

# EVALUATION OF THE PROJECT MANAGEMENT ORGANISATIONAL ABILITY OF PUBLIC ORGANISATIONS

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*Abstract: The quality of the results of a project or a public programme, as well as the quality of project management consist in management process performance. This analysis tool promotes the idea of initiating a new organisational/functional policy – organisational tools regarding project management, a new standard concerning the complexity of the project and the associated risk, as well as a new standard concerning the project management organisational/functional ability.*

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*Keywords: project, evaluation, management, process, decision makers.*

## INTRODUCTION

In the current context, public organisations that manage or implement projects/programmes (as an objective of their mission, but also as a form of organisation) need a new vision and a new form of organisation at least functionally in order to reach the new positions of public administration.

The quality of its processes and the performance of the activities carried out should be measured, at the current level, established as objectives, standardised and implemented uniformly precisely according to this standardisation as a reference, for every public organisation in Romania. Such an analysis and evaluation will later allow measures that are imposed in the organisation/reorganisation, at least functional, to be identified, which will allow public organisations to manage and implement projects and programmes.

The quality of an implemented project/programme is often established according to an evaluation criterion/series of criteria concerning the management process itself or the implementation stage of the evaluated project/programme.

*Although it is hard to accept, processes are those that ensure the organisational performance, not departments, meaning a structure and an organisation based on process rather than on a hierarchical organisational structure. The most common mistake in management is probably making changes in departments when things do not go well, without looking for causes, that is **what processes or which of their steps do not ensure the desired performance.***

*Changes in departments are only consequences of changes in processes. **First processes, then departments.***

When referring to the quality or performance of a project or a programme, we often take into account as an analysis procedure the evaluation of the project/programme itself or project/programme management at most and we pay less attention to the evaluation of project management organisational/institutional ability – that is how an organisation has the technical and management ability to implement projects/programmes.

We considered this an important aspect and a field which needs to be taken into account and developed, especially when referring to public organisations' organisational/institutional ability of implementing and managing projects/programmes.

As regards the analysis of the current stage of research, the possibility of identifying certain methods or case studies relevant for organisational evaluation as a project management tool does not exist in Romania. Generally, evaluation is focused on projects themselves rather than the project management ability of public organisations, beyond the stage of project proposal elaboration or financing request.

With regard to the international practice, we have analysed the Canadian organisation and project management evaluation of the public administration model. This model, adapted to the organisational nature and reality of Romania, is desired to be just a starting framework for further research and models. The example of the Canadian government is, in the current work, the basis for conceiving and developing a framework model of analysis, evaluation and promotion of an instructional-organisational structure as a project which ensures performance in project implementation and quality in public service provision based on project management. First processed and then departments...

The process of re-conceiving an institutional-organisational structure based on management processes and then on department-hierarchical ones involves the development of analysis and evaluation tools in the first step, meant to identify at least the following aspects:

- ✓ Identifying existing practices in Romanian public organisations to implement projects/programmes (the type and level of the projects etc.);
- ✓ Identifying processes and applied project management activities;
- ✓ Analysing the organisational structure and its impact on project management;
- ✓ Identifying the project management ability – organisational and functional;
- ✓ Identifying the necessity to redesign the management structure at least functional wise, in the implementation of projects meant to ensure the performance and quality of services provided and a better management of public resources (human, material, financial etc.)

## **ORGANISATIONAL EVALUATION TOOLS. PMI AND CANADIAN GOVERNMENT MODEL**

In order to carry out an organisational evaluation it is generally necessary to identify certain elements essential for the elaboration of the final document of the evaluation: the evaluation report and recommendations regarding management process improvement. These elements concern evaluation methodology and techniques on one hand and work tools specific to the evaluation on the other.

The purpose of these elements is to carry out an evaluation organised according to processes, dynamic and participatory, involving every factor contributing to its elaboration. Estimation and quantification in terms of resources and time are also important.

There is a series of work tools for organisational evaluation and, of course, enough models to support their complexity depending on the type of organisation with its specific activities or implemented projects. However, all of these take into account *tools/techniques* of quantitative/qualitative evaluation (it may be a questionnaire), a *guide* for analysis and interpretation of results obtained when applying the chosen tool and a work *methodology* to detail the process and the stages of the evaluation process.

The purpose of these elements is to offer guidance for filling out the project management organisational evaluation of public organisations in compliance with standards regarding the project management organisational ability and for the complexity of the projects and the associated risk – promoted by The Project Management Institute and undertaken by the Canadian Government in its process of adapting its own administrative structures according to this model chosen as a reference.

*The guide* provides additional explanations and interpretations meant to assist target users in filling out and analysing. Target users are represented by the personnel involved in the management, completion, re-examination, approval and/or coordination of programmes and projects carried out by a public organisation. There is also a group of secondary users, that includes other parties interested and involved in the establishment and management of issues, the project management ability and of planning activities for investment projects.

