ABSTRACT

Project management (PM) in government administrations (GA) in all countries reflects the increasing demands for better effectiveness, efficiency and quality of services. In GA the PM is directed towards establishment of managerial principles and public governance, growing their efficiency and quality, making effort to achieve and maintain the sustainability of their functioning.

Based on national strategic documents GA is establishing project within programs and portfolios to develop, increase and upgrade capabilities.

Ministries of defence facing new challenges to respond to new threats introduce project management principles. The aim is to reach strategic goals expressed in strategic documents to build the new tools to deter and defend national interests and interests of international organizations that nation is part of.

For that purpose Ministry of defence of Republic of Croatia (MoD) introduced the Program Management Office (PMO) as part of MoD organisation and hierarchical decision making levels for better supervision, command, control and decision making in PM. With the new organisation establishment MoD achieved better success of introducing new capabilities as declared and targeted in national defence planning documents.

Keywords: project management, government administration, PM office, Ministry of Defence

1. Introduction

Here we discuss project management (PM) in government administrations (GA) where in all countries reflects the increasing demands for better effectiveness, efficiency and quality of services. In GA the PM is directed towards establishment of managerial principles and public governance, growing their efficiency and quality, making effort to achieve and maintain the sustainability of their functioning.

GA is spending public money collected from tax payers in government budget which has to be spent wisely for executing government objectives to improve quality of government service for the benefit of citizens.

There is a range of different PM methodologies used around the globe. The most used PM methodologies are Project Management Body of Knowledge (PMBOK), Projects in a Controlled Environment (PRINCE2) and Agile. All three are used depending of organisation preferences and projects to be undertaken. As GA in this work is using PMBOK or PRINCE2 these two are to be listed.

Project management standard PMBOK defines as “the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements. Project management is accomplished through the appropriate application and integration of the 42 logically grouped project management processes comprising the 5 Processes Groups”. And “The specific project characteristics and circumstances can influence the constraints on which the project management team needs to focus”. (PMI, 2013, p. 5-6).

The PMBOOK Guide “contains the standards for managing most projects most of the time across many types of industries”. (PMI, 2013, p.6, p.18).

PRINCE2 is a process-based method for effective project management. This methodology is extensively used by the UK Government and widely recognised and used in the private sector, both in the UK and internationally. The PRINCE2 method is in the public domain, and offers non-proprietorial best practice guidance on project management. The methodology focus is on business justification, defined organisation structure for the project management team, product-based planning approach, emphasis on dividing the project into manageable and controllable stages and flexibility that can be applied at a level appropriate to the project. (PRINCE2; 2019)

2. What is project management
As defined in A Guide to the Project Management Body of Knowledge (PMI, 2013) “PM is the application of knowledge, skills, tools and techniques to project activities to meet the project requirements”.

Project management is important for functioning of GA and for the purpose to assist to reach established strategic and operational goals declared in planning documents. The focal point for integration of strategic management in any organisation is PM. Different countries developed their own specific approach to PM with the respect to A Guide to the Project Management Body of Knowledge (PMBOK) “as general principle and framework to provide guidelines for managing individual projects and to define project management related concepts. It also describes the project management life cycle and its related processes, as well as the project life cycle”. (PMI, 2013, p. 1)

3. Project management in government administration (GA)

PM in GA is established and led somewhat different than in business sector still respecting PM general framework but applying some specifics. Such specifics exist in different organisations depending of their organisation structures, hierarchy, leadership and personnel. Public administration is also specific since it relies on established legal framework which is very stiff. For that purpose PM must obey hierarchy and legal procedures as in PM in GA financial resources support comes from state budget and report of budget spending is public for taxpayers to know where money goes.

This work refers to four examples of PM in GA in the Republic of Slovenia (Slovenia), the United States of America (USA), the United Kingdom (UK) and the Republic of Croatia (Croatia).

3.1. Project management in GA in Slovenia

Government of the Republic of Slovenia 1997 adopted the general project management methodology in state administration (MVPDU) which represented the framework for project planning and implementation in Slovene PA. The MVPDU methodology was developed on the bases of the PRINCE2 methodology. (Žurga, 2018, p.150) This methodology is still valid and unchanged.

