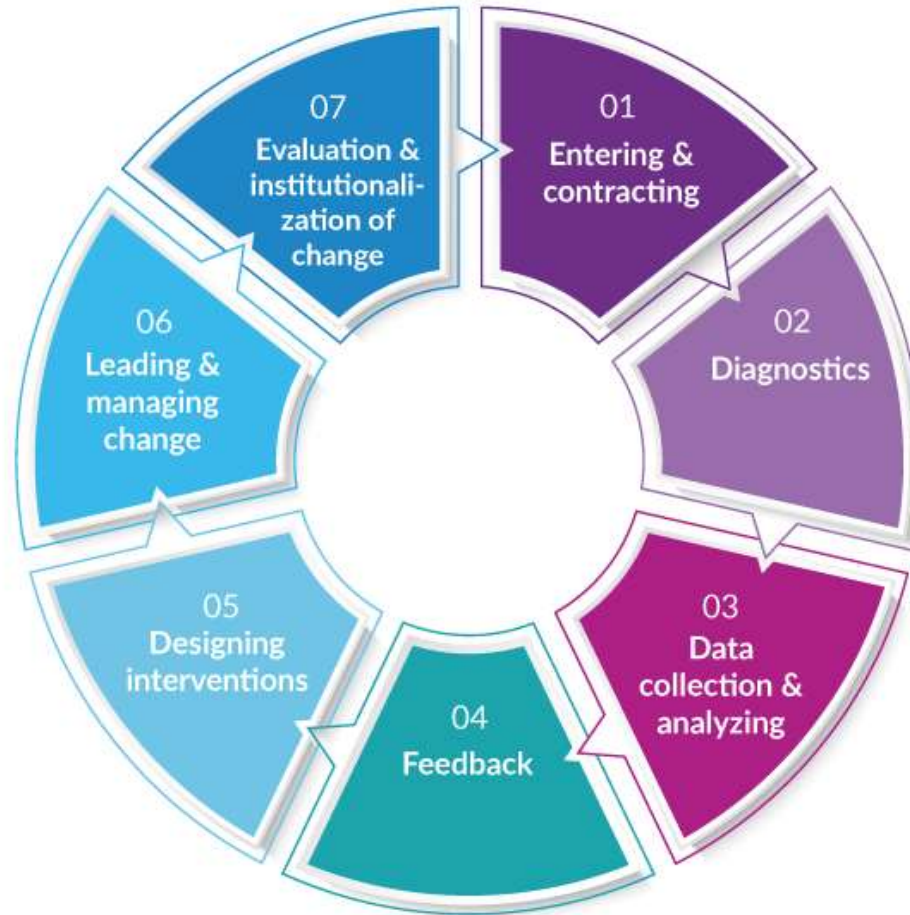


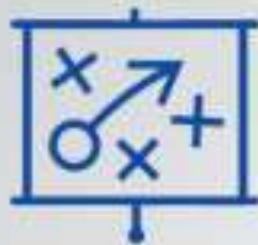
Unit II

Organization Human Resources and Contracting: Delegation, Skills / abilities required for project manager, Authorities and responsibilities of project manager, Project organization, Contracts, Tendering and Selection of contractors, Team Building.

Organizing Human Resources and Contracting

The Organizational Development Process





STRATEGIC
OBJECTIVES



EMPLOYEE



TRAINING

HRM

HUMAN RESOURCE MANAGEMENT



SUCCESS



BUSINESS
VALUE



EMPLOYEE
RECRUITMENT



REWARDING

DELEGATION

DEFINITION

Delegation is the process through which a leader assigns specific tasks or responsibilities to team members.

This allows for tasks to be completed more efficiently, as it capitalizes on the unique skills and strengths of team members.

Delegation not only aids in workload distribution but also empowers and develops the skills of the whole team.

EXAMPLES

- **Project Management:** A project manager assigns tasks to team members based on their expertise.
- **Kitchen in a Restaurant:** The head chef delegates specific dishes to sous chefs and line cooks.
- **Corporate Leadership:** The CEO of a company delegates operational responsibilities to various department heads.



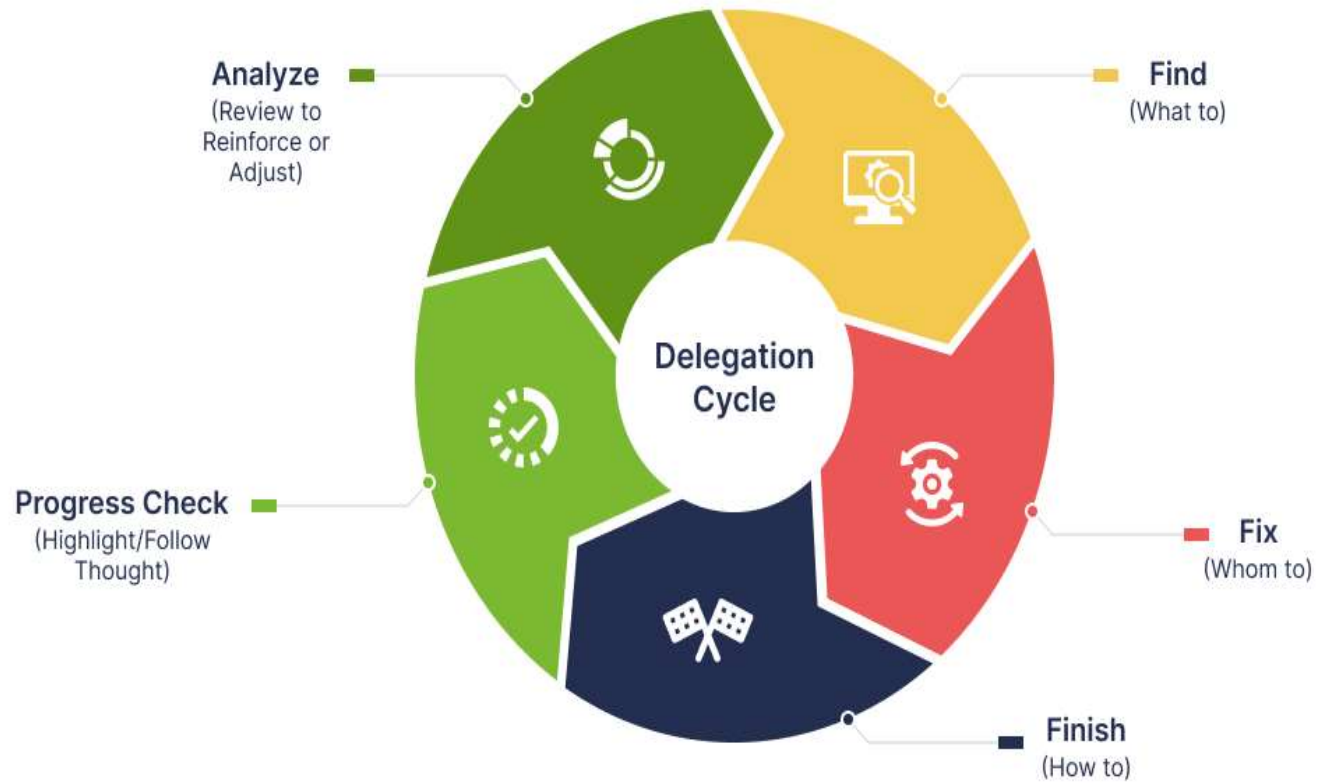
Process of Delegation

Delegation:

What to delegate?

