

The uniqueness of public sector project management: a contextual perspective

Gerrit van der Waldt

Department of Public Management & Governance
North-West University, Potchefstroom
(Gerrit.vanderwaldt@nwu.ac.za)

Abstract

Debates about the differences between management applications in public and private sector settings are prevalent in higher education institutions. Within the context of these debates, higher education service providers offering project management training increasingly find it difficult to develop qualifications and programmes to cater for the peculiar needs and applications of project management in public and private sector settings. Although there are virtually no differences as far as principles, approaches, techniques and methodologies are concerned, it is the contention of this article that the application context thereof within the two sectors differs. The literature seldom makes adequate provision for the particular nature of government projects and therefore public managers, who need to act as project managers in various service and product delivery capacities, find it difficult to apply the principles, processes and procedures to the particular environment in which they have to execute projects.

The purpose of this article is to explore the potential uniqueness or distinctiveness of project management applications in the public sector, in comparison to those in private sector settings. By clarifying the uniqueness of public sector projects, training and development service providers could optimally cater for prospective project managers by ensuring that their capacity-building programmes make provision for these contextual peculiarities.

Keywords: private sector, projects, project management, public management capacity development, public sector, public sector project management, service delivery, uniqueness

1 ORIENTATION

Debates about the differences between management applications in public and private sector settings are probably nowhere more acute than in higher education

institutions. Deliberations about the content (syllabi) and placement of, for example, 'public' human resource management and 'public' financial management in formal qualifications and faculties, surface regularly. These debates can probably be traced back to the paradigmatic development of Public Administration as a distinctive discipline in 1887, with the works of Woodrow Wilson, who declared that it is 'through administration that government responds to those needs of society that private initiatives cannot or will not supply'.

Within the context of these debates, higher education service providers offering project management training increasingly find it difficult to register qualifications and programmes to cater for the peculiar needs and applications of project management in public and private sector settings. It is the contention of this article that the application context thereof within the two sectors differs. Textbooks on project management very seldom make adequate provision for the particular nature of government projects, and therefore public managers, who need to act as project managers in various service and product delivery capacities, find it difficult to apply the principles, processes and procedures described in study literature to the particular environment in which they have to execute projects.

The purpose of this article is to explore the potential uniqueness or distinctiveness of project management applications in the public sector, in comparison to those in private sector settings. By clarifying the uniqueness of the context of public sector projects, training and development service providers could optimally cater for students from the public sector by ensuring that their respective capacity-building programmes and short courses make provision for these peculiarities. The article does not take a micro or operational focus on the management functions within the life cycle of a project, but rather tends to emphasise contextual differences; in other words, the project environment. Especially during the planning stage of a project, the environment is a potential source of risk. The article furthermore does not focus on interorganisational projects (those projects executed in a department to improve systems or processes), but rather has an external focus – those projects that are executed by public institutions for external customers to improve service delivery.

2 PUBLIC VS. PRIVATE SECTOR SETTINGS

From the onset it should be clear that any comparison between public and private sector management is dependent on the nature, demographics, ideology, type of dispensation and culture of a state. Auriacombe (2007: 39) underlines this fact by stating that public administration, 'the institutional memory of the nation', professes to the very framework of the state. Also, Muthien (1996: 247) notes that no two

states are governed in exactly the same manner. What is applicable or evident in South Africa may, therefore, not be relevant to other countries around the globe.

A literature study reveals that there are no straightforward and convenient definitions of the public and private sectors. The common objective of institutions in the private and public sectors is meeting the needs of society. Buchanan and Musgrave (1999: 52) regard the public and private sectors as complements, rather than competitors working together to achieve maximum social welfare.

The basic difference between these two sectors of society boils down to profit (private sector) and service delivery (public sector) as goals to be achieved. 'Public' typically refers to that part of the economy that is under the control and direction of the state, while 'private' refers to that part of the economy that is under the control and direction of non-governmental units. In essence, the private sector is taken to comprise enterprises established and operating for profit, where these profits accrue to shareholders, partners or sole traders. Bovaird and Löffler (2009: 7) argue that we often refer to the 'public service' as though it were 'what the public sector does'. However, this tidy approach does not make much sense any longer, since private and voluntary organisations increasingly provide service typically rendered by public institutions. A network of actors is involved, typically referred to as a 'joined-up government', in service provision. Bovaird and Löffler (2009: 7) further argue that a person's definition of 'public service' is dependent on his/her ideological position and on the discipline in which he/she was trained.

