

## *A Public Administration Based on Project Management*

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**Abstract:** *Applying specific techniques and tools of project management has become an important issue of concern in the context of New Public Management and a practice for the public administration reform and integration, in an expanded European context and particularly in the case of Romania, where projects of various sizes (national programs and strategies and sectoral policies) are implemented by different structures. This paper aims to examine the application and integration of the project management instruments and techniques in the Romanian public administration practice. The research objectives are: (1) to present and analyze the using of projects and project management by public administration, and (2) to identify the effects of implementing project management on the development of the organizational capacity of the public sector. This paper presents (1) the results obtained from the study of the relevant literature and (2) the results of a questionnaire survey conducted among civil servants with the purpose of identifying the effects of using project management in Romanian public administration.*

**Keywords:** *project management, organizational capacity, public administration; development strategy; strategic objectives*

**JEL:** *H70; H83; J18.*

### **Introduction**

Nowadays, the development projects, programs and strategies are acknowledged as the most important elements in achieving an organization's strategic objectives, in the business environment as well as in the public sector. Thus, the concepts of development strategy, project and project management have become key terms in the public administration's current activity of realizing public policies, providing services, elaborating national programs or those on using material and financial resources assigned to these objectives. The microeconomic framework of using projects at sectorial level has reached a macroeconomic magnitude, representing a general way through which the public environment as well as the private one responds to the complexity of the external environment (Gareis, 2010).

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The „project management” approach is increasingly more used and the key elements of project management (techniques, analysis tools, assessment, processes, etc.) are integrated in the current practices.

From this global perspective, the current study aims at reviewing the application and integration of the defining elements of project management in the public administration in Romania. The objectives of the research are: (1) to present and analyze the particularities of projects and project management in the current practices and activity of the public administration in Romania, and (2) to identify the effects of implementing project management in the development of the public sector’s organizational capacity.

### **1. Methodology**

The methodology proposed, which is the starting point of this research, is based on:

- the analysis of the specialized literature, relevant for the field approached;
- the results obtained following the application of a questionnaire at central and local public administration level in order to identify the effects brought about by the integration of the defining elements of project management at public administration level in Romania.

### **2. The Project, Program and Project Management in the Specialized Literature**

The specialized literature offers a variety of definitions for the concepts of „project” and „project management” due to the fact that the project is a multidisciplinary word which acquires different and varied meanings depending on the field in which it is applied, namely: IT, engineering, architecture, management, public administration. Defining these concepts particularly emphasizes the attributes and characteristics in terms of the practice and the experiences relevant to the professional field applying them. The project, according to the definition offered by the Project Management Institute (2000) represents “a temporary effort made in order to create a unique product or service, with limited resources. The project equally means a series of activities which have specific objectives to be met, with a well-defined beginning and ending, having a limited budget and using human and material resources” (Kerzner, 2003).

The entire specialized literature, irrespective of the field it describes or refers to, defines the project as a temporary activity with a well-defined beginning and ending, which aims at achieving certain goals and objectives established that will bring about a benefit, change or added value.

Even as far as the public administration is concerned, the concept of “project” is often used with different meanings. Perhaps Kellt (1988) suggested a

broad sense of the term arguing that the activities specific to the public sector can be structured programmatically.

In the traditional planning process of an organization with a hierarchic management, program management represents an important mechanism in structuring activities and assuming responsibilities (Pressman and Wildavsky, 1973; Van Gunsteren, 1976). These projects are characterized by a different hierarchic structure in achieving the strategic organizational objectives by dividing them into implementation “pieces” (Mintzberg, 1994). In order to reach success in their implementation, the latter need a stable climate and simple operations (Mintzberg, 1994).

However, a clear distinction is established between the concepts of “program” and “project”, for instance the definition offered by the European Commission: “the project is the first subdivision of the program”. Thus, programs are multiple activities carried out throughout longer periods of time in order to achieve certain objectives, compared to projects which are developed within a shorter and fixed period of time. The program is a set of activities and projects brought together in order to achieve certain strategic benefits (Turner, Simister, 2004). In other words, a program represents a group of projects aiming at obtaining benefits which could not be brought about by projects individually. Programs therefore represent a portfolio of complementary projects.