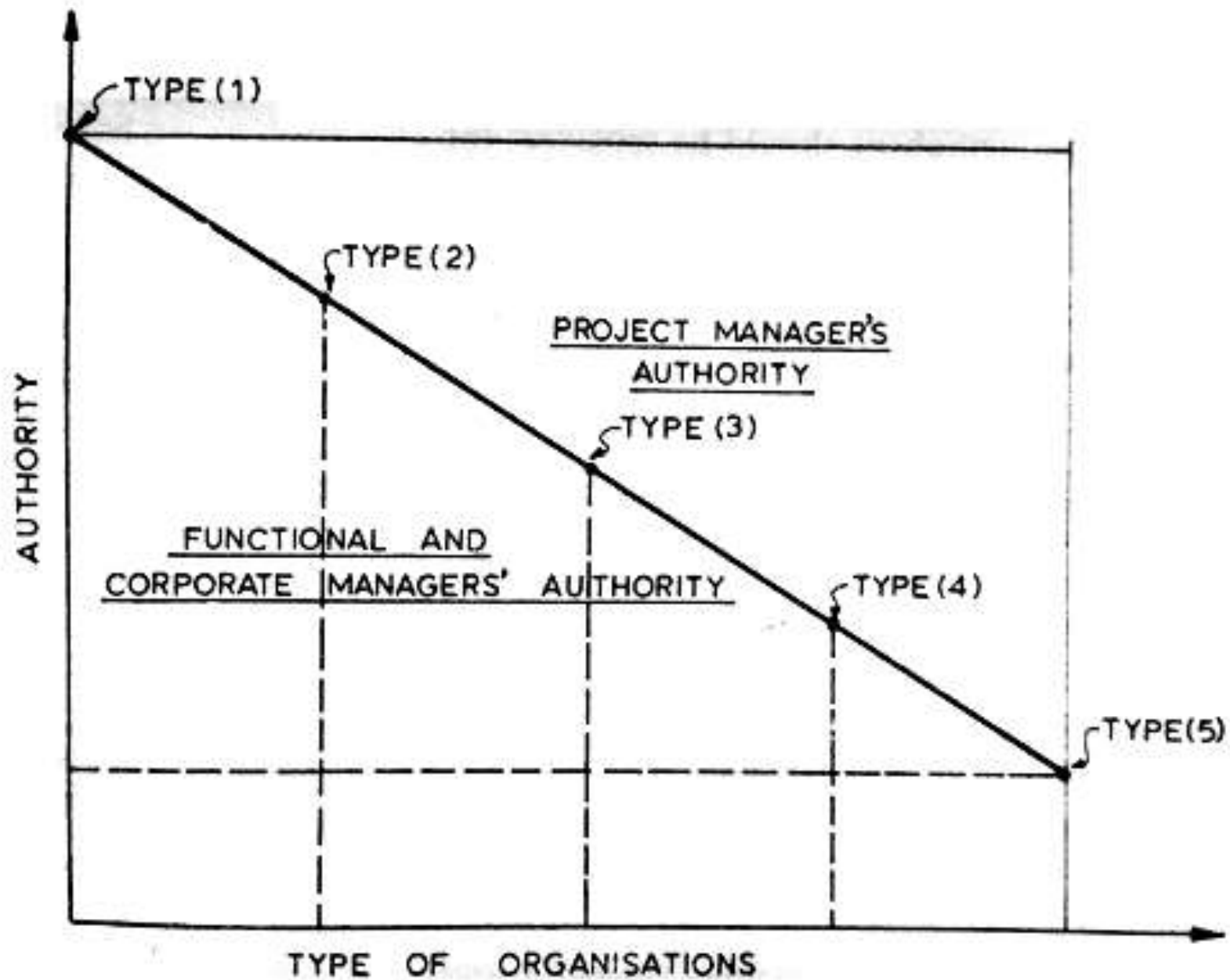
- Authority Delegation
- Mere assignment of any task is not delegation
- Delegation occurs when authority is formally passed on to make commitments, use resources, issue instructions, demand adherence and take necessary actions for the performance of the tasks
- Institutional delegation must be in writing and appear formal & should contain legal overtones

Delegation Process



Effective Task Delegation





Project Manager's Authority

The Five Pillars of Product Management





Responsibility – Moral obligation to produce results

Responsibility is an attitude of mind which cannot be passed on in writing; and to that extent the delegator, whatever authority he may pass on, will still be responsible for the tasks

Hence, responsibility cannot be delegated

Accountability - Authority has to be used for a cause, it must be made accountable

When to Delegate?

- Overburdened and cannot handle all the tasks in the required time though one has the know-how
- Does not have the know-how and is not interested in building up the same as it may not be of any use in future
- Job is so specialized that it is either not possible to build up the capability or build it by the time it is needed
- Someone can do it better qualitatively, economically and on time

- Work is not secret
- The intention is to develop staff or growth of ancillary organizations
- The work is routine and the delegator's time can be more effectively utilized by diverting his attention from routine areas_____

How to Delegate?

- The delegate must be given a complete picture of what he has to do, how to do it and how much authority he has to get it done
- Delegatee must accept the responsibility





8

REASONS WHY KNOWING HOW TO DELEGATE IS SO IMPORTANT

D Develops skills and confidence of others.

E Engage people and build trust.

L Lead by the example – good leaders delegate

E Empower teams to improve process and deliver outcomes

G Give the spotlight away for others

A Accountability and ownership for success increase

T Teachable and coaching moments

E Enables potential successors to move in and up



HOW TO DELEGATE WORK TO EMPLOYEES

CAREERCLIFF.COM

1. Choose the right person for the job
2. Understand employees' strengths, weaknesses, and preferences
3. Explain why you're delegating
4. Provide the right instructions
5. Provide resources and training
6. Delegate responsibility *and* authority
7. Allow mistakes, if any
8. Check the work and provide feedback
9. Say thank you



SOURCE: MEISTERTASK.COM

WHY DO PEOPLE FEAR DELEGATING TASKS?

CAREERCLIFF.COM

1. They resent the idea that someone else may get the credit for a project.
2. They are willing to delegate in principle but are afraid their team won't be able to handle more responsibility.
3. They suspect that their staff is already overworked and feel reluctant to increase their burden.
4. They suspect that it's simpler and quicker just to do a task themselves.
5. They dislike the idea of letting go of tasks they enjoy doing.
6. They fear that if they delegate responsibility, their own manager will conclude that they can't handle their workload.



SOURCE: LIFEHACK.ORG

HOW TO DELEGATE TASK



WHICH OF YOUR TASKS SHOULD BE DELEGATED

CAREERCLIFF.COM

1. **Tiny:** Tiny tasks are little things that only take a small amount of time to complete but add up over time. These might be things an assistant could do: scheduling meetings, booking flights for business trips, or deleting spam/marketing emails from your inbox.
2. **Tedious:** Tedious tasks are mindless tasks, such as copying and pasting lead information from your marketing automation tool to your CRM. Tedious tasks require little skill and can be easily delegated.
3. **Time-consuming:** Time-consuming tasks are opportunities to break work into smaller chunks and delegate portions of the work to others. If you perform a task regularly that takes a lot of time, look for opportunities to hand off segments of that task to others.
4. **Teachable:** Do you have tasks on your plate that you could easily teach someone else to complete? If a task is entirely teachable—if it does not require expertise that only you can provide—it's a worthwhile candidate for delegation.
5. **Terrible at:** Maybe you have no design skills, so it takes you six times as long to create graphics for your blog posts as it would a professional designer. It's better to delegate that task to someone who's more equipped to do the work quickly and well.
6. **Time-sensitive:** Maybe it would be better if you handled all of the tasks belonging to a time-sensitive project, but if you won't have time to complete it doing it all on your own, it's time to find ways to delegate parts of that task to other members of your team.

