



Exploring the influence of external actors on the cooperation in public–private project organizations for constructing infrastructure

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Abstract

Though different forms of public–private partnerships exist, in the organizational structure of most forms a public and a private project organization can be derived, resulting in two collaborating project organizations. The literature on project management however mostly considers one project organization. The literature on public–private partnerships considers the public part of the organization mostly as ‘the client’. This research focuses on the relationships between public and private organizations: the two collaborating project organizations, the relationship with their parent organizations, and with external actors. Exploratory interviews in three cases uncovered five mechanisms leading to tensions between project partners: ambiguity, conflict of interest, triangular relationships, unclear purpose and organizational context.

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1. Introduction

The term ‘public–private partnership’ is used for several contractual arrangements between public and private partners, each with different roles for both partners and different distributions of responsibilities (Beato and Vives, 1996; Child et al., 2005; Cruz and Marques, 2013; Ke et al., 2009; Kwak et al., 2009). Based on surveys on public and private practitioners, factors are revealed that influence the effectiveness of the cooperation and the success of the project (Black et al., 2000; Chan et al., 2004a; Hwang et al., 2013; Jefferies, 2006; Zhang, 2005). After studying the literature on different public–private project arrangements Kwak et al. (2009) conclude that the

factors can be organized in four groups; (1) the selection of an appropriate concessionaire, (2) an appropriate allocation of risks, (3) a sound financial package and (4) a competent government. The fact that the alignment with the parent organization is a factor of influence for project performance is known from research on project management (Chan et al., 2004b; Cox et al., 2003; Meredith and Mantel, 2009). Literature on public–private partnership, however, is not clearly addressing the influence of the public parent in public–private project arrangements. For instance in the roles Kwak et al. (2009) mention to define a competent government (in their 4th group of influential factors) no distinction is made between direct and indirect involvement in the project organization. In many articles on public projects the public involvement is addressed as ‘the client’ or ‘owner’ suggesting a passive role in the project, (Aarseth, 2012; Black et al., 2000; Chan et al., 2004a; Doloi, 2012; Holt and Rowe, 2000; Smyth and Edkins, 2007; Winch and Leiringer, 2016). The main task

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of the public involvement would be ensuring favorable conditions for the collaborative arrangement (Fig. 1A).

In Europe infrastructure projects are built through public–private partnerships in which the public partner is acting in an active project management role (Hertogh et al., 2008; Hertogh and Westerveld, 2010). The direct public involvement is organized in a public project delivery organization (Fig. 1B). To deliver the project to the parent organization the public delivery organization is collaborating with consultants and contractors in a combined project organization (Fig. 1C). From the perspective of the project manager of the public project delivery organization the parent organization is their client (Hertogh and Westerveld, 2010; Koops et al., 2016; Koops et al., 2015). The preparation and execution of infrastructure projects can take several years and the client's requirements can change over time (Bosch-Rekvelde, 2011; Hertogh and Westerveld, 2010; Parfitt and Sanvido, 1993; Pinto and Slevin, 1988). As *client satisfaction* is important to the public project manager (Koops et al., 2016; Koops et al., 2015; Verweij, 2015), the relationship between the project organization and their parent organizations can be stressful (Hertogh and Westerveld, 2010).

The combined project organization is operating in a dynamic network environment (Belassi and Tukel, 1996; Chan, 2001; Davis, 2014) of organizations and stakeholder groups (Fig. 2). This dynamic environment forces the project organization to constantly find a balance between product criteria to satisfy the client, stakeholders and users and project management criteria to meet the given constraints (Cooke-Davis, 2002; Sanvido et al., 1992). Every discussion about this balance is a potential conflict between partners (Dille and Soderlund, 2011; Leufkens and Noorderhaven, 2011), and hence a potential risk for the project. The stressful relationship that the public project organization experiences, indicates that the parent organization is a disturbing factor in the cooperation in the combined project

organization, while true teamwork and relational attitude are important conditions for a successful outcome (Suprpto, 2015). Literature on the influence of this stressful relationship on the collaboration between public and private partners in the combined project organization is limited though. Therefore this research focuses on the influence of external actors on the relationship between public and private partners in the combined project organization. External actors are defined as actors from outside the project organizations. In research on project organizations only limited attention has been given to the interfaces between the temporary project organization and the permanent organization that configures the project (Winch, 2013). Our research question is 'How do external actors, especially the public parent organization, influence the combined project organization?'.

The aim of this paper is to understand the influences from surrounding organizations on the combined project organization. Based on this, improvements can be identified in order to increase the efficiency and effectiveness of the cooperation in the combined project organization. The recommendations are based on exploratory in-depth interviews in three cases and analysis of the outcomes using Social Network Analysis software. The derived assertions are then discussed and illustrated by examples from the cases. Concluding remarks and suggestions for future research are given in the last section.

2. Literature overview

Numerous publications related to factors for project success identify the interaction with the environment as an important factor (see for example Chan et al., 2004a, Sanvido et al., 1992). However, the perspective from which the factors are identified, is either unclear or different perspectives are included in the outcomes. For this study the perspective is

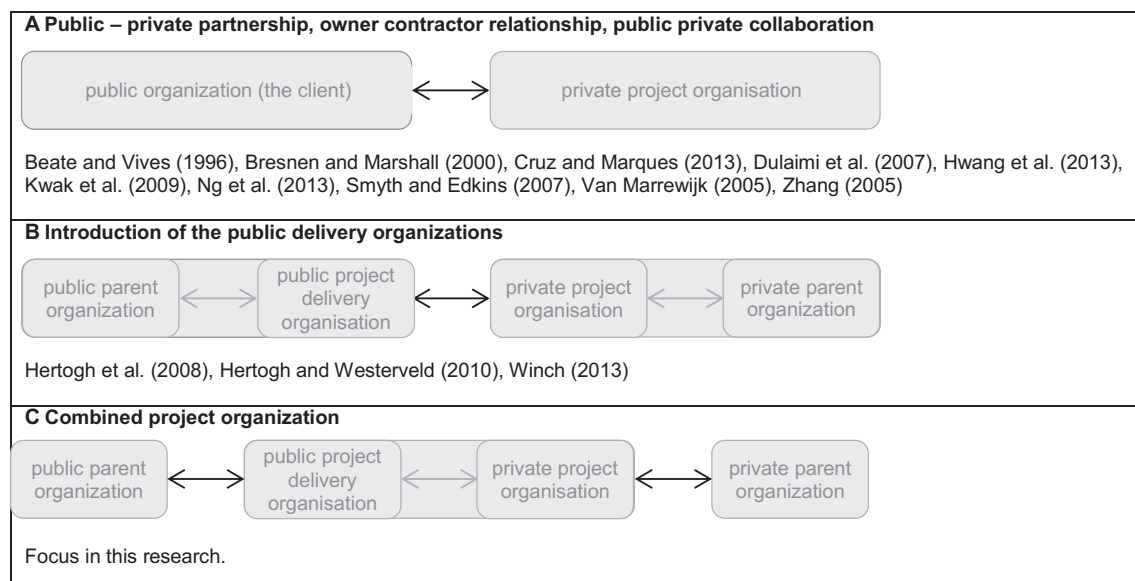


Fig. 1. Schematic representation of terms related to public private collaboration.

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