Although the methodology is in force since 1997 according to Žurga (2018) not all ministries use the PM methodology. Knowledge and understanding is not at the same level in all ministries. Project offices are rare in organisation structures in ministries lacking the defined rules in PM.

In document issued by the Government of the Republic of Slovenia „Public administration 2020, Public administration development strategy 2015–2020” declared to “undertake measures to attain the strategic objectives when introducing project management” (Kern Pipan et al. 2015, p.56). Measures are clearly stated as follows:

• preparation of the project management methodology in public administration;
• systematic training of employees in public administration on the project-oriented manner of work
• establishment of a tool for IT supported planning and implementation, monitoring and reporting on major strategic projects;
• establishment of the leading body or an organisational unit to coordinate and supervise the implementation of projects. (Kern Pipan et al. 2015, p.56).

This approach should contribute for better understanding and implementation of PM in GA.

3.2. Project management in GA USA

Project management is at the core of almost every government business implementation related to initiatives for improvement. “Scrutiny for government project management extends far beyond a government organization’s internal customers to its citizens, its political appointees, and even to the United States Congress”. (Pyne & Rigby, 2002).

In addition in their work Pyne and Rigby (2002) observe several trends in the business of government that are contributing to the public sector movement toward a project orientation.

Pyne and Rigby (2002) elaborate trends in business of government as follows:

There is “a significant portion of the government's work that is being outsourced to commercial entities.” Therefore, government workers must transition from functional management responsibilities to project management. Project management is important to ensure that work under a contract is on time, within budget, and to the government's specifications.

Government organizations are using project management to enhance efficiency and demonstrate their own viability. Good government project management means that work cannot necessarily be done better by a commercial entity.
Competition exists for work between government organizations. For example, a government organization is no longer obligated to use its own Facilities Management group; they could go, and have gone, to another Facilities Management organization with their requirements. Project management provides a framework for better and consistent customer service.

The size of the federal civilian workforce has declined by 19% since 1985. In addition to shrinking, the workforce is aging and considering retirement. Middle managers need project management skills to handle increased workloads and increasingly complex programs.

Government organizations are being called upon to provide 24-hour, secure, access for citizens. This has resulted in a dramatic increase in highly visible, complex information technology projects.

Effective project management is the key to maximizing any organization's business opportunities and in meeting its challenges. It will enable the government workforce to meet time, cost, and performance constraints, while focusing on its customers' satisfaction”. (Pyne & Rigby, 2002).

3.3. Project management in GA UK

PM in UK is regulated 2017 by Guidance Project and programme management as “essential resources for project delivery professionals leading, managing or involved in projects or programmes in government.” (Gov.UK, 2017)

In UK since 2010 as a result of UK government reorganisation the Minister for the Cabinet Office announced that the Best Management Practice functions have moved into Cabinet Office. Government apply the Prince2 methodology as essentials for managing any project.

The Infrastructure and Projects Authority (IPA) supports the successful delivery of infrastructure and major government projects by working with government departments and industry. Its support includes offering expertise in all aspects of project delivery.

The Government Functional Project Delivery Standard sets out expectations for the direction and management of all government portfolios, programmes and projects.

The Treasury Green Book provides guidance for public sector bodies on how to appraise proposals before committing funds to a policy, programme or project. (Gov.UK, 2017)

3.4. Project management in GA in Republic of Croatia

Project management is present in whole world for decades but in Croatia is not validated in adequate way. According to the words of prof. Radujković in the past few years significant advancement is evident, but potentials of profession of project management are not used to the measure to produce expected benefits to organizations and community. A certain advancement in business world in Croatia are evident but still not enough and benefit in increasing success of projects are immeasurable. (Paparella, 2017)

In GA project management, according to available information is arranged primarily in the area of project management for EU funded projects what, by prof. Radujkovic, represents lesser part of projects where project management profession is involved. Larger amount of projects are executed as internal projects of organisations and in business commercial projects. (Paparella, 2017)

4. Project management and education

As the solid base towards stronger implementation of project management into the practice in Croatia are education modules in Croatian faculties, university colleges and education centres. Here are just few randomly selected as examples:


