The Impact of Project Managers Overpromise and Underestimate at the Same Time

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Abstract

It is often said that project management is both an art and a science. It is a science because project managers have to estimate time and cost that it takes to actualize the deliverables. It is an art, as they have to manage resources, people, and other stakeholders. In this context, it is very important for project managers to balance the needs of all stakeholder and especially the needs of the clients. Often, it is the case that project managers have to budget for the project and give the client an estimate of how long the project takes and how much it would cost. This means that they have to be adept at estimating the time and the cost of the project. In many cases, it is often the practice to overpromise wherein the project managers with the hope of pleasing the client often promise more than they could actually deliver. This is the reason why many projects go haywire, as the initial estimates often are very tight leaving no scope for course correction midway. Further, there is lot of pressure from marketing, the delivery managers, and the group heads in the organization who want the client to be pleased at any cost. This is the case with many Indian software companies where the project managers under pressure from organizational imperatives often overpromise to the client and once the project is underway, they realize that they cannot possibly meet the deadlines.

Keywords: Project Managers, Overpromise and Underestimate Project

1.0 INTRODUCTION

On the other hand, project managers must not underestimate their capacity to deliver as well. Even though overpromising is often the case, there are instances where vendors hesitate to bid for a project because they feel that either they do not have the resources to complete the project or they do not have the capabilities to actualize the outcomes. Of course, it is not the practice in many vendors who take outsourced projects to not bid for the same as many marketing heads never let go of the chance for new business. Rather the point here is that most project managers who are not confident of himself or herself or their teams balk from accepting these projects, as they are afraid of failure.

Moreover, in established and market leading companies, there is a false sense of complacency that arises from having a broad base of achievements which makes the vendors drop projects because they cannot risk their reputations because of failure on a single project. While this can be good business sense, the converse is also true wherein not taking up projects sometimes leads to the perceptions among clients that the vendor is not serious enough about their needs or is too arrogant to take on the project. Especially when one considers the present gloomy economic scenario, it is our opinion that not taking on projects that are viable is not a good idea. The operative term here is viable meaning that we are not suggesting that vendors take on unviable projects. On the contrary, the recommendation is that the project managers should overcome the fear of failure and take the step towards moving up the value chain.

2.0 PERSON INDEPENDENCE IN PROJECT MANAGEMENT
2.1 The Perils of Person Dependence

Imagine you are a project manager of a software project and are managing multiple resources. If by chance, one of your employees has an emergency (personal or otherwise) and has to take leave suddenly, your first priority should be to ensure that the employee gets time off and next, you should ensure that your project does not suffer. Now, consider a scenario wherein the employee in question is a critical and crucial resource whose performance is integral and more important than others to the success of the project. In this scenario, you would be in a position where in your most valuable resource needs time off for genuine (as we shall discuss later, even in cases where the reasons are not genuine) emergencies leaving your project stranded. Therefore, any good project manager would need to have a risk mitigation plan in case the critical resources resign, have emergencies, or are generally unreachable.

2.2 Why is Person Independence so important for Software Project Managers?

This means that project managers and companies in general have to reduce their person dependency and instead, have a plan in place wherein any such disruptions are handled professionally and without bad blood between the employees and the managers. For instance, if the delivery or the implementation date is approaching and suddenly, the person who is responsible for traveling onsite is confronted with an emergency, then there must be a backup plan in place wherein alternative arrangements are made quickly and with minimal disruption to business. This is the aspect of reducing person dependency or becoming person independent which has become the norm in many top notch software companies. The reason why this issue receives more traction in software companies rather than in manufacturing companies is that the former do mind work whereas the latter can afford to let go of personnel till the mid-level since the nature of the work is such that another employee can take over easily from where the employee who leaves or has an emergency.

2.3 Industry Best Practices

Indeed, the current certification models such as SEI-CMM (Software Engineering Institute – Capability Maturity Model) emphasize the need for person independence because history of the software industry is replete with instances where employees who are mission critical had to be relieved, sanctioned leave, and other manifestations of absence which have jeopardized the chances of success for the projects. This is also the reason why many giant multinationals like Citigroup have the concept of "mandatory leave" wherein employees have to necessarily take off for a couple or more weeks every year so that their managers and the managers of the managers can ensure that the project runs even without these employees. For instance, this is practiced widely in production support and maintenance projects wherein person independence is felt acutely since the work is such that one has to be available 24/7 considering that he or she has to be on call in case of any urgent issues.

2.4 Instituting Processes and Procedures

Many software experts stress on the need for development of processes which would ensure that if a person is unavailable, then the process is such that documentation on the work he or she is doing is available which can smoothen the way for the backup resource to take over seamlessly and transparently. Indeed, the SEI-CMM model discussed earlier makes explicit mention of the need to document the work and institute processes which would ensure that no project is stalled because of the absence of the employees. Further, it is the practice among companies to identify backups for each employee so that a transition and takeover can be done effortlessly in case an employee leaves or has an emergency.