The broadest definition of public administration was suggested by Woodrow Wilson as 'the practical or business end of government because its objective is to get the public business done as efficiently and as much in accord with the people's tastes and desires as possible' (1887: 20). It is through administration that government responds to those needs of society that private initiatives cannot or will not supply. Consequently, a main relationship of administration occurs at the point of contact between government and the citizen, where public controls and services come to fruition. One of the tests of administration is how well it meets these human needs in consonance with the larger interests and values that society prizes.

Cameron and Stone (1995: 114) argue that there is a major distinction between the context or environment in which a public manager operates, and that in which its private sector counterparts function, and that any attempt to collapse the major differences between the two sectors, is misplaced. The prestigious International Association of Schools and Institutes of Administration (IASIA) (in Fox, Schwella and Wissink 1991: 3) further contributes to the distinctiveness of public sector management by stating that 'although administration of public functions and private business enterprises have some common elements, the environment, objectives and processs of administration are sufficiently different to call for curricula which focus

on the public aspects of management'. Fox, Schwella and Wissink (1991: 3) also argue that the approaches to the management of public and private organisations will have more in common at the level of techniques, and less in common at the level of political and managerial judgement and decision-making.

Allison (in Lane 1999: 15–19) contemplates the terminological confusion regarding 'public management' (and by implication project management within public settings) and argues that a sharp distinction between 'policy-making' and 'implementation' is not possible. When Allison interviewed senior public managers who had previously worked in the private sector to ascertain their understanding of the uniqueness of public management, his respondents identified the following key differences:

- Shorter time perspective of horizon due to political realities;
- Measurement of performance is more complex in government;
- Personnel constraints in government;
- Government activities are more exposed to public scrutiny;
- Government decisions are often anticipated by the media (national agenda);
- Wide variety of pressures for a particular policy direction;
- More subject to legislative and judicial impact; and
- Public sector managers rarely have a clear 'bottom line', while that of private business managers is profit, market performance and survival.

More specific differences between the private and public sectors are as follows:

- Private businesses are established on the private initiative of entrepreneurs, because they see the possibility of profit. Public institutions are established on the initiative of the government in order to satisfy the needs, desires and demands of the public;
- Private businesses aim at maximum profit, because continuous losses would eliminate such a business from the market. Public institutions aim to provide the best service to the community within prescribed budgets;
- Private businesses seek their own well-being and that of their investors and have no moral obligations towards the community. Public institutions strive for the well-being of the average community, irrespective of religion, race, age or gender;
- Private businesses risk their own capital and acquire funds by means of loans, shares and profit. Public institutions are mostly financed from taxes, which means public institutions are, in reality, public property;
- The activities of private businesses are their own concern and they do not have to report to the public about their dealings. Public institutions are established by public initiative and are financed by means of taxes, hence they are responsible and accountable to the public;

- Private businesses are not directly affected by political movements, elections or even political parties. Public institutions are politicised and institutional manifestations;
- A private business is a legal entity and must in all respects comply with the letter of the law concerning its functioning and practice. Public institutions are responsible for the implementation of the law.

Significant differences between the management environment of public and private institutions can thus be identified.

2.1 The blurring of ‘public’ and ‘private’ sector management

Gray and Jenkins (in McLaughlin, Osborne and Ferlie 2002: 41) illustrate that public administration was expanding its scope and horizons in the late 1960s and early 1970s, with the inclusion of political studies, organisational theories and other management specialities. There was greater emphasis on public policy analysis. In the mid-1970s there was a search for innovation, from which derived a new focus on management and the control of resources. This was associated with significant experimentation and change in public sector practices during the 1980s. During the late 1980s, a tendency developed whereby public officials thought that the principles of business management could be applied to the public sector, in order to make the civil service equally more efficient, economical and effective. A significant number of Public Administration and Management theorists do not share this view, as they are convinced that due to the dynamic socio-political milieu, management in the public sector is more comprehensive, vibrant and efficient than business management. They also believe that the business philosophies of market exploitation do not belong in the public service, where the provision of service is the key focus. What may well be used, are business techniques and tools such as project management, cost-benefit analysis, strategic management, productivity measurement, and so forth.