As far as project management is concerned, it presents the procedural framework and the temporary nature of projects which are in contrast with the organization’s current operations, processes and activities, which are repetitive, permanent and operational, being performed with the aim of producing services and/or products. In practice, these two types of management: project vs. operational/functional are different to the extent that they need the development of certain technical skills and tactics and of distinctive management strategies. The first challenge of project management is to achieve all the objectives established, taking into consideration the existing constraints: budget, time, resources. The second challenge is that of maximizing the results obtained in the above mentioned conditions.

### **3. The Particularities of Projects and Project Management in Public Administration**

Projects are mainly carried out in the business sector, but also by the public sector and NGOs. Thus, the projects’ particularities depend on the characteristics of the sector in which they are carried out.

Concerning the characteristics of public projects, the latter are directly related to the specificity of the governance and the decision-making process. The public administration’s objectives are those of providing services to the population, realizing public policies and national programs of strategies and projects implementation, under specific budget constraints or with limited human, material

and financial resources. These characteristics specific to project management at public administration level can be classified as follows:

- a) The existence of a normative legal framework which determines the activities overall, and is designed for the public institutions which carry out projects in particular. These norms are much more detailed than the legal norms regulating the business sector;
- b) The existence of a large number of players involved and accountability to society. The latter include governmental institutions, agencies, public managers, to which mass media is added together with the citizens, the groups of interest and last but not least, the political representatives, especially given the fact that in Romania, the issue of reducing politicization is not recent, each party which governed the country having developed its own politicization tools to a greater or smaller extent (Andrei, Profiroiu, Oancea, 2012).
- c) Using public resources in order to carry out governmental projects financed by the state budget. This increases the responsibility of policymakers and public managers, especially since it is extremely difficult to measure the efficiency of a public project, as it can be done for the private sector where profit is the criterion on which success is measured. On the other hand, it is difficult to assess the benefit brought about to society, as they are difficult, if not impossible to use as assessment tools of indicators (e.g. the cost-benefit analysis, the rate of return). Public managers tend to estimate the projects efficiency and benefits by using qualitative rather than quantitative indicators;
- d) Encountering difficulties in establishing priorities and differentiating governmental projects. In the business sector, projects are differentiated based on the cost-profit principle, which cannot be applied to public projects, thus making it necessary to realize a system that is different from the one used in the private sector and which consists in identifying and analyzing different groups of interest for which the project is carried out;
- e) The differences issued when assessing the projects' performances or the organizational ability to implement projects, due to the fact that different assessment objectives lead to different results.

Given the fact that the public administration is confronted with a series of relatively complex issues, this makes project management turn to the use of a program management and here we have in mind the national strategic programs on different sectors of public interest, such as health, education, social protection etc. As we have already shown, the program represents a group of interrelated projects, carried out in a coordinated manner in order to achieve the benefits that couldn't be brought about individually by a single project. Programs can include elements which exceed the achievement of the composing projects' goal. It is important that this aspect be mentioned, as it reflects the fact that for a long time, project

management wasn't used as a business approach, but as a methodology of planning activities. It wasn't until the end of the 20<sup>th</sup> century that the situation changed so as to turn project management into a management philosophy in the business sector as well as for the entire society, rather than an approach of conducting a business. Thus, the attitude of the public sector is explained as well as the particular attention it pays to project management. Consequently, there is a difference of concept, but also of attitude and approach between the private and public sectors as far as project management is concerned.

#### **4. A Public Administration based on Projects**

It is well-known that projects and programs are essential tools used in the implementation of the strategic plans of private or public organizations. Based on this at least theoretical link between projects, project management and organizational development, multiannual growth strategies are developed for countries such as ours.

Despite the fact that human potential is the main resource in every institution and the only one that can lead to efficiency when proper management is put into practice, (Androniceanu, 2012), and the staff's skills, knowledge and expertise are acknowledged as being essential to achieving the objectives established and in project implementation (Gomes et al., 2008), the aforementioned are nevertheless not enough elements to ensure the efficiency of the governance. Especially for the programs, where the strategic vision is implemented with a high degree of uncertainty, highly developed management skills are also needed at organizational level.

