Public project success Let's talk about public projects by Stanslaw Gasik, PhD

Let's talk about public projects1

Series Article

Public Project Success²

Stanisław Gasik

Introduction

It could be argued that all the literature and scholarly work on project management primarily focuses on one question: how to increase the likelihood of its success? This goal is attained, for instance, by enhancing scheduling, exploring ways to establish PMOs, involving stakeholders in projects, and implementing risk management methods—negative ones to decrease the chances of project failure or positive ones to amplify the scope of its success.

Various models exist for determining project success (e.g., Stretton, 2023; Volden, 2018; Baccarini, 1999; Dalcher, 2014; Shenhar, Dvir, 2007; Turner et al., 2010). Discussions about project success criteria often stem from a perspective rooted in the private sector. For instance, Lechler (2010) highlights that the rise of competition in NPD alters success benchmarks throughout a project's duration. However, in public sector projects, competition is usually considerably less prevalent, if present at all. Across most countries in fields like infrastructure development, education, or welfare services, competition tends to be minimal or non-existent.

In this article, we will look at evaluating the success of public projects and what distinguishes them from success criteria for projects in other sectors.

Value and business success

The idea of project success hinges on the concept of value. Essentially, a project can be deemed successful if it contributes to creating some form of value. For instance, the construction of a new mine is considered successful if it not only provides adequate raw materials but also manages costs more efficiently compared to purchasing materials from elsewhere. Similarly, the introduction of a new law aimed

¹ Editor's note: This article is the thirteenth in a series related to the management of public programs and projects, those organized, financed and managed by governments and public officials. The author, Dr. Stanisław Gasik, is the author of the book "*Projects, Government, and Public Policy*", recently published by CRC Press / Taylor and Francis Group. That book and these articles are based on Dr. Gasik's research into governmental project management around the world over the last decade. Stanisław is well-known and respected by PMWJ editors; we welcome and support his efforts to share knowledge that can help governments worldwide achieve their most important initiatives.

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at combating crime is seen as successful if it leads to a decrease in crime rates, thereby enhancing citizens' sense of security. In a public institution, implementing a new computer system is regarded as a success if it reduces the time taken to serve the public (e.g., issuing passports or other documents) and minimizes errors in decision-making. Likewise, introducing a new car model is considered successful if its sales generate profits for the manufacturer. And implementing a new method to prevent a specific disease is successful if it leads to a reduction in the number of cases of that disease.

A criterion used to evaluate numerous public projects is the **satisfaction level** of the citizens using the project's outputs. A public project's success is gauged by the satisfaction of the individuals for whom the project was designed. Conversely, even if a project's product is functional, it can be considered a failure if its users are dissatisfied. In the private sector, satisfaction level serves as an indirect criterion as it impacts the project owner's profitability. However, in the public sector, user satisfaction stands as one of the paramount values. But it is also important to note that many public projects don't create products for direct use by citizens—for instance, military projects or initiatives aimed at restructuring public institutions – hence citizens' satisfaction may not be treated as the final and only criterion for all public projects.

If a project's product delivers value, we say that the project achieved **business success**. But in assessing business success, two points should be noted.

First, this evaluation can usually be done only **after its products have been in operation for some time**. A new law demonstrates its effectiveness only months if not years, after its implementation has been completed: the issuance of implementing regulations, the training of compliance departments, etc. Also, the financial effect of selling a new car model can be evaluated no sooner than a few months after sales begin. The same applies to the operation of an information system.

Secondly, the values of the public sector are of a different kind, and therefore the criteria for evaluating the success of a public project are different. In the private sector, the ultimate value is profit. In the public sector, the concept of value is much more complex than in the private sector (Gasik, 2023a). The most general concept is public value (Moore, 1995). But it is not directly operationalized value. The answer "this project is intended to achieve public value" actually carries no information. Depending on the area of activity, the goal of a public project may be to increase the level of security of citizens, increase the efficiency of issuing documents, obtain new cultural opportunities, or even increase the attractiveness of living in a certain locality - just to name some of the public values.

The success of a public project is a **social concept** (e.g., Goldfinch, 2007): what is a success for one stakeholder may be a failure for another. An example is the most important project in democratic states: elections. What for one political party is a success - a victory in the elections, for the parties that lost the elections, is a failure. This brings us to the issue of the role of stakeholders in assessing the success of a public project. Public projects have many more important stakeholders than private projects. Each of them can evaluate in their way whether the project was successful.