2.5 Involuntary Exits and Top Level Exits

Until now, we have discussed resignations and personal emergencies. However, as noted earlier, there can be less genuine reasons for absence such as fraud, being fired for sexual harassment, and even theft of IP (Intellectual Property). This means that the employee in question is sacked or fired immediately and on the spot which makes the case for person independence stronger. Moreover, when such instances happen, the companies have to make sure in future, the processes are strong and robust enough to prevent all employees from accessing information on topics and subjects more than what is necessary for their work. Indeed, many firms in recent years have grappled with senior level exits that have happened suddenly taking the CEO or the Board by surprise. In these cases, the firms that were person independent could manage the transitions better than the ones which relied heavily on a single person.

3.0 THE IMPORTANCE OF ETHICS IN PROJECT MANAGEMENT

While Ethics are important for all organizations and their employees and other stakeholders, they are more important for project managers who execute complex projects and interact with a wide variety of stakeholders. Indeed, being ethical and following ethical norms can be said to be prerequisites for project managers who have to practice ethics and observe ethical rules. The importance of ethics for project management can be seen from the way in which project managers have to bid for projects after full disclosure of their capabilities and capacities without resorting to hyperbole or exaggeration and

during the bidding process, ensure that they do not employ underhand means to bag the project. As the rest of the discussion indicates, there are some red flags that project managers need to be aware of in all phases.

3.1 Bidding and Prospecting

Indeed, bidding and prospecting for projects are the primary sources of unethical behaviour and unacceptable conduct. Take the example of global construction and infrastructure firms bidding for the recently concluded Brazil Olympics. There were several allegations of firms and their project managers employing unethical means to bag the projects and ensure that their bids are considered before those of their competitors. Indeed, even for the Football World Cup in Qatar in 2018, there have been multiple scandals that have come to light about the unethical practices employed by firms and their project managers. While some might justify the practices such as lobbying, entertaining the clients by wining and dining them, and offering material and nonmaterial inducements to bag the projects as being part of the ways of doing business, it needs to be remembered that once a project is won based on such methods, the rest of the phases of the project are tainted and compromised as the costs incurred for the above mentioned aspects have to be recovered. This means that the project manager would have to look for ways in which to cut corners as otherwise, the project would become unviable.

3.2 Project Managers have a Wider Social Responsibility

The point that needs to be emphasized is that just like other professions such as Doctors and Lawyers, the field of project management has a wider obligation towards society and the wider stakeholders including consumers and other members of society. Therefore, the project managers cannot simply write off their responsibilities towards these stakeholders as yet another expense item and forget about it. Instead, they must proactively seek to follow ethical and normative rules of conduct at all phases of the project starting with the bidding and ending with the project handover.

Consider for example what would happen if a project manager had spent considerable money and time on the bidding and prospecting as well as on the initial scoping. He or she would be under pressure to recover some of these costs, and this would reflect and have its effect on the shoddy way in which the project is executed. This can result in the end product or the end project compromising on environmental norms thereby posing a danger to society. Indeed, being ethical also means that project managers have environmental and social responsibilities to shoulder. These can be deemed inseparable from the overall ambit of ethics and ethical norms that have to be followed.

Next, the actual people management and stakeholder management has to be done by following ethical norms. For instance, project managers involved in large and mega projects have a duty and obligation under law to keep the regulatory bodies informed and updated about the compliance or otherwise with various environmental norms. At no stage must the project manager hide information or fudge data regarding the compliance or otherwise with such norms. Doing so would mean that the project manager is failing not only the rules of conduct but also the broader responsibilities towards society.

3.3 Real World Project Management and Ethics

There would be some who would say that while all this sounds good on paper, it is not easy to follow this in the "real world". They would contend that the real world of project managers is vastly different from what is mentioned in theory or textbooks and hence, they might simply shrug some of the points discussed here as sermons. To that, we would say that while we understand the very real constraints and pulls and pressures that they face, we are also of the view that one must start from somewhere and someone must take the lead, and hence, while ethics and norms are difficult to follow, somebody has to make a beginning. In addition, we would also like to point that it is in the commercial interests of the project manager to abide by ethical norms as any exposure or leak of information regarding the actual processes being followed would be detrimental in terms of adverse publicity, investigations and court cases, and the increasingly apparent trend of a "Trial by Media" that is overly sensationalist and always on the lookout for such stories.

4.0 SOME PROBLEMS THAT PROJECTS FACE

Research has shown that nearly 80 percent of all projects run into problems related to cost overruns and time slippages in addition to many of them not being completed. Without taking into account the projects that do not progress beyond the initiation and planning/conceptualization phase, it is indeed troubling for project managers to be harried about cost overruns, human resources issues, time slippages, and differences within the vendor organization as well as the with the client. While some of these problems are due to poor communication as well as bad planning, others are due to improper implementation and flawed execution whereas the rest are due to human resource issues such as key people leaving the project or the organization midway. All in all, nearly every project we have worked on during our corporate career had to contend with some or more of these problems including the very real aspect of project managers being worried whether the project would ever come to fruition and see the light of the day. This means that project management is both an art and science where the art of balancing and the science of estimation and rigorous application of methodologies are needed in concert to take the project to successful completion.

