of project management and demonstrate how this will have a positive impact on projects in India – enabling them to be completed on time and within budget. After our discussions, the Department of Training, DoPT is of the view that introduction of a course on 'Project Management in Public Services' in the induction/in-service training programmes of various training institutions, both in the Government and in Public Sector Undertakings, will help in inculcating principles of project management among officers engaged in various stages in the implementation of public sector projects.

Project management is applicable across industries. IT companies were quick to adopt it and have reaped the benefits. Other industries in India are adopting the PM practices gradually, but the trend is bound to accelerate in the years ahead.

Below are 28 academic institutions offering PM courses:

In addition to the above there are 3 Institutes who are PMI REPs (Registered Education Providers) viz.

- SP Jain Institute of Management & Research, Mumbai
- Karunya University, Coimbatore
- Symbiosis Centre of Information technology (SCIT), Pune

PM training is a vital element for achieving timely completion and reduce cost overrun in any infrastructure construction projects. Your views on this.

The completion of construction projects in a timely manner is often a critical factor and measure of project success.

There is no focus on implementing project planning, which in fact should take place first." It is common in India to start a project without a plan that accounts for all facets of the project, unforeseen circumstances, stake

College/University	Name of the Institution	City	State/Province
College	EMPI Business School	New Delhi	Delhi
College	G.L. Bajaj Institute Of Management & Research	Noida	Delhi NCR
University	Amity University (School of Engg and Technology)	Noida	Delhi NCR
University	O.P. Jindal Global University	Sonapat	Haryana
College	Institute Of Management Technology	Ghaziabad	Delhi NCR
College	ITS College of Management	Greater Noida	Delhi NCR
College	Dronacharya College of Engineering	Gurgaon	Haryana
University	NIIT University	Neemrana	Rajasthan
College	Global Institute of Management Technology	Noida	Delhi NCR
University	Thapar University	Patiala	Punjab
College	Birla Institute of Management Technology	Noida	Delhi NCR
College	Maharaja Institute Of Technology	Bhubneshwar	Odisha
IIT	IIT Guwahati	Guwahati	Assam
College	Hindu College of Management	Sonapat	Haryana
College	Global Institute of Management Technology	Allahabad	Uttar Pradesh
University	Centurion University of Technology & Management	Bhubneshwar	Odisha
University	XIMB	Bhubneshwar	Odisha
University	XLRI	Jamshedpur	Jharkhand
IIM	IIM Indore	Indore	Madhya Pradesh
IIT	IIT Banaras	Banaras	Uttar Pradesh
IIM	IIM Ranchi	Ranchi	Jharkhand
IIT	IIT Roorkee	Roorkee	Uttar Pradesh
University	LNMIIT	Jaipur	Rajasthan
College	PIES	Indore	Madhya Pradesh
IIT	IIT Bhubneshwar	Bhubneshwar	Odisha
NIT	NIT Patna	Patna	Bihar
NITTR	NITRR Bhopal	Bhopal	Madhya Pradesh
IIM	IIM Calcutta	Kolkata	West Bengal

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holder management, risk management, end-to-end funding etc. The lack of trained project managers is another concern area. Individuals with technical knowledge rather than project management skills manage projects in India, thereby leading to inefficiency in management. The dearth of qualified white collar professionals in India is a key challenge for the infrastructure industry. Alternative career options in lucrative industries such as information technology and financial services have become a more attractive proposition for the fresh engineering talent in the country. The situation is expected to aggravate further as the current education system is unable to deliver the required number of specialists across the project management value chain. In addition, there is a shortage of experienced engineers with the desired project management skill sets to take up larger roles. Furthermore, India's vocational training curriculum needs to be further strengthened and based on global standards.

Hence, today there is a more urgent need to train managers in project management than ever before. If India has to reach its ambitious growth targets, projects have to be completed on time and within budget. Projects have to incorporate best practices from the public and private sector to see better outcomes. Organizations need to develop a deeper understanding of project management and the capabilities that it can unlock in the workforce. "In India, people do not continue to educate themselves after becoming a project manager. Like a doctor or a lawyer, a project manager needs to update and upgrade himself/herself with the latest tools and methodologies. Getting a credential is not the end in the game, but beginning of a new journey. It is important for project managers to be aware of the developments around them and be able to see the big picture.

Although things are changing now and basic project management knowledge has been embedded in higher education curriculum, India still has a long way to go.

Around 72% of the respondents of PMI KPMG report consider internal training programs such as developing in-house Project Academy / 'Center of Project Management Excellence' for training and certifying project managers as the pertinent step to enhance the quality of talent available in the near future. The report suggests the following steps for formulating project management training for professionals:

- Further strengthening India's Vocational Education and Training program to impart project management knowledge to working officials having varied experience.
- Foster collaboration and cooperation with educational institutes to counter the insufficiency/shortage/paucity of professionals well equipped to handle infrastructure projects
- Encouraging further development of in-house academies and structured training programs.