The need and necessity of improving the structural and management abilities of an organization in the private sector but also of those in the public sector, is also acknowledged in the specialized literature, whether one makes reference to the organizational and management ability, or to the project management ability. Thus, projects need techniques and skills, an expertise specific to the projects implemented, but also managerial skills of administrating limited budgets, implementation teams and procedural and administrative organizational aspects of implementation, monitoring and assessment.

Naturally, we cannot speak of radical structural, organization or governing changes when putting forward the idea of an administration based on projects. However, we take into account those temporary or permanent organizational changes through which private or public organizations coherently and programmatically define their processes and activities, delegate clearly defined and established attributions and roles, use modern tools and techniques specific to project management in developing its management abilities in order to better achieve the objectives for which they were created.

An administration which implements these elements specific to project management and that "frequently uses projects and programs in order to carry out

unique processes, with an average or high complexity” (Gareis, 2010) can be considered an administration based on projects. The adapted concept of administration based on projects sets the premise according to which there is a link between the focus on projects and the results obtained, between the maturity of project management and competitiveness, efficiency and development elements. As referring to an effective leader /or what we could mentioned as a public project manager in public organizations is “one who makes a demonstrable impact (...) in a positive way by influencing the behaviour and performance of others” (Androniceanu, 2010). Mentioning the public institutions’ management, we should think of maximizing the critical success factors, such as the strategic decision-making capacity, that represent “the starting point in formulating strategies and objectives established through strategies and programs” (Popescu, 2011). The need to adapt organizational approaches and aspects to projects and to the framework offered by project management consists in the fact that governments are traditionally inefficient in developing national projects or even programs as long as they are implemented as simple plans of action, without additional allocations. The inefficiency of this approach is related to the fact that the projects are not just simple processes or operations which represent a set of specially designed structures, project management being different from the operational one.

### **5. The Effects of Project Management Implementation in the Romanian Public Administration**

Regarding the identification of the effects of implementing project management in developing the organizational abilities of the public sector, the analysis method we used consisted in the results obtained following the application of a questionnaire at central and local public administration level.

The questionnaire was conducted on a sample of 800 civil servants, using the survey as sociological research method, which was distributed among those aforementioned. The survey was conducted in January 2013, and we had a response rate of 46.25%, representing around 370 respondents.

Among these, 37% have management positions, and 65% work for the local public administration.

The questionnaire included questions referring to:

- the use of project management in their current activity and in the public administration in Romania;
- the effects and impact of using the tools and techniques particular to project management on the institution in which they carry out their activity and on public administration in general.

The answers and results received for the question “To what extent do you think project management is used in the central and local public administration’s current activity and within the institution you work for?” are presented in Figure 1, 2 and 3.