SOURCE: MEISTERTASK.COM

BENEFITS OF DELEGATION

Manager

- Less stress
- Better time management
- More trust

Employee

- Knowledge and skills development
- Confidence
- Motivation

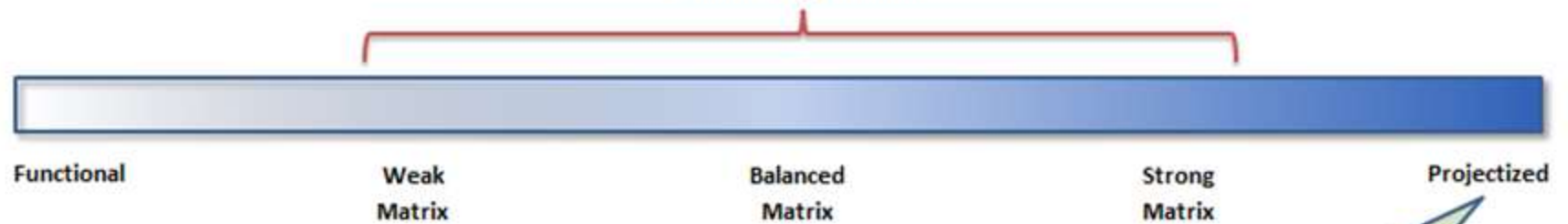
Organization

- Teamwork
- Productivity & efficiency
- Employees' satisfaction
- Innovation

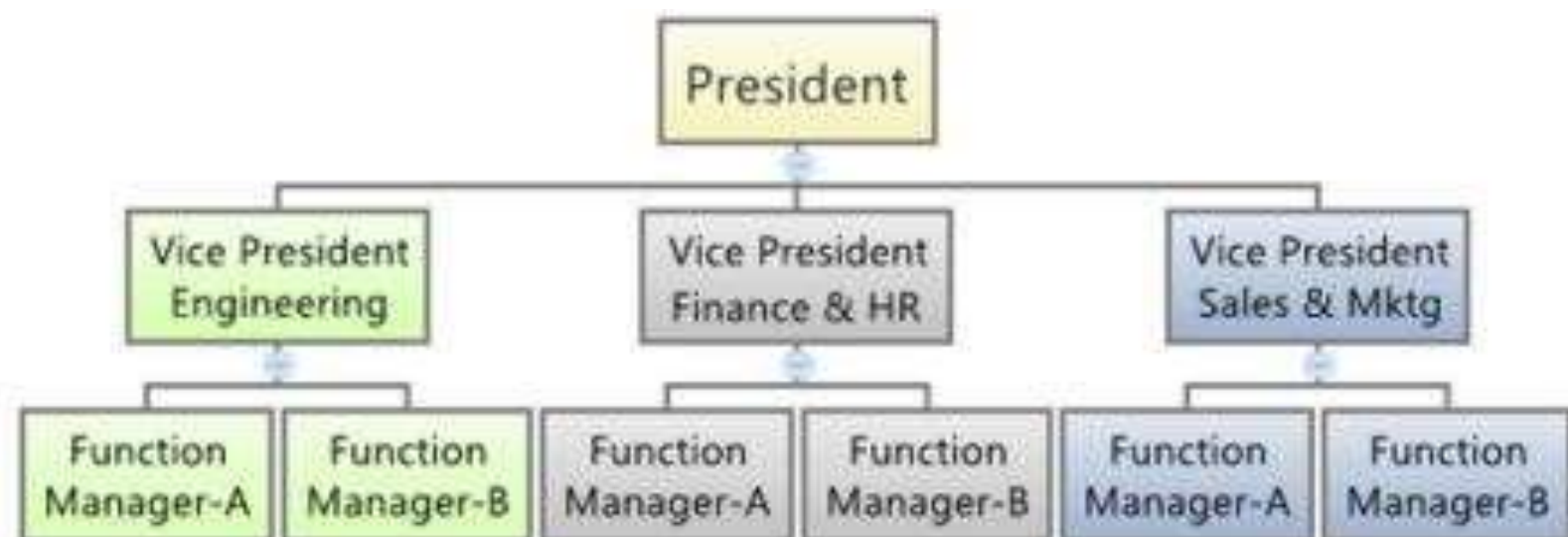
BARRIERS TO DELEGATION



Matrix Organization



This is where you get most control as a Project Manager, found typically in consulting organizations.



- Delegation involves certain amount of bargaining
- If delegation is not made properly it may boomerang on the delegator