Users of such a guide are encouraged to take into consideration a number of good practices of their own public organisations when they are filling out or re-examining this guide. Ideally,

every employee from the entire organisation should be involved in an evaluation, by comprising every functional and programme area, including directions and the support divisions: financial-accounting, legal, human resources, acquisitions etc., but also project management, strategies, project monitoring and evaluation, technology information and management etc. Therefore, the result of the evaluation is a series of data specific to the organisation, according to its activity segments in terms of implemented projects and programmes, all from a global, consolidated perspective.

This way, project management ability evaluation will provide information and aspects that are essential for the organisation as far as its ability to manage projects and programmes is concerned.

It is important, like we have mentioned before, that decision makers be involved in the completion of the guide through its particularisation according to every participant organisation's needs, so that responsibilities can be taken, from the political and managerial point of view, for results obtained afterwards. This would allow to further improve the existing situation and work practices.

Filling out the guide, through the particularisation of its relevant fields of evaluation and analysis, actually means establishing a documentation methodology and providing documents justificatory for every evaluation criterion. This approach has the goal of ensuring consistent results that can be compared between organisations and facilitating updates and evaluation audits of performances as quality assurance tools for processes carried out within an organisation. After all, a good practice includes the establishment of processes intended for completion, examination and guide approval. These processes are expected to provide the rigour and discipline necessary to ensure the guide is correct and finished in due time and is supported by documented and appropriately updated proof.

Organisations can also wish to take into consideration the elaboration of a glossary of specific terms that can have a certain context or meaning within the organisation, so that coherence and a reciprocal understanding are ensured.

Organisations are eventually encouraged to take into consideration the possibility of integrating a periodical re-examination of the guide with the established planning processes, so that the accuracy of the evaluation tool with new situations is ensured and information regarding evaluation as a management and planning tool within the organisation is exploited.

The guide follows the structure of the project management ability evaluation tool and provides support for every category taken into account (evaluation criterion). The Canadian model chosen for presentation, taken after PMI, offers the following format:

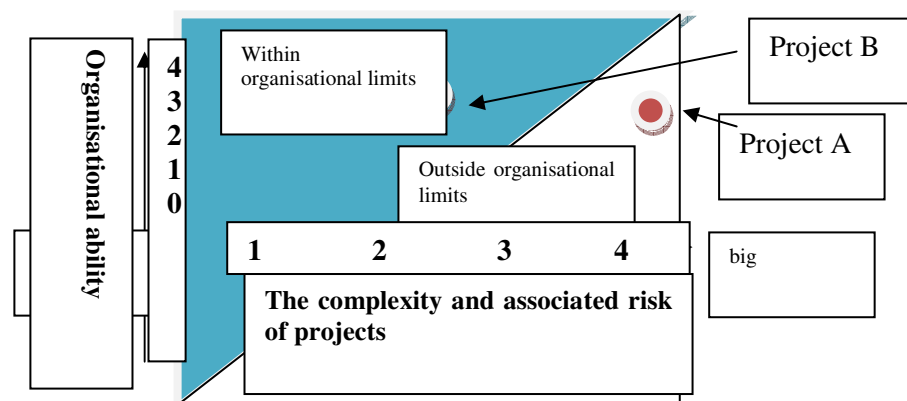
<b>The purpose of the evaluation criterion</b> <b>Interested parties</b>	<p>A summary of the purpose and field of application for every evaluation criterion in relation to the evaluation of the project management organisational ability.</p> <p>Identifies and describes the role of interested parties that would be able to offer an objective perspective and proof for a given knowledge area.</p> <p>Identifies some possible causes or consequences for "rating" in a specific knowledge field/evaluation criterion.</p>
<b>Significance of points</b>	<p>There are many factors that can influence the general ability of an organisation. For instance, the number and complexity of the projects carried out, the level of maturity and the ability of individual resources destined to projects. As a result, while the score of a certain criterion/field of knowledge can be considered a useful indicator for the strengths of an organisation or investment opportunities, the respective field should be taken into consideration in the context of the general organisation grade.</p>

This analysis tool promotes the idea of initiating a new organisational/functional policy – organisational tools regarding *project* management, a new *standard concerning the complexity of the project and the associated risk*, as well as a new *standard concerning the project management organisational/functional ability*.

These three tools resulting from organisational evaluation ensures the performance of the organisational management act – management performance, as an element of the quality of processes carried out in that organisation (standard concerning the project management organisational ability), but also project management performance, as an element of the quality of processes carried out in project management (standard concerning the complexity of the project and the associated risk).

Political decision makers, public organisation managers, but project managers as well are the main people in charge of elaborating and taking responsibility for these standards and policies within the organisations they manage and represent.