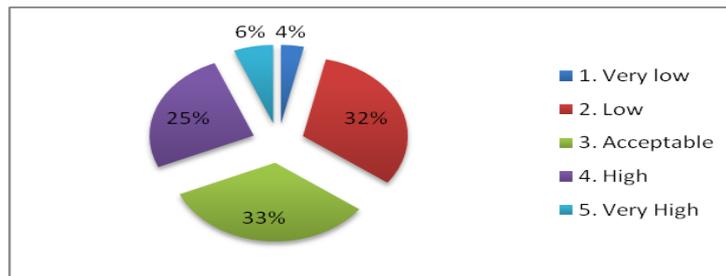


Figure 1. Using project management at central public administration level

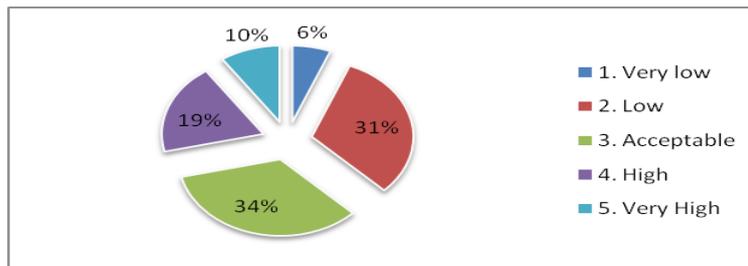


Figure 2. Using project management at local public administration level

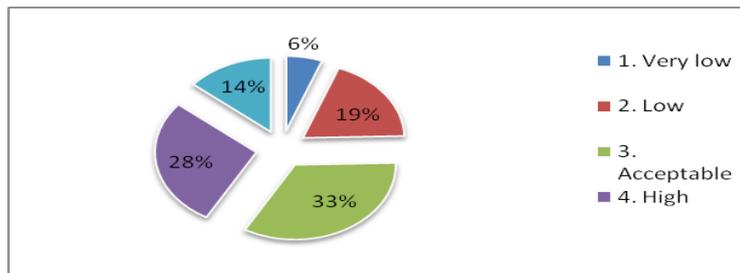


Figure 3. Using project management within the institution you work for

The results obtained show that project management is perceived as being used by a “very high” percentage of only 6% of the respondents in the central public administration, the percentage being much higher at local level, that is to say 10% of the respondents, and within the institution the respondents work for, 14% of them find that project management is being used in a “very high” percentage.

These results are in contrast with the question referring to the major effects of using project management perceived by the respondents on: “the process of strategic planning and organizational strategy”, “the organizational strategy”, „the decision-making process” and „the establishment of internal work procedures and the delineation of activities”, as presented in the Table below. Table 1 emphasizes the great impact of applying project management on the elements identified.

Table 1. The effects of using project management

The effects of using project management over: %	Low & Very low	Acceptable	High & Very high
Strategic planning process and organizational strategy	6	15	41
Organizational structure	9	28	40
Decision-making process	7	13	49
Establishment of internal working procedures and activities' delineation	5	15	47

The rest of the respondents either didn't answer, or referred to other types of project management elements than the ones listed. The importance of using project management was emphasized in the question concerning "To what extent can the use of project management in public administration lead to: "a public administration focused on results", "institutional competitiveness", "an increase in the degree of absorption of the existing funds", "an efficient use of resources", "the development of administrative abilities". The importance of the latter is reflected in the answers obtained, as follows: using project management in public administration which leads to an "administration focused on results" (Figure 4) and to "institutional performance" was considered as having a "high and extremely high" impact by 62% of the respondents (Figure 5).

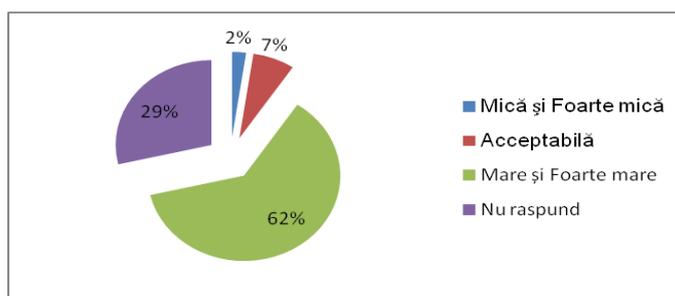


Figure 4. Using project management leads to "a public administration focused on results"

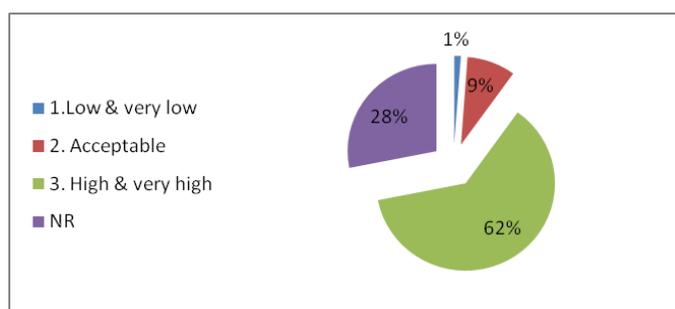


Figure 5. Using project management leads to "institutional performance"

Concerning the effect of using project management on the degree of absorption of the existing external funds, 64% of the respondents consider its impact “high and extremely high” (Figure 6).