Project Manager's Authority

Project Scope

Project Goals

Project execution mode

Project organization

Project purchase

Contracts, contractors and consultants

Project technical performance

Project schedules and budgets

Fund and other resources

Project personnel

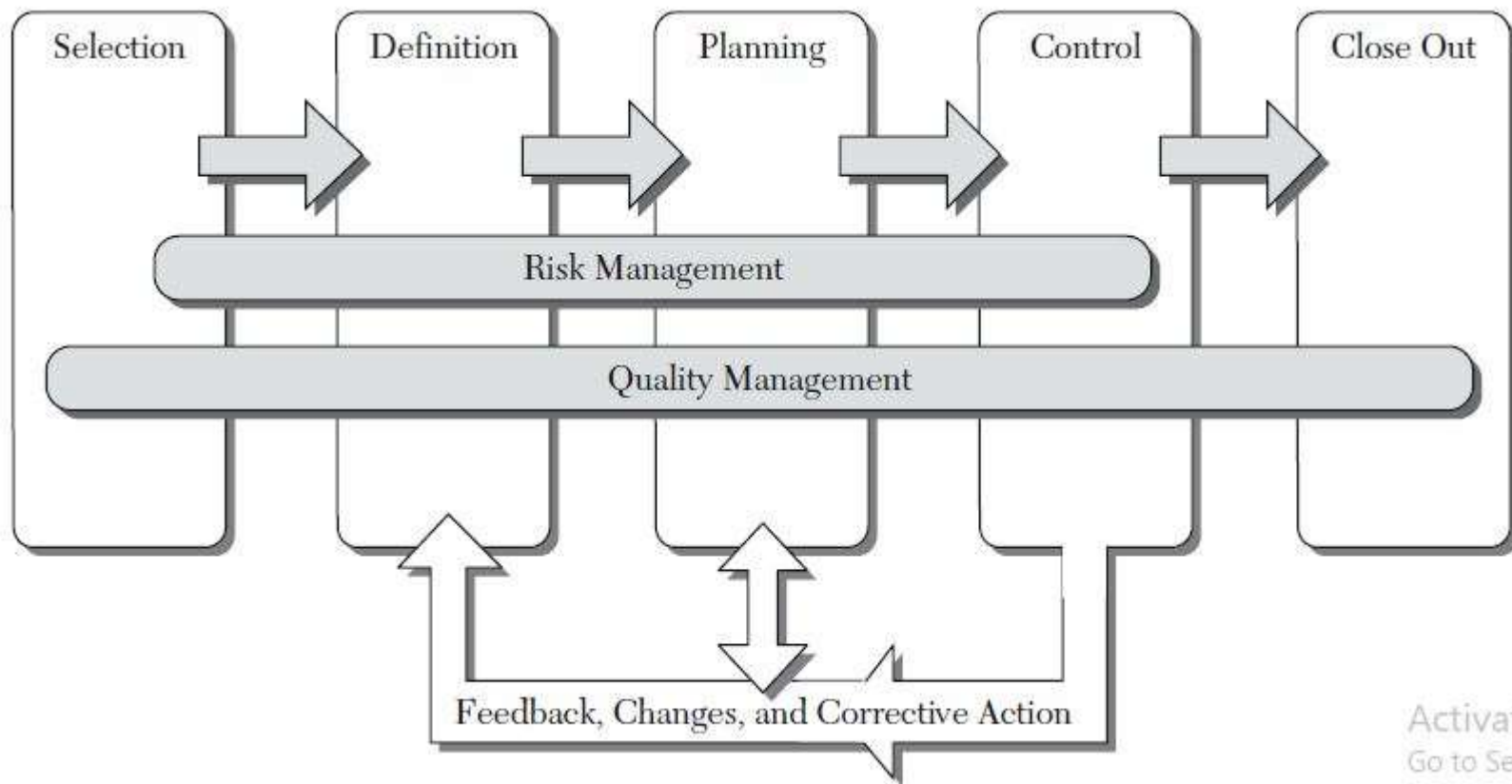
Public/Shareholders

Project environment