The 1990s saw the rapid development of an emerging paradigm called New Public Management (NPM), which is important in representing a shift in the values that formed the basis of traditional public administration. NPM-thinking included new ideas about the role of the state in society, as well as about management (Lynn 1998: 233). The main assumption behind NPM is that by mimicking the practices of ‘private sector’ organisations, public sector institutions would accrue the benefits of efficiency, flexibility and consumer orientation that are often associated with private sector organisations. Bovaird and Löffler (2009: 20) underline the fact that in NPM, managers were given a much greater role in policy-making than before. In general, NPM incorporates four basic ideas (see McLaughlin, Osborne and Ferlie 2002: 9):

- Market-orientation (making greater use of markets and the introduction of market-style incentives);
- Customer orientation (or client focus);
- Decentralization of authority to and within the service provider (reducing the burden of hierarchical rules and fostering greater discretion at lower levels in the hierarchy); and
- Accountability for results both within the utility as well as externally.

Bovaird and Löffler (2009: 21) refer to the marketisation of public management as the 'hollowing out of the state'. They argue that the minimisation of the administrative system of a state, by transferring to the market sector as many tasks as possible through privatisation and contracting out, results in a loss of government powers. Also, Pollitt (1995: 133) describes NPM as a 'shopping basket' for those public managers wishing to modernise the public sector.

One important issue in NPM is that of public service values and ethics. Theorists such as Mohan (1997) and Peters and Pierre (1998: 31) argue that the traditional public service values such as probity, impartiality, fairness and equality, on which public administration was based, have been eroded. According to McLaughlin, Osborne and Ferlie (2002: 40) the result is that governments are developing codes of governance and codes of conduct for public servants to combat more private sector-orientated values such as profit, efficiency and client-orientedness.

A further development is highlighted by Peters (1996), Hirst (2000) and Pollitt and Bouckaert (2000), who agree that there is a shift from a 'hierarchy' to a 'network' form of governance. This shift places emphasis on public participation to overcome fragmentation in service delivery and the problem of accountability.

Pierre (2000: 14) and Kooiman (2003) characterise government as a 'complex adaptive system'. Government should map the influence relationships and patterns between its partners which manifest in ever-changing interactions. Kooiman accurately describes governing issues as not being just 'public' (state) anymore. They are frequently shared, and governing activities in all spheres are becoming diffused over various societal actors whose relationships with each other are constantly changing. Government is but one actor or partner in this network of organisations, agencies, society and businesses (Bailey and Mayer 1992).

3 CLARIFYING PROJECTS AND PROJECT MANAGEMENT

Knutzen and Blitz (1991: 2) and Young (1996) regard a project as a set of principles, methods, tools and techniques for the effective management of objective-oriented work, in the context of a specific and unique organisational environment. Turner (1993: 8) and Wilson-Murray (1997) add to this definition by indicating that it is a temporary endeavour in which human material and financial resources are organised in a novel way, to undertake a unique scope of work, of given specification, to deliver beneficial change defined by quantitative and qualitative objectives. Kerzner (2003) and Venter (2005: 81) focus on the management dimension of projects, and state that resources must optimally be utilised to ensure that a project's output adheres to time, budgetary and quality constraints. Maylor (1996: 3) and Burke (2006: 2, 3) further indicate that this includes planning, organising, directing and controlling activities in addition to motivating what is usually the most expensive resource on a project – people.

Projects typically go through a generic life cycle described in the international standard, the Project Management Body of Knowledge (PMBOK™). This life cycle can be used effectively on all types of projects. The conclusion of a project phase or milestone is generally marked by a review of both key deliverables and project performance in order to determine if the project should continue into its next phase, and to detect and correct errors cost-effectively. Each project phase normally includes a set of defined work products designed to establish the desired level of management control.

Typically, in government projects are clustered in portfolios within policy and/or strategic programmes. Project managers report to programme managers. Effective project management is essential for the success of service delivery. Managing a project is especially about establishing definable, measurable project outcomes that relate to a government department's strategic goals, ensuring that project outputs are attained by utilising the project team, and managing the interrelationship between all stakeholders and role-players.

4 DRIVERS FOR PROJECT APPLICATIONS IN THE PUBLIC SECTOR

Increasingly, government institutions in South Africa utilise projects as vehicles to operationalise policy programmes and strategic objectives for service delivery. To respond to this tendency, more and more formal training programmes and qualifications in Public Management/Administration/Governance include modules on project management.

A recent national capacity report, released by the Municipal Demarcation Board (MDB), found that 74 per cent of district municipalities nationally performed less than 50 per cent of their required functions for the assessment period 2007/2008 (MDB 2008: 66). These statistics are not unique to the municipal sphere, and clearly illustrate the need for sound and applied project management applications in the public sphere.

It is important for project managers to appreciate the drivers behind projects, since they can – and should – be traced back to the broader policy and strategic framework of governance. This context inherently also has specific elements of risk associated with it – especially the highly fluid political environment. Projects will only be successful when the right environmental conditions exist. It is thus important to ensure that project selection and planning are done with a clear understanding of these conditions.