By applying this type evaluation tools for the organisational ability, two scores result from project management, as presented in Figure 1.



**Figure 1:** Approval of the project and expense budget based on the complexity of carried out projects and associated risks and based on the project management organisational ability

Figure 1 illustrates how the relationship between the project management organisational ability and risk associated with projects carried out by the organization and the level of complexity determine the limits within which projects can be approved for an organisation.

The ability must usually be proportional to the level of risk and the complexity of the projects for which responsibility is taken. For instance, a high level project management ability and related costs may not be an appropriate investment for an organisation engaging in a few large and complex projects.

### THE EVALUATION STRUCTURE<sup>37</sup>

By following the above presented model, evaluation takes into account two categories: support organisation structures and applied project management standards. For an overview, see Figure 2. See Areas of interest (General criteria) and Table 25 with related detailed explanations.

Figure 2 schematically presents the 3 referenced abilities:

- Organisational adaptability;
- Project management (the fundamental structure);
- Assistance given to project management.

<sup>37</sup> The Canadian Government evaluation model for the project management organisational ability, [http://www.tbs-sct.gc.ca/pm-gp/site/home\\_accueil-eng.aspx](http://www.tbs-sct.gc.ca/pm-gp/site/home_accueil-eng.aspx)

**Figure 2.** Areas of interest (General criteria)

<b>Organisational adaptability;</b>	Investment portfolio management				
	Investment programme management				
	Organisational assistance structures				
	Project management standards				
<b>Project management (the fundamental structure);</b>	Integrated project management	Purpose	Time management	Cost management	Risk management
<b>Assistance given to project management</b>	Quality management				
	Acquisition management				
	Human resource management				
	Communication management				

**Table 1:** Areas of interest

Criteria		Definition
<b>Organisational adaptability</b>		
1	Investment portfolio management	This criterion refers to the selection and assistance of investment projects included in investment programmes. These investment projects and programmes are included in the organisational strategic plans along with related available resources.
2	Investment programme management	This criterion refers to the coordinated and centralised management of investment programmes, conceived to meet strategic objectives and envisaged results.
3	Organisational assistance structures	It refers to organisational mechanisms and structures, necessary for carrying out and implementing projects, programmes and the investment portfolio of the organisation.
4	Project management standards	It refers to the verification of compliance with referential methodological standards elaborated on good practices regarding project and programme management and the investment portfolio.

## **Project management (the fundamental structure)**

5	Integrated project management	This criterion includes processes and activities necessary to identify, define, combine, unify and coordinate various project management processes and activities within activities carried out by the project team. In the context of project management, an integrated project management includes characteristics regarding actions of unification, combination and articulation, which are essential to carry out projects and successfully meet requests of the customers and interested parties and to meet planned objectives and obtain expected results.
6	Purpose	It consists in defining and controlling what is and what is not necessarily included in the purpose of the project. It includes processes necessary to ensure that the project involves the entire necessary work and not only the requested one, in order to successfully implement the project through requests constantly updated according to situations that occur.
7	Time management	It includes processes necessary to implement the project within the established periods of time.
8	Cost management	It includes the planning, estimation, budgetary and cost control processes so that the project can be implemented within the limits of an approved budget.
9	Risk management	It includes the processes of identification, planning, analysis, evaluation, control and monitoring of risks associated to the project, measures of preventing and minimising their impact.

## **Assistance given to project management (support structures)**

10	Quality management	It includes the processes and activities of high-performance organisations that determine the elaboration of certain policies and objectives regarding quality, thus ensuring that projects will be implemented at a superior level in terms of meeting solicited needs and requests. A system of quality management includes policies and procedures that improve continuously and constantly activities and processes of a project.
11	Acquisition management	It includes processes necessary so that acquisition processes of services and products in order to obtain results established within the projects can carry out. Acquisition management includes management contracts and control processes for modifications that occur, necessary for contracts or orders to be managed by people with expertise in this field, members of the project team. This means the management of any acquisition contracts carried out by the organisation, which involves a high-performance management with contractual commitments being kept.
12	Human resource management	It includes the organisation and management of the project management team and everyone interacting in view of meeting the objectives of a project. Persons involved have well defined roles and responsibilities at an individual level within the project and the organisation.

13	Communication management	It includes processes necessary to periodically ensure the generation, collection, distribution, storage and monitoring of necessary information within the implementation of a project.
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### CLASSIFICATION OF EVALUATION RESULTS

It reflects the importance and relevance of a criterion or field evaluated in comparison with another one and its percentage in evaluating the organisation in terms of project management. This way, every point obtained for each field of interest/general criterion will be adjusted according to the relative percentage obtained for each evaluation category.