Management systems and procedure

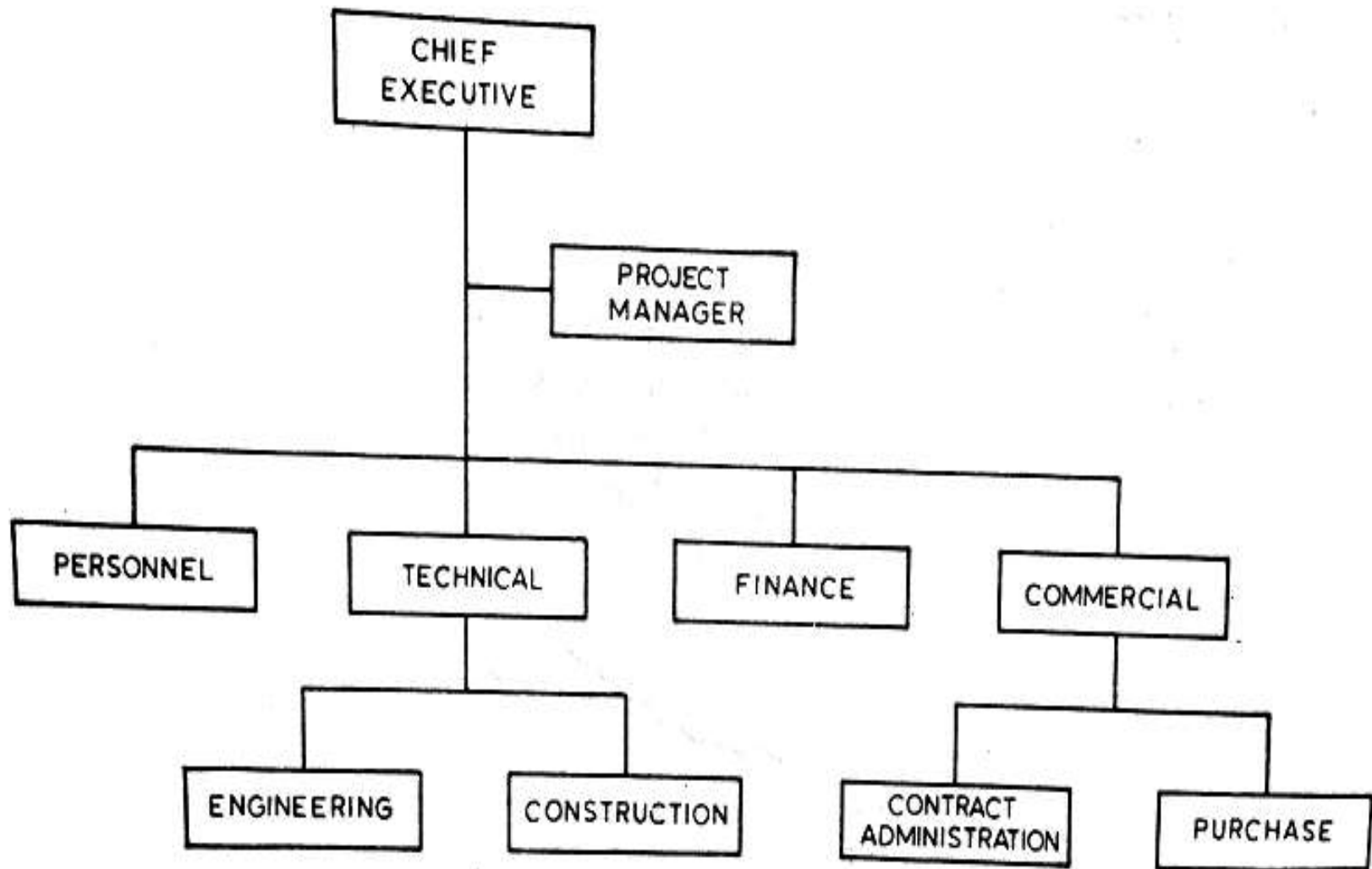
Project performance review



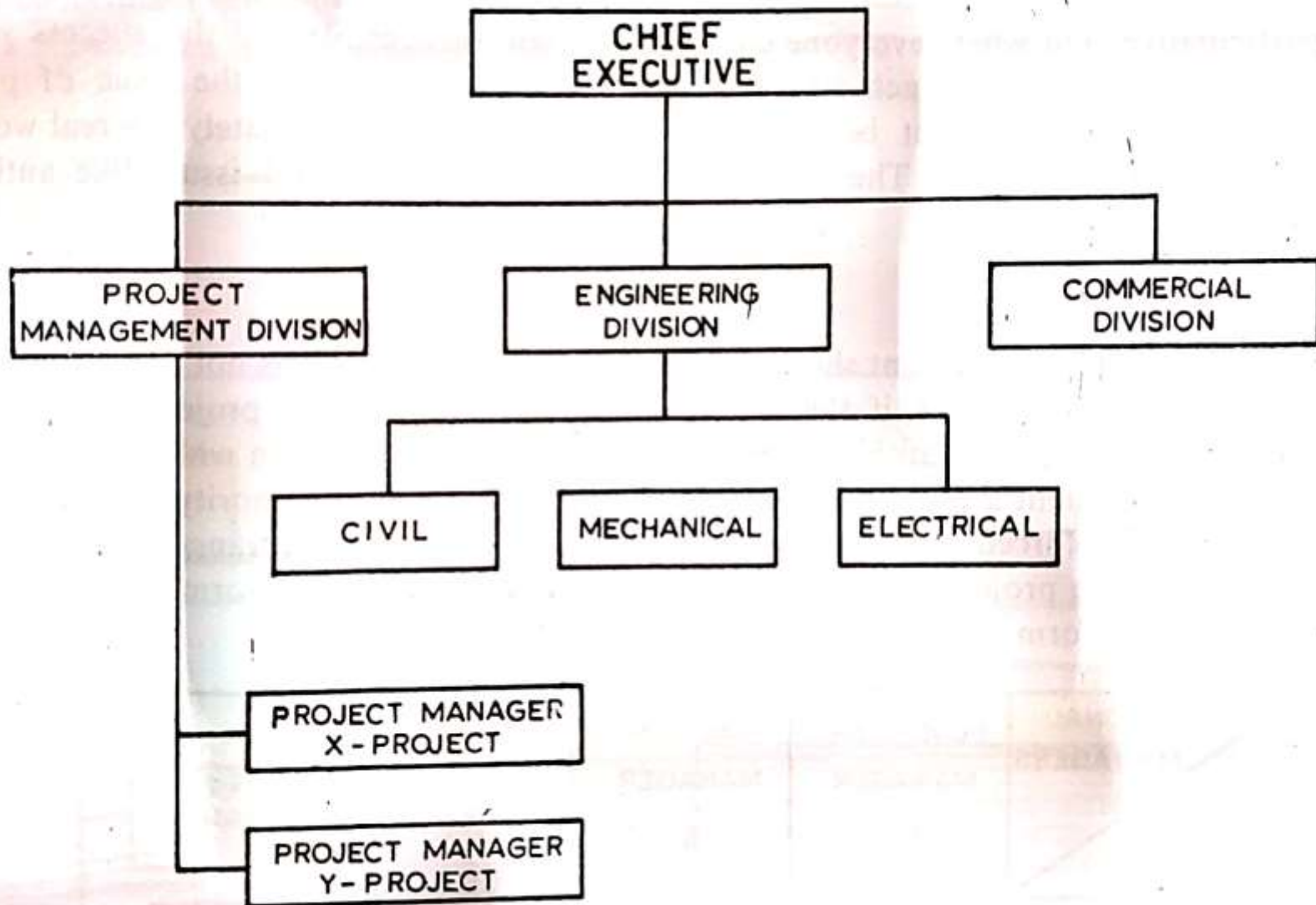


Activate
Go to Settli

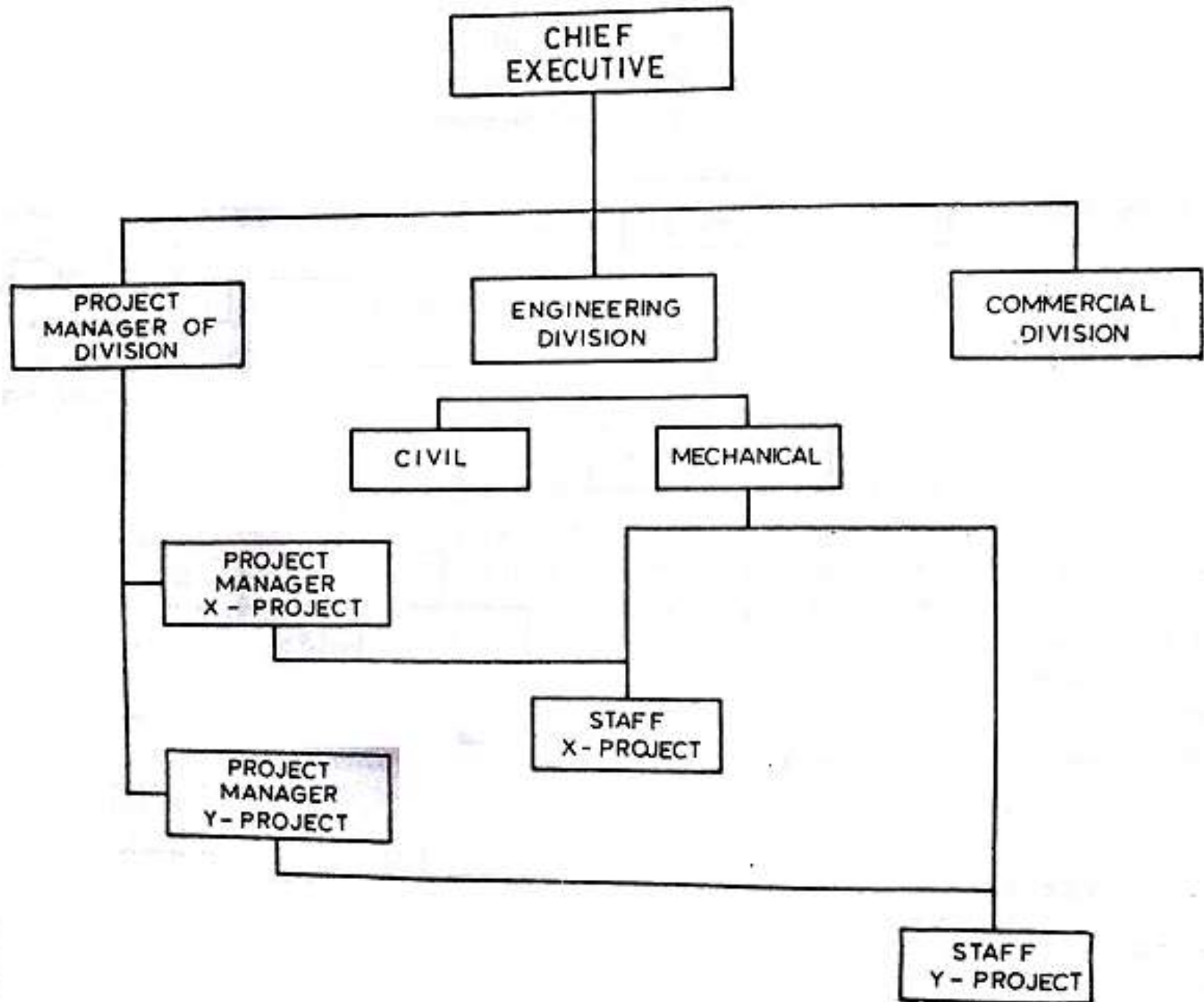
Project Organization



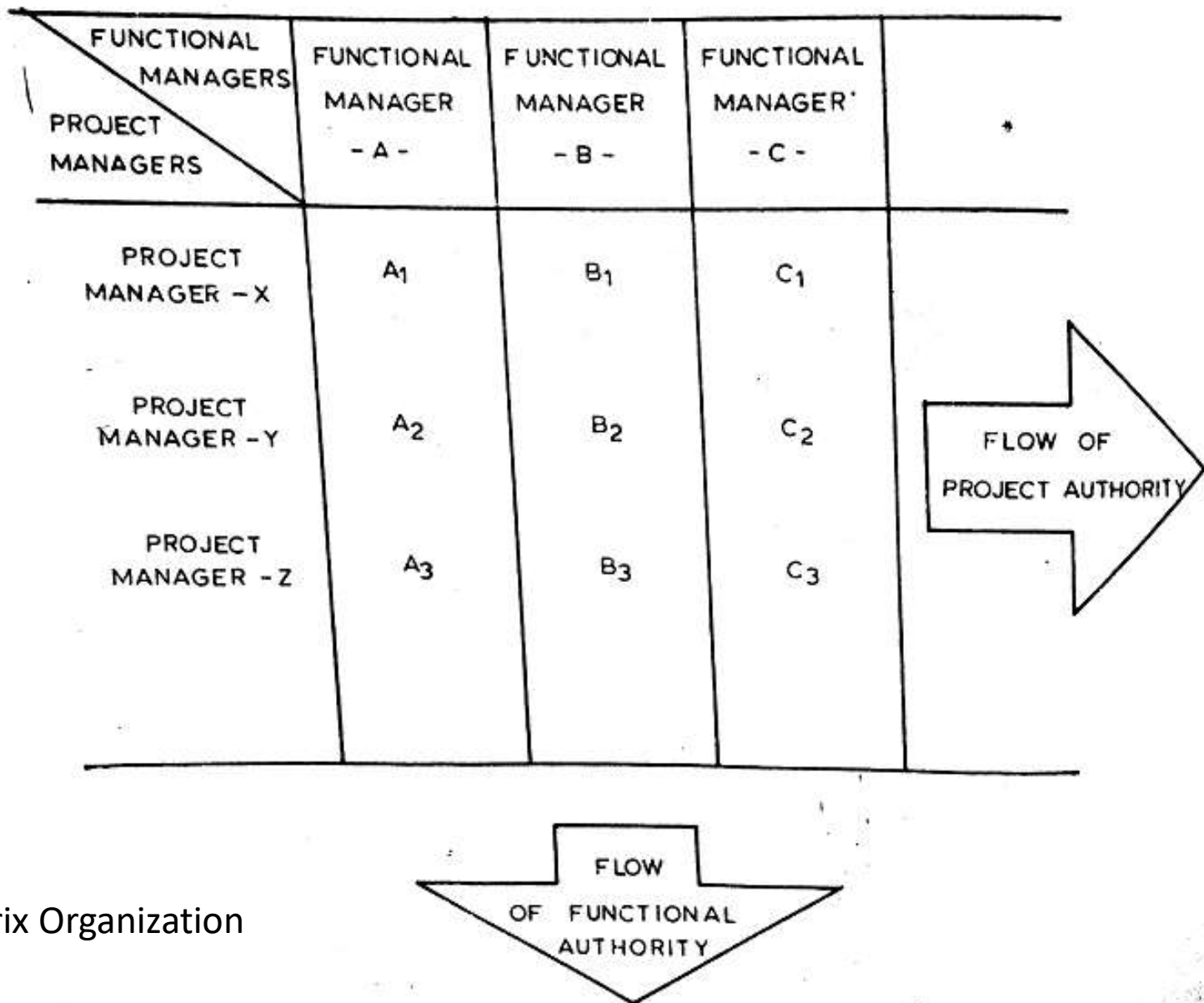
Project manager as a staff assistant to chief executive