4.1 Government's programme of action

The programme of action outlines government's major plans for the year ahead. These plans are announced in the State of the Nation Address delivered by the president during the opening of parliament in February of each year. Government identifies a set of top priorities, which it calls 'apex priorities', which means that all projects on national, provincial and local government spheres should focus on the implementation of these priorities. This implies that government intends to speed up the implementation of existing policies, programmes and macro strategies such as the Accelerated and Shared Growth Initiative for South Africa (ASGISA) and the Joint Initiative for Priority Skills Acquisition (JIPSA).

4.2 Governance clusters and committees

The South African government is structured in a series of clusters and forums to promote and facilitate cooperative governance and relationships among the respective spheres of government. Five ministerial cabinet clusters promote programme integration in the national and provincial spheres. The Department of Public Service and Administration, for example, is the champion of the 'Governance and Administration' cluster, and all the programmes and projects associated with it.

4.3 Cabinet's *lekgotla*

The cabinet *lekgotla* plays a vital role in government's planning cycle. The main purpose of the *lekgotla* (annually held in July) is to review progress made

on government's strategic priorities as outlined in the programme of action, to reprioritise if necessary and to lay the basis for the new planning cycle starting in September, as well as the budget adjustment estimates in October. The *lekgotla* plans for the next Medium-Term Expenditure Framework (MTEF) period, and reflects on long-term challenges (typically in January). The *lekgotla* therefore reviews strategic priorities, approves the Medium-Term Strategic Framework (MTSF) and lays the basis for the president's State of the Nation Address.

4.4 Municipal Integrated Development Planning (IDP) and Service Delivery and Budget Implementation Plans (SDBIP)

Municipalities in South Africa are legally required to prepare Integrated Development Plans (IDPs) for their area of jurisdiction, in terms of the Municipal Systems Act, 32 of 2000. These plans indicate the process and methodology for the integrated development planning process, responsibilities, time frames, milestones and costs. Once the IDP is drawn up, all municipal planning and projects should happen in terms of the IDP. Phase 3 of the IDP process entails the design and content of projects. Clear details for each project have to be worked out in terms of beneficiaries, cost, completion date and management issues. Clear targets must be set and indicators worked out to measure performance as well as the impact of individual projects.

Service Delivery and Budget Implementation Plans (SDBIP) interpret a municipality's five-year IDP into its 12-month contract between the municipal administration, council and community, expressing the goals and objectives set by the council as quantifiable outcomes to be implemented by the administration. The SDBIP should indicate the responsibilities and outputs for each senior manager in the top management team, the inputs to be used, and the timelines for each output. It must provide the total picture in terms of service delivery areas, budget allocations, and monitoring and evaluation.

4.5 Outsourcing and public-private partnerships

There is ample evidence that the South African government increasingly relies on the private sector for the provision of services (see Farlam 2005; Harris 2003). According to Browne, Nemoto, Visser and Whiteing (2003), the reduction in employment in many public sector departments has resulted in economy-wide shortages of some forms of skilled labour. Hence, the process of resorting to outsourcing the delivery of services of public sector projects to the private sector. According to the then Minister of Finance, Trevor Manuel (2003), government was very serious about making public-private partnerships (PPPs) work in South Africa. The reason for this

is that government seeks to harness the resources, the project management capacity, the technology and the knowledge that resides in the business sector, in pursuit of public purposes. For this reason, the ‘Strategic Framework for Delivering Public Services through Public-Private Partnerships’ was published.

The process of outsourcing/contracting out does not absolve government of its responsibilities for the delivery of service delivery projects. It is important for public sector project teams involved in developmental initiatives to work hard at clarifying the quality imperatives that the individual projects would be expected to reflect, in cases where these projects are ‘externally’ managed (Kernaghan 2004: 195).

All PPPs are ‘contractual relationships’ between public and private sector, and should always involve a competitive bidding process. How this process is constructed is set out in detail in two comprehensive documents provided by the South African National Treasury PPP Unit. The first is the *Public-private partnership manual* (2004) and the second the *Standardised public-private partnership provisions* (March 2004).

