



The three dimensions of a governance framework for major public projects

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Abstract

The aim of this article is to advance a conceptualization for governance frameworks for major public projects based on public administration literature. The governance of major public projects has been an important subject of inquiry in project management, as researchers have investigated governance frameworks for public projects as a tool to enhance performance. Yet, while performance is traditionally seen as improved efficiency, other aspects need consideration. Using phronetic and abductive theory building, this conceptual article investigates the relevance of a governance framework for major public projects along three dimensions: those of greater government efficiency, legitimacy and accountability. The main contribution of this article is to enrich existing theory on the governance of major public projects.

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1. Introduction

Major projects (infrastructure, IT, military, *etc.*) are increasingly used for delivering a wide range of goods and services, and their scale tends to increase as well (Flyvbjerg, 2014). Yet, to this day the performance of those projects is unsatisfactory: the wrong projects are selected, the costs are underestimated and the benefits are overestimated (Flyvbjerg, 2014). Moreover, the anatomy of those major projects is shifting, with increasingly complex stakeholders and supply chain linkages, calling for enhanced academic scrutiny into this emerging organizational phenomenon (Scott et al., 2011).

Governments are crucial stakeholders for several of those major projects, often as owner or initiator. Accordingly, they have to make political decisions in order to undertake those projects. As governments around the world have to cope with this shifting reality of undertaking more and bigger projects, it

is important to understand the implications of organizing public sector projects. In this article, we adopt the view that there are indeed specificities related to the public sector, which must be acknowledged in the governance of major projects.

In the past decades, some governments, such as Norway and the United Kingdom, have adopted a governance framework to deal specifically with major public projects (Klakegg et al., 2008). A governance framework for public projects is “an organized structure established as authoritative within the institution, comprising processes and rules established to ensure projects meet their purpose” (Klakegg et al., 2008, p.30). Confronted with poor project performance including large cost overruns, delays and limited economic benefits, those governments have implemented governance frameworks in order to improve project performance. For example, in Norway, a 1999 in-depth review of eleven public investment projects revealed combined cost overruns of 84% (Berg et al., 1999, cited in Samset and Volden, 2013), whereas their latest report indicates that on average, 80% of projects now remain within approved budgets (Samset and Volden, 2013). Similarly, whereas in 2011 the UK National Audit Office reported that two-thirds of public sector projects were

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completed late, over budget or did not deliver the expected outcomes, the Major Projects Authority recently stated that the record of project delivery has improved to the point where approximately two thirds of projects are now expected to deliver on time and on budget. (Major Projects Authority, 2013; NAO, 2011).

With governments adopting such governance frameworks since the beginning of the 21st century, several researchers have been inquiring about their similarities, their differences and their impact on project performance (Christensen, 2011; Crawford and Helm, 2009; Klakegg et al., 2009, 2016; Williams et al., 2010). At the same time, our current knowledge regarding governance frameworks could be enriched by looking beyond public projects at the larger field of public administration. Whereas performance is important to study with regard to the governance of major public projects, it is not enough to explain why governments adopt governance frameworks. We seek to open up the theoretical comprehension of a governance framework by offering a conceptualization encompassing three main dimensions, those of efficiency, legitimacy and accountability. Those dimensions are developed by reviewing influential literature and using an abductive method (Van de Ven, 2007). The aim of the article is to investigate the relevance of a governance framework for major public projects by suggesting three dimensions, articulated around three propositions.

As the field of public administration is rich and complex, it can certainly help to generate insights into the governance of major public projects. The main contribution of this article is to conceptually explore the theoretical relevance of governance frameworks for public projects by investigating the links between project management, project governance and public administration. While our assumptions for those propositions are limited to democratic governments, it is nonetheless important to acknowledge that other types of political regimes around the world might also benefit from enhanced governance of their public projects. Moreover, the theoretical basis underlined here is the initiation of a wider reflection that will benefit from further empirical testing.

This conceptual article is structured as follow: first, a literature review presents project management and its subfield of project governance, in which is embedded the concept of a governance framework. Then, the research question is presented, followed by the methodology used to answer that question. Results are presented according to the three propositions put forward. A discussion of those results follows, outlining their relevance to the governance of public projects. Finally, the conclusion summarizes the main findings and contributions of this article, and highlights how these propositions could be tested empirically.

2. Literature review

This section reviews theoretical developments in project management, and its subfield of project governance. Then, the definition and characteristics of a governance framework for public projects are provided. Finally, outlining the lack of

theorization specifically on governance frameworks for public projects, we posit the research question.

2.1. Project management

Project management is a relatively young discipline. Whereas project management research originated from operations research and management science back in the early 1950s (Söderlund, 2011), theoretical developments in the field only started to expand around the turn of the century (e.g. Turner, 2006; Shenhar and Dvir, 2007). Researchers have proposed various schools of thought and theoretical categorization for the field (Bredillet et al., 2008; Söderlund, 2011). The epistemological foundations of project management over the past decade have been addressed (Smyth and Morris, 2007). Thus, project management has benefited from progress in research in many areas of management and ideas developed in other management disciplines (Bredillet et al., 2008). Several important contributions are opening the theoretical perspectives in the field, arguing for renewed approaches including theories from social sciences (activity theory, actor-network theory and structuration theory among other), and other theories from strategic management research and the analysis of power relations (Aubry et al., 2012; Drouin et al., 2013; Floricel et al., 2014). As project management research has improved substantially in quality and rigour (Turner, 2010), the variety found in the study of project management lends support to theoretical pluralism and to the interdisciplinarity of the field (Söderlund, 2011). Yet, as project management extended from a technical discipline to a multidisciplinary one, there is still work to do so as to theoretically anchor that field of study (Söderlund, 2011). One of its subsets, project governance, is presented next.

2.2. Project governance

The discussion about project governance in project management research has expanded over the last decades, although the definition of this concept and its main origins remain ambiguous (Ahola et al., 2014). Along with the development of project management as a field of study came the governance school of thought, which “aims to analyse why projects exist and define the appropriate governing mechanisms of projects as a particular kind of administrative problem and complex transaction” (Söderlund, 2011, p.163). According to Bredillet et al. (2008), the major influences on the governance school use an economic approach, where the project is seen as a legal entity. It first developed in the 1970s, along with contract management using transaction costs and agency theory (Bredillet et al., 2008). The first references in the governance school discuss problems of contracting and governance in the construction industry (Söderlund, 2011). Yet, the governance school has extended over the years, from the temporary organization in the mid-1990s, to the governance of projects in strategic alliances, in complex consortia and in networks in the late 1990s (Söderlund, 2011). Although many studies have been conducted in that area since the 1970s, the concept of project governance has only recently become an issue of importance in the project management community and literature (Miller and Hobbs,

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