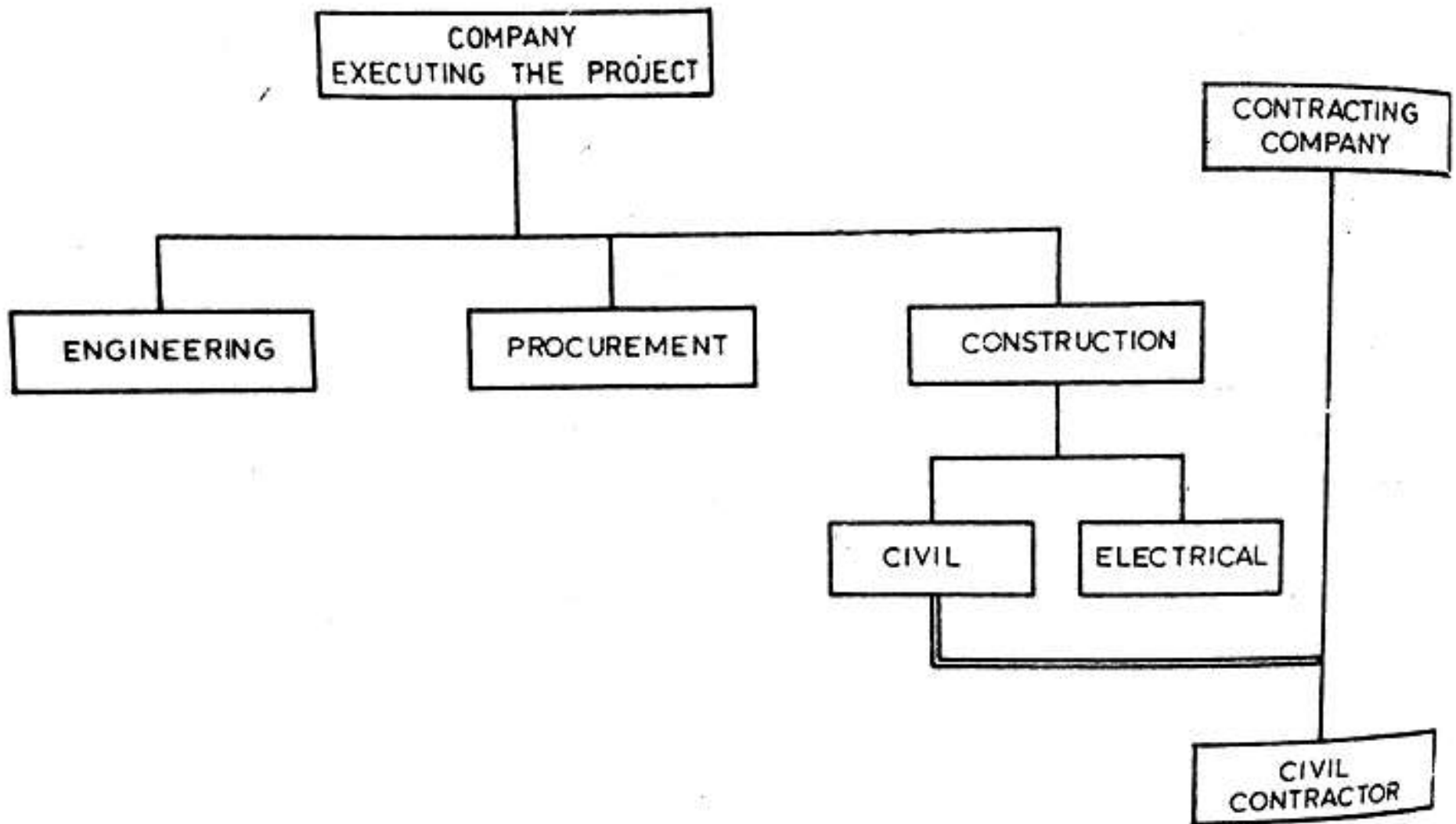
Project management as a specialised staff function