At the moment there is several hundreds of thousand persons certified in IPMA Four Level Certification system. Certification of Project Management students is executed in cooperation with Croatian Association of Project Management (CAPM) since 2009. CAPM represents International Project Management Association (IPMA) gathers national members of over 70 countries of the world. Until today IPMA certificates in Croatia acquire over 270 students of Project Management of University of Applied Science Baltazar, Zaprešić. (Veleučilište Baltazar, 2018)

4.2. Algebra University College, Project Management seminars
Algebra is providing attendees with basic and advanced knowledge of project management through interactive exercises in web environment applying curriculum with simulation of project process in virtual project teams of participants. Algebra is also cooperating with CAPM in process of preparation for certification. (Algebra; 2018)

4.3. Mirakul Education Center Zagreb.

In cooperation with leading Croatian experts and Mirakul lecturers organize business seminars and workshops in key areas of business. Students gain knowledge and skills needed for certification for Project Management Professional (PMP) certificate. As well as IPMA certificate PMP is recognized as universal standard of excellence in Project Management. (EduCentar; 2018)

5. Project management implementation in GA

Project management in GA is not sufficiently recognized as a tool for successful process of initiating, leading and completion of projects. Efforts in implementation of project management were undertaken in ministries of Croatian Government where project management knowledge and skills are applied by educating and certifying personnel in project management and establishing program management offices, and introducing rules and regulations.

For the purpose of this study three ministries with practice and documentation in project management will be represented by Ministry of Regional Development and EU Funds, Ministry of Construction and Physical Planning and Ministry of Defence. The Ministry of Defence will be elaborated in more details as case study.

5.1. Project management in Ministry of Regional Development and EU Funds (MRD &EU Funds)

MRD & EU Funds was established by the Law on Establishment and Scope of Ministries and Other Central Bodies of State Administration (Official Gazette 93/16, 104/16) to equally develop all parts of Croatia, to improve work and life conditions with emphasis to less developed regions. (Ministarstvo regionalnog razvoja i fondova EU, 2018)

In the area of project management MRD &EU Funds is oriented to prepare priorities of multiyear and annual strategic and operational documents for use of EU funds and other international sources of financing for regional development. (Ministarstvo regionalnog razvoja i fondova EU, 2018)

MRD &EU Funds in its webpage declare responsibility for monitoring of entire program and project execution as well as for monitoring and execution of decisions and recommendations. In the process of project execution monitoring and evaluation are part of project life cycle. With these tools MRD &EU Funds evaluates and assess effectiveness in projects and programmes execution financed in the framework of EU assistance program. (Ministarstvo regionalnog razvoja i fondova EU, 2019)

Figure 1. Project cycle in MRD &EU Funds
For this purpose and to better withdraw of EU funds allocated for Republic of Croatia in various areas MRD & EU Funds in 2014 initiated project of Academy of regional development and EU funds. The goal is to inform and educate student population on EU funds and present to students the importance of EU funds as one of most important source of financing different development projects and provide skills and tools for preparation of project proposals. Until today Academy educated over 600 young people and prepares them for use of EU funds. (Europski strukturni i investicijski fondovi, 2018)

The project of Academy is developed in four modules which assist students to understand projects and to gain skills in full spectrum of project lifecycle from idea to the completion of project documentation for EU financing. (Europski strukturni i investicijski fondovi, 2018)

5.2. Project management in Ministry of Construction and Physical Planning (MCPP)

MCPP was established by the Law on Establishment and Scope of Ministries and Other Central Bodies of State Administration (Official Gazette 93/16, 104/16). In its scope the ministry performs administrative and other tasks related to construction, physical planning and housing, and participates in the development and implementation of programmes from European Union funds and other forms of international assistance in these fields. (Ministarstvo graditeljstva i prostornog uređenja, 2018)

Ministry has specific responsibility in the area of construction where construction was regulated by Laws: Building Act (Official Gazette 153/13, 20/17), Construction Products Act (Official Gazette 76/13, 30/14, 130/17), Act on the Chamber of Architects and Chambers of Engineers in Construction and Physical Planning (Official Gazette 78/15, 114/18), Act on Physical Planning and Building Tasks and Activities (Official Gazette 78/15, 118/18), Act on Proceeding with Illegally Built Buildings (Official Gazette 86/12, 143/13, 65/17, 14/19) and Administrative Fees Act (Official Gazetted 115/16) and list of statutes, decisions and internal regulation including statutes and decisions of EU. (Ministarstvo graditeljstva i prostornog uređenja, 2019)

In the area of construction MCPP strictly regulated roles and responsibilities of persons who perform activities in construction project management who must be registered for specific activities. The intention is to avoid conflicts of interests of stakeholders in construction program management. It is strictly emphasized that registered organization for construction must have project manager.

