



# Africa and the PROJECT MANAGEMENT HURDLE

**A**ccording to all indications Africa is facing a critical development phase. In a recent report the World Bank even calls it 'the eve of an economic explosion' on the continent and 'an unknown opportunity for transformation and sustained growth'.

In the decade leading up to 2010 six of the world's ten fastest growing economies were in Africa (Angola first and ahead of China), the *Economist* found in an analysis. On its website Deloitte & Touche reckons that this number is currently seven out of ten for Africa. Africa south of the Sahara (49 of 54 Afri-

can states) reported an average GDP growth of 4.9% in 2011; if South Africa is left out, it is 5.9%. This is in spite of a few bad spots.

Africa also has the fastest growing middle class in the world, say Deloitte's researchers. Over the past three decades, this has tripled to one in three of the population – this equates to about 330 million people. It is expected that the African middle class will increase to 1,1 billion (42% of the population) in 2060.

The two outstanding characteristics of Africa's current development phase are its fast growing market of urbanised middle class consumers and the scramble for Africa's unexploited commodities.

Both trends indicate the massive need for infrastructure development and better service delivery in future. The World Bank regards these requirements and the shortage of diversified production structures, low levels of human capital and poor management supervision (corruption) as restraining development challenges for the continent.

The World Bank estimates that Africa annually needs \$93 billion (almost R800 billion) for infrastructure projects. The biggest need is to generate power. A total of 30 African countries still regularly get afflicted by power failures. If South Africa is left out the rest of the 48 countries in sub-Saharan Africa

## South Africa is planning infrastructure projects worth thousands of billions of rand while it is widely accepted that Africa needs an infrastructure boom period of a decade or so to realise its emerging growth potential. **Jaco Leuvenink** looks at the role of project management in the outcomes of these development expectations.

with their roughly 800 million residents generate the same amount of power as Spain with its 45 million residents. Sectors such as transport, water supply, agriculture, information and technology, health and formal retail are also experiencing huge backlogs. Nowadays China is obviously a huge investor in Africa with projects running in 35 countries.

Against this background it is clear that healthy project management has an essential role to play in Africa. The need for good project managers to successfully complete various types of projects – ranging from small projects and partnership projects to mega government projects – in diverse business sectors will only grow bigger. As a key regional and development power as well as source of expertise for the continent, South Africa obviously plays a leadership role.

The South African government has already committed itself strongly to project management as a way to achieve better service delivery and infrastructure development, says MC Botha, head of the Post-graduate Diploma in Project Management at the University of Stellenbosch Business School and executive of the Centre for Project Management Intelligence at USB Executive Development Ltd (USB-ED). At a leadership conference earlier this year he pointed out that the 2012 budget review lists 43 infrastructure projects that will require spending the huge amount of

R3 200 billion. Over the medium-term budget period of three years, R845 billion has been budgeted for approved projects.

The National Development Plan (Vision for 2030), drafted by a team led by Minister Trevor Manuel, president Jacob Zuma's 2012 state of the nation address and Minister Pravin Gordhan's budget speech all emphasised the achievement of goals through projects and effective project management. In his state of the nation address Zuma referred to projects or project management at least 22 times, more than in any other previous state of the nation addresses, and Botha reckons this is a watershed moment from a project management point of view.

Botha says government strategies can only become a reality if healthy project management principles are implemented to convert vision into action. In his conference paper, Botha pointed out six themes from the planning document, state of the nation address and budget that can ensure that project management plays a crucial role in the future of South Africa (and Africa).

The first theme is the creation of capability. "The unfortunate reality is that project management is a scarce skill in South Africa. The question has been asked whether our universities deliver the 'right' kind of graduates for our development needs. Project management is often an inferior 'subsequent skill' that is obtained after an initial