McConnell (2010) proposed an interesting approach to comprehensively assess project business success within the public sector. In democratic nations, governments

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implement public policies aimed at benefiting society. These policies are put into action through the execution of public programs, which consist of various public projects. The effectiveness of a government's actions in genuinely benefiting the public can be measured by the level of backing for political parties. In the interim between elections, this backing is reflected by the support for the governing party, as indicated by public opinion polls. Ultimately, during elections, the public expresses its opinion. Misusing public funds on unsuccessful projects can lead to a decline in support for the governing party, potentially resulting in their removal from power. Therefore, a project's success, from the ruling party's perspective, is determined by the alteration in support for that group resulting from the project. Local public projects influence the support for local governments, while nationwide projects impact the support for the ruling factions within a country.

Managerial success

However, this method of assessing a project's success isn't suitable for practical reasons. Individuals involved in a project should be evaluated upon completion of their engagement in that project. Furthermore, project managers (and other team members) may not always be accountable for the appropriate and effective utilization of project outcomes. Hence, project managers are assessed based on their ability to deliver the project according to the fundamental aspects of the plan: adhering to the schedule, staying within the budget, and delivering the intended product—commonly referred to as the 'iron triangle' of project constraints. Project managers achieve success if they deliver the project product within the specified schedule and budget. This level of success can be assessed almost immediately after the project concludes.

The bulk of research and literature in project management focuses on enhancing the probability of project managerial success.

Product success

Can a project completed within the planned time and budget always be considered a success? Is the construction of a railroad line that almost no one rides a success? Can the construction, as planned, of a concert hall that has bad acoustics be considered a success, even if the artists don't want to perform in it?

There is an intermediate level between managerial evaluation and business evaluation of a project. This is the level of **product success**. A project's product is successful if its functionality and other parameters cause it to be used. Here it is easier to give negative examples, of the failure of the project product. In one of the European capitals, a railroad line was built from the airport to the city center, which almost no one rides (because bus transportation is faster). In the same city, a new exit road was built, which actually blocks traffic and drivers try to avoid it. There are well-known cases of new IT systems not being used - for example, due to little improvement compared to the previous one, or cumbersome operation.

To evaluate the success of a product usually doesn't take as long as to evaluate business success. Assessing product success is a kind of prelude to assessing the

business success of a project. Failure to achieve product success usually blocks the possibility of achieving project business success.

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Performance success criteria

So, three levels of project success may be defined (e.g., Turner et al., 2010; Stretton, 2023):

- Managerial success
- Product success
- Business success.

Note that failure to achieve managerial success, especially if budget or schedule overruns are involved, does not determine failure to achieve product success or business success. The product of a project that was completed later than originally planned can be used successfully and in the long run, can ensure business success. When evaluating managerial success, one should refer to the original plans, not to their modifications, often related precisely to inefficient project management. The Berlin airport, the Eurotunnel, and the Sydney Opera House are in use, even though they were not completed on time or budget.

In general, managerial success, product success, and business success are jointly called the **performance success criteria**.

Parallel success criteria

There are also success criteria that do not belong to the performance criteria group.

For example, the safety of project team members. The evaluation of a project is badly affected by their loss of health or life. In the Hoover Dam construction project, many people lost their lives (Kwak et al., 2014). The same was true in the stadium construction projects for the 2022 World Cup in Qatar

(https://www.theguardian.com/global-development/2021/feb/23/revealed-migrant-worker-deaths-qatar-fifa-world-cup-2022). Safety is an example of a project evaluation criterion that does not belong to the performance success criteria. It is sad to say, but projects in which people have lost their lives can produce products that benefit the owners.

I will call such criteria **parallel success criteria**. The safety criterion is common to all performance sectors. Parallel criteria can also include, for example, the development of team members' knowledge or the development of the organization's capabilities as a whole. In recent times, a project's consideration of environmental and social (ESG, environmental, societal, and governance) factors is considered a value. The evaluation of a project is badly affected by destroying the environment, underpaying project team members, or failing to take into account factors relevant to social minorities.

There are also parallel success criteria specific to the public sector. Impartiality is one of them, i.e. the lack of influence of decision-makers' preferences on decision-making.

A private company can choose a subcontractor for a project according to the owner's preferences, something that is not possible in the public sector. Public sector projects should be implemented transparently: plans and reports, unlike in the private sector, should be available to the public. Transparency is among public project values and therefore its success criteria. Public projects must comply with laws that may apply to public purchasing, personnel management, or stakeholder management, which do not apply to private projects. Of course, private projects must also comply with the law, but the law does not regulate how projects are implemented as thoroughly as it does in the public sector. Public projects must be implemented in a fair (honest) manner. A particularly pernicious way of violating the criterion of honesty is corruption, which plaques public projects in many countries.