4.1 Why Projects Run into Problems

This leads us to the question as to why most projects run into problems in the first place. In our experience, time slippages happen due to a variety of reasons including project creep, scope creep, poor planning and estimation, bad people management, and above all, due to factors beyond the control of the project manager such as the client organization cancelling or modifying the requirements midway as well as politics and other issues within the vendor organization itself. Scope creep or project creep is the most common reason why projects are delayed wherein the initial requirements are often deemed not enough midway through the project either due to the client coming up with new requirements or the project team finding that it had not estimated the scope of the project appropriately. As time equals money, any delivery slippage results in cost overruns over which disputes break out between the vendor and the client as to who would fund the shortfall due to the time and cost overruns. Indeed, this can lead to the project being called off in the most extreme cases and hence, it is advisable for project managers to clarify and put down all the requirements with the clients accurately and in advance of each phase.

4.2 How Complex Projects are Managed

Often, projects also run into problems due to the competing interests and agendas of the various stakeholders. This is especially the case in manufacturing and construction projects such as the Metro Rail projects and the Olympic stadia constructions that happen in the various host countries. This happens because the projects are complex requiring approvals and clearances from various agencies as well as being legally solid to withstand objections as well as lawsuits from the aggrieved parties. Moreover, these types of projects often involve dealing with the governmental agencies which means that bureaucratic delays are often the reason for the problems. In addition, some of the more complex projects also run into problems because the concerned stakeholders have seen a change of guard and hence, have shifted their priorities because of which the project is no longer favored or even scrapped. Apart from this, some projects also run into problems because the funding for them is stopped midway as well as the concessions and the subsidies accorded to them initially have been scrapped or lessened.

4.3 The Art and Science of Project Management

Thus, given all these factors, it is important for project managers to be iron-willed and stay firm in the midst of all these causes of problems. Indeed, in our experience, we have found that project managers have to be tough negotiators wherein they not only withstand the pulls and pressures from various stakeholders but also are firm with their team members in addition to being strong to resist the demands of various stakeholders. Apart from this, project managers have to be scientific in their estimation and planning so that any loose ends due to factors beyond their control are taken into account or at least planned to some extent so that any overruns due to the "unknowns" are handled. While it is impossible to plan for all exigencies, nonetheless, some amount of planning that is rigorous in nature can help prevent many of the problems that can crop up midway.

In addition, project managers have to exemplary people managers so that human resource issues are taken care of in a professional manner. Further, project managers have to be politically astute to balance the various interests of multiple stakeholders that call for dexterity and proper management.

4.4 A Project is like a Symphony with the Project Manager being the Conductor
Considering all these aspects, some authors liken project managers to be akin to conductors in an orchestra wherein they wield the baton and ensure that the symphony is perfect in coordination with the all the players. This means that while they are in charge of the overall score, they also need to ensure that the other players perform to their potential in addition to the need for all members to work as a unit.

5.0 CONCLUSION
        The points made in this article propose that while overpromising is bad, underestimating is equally bad and hence; project managers must develop the knack of estimating and budgeting that would ensure that their projects meet client specifications and are on schedule. Considering the fact that more than half of all projects are usually behind schedule, it is indeed a tough ask for project managers to manage the projects. Therefore, as mentioned in the introduction, project managers have to adopt a scientific approach and practice the art of walking a tightrope. In conclusion, project management is to be practiced with a rigorous understanding of the concepts and an artistic means of managing the outcomes.

        Whether one is a large firm or a small one or whether one is dealing with a voluntary or involuntary exit or sudden leave due to emergencies, it makes sound business sense for all companies to be as person independent as possible. Indeed, if history of project management and software project management in particular teaches us anything, it is that unless companies reduce their dependence on employees, chances are that projects might suffer in case of exigencies and emergencies. Further, backup resources and alternative arrangements in addition to risk mitigation plans must be made and put in place. Some companies ask their employees to whom others report to prepare a likelihood of resignation plan wherein the managers estimate and document the likely chances of specific employees quitting. In addition to this, these companies also deal with personal emergencies of employees by instituting processes and procedures in place that would be activated in case of the employee having to leave suddenly.

        While following ethical norms might be difficult for project managers, it needs to be remembered that at the end of the day, "the softest pillow is a clear conscience" and hence, being ethical and normative is an end in itself and the means can be thus defined and executed so that the end goals are met. Moreover, it is better for project managers to follow the rules and be ethical in all interactions as otherwise, longer term sustainability and reputation would take a beating and organizations take a considerable time before they recover from adverse situations. Thus, it is better to be safe than be sorry in the longer run.

        The best music happens when everyone is in sync and the project managers have to ensure that this happens not only initially but throughout the course of the project and then, be able to receive the applause of a well-deserved performance.

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