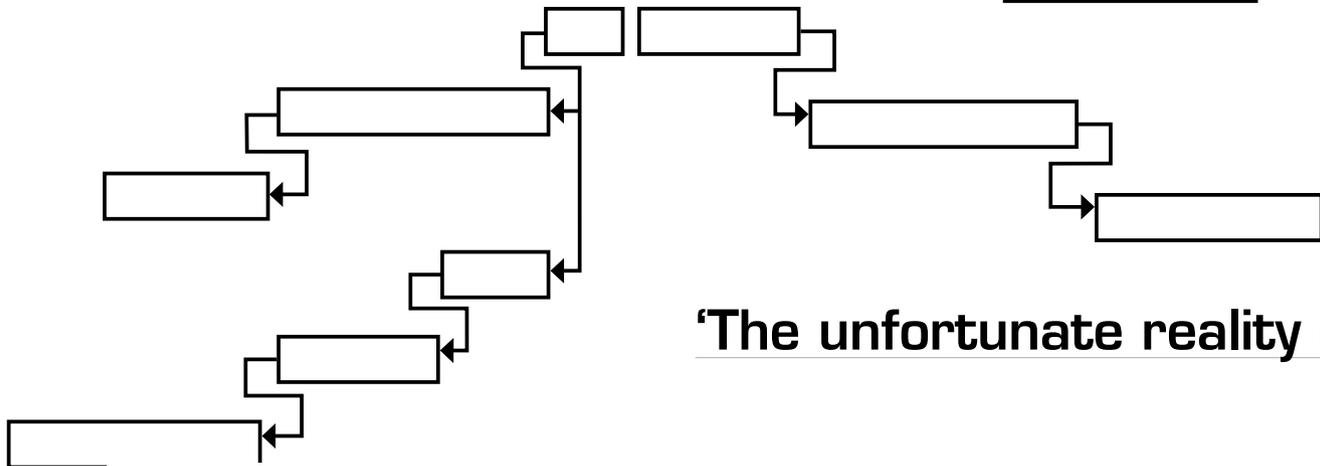
tertiary qualification," according to Botha.

Pieter Conradie, director of the Cape Town office of CA du Toit Consulting Engineers, emphasises the importance of training and experience as project manager. "You can't just call yourself a project manager. You must have the qualifications. About 20 years ago a project manager was merely a paper generator who wrote letters to everyone to find out how they were progressing and was the person who got the blame for delays or excessive budgets. This gave the profession a bit of a bad name.

"Today, however, the project manager is the one who gets everyone to work together in a well-coordinated team."

Between 2005 and 2009, the total number of registered professional civil engineers in South Africa decreased from 6 407 to 6 159, after which the number increased again to 6 419 in 2012. Africa as a whole is struggling, as trained people go looking for greener pastures elsewhere. On its website Deloitte says that members of the so-called Africa diaspora annually send nearly \$40 billion (about R330 billion) back to family members in Africa. But what might be worth more is their expertise in the development and job creation endeavours of the continent.

Botha also raised themes like the integration of project execution across state departments and government levels, reflection (with



reference to Zuma's statement that experience and expertise gained from the 2010 World Cup Soccer projects will be applied elsewhere as well), standardisation, good governance and control, and lastly outcomes entitlement.

"Historically, management in the public sector was organised around specific line functions. We have 44 national departments and with that also autonomous provinces and local governments, which means confusing bureaucratic units, directorates and divisions."

He says it is encouraging that government on cabinet level stresses the importance of integrated management and the application of resources to reach project goals.

(President Thabo Mbeki referred to this already in 2003.)

But Botha also reckons there is little evidence of a project-oriented mindset in the state sector.

"Unrest and general dissatisfaction in the country over service delivery is proof of this. The government ought to establish a single project management methodology for all departments and government levels. The Presidential Infrastructure Coordinating Commission (PICC) should have a clear mandate to give strategic direction and to force integration and coordination." And central control and supervision of projects through measuring performance, transparency, regular involvement of top management, risk management techniques, accountability and providing timely, relevant and accurate project information to interested parties, project sponsors and decision-makers are important.

As far as outcomes are concerned,

## 'The unfortunate reality is that

Botha believes infrastructure projects should speed up skills development. "Education institutions should, as a rule, get involved with government projects, which should be focused on entrepreneurial project management.

"Consequently, team members who can't return to a line function after completion of the project can become entrepreneurs and job creators with the technical skills they have acquired."

Conradie says the three pillars of project management – namely achieving defined goals within a certain time span and with a fixed amount of money and a team of people – stay the same, whether the project is big or small or in the private or public sector.