5 VARIABLES POTENTIALLY IMPACTING ON THE UNIQUENESS OF PUBLIC SECTOR PROJECT MANAGEMENT

As stated, it is the purpose of this article to explore the potential differences in contexts between public and private sector project management. To briefly explore the potential distinctiveness and peculiarity of projects in the public sector, 11 broad categories of differences between public and private sector project applications are identified. This list is by no means exhaustive. Various other, smaller differences could be prevalent. There could be just as many – or more – similarities between public and private sector projects. It is the contention of this author, however, that there is evidence that the drivers, environment or context within which public sector projects are executed, differ from those of the private sector.

5.1 Political milieu

O’Donnell (1966: 5) argues that public administration is ultimately a problem in political theory; the responsibility and responsiveness of administrative agencies and the bureaucracies to the elected officials and the public.

Although the principles and techniques of project management remain the same, the political milieu in which project managers find themselves in the public sector differ vastly from the business context of private sector projects. Especially the

governance of projects is unique, since input, monitoring and oversight (and often political interference) from elected representatives (i.e. councillors, MECs and ministers) must be factored in. Projects are typically identified by politicians, or are the result of policy decisions they make.

In contrast to public institutions that are politicised institutional manifestations, private businesses are not as significantly affected by political movements, elections or even political parties. Furthermore, in contrast to private sector settings, the composition of project steering committees, the need for public participation, openness and transparency, and various other issues place additional demands on project managers.

Muthien (1996: 253) points to the fact that government projects are the result of policy formulation at the political level. The appropriateness of these projects thus cannot be measured in quantifiable terms, but rather in political terms. Policy goals are determined within the framework of politically perceived community needs, priorities and affordability. In other words: a project may be regarded as a 'political' success although it runs over budget and time – thus, from a management point of view it was not successful. In assessing effectiveness from this point of view, the rational weighing of costs and benefits may not be the decisive factor, but rather a value judgement on the best policy in a particular set of circumstances. Muthien (1996: 250–251) underscores the differences between quality and performance measurement in public and private sector settings, and indicates that fundamentally, in the pursuit of the common good, the state is normally involved in a more comprehensive range of activities than private undertakings. Complicating factors impacting on quality and performance measurement of project outcomes include the fact that goals and outcomes cannot easily be defined in measurable terms, and sometimes outcomes cannot unambiguously be attributed to a particular government programme, as there may be several other contributing factors affecting a specific end result.

5.2 Project management maturity in government

In the South African public sector, traces of project management applications in mainstream government practices can only be found in the *Reconstruction and development white paper*, 1994. Knipe et al. (2002: 4) concur and state that project management only gained dramatically in popularity in the government sector during the early 1990s. The body of knowledge of specific public sector applications is, therefore, relatively immature in comparison to that of private sector companies. Fraser-Moleketi (2003) expressed the need to entrench project management more deeply in the public sector. She also highlighted the need to ensure that project

management is integrated in the overall government and public service approach, and in the organisational culture. For this purpose she underlined the need for a standardised project methodology for government. It is the author's observation (over a period of 17 years of project management training for the public sector) that in many instances it leap-frogged private sector project practices. The difference, however, is that the way in which private sector best practices are applied, does not always match public sector realities.

5.3 The developmental nature of projects

Section 195(1) of the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), stipulates that public administration must be development-oriented. People's needs must be responded to, and the public must be encouraged to participate in policy-making. The developmental nature of projects (refer to 'developmental state' and 'developmental' local government) versus more product-driven, profit-orientated projects in the private sector, furthermore, is a clear distinction. Developmental projects have as output developmental (change) intent (Fowler 1991: 54) – in other words, the project is intended to bring about societal change.

The methods employed by project managers in a developmental context, according to Cusworth and Franks (1993: 224), are unique. Nel (1997: 3), De Beer and Swanepoel (1998: 39) and Cloete and Wissink (2000: 203) conclude that developmental projects extend activities, outputs and timeframes beyond the scope of conventional projects in the private sector by

- encouraging and assisting the beneficiary community to actively participate in the project and to take ownership, as far as possible, of the assets (i.e. houses) created;
- maximising the short-, medium-, and long-term project benefits to alleviate poverty in a sustainable and replicable manner;
- using the project as a vehicle for training and building capacity in the community;
- enhancing employment opportunities through the use of labour-intensive technologies;
- minimising negative environmental impact, thereby enhancing sustainability.

5.4 Statutory and regulatory framework

Project managers in the public sector must always operate within the confines of national legislation and departmental policies. In terms of the Public Finance Management Act, 1 of 1999, and the Municipal Finance Management Act, 56 of 2003, budgeting processes for projects are, for example, clearly prescribed. In

contrast to the private sector, the Preferential Procurement Regulations (2001), tender processes, national treasury regulations, and supply chain management guidelines must strictly be adhered to as regards the registration of projects, outsourcing, the procurement of project resources, and so forth.