**Table 2-** A model for values and percentages assigned to the defined criteria.

Criteria	No. of questions	Percentage	Maximum points
Investment project and programme management	15	10%	75
Organisational support structures	15	10%	75
Project management related standards	15	10%	75
Integrated project management	15	10%	75
Purpose	5	10%	25
Time management	5	10%	25
Cost management	5	10%	25
Risk management	5	10%	25
Quality management	5	5%	25
Acquisition management	5	5%	25
Human resource management	5	5%	25
Communication management	5	5%	25
<b>TOTAL POINTS</b>	<b>100</b>	<b>100%</b>	<b>500</b>

The maximum number of points that can be obtained is 500 for the 100 questions related to the 12 analysis criteria. Expressed as a percentage, these points correspond with the organisational ability presented in **Table 3**.

**Table3 : Classification of the project management organisational ability**

Ability category	Definition	Rating
<b>0 – Limited organisational ability – incipient stage</b>	<p>It is the starting level of an organisation that is aware of the necessity of its organisational re-conception in terms of project management, based on projects and programmes it implements or wants to implement.</p> <p>In this category, organisations that implement projects do not promote a consistent project management field of study, neither at a project level nor at an organisation level, based on the individual abilities of project managers and/or members of the project team in order to be successful.</p>	<b>&lt;25 / 100</b>
<b>1 – Maintained organisational ability – initial stage</b>	<p>Organisations have the ability to successfully implement projects in order to maintain their operational ability.</p> <p>In this category, organisations apply a limited project management, planning is not very efficient and reference is not always centralised. Hence the dysfunctionality between structures and steps of project management, but at an organisational level as well.</p>	<b>25 – 49 / 100</b>
<b>2 – Tactical organisational ability – standardisation stage</b>	<p>Organisations have the ability to implement projects and to adjust their operations according to planned objectives.</p> <p>In this category, management processes tend to become standardised, information relevant to the project is often collected at a central level and tends to get an approval and supervision from decision makers/governors. There are dysfunctionalities at a central project management level, where roles are not very clearly defined and established.</p>	<b>50 – 69 / 100</b>
<b>3 – Developing organisational ability – maturity stage</b>	<p>Organisations have the ability to successfully implement projects and they meet their strategic organisational objectives.</p> <p>In this category, there are organisations that include their projects in strategic organisational plans and evaluate the possibility of integrating a multi-annual planning. Organisations define their planning, monitoring, control and report systems, evolved in terms of implemented projects, but at an organisational level. Project management processes are integrated in the organisational processes; project performance analysis is advanced and it provides an input for the improvement of organisational processes; decisional standards for projects are transposed and adopted at an organisational level, as a whole.</p>	<b>70 – 90 / 100</b>
<b>4 – Mature organisational ability – innovation stage</b>	<p>Organisations have the ability to successfully provide projects that modify the organisational style, thus becoming advanced organisations that apply an organisational management style based on projects.</p> <p>In this category, there are organisations that, when carrying out their strategic plans, take into account the typology of projects and programmes that help in developing their own procedural abilities. Operational processes referring to project, resource and time calendar approval are periodically re-evaluated and modified according to</p>	<b>&gt;90 – 100 / 100</b>



Ability category	Definition	Rating
	<p>necessities that occur. There are good practices as regards project implementation; management processes are always improved, the performance and quality through qualitative and quantitative indicators, defined and standardised at an organisation level, are taken into account. Organisation is designed in such a manner, culturally and structurally, that the success of its strategic projects can be constantly optimised.</p> <p>Their own organisation and project management policies and standards are elaborated, updated and applied.</p>	

## CONCLUSIONS

A project management organisational policy is essential because it establishes the roles and responsibilities of every member of the management team according to the abilities of the employees, but especially according to the hierarchical position they hold within the organisation. This way, we can extrapolate and say that the project manager role is held by the Minister-Secretary of State, who holds the highest function hierarchically within the organisation, but who is also politically appointed; therefore, once the person is replaced by a new person who takes on the tasks and prerogatives of the project manager, the ability of project implementation, but also the project management organisational ability are modified. Thus, the two standards that define the project management organisational ability and the project management ability are correlated in the project management policy of every organisation or, even better said, in the political one of a superior rank, promoted at government level.

It is recommended that if such an organisational policy is implemented within the Project Management Policy, limits of approval for carried out projects normally be re-examined periodically and reviewed at least once every three years, as an integrating part of the investment plan, and it should also be included in the investment policy of the public organisation. As a result, the organisation will have to present the results of the evaluation at least every three years along with their investment plan provided in the investment policy of the organisation.

An organisation should carry out an evaluation when a significant change takes place within the organisation so that the project management ability would be different from the previous one.

In order to establish a global understanding of the project management organisational ability, aggregation methods of data relevant within the organisation must be taken into consideration. For instance, data could be collected and analysed at the level of an established project management office. Such a structured approach should facilitate data collection and allow the organisation to identify easily project management points and opportunities to invest in its ability at an individual or a global level.

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