MCPP in 2009 introduced into force Regulation on necessary knowledge in the area of project management. Since then the Regulation is amended and the newest document is dated from 2015.

According to the Ordinance on required expertise in the field of project management (Official Gazette 85/15) person authorized as project manager for specific project is by regulation of MCPP obliged to have necessary knowledge and skills in project management and, as minimum, to be certified through system of certification of International Project Management Association (IPMA) and/or Project Management Institute (PMI). (Ministarstvo graditeljstva i prostornog uređenja, 2019)
Apart from that program manager has to have education in architecture, construction, electrotechnics or civil engineering. There is also regulation for the level of education and minimum of ECTS points. (Ministarstvo graditeljstva i prostornog uređenja, 2019)

5.3. Project management in Ministry of Defence – The Case Study

Ministry of Defence (MoD) was established by the Law on Establishment and Scope of Ministries and Other Central Bodies of State Administration (Official Gazette 93/16, 104/16).

From very beginning, when Ministry of Defence and Croatian Armed Forces (MoD and CAF) were established, various project management processes were conducted. Projects were conducted in functional organisations by decisions of minister of defence.

During five-year post-war transition period until 2000 MoD was advised and supported in transformation from war to peacetime structure by one US consulting company who laid down foundation for future development of Defence Management System in MoD. System was basically built on implementation of three interrelated systems, Defence Planning System, Defence Management System and Decision Making in Procurement System. All of them integrated by Planning Programming Budgeting and Execution System (PPBES) in more long term planning and executing manner with introducing for the very first time managing the processes and project oriented organization. Originally PPBES is an “annual Department of Defence (DOD) process for allocating resources. It serves as the framework for DOD civilian and military leaders to decide which programs and force structure requirements to fund based on strategic objectives”. (Peters, 2018)

Croatia’s membership in Partnership for Peace (PfP) in 2000 (NATO, 2005) and later Membership Action Plan (MAP) in 2002 (NATO, 2019) as a NATO aspirant recognized needs for development of a new capabilities defined in strategic documents as Partnership Goals and Force Goals. This brought MoD to the position to form the working groups or task forces with the clear directions to initiate, lead and conclude the process of procurement, adjustment and implementation of a new defence system into the CAF. It was the working groups to lead the process by their best knowledge and skills. There were no standards of project management.

It does not mean that projects were not led professionally and that they were not brought to its successful conclusion. Simply they were not led by standards of project management and there was no central administrative evidence and coordination of projects as part of program and entire MoD project portfolio.

Projects were initiated, conducted and brought to its successful conclusion by the imagination and significant efforts of the appointed heads of working body together with the appointed members, personnel from different parts and functional organisations of MoD and CAF.

Through the time and recommendations of personnel who were familiar with standards of project management MoD introduced project management principles. Project management principles were formalize and set in adequate framework by officially regulated project management process. First document to regulate PM in MoD was internal document Regulation for Project Team Activities which was approved and introduced by the minister of defence in 2001. This document defined the position and role of project team in process of acquisition of armament and military equipment for CAF. The intention of this Regulation is to fit the PM in internal procedures, rules and regulations as well as legal framework for procurement of armament and military equipment. It was first but important step in better PM in MoD.