Chaston (1995: 428) argues that for statutory and political reasons the public sector cannot withdraw from projects where adverse conditions prevail. When designing and planning projects, public sector project managers must take into account not only the views of project beneficiaries and stakeholders, but also government policies.

5.5 The public service ethos and management culture

Private sector enterprises generally do not function under the same strict public and political supervision as state departments. They also enjoy more ‘management freedom’ than state departments. The ethos in government institutions is characterised by a non-profit approach, since it acts on behalf of the community or government.

Van der Waldt (2007: 257) argues that ‘bureaucratic inertia’ (the inability to adjust deep-rooted hierarchical structures and practices) causes a constant struggle between control on the one hand, and the creativity and flexibility necessary to successfully manage projects on the other. It is, therefore, necessary to address organisational culture, functional processes, job design, staff competencies, policies and procedures to adequately support projects.

Management culture is more hierarchical and rule-bound by nature, and typically limited authority is delegated to project managers (Van der Waldt 2007: 258). Decision-making authority typically vests with various senior managers and committees, which limits the need for rapid decisions during projects.

Furthermore, the inherent tension between functional priorities and project responsibilities – especially as far as staff and resource allocations are concerned – is far more evident in the public sector. Self-directed project teams in the public sector are extremely rare, unlike the private sector where such teams are appointed to rapidly develop products.

Unlike the private sector, the Code of Remuneration (CORE) prescribes the remuneration of project team members, which make issues such as bonuses, profit-sharing, and other monetary incentives extremely difficult. Public officials typically cannot share in the profit-sharing practices of the private sector. The prescribed Performance Management System (PMS) and Performance Management Regulations (PMR) (2003), in terms of which efficiency, effectiveness and the economy of projects are measured, are also unique. Public institutions (including

municipalities) apply unique performance indicators, service standards and key performance areas to measure project success.

A range of different ideological stances further exists with respect to privatisation, public–private partnerships, outsourcing and commercialisation processes. Each ideological camp has arguments and case examples pointing to either the success or failure of the chosen form of service delivery. In this regard it is imperative to pursue a particular service delivery form (i.e. outsourcing or commercialisation) in projects, which is compatible with the dominant ideology.

5.6 Organisational structures and practices

Projects are intrinsically part of their host organisations. The organisational environment, structure, mission, politics, systems, culture and processes will, therefore, directly or indirectly influence the way projects are managed. In this regard, Fraser-Moleketi (2003) cautions that training in project management alone will not result in optimum benefit being gained for the public sector, from the approach of project management. She stresses the need to also take into consideration the procedures and systems, as well as the structuring of government. In addition, Fraser-Moleketi argues that the entire service delivery field should be appropriate for the highly complex and qualitatively different project contexts than those in which the private sector operates.

In the public sector, projects are typically executed on the operational level of departments, where operational managers (i.e. assistant and deputy directors) report to programme managers (i.e. directors) under whom the project portfolio resorts. It should be noted, however, that the nature and scope of projects will, to a large extent, determine the placement of projects in a departmental hierarchy, as well as the seniority of the responsible project managers. Mega and large strategic projects (refer to National Treasury's classification of projects, 2008) will therefore be placed much higher up in the management echelons than smaller projects.

The hierarchical structure evident in most public sector institutions is not as conducive for projects which require a flatter, project-based matrix structure for successful delivery. These hierarchical structures dictate the placement of structures such as project support offices, project management units and steering committees. The strong hierarchy also dictates lines of authority, span of control, level of authority, and priorities. Starling (1993: 22) underlines the fact that government bureaucracy makes it far more difficult to delegate authority and responsibilities to lower-level managers. Very often project managers in the lower management echelons have the responsibility to plan and execute a project, but not the authority to make resource

allocation decisions. This responsibility/authority gap makes project management extremely difficult.

Van der Waldt (2007: 255) argues that the department/programme/project-interfaces are typically not conducive to support multi-dimensional projects which require multi-disciplinary cross-functional teams from various directorates to manage. He further points out that rigid, hierarchical structures hamper the matrix-like, flexible project-based structures required to adapt to highly dynamic project environments.

Starling (1993: 19) underlines the fact that the fundamental difference between business administration and public administration is that government does not give complete authority for policy to any one individual or institution. Heads of departments must make budget submissions to parliament. This time-lag makes quick responses to project challenges and opportunities difficult. Singer (1995) also argues that government bureaucracy and a lack of flexibility confound public managers when they try to apply approaches that worked in technologically innovative private sector companies.