But the expertise and ability of government officials to decide on tenders and big projects leave many projects undone, says Graham Pirie, CEO of Consulting Engineers South Africa (CESA) in *Business Day* of 31 July 2012. In some instances it takes up to three years to complete tender processes. Distrust between the public and private sectors and irregular payments for state contract work also hamper many projects.

Pirie further mentions that discussions about state projects are hindered by inconsistent management, regular change in or absence of top leadership, or the lack of integrity among top leaders.

"A significant number of directors-general get replaced regularly, or

are suspended owing to corruption allegations. The private sector requires assurance about policies and policy implementation in order to cooperate well with the public sector."

Dr John Morrison, senior researcher at the USB, explains that project work (new initiatives where various specialists work together to deliver once-off outputs) varies from ordinary established operational work (mostly routine tasks within units that hierarchically function relatively independently from each other).

The classic project management problem of conflicts of interest arises in organisations that do routine work as well as project work, and where project managers have to manage people who also report to line managers in terms of their full-time jobs. This is typically the case in large organisations or government departments that must deliver routine services as well as new projects (infrastructure).

He says sophisticated techniques for the planning and scheduling of projects exist, but if project members are put under pressure by a line manager, or if they don't report problems because they know they won't get any help or sympathy from 'permanent' management, the schedule quickly gets out of hand and affects all resources.

A corporate or organisational culture that allows for a project approach is therefore crucial. People who have been working in a hierar-

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# project management is a scarce skill in South Africa'

chical structure where tasks and instructions get repeated as necessary find it difficult to function in a project environment where you have to, with own initiative and cooperation with team members, complete a task with limited time and resources.

What words of wisdom do those who stand in the midst of the daily grind of practical project processes offer? Themes that come up time after time include understanding each role-player's talent and needs, as well as good communication skills to get everyone in the team to work together.

Gilliam Hough from Gauteng, who holds a degree in chemistry and develops alluvial diggings in the south-eastern forests of Cameroon,

says you must be firm without acting as if the place belongs to you.

"Learn those few French or foreign words that you need to make contact with the locals."

Mondli Mbambo, project management specialist at Dilika Project Management in Pietermaritzburg, reckons being attuned to politics can be crucial if you manage government projects in South Africa.

"Perhaps we need a discipline called political project management," he says.

Madi Hanekom, a Pretoria business consultant in project management, stresses the importance of prioritising, as well as the effective management of shareholders and stakeholders.

For Danie de Waal, senior advisor in project management at KPMG in Johannesburg, the most important lesson he has "learnt over and over" is that a project is only successful if the end-user is satisfied.

"To complete a project within the time, quality and budget objectives means nothing if the end-user is not happy with the final product," he says.

South Africa, together with Africa, can cross the hurdle to a new phase of development if it takes project management seriously.

But to achieve this, the old cliché still holds true: everyone has to contribute and the public and private sectors must strengthen each other's hands. <sup>a</sup>

## DR JOHN MORRISON'S REASONS WHY BUREAUCRACY OFTEN TRIUMPHS OVER INNOVATIVE PROJECT MANAGEMENT:

- Drawn-out decision-making processes to enforce accountability
- Power and status in hierarchical position – line management is king
- Achievement mainly measured on departmental efficiency rather than organisational resoluteness
- Choosing the safest way out to avoid mistakes
- Following the rule book and being afraid to be creative
- Getting little support with a new task and even being punished if you struggle
- Getting punished when you are the bearer of bad news
- The management information you require to do or monitor your work was compiled years ago and is often outdated.

### TRAINING AT THE USB

The USB offer a new Postgraduate Diploma in Project Management from 2013. Project Management also forms part of the MBA programme. USB-ED has a Centre for Project Management Intelligence and offers various certificate courses in Project Management.



## Witticisms about project management

**'The more ridiculous the target date, the higher the costs.'**

'What's not in writing has never been said.'

**'Projects quickly advance to 90% completed and then stay 90% completed.'**

'The most valuable and least used word among project managers is No.'

**'Vision without action is but a dream; action without vision is a waste of time; but vision with action can change the world.'**