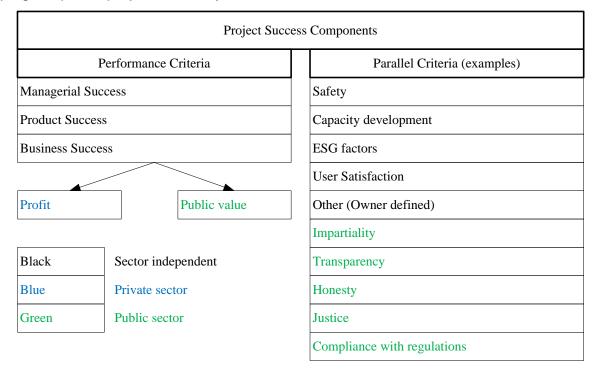


Figure. Project success criteria

Success specification

The project team needs to know how success will be evaluated. Accordingly, the criteria for evaluating project success must be described in the project's constitutive documents: its mandate or project charter. If the goal of the project is to achieve customer satisfaction, this should be described along with the criteria for evaluating success - for example, by indicating that an appropriate survey will be done after the project is implemented, or that each time the user is asked to evaluate the product after using it. If the goal of the project is to develop new methods of public project management, this criterion should also be included in the project charter.

Two examples

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Finally, let us evaluate two great, well-known public projects: the construction of the Sydney Opera House and the Manhattan Project. Were they successful?

Sydney Opera House (SOH)

The budget of this project was exceeded several times. Schedule – twice. This is talked about very often in many texts about SOH. But we must also add the terrible acoustics of the facility. The acoustic conditions were the worst among the 20 most famous musical venues tested (Kamenev, 2011; Taylor, Claringbold, 2010).

But the Sydney Opera House is considered one of the greatest works of architecture of the 20th century. Its architect, Jorn Utzon, received the highest global award in architecture, the Pritzker Prize, in 2023. SOH is considered one of the most important landmarks of Australia.

The construction of the Sydney Opera House was not a success either in a managerial sense or in the sense of one of the most important features of a product intended for musical performances – acoustics.

But ultimately, it's hard not to consider SOH one of the greatest global architectural successes of the 20th century. The Sydney Opera House is an incredible business success - it is a symbol of Australia.

This situation means that the ultimate business goal of the project was to raise the profile of Sydney and Australia as a whole. The jury for the SOH construction competition probably also took this factor into account when choosing Jorn Utzon's original design.

Manhattan Project³

U.S. interest in the use of nuclear energy for military purposes, due to the work of the Germans in this area, began in 1939. In 1940, the National Defense Research Committee was established to deal with these issues. In 1941, British scientists concluded that the construction of an atomic bomb would be possible in about two years. The US Army joined the work in October 1941. The name Manhattan was given to the project in September 1942. The atomic bomb was not ready for use before the end of the war with Germany. Two bombs were therefore dropped on Japan in August 1945. One of the goals of the atomic attack on Japan was to prevent the Soviet Union from participating in the defeat of Japan and probably installing there a communist regime.

The Manhattan Project was partially successful in managerial terms - it failed to deliver the bomb in time. The product of the project was an obvious success. But due to the delay, business success (participation in defeating the enemy) was partial: the project's product made a decisive contribution to defeating Japan, while it did not contribute to defeating another enemy: Germany. The world and, above all, Central Europe would probably look different if, as a result of the use of the atomic bomb on the German front, the Russians had not taken part in the capture of Berlin.

³ Based upon Gosling (2010).

The business of building the atomic bomb was to defeat the enemy. This goal was achieved in the war with Japan but not in the war with Germany. Hence, the success of the Manhattan Project was only partial.

Summary

The success of a public project shares certain aspects with projects in other sectors. For instance, projects across all sectors need to be delivered efficiently and provide valuable outputs. However, when considering the most crucial business criteria, project success is defined differently in the public sector—focused on achieving various public values—compared to the private sector, where profit stands as the primary evaluation measure. Additionally, there are shared criteria for success that are not performance-related, such as safety or the development of organizational capacity.

Evaluation of public sector projects also incorporates specific factors like impartiality, transparency, or justice, which are typically not included in assessing private sector project success.

Given the intricate nature of public project success, it's essential for the project team to establish specifications prior to project commencement, outlining the criteria against which the project will be evaluated.

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Since 2013, his main professional focus has been on public projects. He was an expert in project management at the Governmental Accountability Office, an institution of the US Congress. He is the author of "Projects, Government, and Public Policy," a book that systematizes knowledge about government activities in the area of project management.

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He was a significant contributor to PMI's PMBOK® Guide and PMI Standard for Program Management and contributed to other PMI standards. He has lectured at global PMI and IPMA congresses and other international conferences.

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