5.7 Project funding: feasibility and value for money

A potential seventh difference between public and private sector projects is that public sector projects tend to be based on private sector financial practice, which cannot be applied directly to public services. The differing contexts between markets and the political environment mean that management in each sector requires different approaches. Public sector financial policy choices are generally more contentious and value based. Consumers of public services often do not have a choice, as services may be rationed (e.g. health care), monopolised (e.g. electricity supply), 'socially ordered' (e.g. prison and police services) (see Kirkpatrick and Lucio 1995: 13); or individual consumers may lack expertise and influence. This latter point suggests a fundamental weakness in applying market-based models to public service projects, in that an analysis of markets depends largely on the choices of individual consumers, while public service provisioning is essentially concerned with the collective choices of groups in society, mediated through political organisations and representatives. Furthermore, Johnson and Callender (1997) argue that by allowing the private sector to influence the model of management in the public sector, the more traditional social and economic responsibilities of government have received less attention, and the role of the state with respect to its citizens is now defined in economic rather than political or social science terms.

The private sector will naturally only be interested in projects which are most likely to be 'commercially' profitable. Private businesses aim for maximum profit,

because continuous losses would eliminate any business from the market. Public institutions aim to provide the best service to the community, within prescribed budgets. Private businesses also risk their own capital and acquire funds by means of loans, shares and profit. In comparison, public institutions are mostly financed from taxes, which means that projects are, in reality, public property.

According to Blampied (2003: 6) government budgets usually work on a 'use it or lose it' basis. The process of motivating a budget, its approval and subsequent implementation usually takes much longer than in the private sector. Forecasting the cost and benefits of new projects is a major challenge in government. According to KPMG's *Public sector briefing* (Issue 1, August 2007), governments are generally focused on the quality of services, rather than value for money. This is especially true for front-line services such as health and education. KPMG's global survey reveals a mismatch between the initiatives currently underway in the public sector, and those that senior managers believe provide the biggest benefit. An example, according to the survey, is the attention to e-government schemes, even though these are perceived as providing limited efficiency gains, whereas human capital projects are acknowledged to provide clear benefits.

5.8 Project management standards: PMBOK's government extension and GAPPS

As government projects continue to grow and become more complex, the need for standards specific to the unique characteristics of public sector projects becomes all the more apparent.

The Project Management Body of Knowledge (PMBOK) (the official standard developed by the Project Management Institute), devised a 'government extension' thanks to its 26-member international team which represents national, regional and local government structures. This extension is the result of a global consensus that government projects require unique conceptual and technical skills.

The government extension is specifically designed to speak to the distinctive practices found in worldwide public sector projects. According to PMBOK's extension, public accountability represents a distinguishing aspect of government projects. Additionally, the 'cradle-to-grave' life cycle of projects, a protracted budget cycle and legislatively driven financial processes create an environment unique to public sector projects. Because of this, the government extension focuses on three areas which are peculiar to public sector institutions, and can affect project governance:

- The size and diversity of government entities and their projects;

- Government entities' underpinning in public law, which stipulates precise terms for the execution and enforcement of fiduciary, managerial and socio-political responsibilities; and
- The responsibility of the project team to serve as stewards of the public interest.

In addition to addressing these issues, the government extension provides an overview of the key project governance processes used in most public sector entities, defines significant terms and describes atmospheres where government projects operate. According to Blampied (2003: 6) the unique practices outlined in the government extension provide a framework that helps ensure the efficiency, effectiveness and accountability of government projects.

Furthermore, the Global Alliance for Project Performance Standards (GAPPS) established a competency baseline for project managers. This baseline is a framework which serves as a foundation for review, development, and recognition of standards that will facilitate mutual recognition and the transferability of project management qualifications. The framework and associated standards make provision for specific government standards.

5.9 Project management competency profiles

According to Fraser-Moleketi (2003), project management has become a core skill in the make-up of all public managers. In current recruitment efforts to fill vacant positions, the saliency of the requirement for project management skills has become much more pronounced.

A 'competency' refers to the set of behaviour patterns an individual needs to display in order to perform effectively and efficiently in his or her position. The Public Service Regulations, 2001, define 'competence' as 'the blend of knowledge, skills, behaviour and aptitude that a person can apply in the work environment, which indicates a person's ability to meet the requirements of a specific post'.