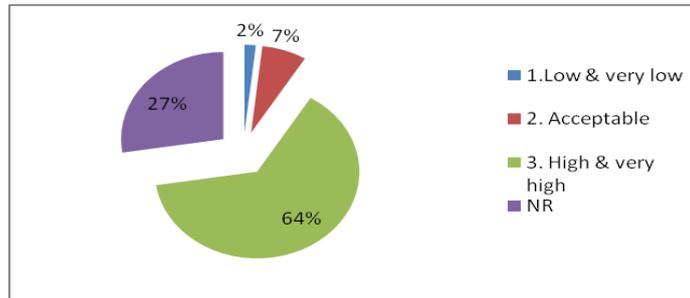


Figure 6. Using project management leads to “an increase in the degree of absorption of the existing funds”

“The efficient use of resources” was considered as having a “high and extremely high” impact by 61% of the respondents (Figure 7), while “the development of administrative abilities” was deemed as such by 63% of the respondents as a result of using project management (Figure 8).

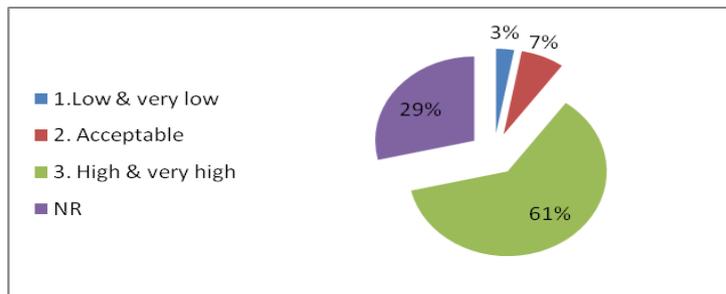


Figure 7. Using project management leads to “an efficient use of resources”

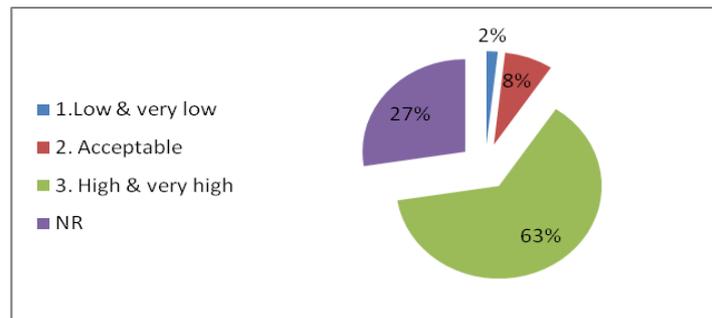


Figure 8. Using project management leads to “the development of administrative capacity”

The results of the questionnaire show that despite the fact that project management is not a highly used tool within the public institutions at central and local level, it is considered to be very important and useful, generating an impact which ensures the competitiveness of the institutions, as well as of the projects implemented by the administrations.

### **Conclusions**

Using project management in the practical activity of public administration represents an efficient and modern approach which contributes to the development of organizational and management abilities and which supports the public sector in implementing projects efficiently and responsibly based on its development strategies and the strategic objectives established.

The effects of using new projects, tools and techniques particular to project management are noticeable in the specialized literature as well as in the assessment reports of the public institutions' organizational performances. At an organizational level, the first effect is the result of the pressure exerted on central and local governments in order to give up the existing centralized bureaucratic structure, in favour of a flexible one, with well-defined roles and attributions regarding the staff and complementary collaboration activities in achieving the objectives proposed. Another effect concerns public expenses made responsibly, transparently and aimed at achieving measurable and highly competitive results.

As regards the attraction of external investments and financing, whether we refer to the state budget, or to international organizations such as the World Bank and the European Union, studies show that the respective institutions which have established project management systems reach a high degree of funds absorption, compared to those that haven't developed management abilities and project implementation and which don't dispose of the structures, tools and techniques needed for the funds' absorption and project implementation.

In conclusion, project management represents a modern management tool which needs organizational changes. The level of maturity in using project management first consists in understanding the necessity, the benefits, the effects and the impact of this tool on the management of current public administration activities but also in the governing process.

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