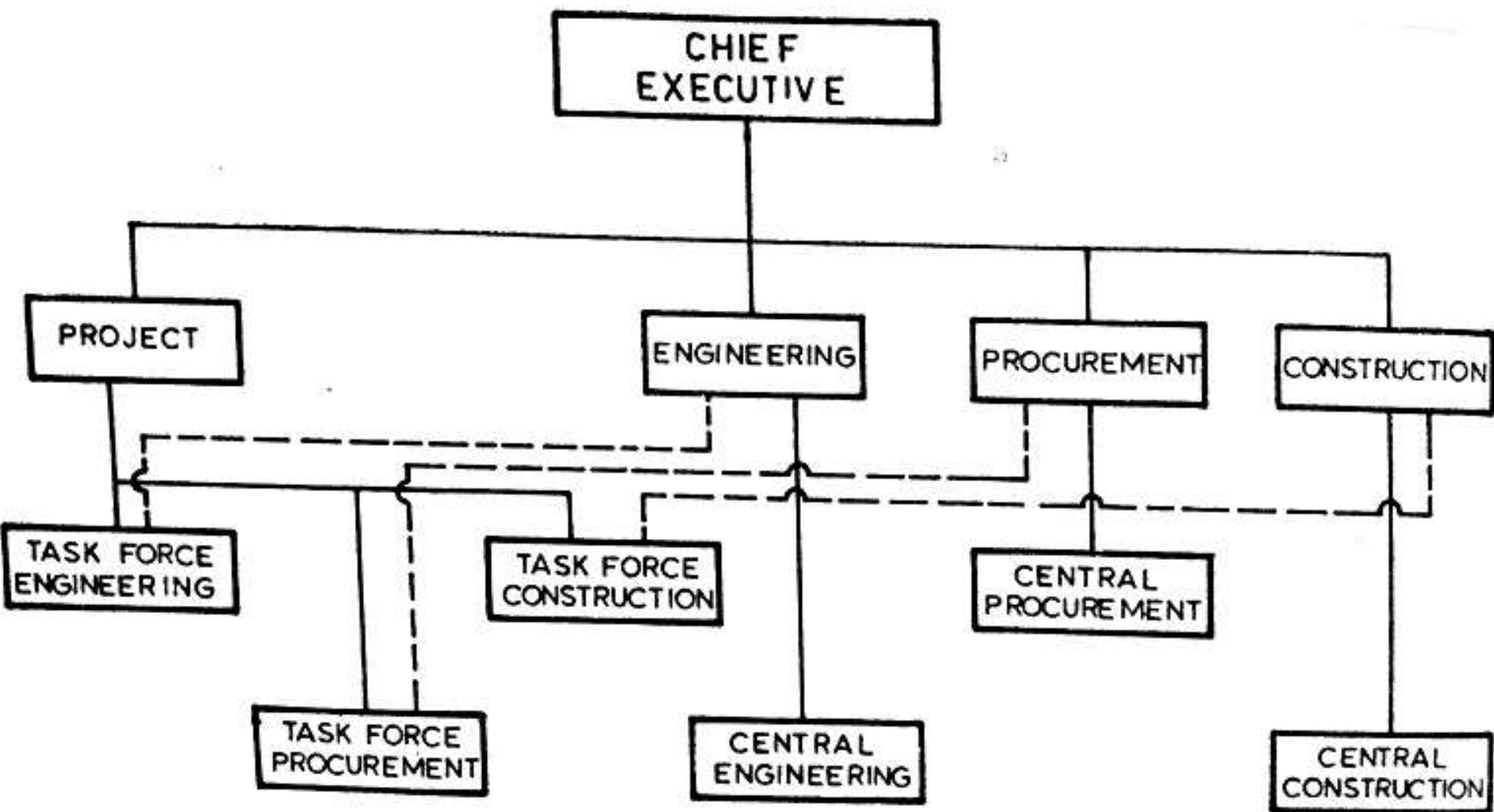
Matrix organisation



Matrix Organization



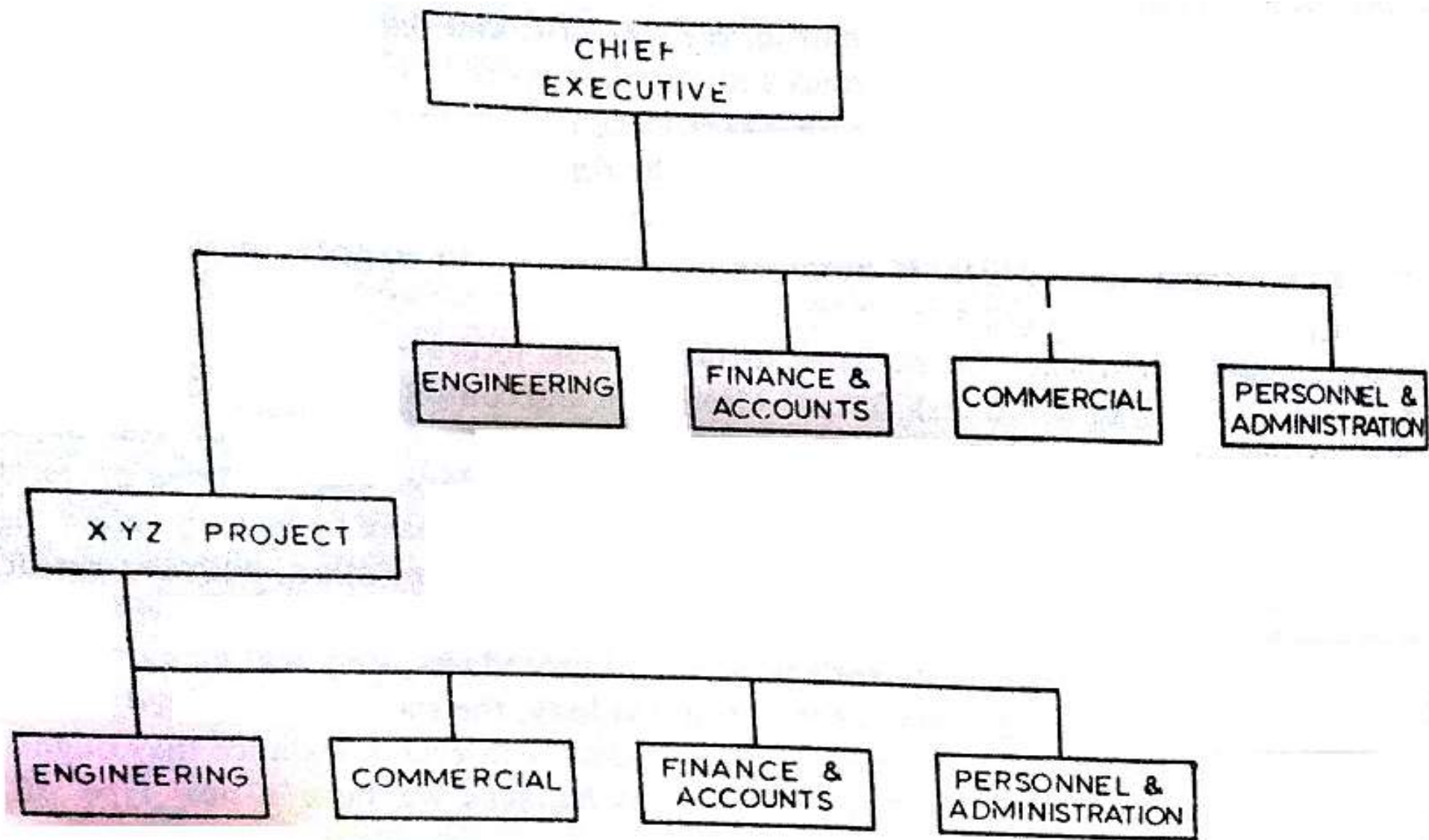
Matrix arrangement in operation in execution of contracts



Task force arrangement

Task Force Organization:

- Clearly accords authority to the project manager
- Project manager is delegated full authority to make decisions for the project
- He would be required to operate within the functional organization's policies & procedures
- A task force is created by drawing personnel from various functional departments and putting them under the project manager



Totally projectized organisation

Authority – accountability with various organizations

Project Manager as a staff

Authority		Accountability	
Project Manager	Functional Manager	Project Manager	Functional Manager
Does not make any decisions for the project, collates & communicates information	Decides what has to be done, how it has to be done, when and at what cost in their functional area	Cannot be held accountable for any performance parameter of the project. Accountable for timely reporting	Can be held accountable for individual functional performance. Cannot be held accountable for overall project time and cost

Authority – accountability with various organizations

Consultant as a project manager

Authority		Accountability	
Project Manager	Functional Manager	Project Manager	Functional Manager
Does not make decisions , betters systems, procedures, and guidelines for project implementation. Trains staff , monitors implementation and makes recommendations	Decides what has to be done, how it has to be done, when and at what cost in their functional area	Cannot be held accountable for any performance parameter of the project. Accountable for timely reporting	Can be held accountable for individual functional performance. Cannot be held accountable for overall project time and cost

Business Contracts

A contract is an agreement between two or more parties in writing, to do or not to do certain things

Business contracts are those agreements which are enforceable at law

Legal consideration which is usually payment in the form of money

Necessity of business contracts

Sequence: Enquiry Offer Acceptance Agreement Contract



3 'R's of Contracting



- Responsibility

- Reimbursement

- Risk

1. Lump sum contracts

1.1 Lump sum – Fixed price arrived by way of competitive bidding

1.2 Negotiated lump sum: A fixed price is negotiated with the contractor selected on consideration other than price

2. Cost plus contracts

2.1 Cost plus percent fee:

a) For services:

Actual man hour x rate = say A + % of A for overhead = say B, + agreed %(A+B) as fees + out of pocket cost at actuals

b) For supply:

Equipment costs at actuals + agreed % fee for service

c) For turnkey project:

Installed plant cost at actuals + agreed % fee for services

2.2 Cost plus with fixed fee: Fee component is fixed and not linked with other cost which will be reimbursed at actuals

2.3 Cost plus with guaranteed maximum:

Reimbursement to the contractor is on the basis of cost plus and % fee or fixed fee such that the total price does not exceed a predetermined amount. If the contractor incurred more cost than this figure to complete the work, some part of the extra cost will be borne by him

2.4 Cost plus with guaranteed maximum and incentive (Also known as target cost contracts):

Same as above except if the final cost is lower than the target, some part of the saving will be passed on the contractor. In both 2.3 & 2.4 escalation clause must be included to protect the contractor from developments beyond his control

2.5 Fixed rate contract: Contractor is reimbursed for his expenditures, measured in days or hours, at agreed rates per man hour or per man day without the total number of hours or days being fixed.

3. Item rate Contracts:

A detailed schedule of items giving brief description of the work or supplies with approximate quantity is introduced in the contract, and the contractor offers a unit rate against each item. Rates may also be obtained against items not quantified. Payment is made against the aggregate of various quantities actually executed at rates quoted by the contractors. Beyond a certain % variation in the quantity specified in the schedule or total values of the contract, rates may require to be renegotiated.

4. Convertible contracts: Works on cost-plus basis till scope of work can be defined and later converted to lumpsum

5. Hybrid contracts:

5.1 Lump sum + item rate: The contract in such cases may be divided into two parts. The parts where design parameter and/or quantities are frozen are put on lump sum. For the balance parts where quantities may change during detailed design, item rates are invited from the contractor against schedule of item with no or very rough quantities

5.2 Lump sum + cost plus: Same as above except that where the details of the second part cannot be even roughly estimated the same can be put on cost-plus.

5.3 The lump sum portion may refer to supplies, design or for such scope of work which can be fully defined. For services like commissioning or construction supervision or escalated period reimbursement may be made at an agreed fixed rate.

Risk Factor

Risk and uncertainty

Identification of risks

General conditions of contract (GCC)

Tender: An offer to carry out certain work or supply certain material or services in accordance with clearly detailed descriptions & conditions

Tendering procedure involves:

- Prequalification of contractors
- Preparation of tender documents
- Mode of floatation of enquiry
- Receipt of tender
- Guidelines for evaluation of tenders
- Selection of contractor

Definitions

'PQQ' (sometimes called SQ or SSQ) and 'tender' are terms we often see grouped together. Although related, they are two different things.

PQQ

A PQQ is a pre-qualification questionnaire.

Put simply, it is a list of questions a contracting authority will ask in order to assess your – and other suppliers' – suitability to deliver the contract.