For the purpose of project standardisation and better overview, control and decision making on projects, MoD in 2014 approved and introduced Methodology of management of development projects of MoD and CAF (Ministarstvo obrane; 2014a). The methodology was developed on the basis of the IPMA (International Program Management Association) standards. This document based on project management standards with recognition of national legal framework introduced basic order in project management process from initiation to its conclusion. Since the MoD is governmental organisation all regulations and procedures must comply with national laws and regulations.
Methodology introduced standard steps in project management, project categories according to IPMA, type of project according the complexity of projects, stakeholders, and senior supervision and decision body The Board for supervision, control, and decision making in project management (Board). The Board was established 2014 (revision Act 2017) by the Decision of minister of defence and the board consists of key civil and military personnel of MoD and CAF where state secretary/deputy minister was appointed as the head. (Ministarstvo obrane; 2014b)

As additional tool for project supervision MoD formed the Project Register as evidence of projects which were already in process and new accepted projects by the Board. Board, to clarify its role in project management, introduced the Rules of procedure of the Board. (Ministarstvo obrane, 2017b).

The next very important step in process of project management institutionalization is the Project Management Office (PMO) in MoD Statute which was formed as independent body in organisation structure directly subordinated to minister of defence. Its position, role and line of work was set and described in Art 170 of the Statute of internal organization of the MoD (Official Gazette 2/17) Statute entitled PMO for project coordination, time framework, extent, expenses, quality and human resources. PMO is also the organisation which provides the Board with all relevant documentation and information as support for decision making. Its role was recognized in revised document of the Board “Odluka o osnivanju Odbora za nadzor kontrolu i odlučivanje u upravljanju projektima” (Ministarstvo obrane, 2017a)

To improve project management process PMO prepared a draft of revised Methodology which incorporates improvements in project management process with more details and clarifications specific for GA is prepared for brush up and confirmation by senior management during 2019. The revised methodology is much more aligned with PMBOK guide then previous one. (Ministarstvo obrane, 2018)
Important part of Methodology is incorporated in annexes which contains steps on project development process and standard forms for initiation, planning, reporting and risk management. Depending of project category and type Methodology prescribes the key documents to be developed for specific project. Such documents are Tactical Technical Study, Feasibility study, Risk analysis, Status report, Final report, Analysis of project success, Lessons learned etc. Apart of listed, as every project is new, original and different may have additional specific documentation which were relevant for specific project (Figure 2.).

The entire project management process is in compliance with specifics of a structure, work organisation, hierarchy and other internal regulations in the field of organisation management. Projects regulated by Methodology are initiated by stakeholder i.a service of CAF or functional areas of MoD.

PMO in 2018 initiated education, workshops and certification for heads of project teams of active projects. The next phase is to continue education in project management primarily for project team members in active projects. In continuation the aim is to continue with regular annual cycle to share the knowledge, skills and competences of project management and to develop wide base of civilian and military personnel of MoD and CAF later to be included in new projects as a leaders or team members/experts.

PMO developed and implemented information support by development of specific software that fits into the needs to keep evidence of documentation and to keep track of each phase of each project from the Project Register. Information model consists overall overview of all projects from the Project Register, individual project information on project phases, finances (planned budget, phase expenditures items, remaining financial obligations etc.), project team minutes registry, list of project team members with skills review and work results.

6. Conclusion

As PMI definition say Project management is temporary endeavour undertaken to create a unique product, service or result. And a project is unique in that it is not a routine operation, but a specific set of operations designed to accomplish a singular goal.

Project management is important because it is systematic and regulates standard steps from beginning to the end respecting specifics of each project as one time operation. With introducing at least basic regulation of project management in certain organization it is much easier for every stakeholder to understand his role. It is even better when proper understanding of project management is introduced in organization and when large number of personnel in certain organization understands at least the basic rules of project
management. For that reason, independent of proscribed regulation, it is much more important to have as much as possible number of personnel of any organization educated in project management. For those involved in project management process it will be easier to initiate, lead and bring projects to successful conclusion and implementation.

GA in Croatia is not using PM systematically in all government bodies. It is more related to senior individuals recognising the benefits of PM to save efforts, time and money and introduce PM in their organization which then becomes the standard.

Still there is much more to do ahead in embedding and establishing certain level of understanding of necessity of project management for better use of financial, material and human resources and to increase level of success.

Articles such as this and with the assistance of experts an members of academic society can motivate GA to introduce PM as standard procedure to improve organization and to implement new technologies in GA procedures.

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