A competency framework for the respective management echelons in government was developed by the Department of Public Service and Administration, in conjunction with various stakeholders such as the Public Administration Leadership and Management Academy (PALAMA)(formerly SAMDI), and the Public Service Sector Education Training Authority (SETA). The competency framework defines the competencies that are important for the South African public service to be successful, and ensures that public managers have the requisite competencies and associated proficiency levels to succeed at strategic, tactical and operational levels.

The competency profile for senior managers (the SMS) differentiates between ‘basic’, ‘competent’, ‘advanced’ and ‘expert’ proficiency levels (DPSA 2003). An analysis of the various proficiency levels reveals that unique competencies are expected of public managers as projects managers (when compared to their private sector counterparts).

5.10 Projects in a fishbowl: openness, transparency and accountability

Starling (1993: 21) points to the fact that public sector initiatives, such as projects, can be described as activities in a ‘fishbowl’. Legislation such as the constitution (Section 195), the Promotion to Access of Information Act, 2 of 2000, and the *Batho pele*-principles of openness and transparency place a significant burden on public sector project managers to involve all stakeholders and project role-players. Bovaird and Löffler (2009: 50, 200) caution that the level of public scrutiny could undermine the quality of advice public managers give to policy-makers. If the constituency favours a particular policy option, politicians could be tempted to adopt a ‘pandering’ strategy, i.e. playing to the public for populist reasons.

Public managers acting as project managers should be transparent in their deliberations and accountable to their political superiors. Public projects are publicly funded and therefore need to be publicly accountable (Chandler 1991: 386). In comparison, given the competitive nature of many private enterprises, it is often essential to conceal their operations. Public sector projects generally come under far greater public and media scrutiny, compared to those in the private sector.

Transparency refers to the availability of information to the general public, and clarity about government rules, regulations and decisions. Transparency in government decision-making and public policy implementation through projects reduces uncertainty and can help curb corruption among public officials.

The activities of private businesses are their own concern, and they do not have to report to the public about their dealings. Public institutions are established by public initiative and are financed by means of taxes, hence they are responsible and accountable to the public (Hendrikse and Hendrikse 2004: 106–107).

Another key area of influence of networked governance on government’s role and functions is the debate about the effects on democratic accountability (Kernaghan 1993; Stoker 2004) or in multi-level governance (Peters and Pierre 2004). In a networked environment there is a concern that the fragmentation of accountability may allow some stakeholders to exercise power without appropriate checks and balances.

5.11 The project ‘customer’

Some authors, such as Milakovich (1995) and Schofield and Ford (1995: 87), argue that the main difference between public and private sector activities (such as projects) is in the way they regard the customer or project beneficiary.

Palmer (2004: 376) states that ideally, public sector institutions should pay attention to stakeholder needs, but this should always be counterbalanced by focusing on their primary functions, namely, to provide a range of services to customer groups, in keeping with the statutory mandate and political prescriptions impacting on the execution of their functions. Public sector institutions must be responsive to the political ramifications of their programmes and projects. This represents a shift from market dependence to a more complex set of political, economic and legal considerations. Project managers must, therefore, take into account all interested parties who either affect, or who are affected by, the departmental projects. Schofield and Ford (1995: 98), in exploring the debate to treat citizens as customers in government, argue that since citizens are obliged to accept the services of government, it makes their treatment as such complicated.

Cameron and Stone (1995: 117) emphasise the fact that the equity and fairness principles in dealing with citizens are far more important in public sector settings than in the private sector. While the private manager is concerned primarily with selling products or services to customers, public managers need to be guided by the social implications of their actions, rather than by the profit or loss motive.

In the private sector, the level of service delivered to each customer is sometimes seen to be based on their current or perceived future value to the enterprise. In other words, high value customers receive a high level of service. In the public sector, project customers are made up of members of the public, therefore each customer is valued equally. The main objective of these projects is to provide each customer with a service tailored to the specific specifications of the project. Public sector projects tend to serve a large number of citizens, in order to maximise a large number of services.

According to Shen, Platten and Deng (2006: 1) the clients of public sector projects have an obligation to ensure that the large-scale investment in public works is effective and can achieve improvement in social and economic performance. They regard public sector projects as being more complex than private sector projects, since multiple project objectives are expected by a wide range of stakeholders who have different interests associated with the projects.

6 CONCLUSION

It was the intension of this author to explore the potential uniqueness or distinctiveness of project management applications in the public sector, when compared to those in private sector settings. From this exposition there is adequate evidence of unique variables associated with public sector projects. It is thus evident that training service providers should make adequate provision for these differences, to equip current and prospective public managers to be effective project managers in the public sector.

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