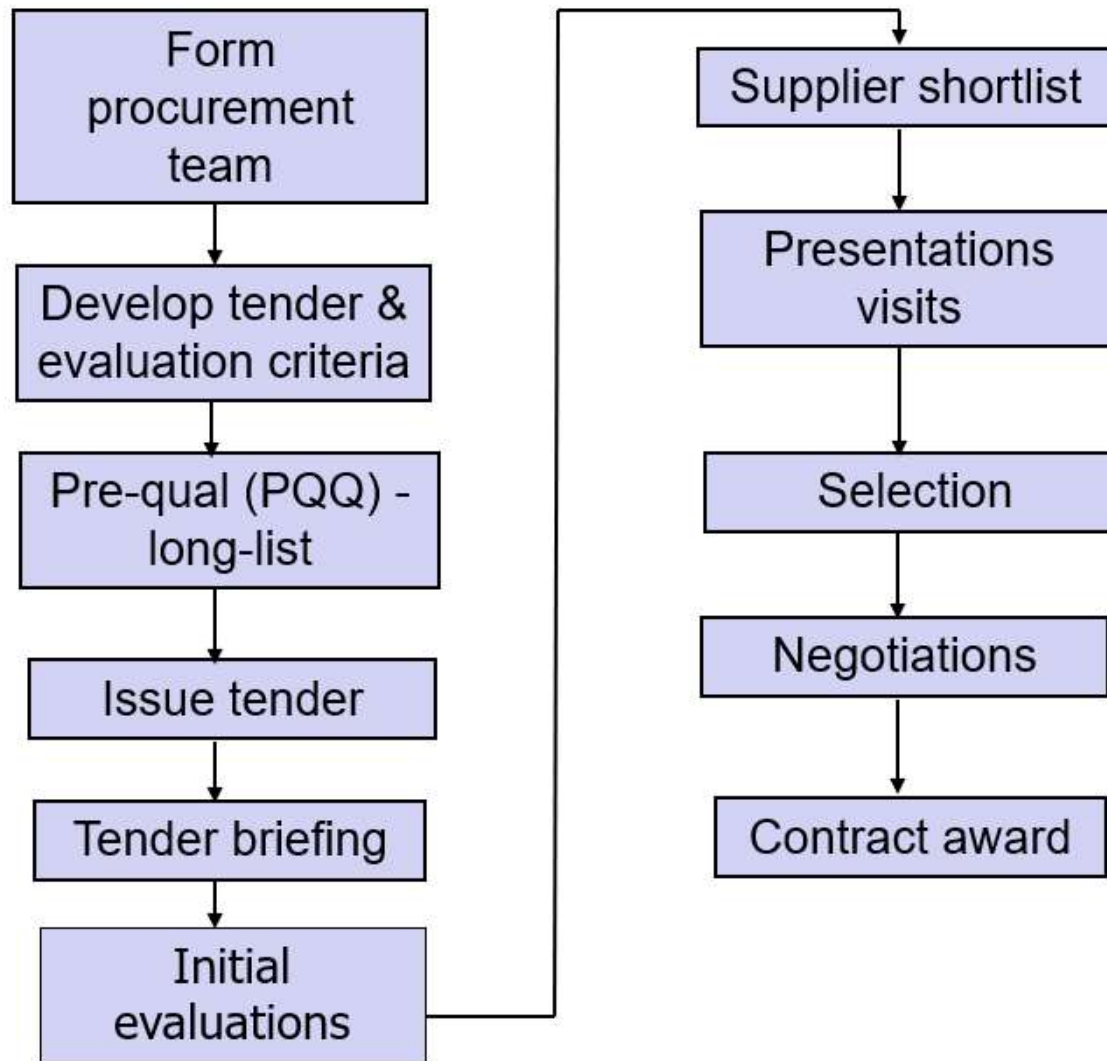
A PQQ happens before an invitation to tender.

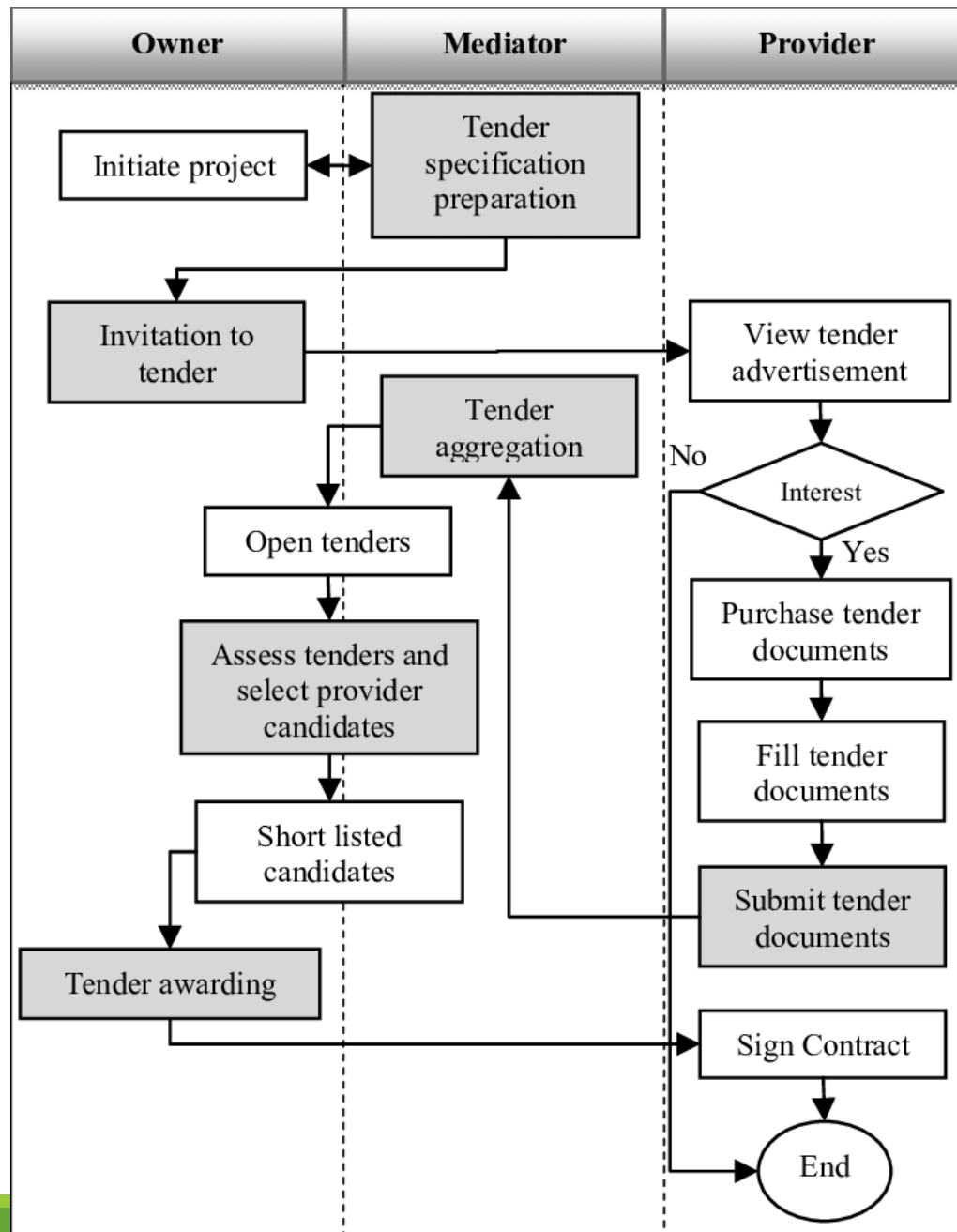
TENDER

An invitation to tender document (ITT) is a written request sent out to potential suppliers. This asks for information required for the buyer to then evaluate and select a preferred supplier.

An invitation to tender happens after a successful PQQ stage (in a two-stage process).

Tender Procurement Process





Tendering & Selection of Contractor

- ❑ GCC lists provisions to protect against uncertainties arising in the normal course of work, presuming that the parties entering into a contract are competent technically, financially and managerially
- ❑ A well laid out procedure for prequalification of contractors and tendering can resolve this uncertainty. Such a procedure is known as *tendering procedure*

References

Project Management: Choudhry S., Tata McGraw-Hill, 2010

Projects: Planning, Analysis, Financing, Implementation, and Review - Prasanna Chandra, 5th edition, Tata McGraw-Hill publishing company limited, 2005

Project management a system approach to planning scheduling and controlling- Harold Kerzner, CBS Publisher and distributors, 2002.

A management guide to PERT and CPM- WEIST and Levy Eastern Economy of PH 2002.

T R Banga, N K Agarwal and S C Sharma **-Industrial engineering and Management Sciences,** -Khanna Publishers