

*Let's talk about public projects*¹

How public projects differ from other projects, Part 2²

Stanisław Gasik, PhD

Introduction

Today, as in the previous article in the Let's talk about public projects series (Gasik, 2024), we will look at the relative complexity of public projects compared to projects in other sectors. The analysis is based on the results of a survey (Gasik, 2023a). In this survey each participant could assess the relative complexity of public projects using a scale ranging from 0 (private projects being more complex than public projects) to 1 (no discernible differences in complexity) to 2 (public projects being more complex). The survey findings are presented in Table 1 below.

In a previous article, we looked at stakeholder management, procurement management and communications management. Today we will look at the differences in other areas of project management³.

¹ Editor's note: This article is the latest 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.

² How to cite this paper: Gasik, S. (2024). How public projects differ from other projects, Part 2, Let's talk about public projects, series article, *PM World Journal*, Volume XIII, Issue V, May.

³ This article is based on the content of chapter, Differences between Public Projects and Projects of Other Sectors" (Gasik, 2023a).

Table 1. The Relative Complexity of Public Sector Project Management Areas (source Gasik, 2023a)

	As a whole	Stakeholder management	Procurement management	Communications management	Personnel management	Scope management	Integration management	Cost management	Schedule management	Risk management	Quality management
Mean	1,58	1,77	1,74	1,59	1,44	1,41	1,41	1,36	1,35	1,35	1,15
Median	2	2	2	2	2	1	1	2	1	1	1
Dominant	2	2	2	2	2	2	2	2	2	2	1
Standard deviation	,588	,511	,534	,587	,666	,614	,607	,734	,667	,706	,696

Personnel Management

Possession of an organization by the government significantly affects the processes of personnel management (Rainey and Bozeman, 2000) as well as the behavior of project team members.

Numerous studies report lesser work involvement of public-sector workers than those of other sectors (e.g., Subramanian and Kruthika, 2012; Rainey, 2014). At the same time, the protection system of civil servants and employment results in limited opportunities for creating and modifying project teams (Wirick, 2009).

Workers in different sectors differ in their vulnerability to different types of motivation. In the public sector, the factors most motivating staff to work are stable, secure future, a chance to learn something new, and the opportunity to use special abilities (Jurkiewicz et al., 1998), the importance of public services, participating in the implementation of public policies, sacrifice for others, responsibility and integrity (Rainey and Bozeman, 2000). Public-sector employees are less vulnerable to external stimuli including financial incentives (e.g., Buelens and Van den Broeck, 2007; Jałocha et al., 2014; Rainey, 2014). In the private sector, the prime motivating factors are high salary, the chance of being a leader, and promotion (Jurkiewicz et al., *ibid*). Hence, motivation systems in the public sector should be aimed at internal rather than external incentives. When recruiting team members for public projects, their significance for the community of beneficiaries should be emphasized and material incentives to a lower extent.

Management in the public sector is more often done by persuasion than by coercion (Buchanan, 1975). Managers in public sector projects need to interact with, negotiate, and participate in resolving disputes in their teams and in the external environment for

which the projects are implemented (Torres and Pina, 2004). The need to convince team members to implement project products in their environment in public projects is greater (Cats-Baril and Thompson, 1995). Because of all these reasons, leaders' charisma in public projects is more important than in the private sector (Fottler, 1981).

Controlled by committees, the public sector attracts the project management elite less than the private sector (Peled, 2000). The lack of competitiveness of public organizations on the labor market, compared with private companies, results in a lower quality of staff in public projects than in private ones (Mouly and Sankaran, 2007). The unattractiveness of the public sector may also cause public project managers to concentrate on one project. In contrast, in the private sector, they are interested in many projects implemented in one company (Coster and Van Wijk, 2015).

Scope Management

One of the differences in the scope management area identified at the organization level is greater production stability in the public sector than in the private one (Meier and O'Toole, 2011). This may mean that projects are initiated less often in the public sector than in the private sector. But this is, in a sense, compensated by the greater complexity of work in the public sector (Boyne, 1998). Specific for the project level is the difference of scope sizes: the public projects are usually larger (Kwak et al., 2014), and the scope is more diverse (Shen et al., 2004; Wirick, 2009). The public sector deals with this problem by defining project programs consisting of smaller, manageable projects and sub-projects (Kwak et al., 2014).

The project scope is defined by the project charter and the work breakdown structure. Each project has specific, defined initially needs and requirements. These requirements, due to the larger number of stakeholders of public projects (Gasik, 2024), may be varied and processes of their definition are more complex than in the private sector (e.g., Mihăescu and Țapardel, 2013; Kwak et al., 2014). Therefore, these processes should be more precisely defined in the public sector than in the private one.

All of this causes managing scope complexity in public projects to be considered more complex than in projects in other sectors.

Integration Management

Integration management is the processes that cause a project to be consistently managed as a whole from the inception of an idea through all its phases. We will discuss its cross-sectoral managerial differences in that order.

Objectives and initiation

Differences in the ways of initiating public projects compared to projects in other sectors result from two main factors: differences in values between sectors (Gasik, 2023b) and the limited autonomy of public institutions.

Public projects should contribute to the achievement of public values (Moore, 1995) which are diverse and sometimes inconsistent with each other. How can we ensure innovation, full employment, savings, equal access to public procurement and

protection of own workforce at the same time? For private projects, the ultimate goal is to generate profit. This results in greater complexity of the process of defining requirements for public projects.

The only thing public administration does is implement public policies (e.g., Dye, 2013). Therefore, all the criteria for determining the objectives of public projects complement the goals of public policies that usually are defined or approved at the higher organizational level. The influence of various stakeholder groups also cannot be ignored. This approach strongly distinguishes public sector projects from private companies' projects which have full autonomy in defining their goals and selecting projects for implementation

Planning

In the public sector, project managers have less planning autonomy as goals and procedures are set by statute and government regulation (Fottler, 1981). The planning of public sector projects is more geared towards external dependencies, while in the private sector – towards internal (Bretschneider, 1990). For example, in the public sector, it is necessary to plan purchases more precisely (due to legal regulations) and the management of external stakeholders (due to their number and possibilities of influence).

The main reasons for poor project planning in the public sector are delusion, deception, and bad luck (Flyvbjerg et al., 2009). Illusion is making decisions based on optimistic assumptions, not on facts. Deception is a deliberate overestimation of revenues, underestimating costs by the main actors of projects: politicians, planners, project leaders, to increase the likelihood of obtaining financing. Such phenomena may result in initiating an unfavorable project and not initiating favorable projects.

Execution and control

In the public sector, project execution and control procedures (as well as all other) are more often determined by external entities than the project implementing organization (Williams et al., 2012).

The constraints resulting from the project-control process are more significant in the public sector. In the public sector, oversight mechanisms overlap, for example, from regulatory bodies, audit offices, financial chambers, legislative bodies, and elected officials (Wirick, 2009). This is not the case in the private sector where control does not come from a level higher than a well-defined owner (even large sets of owners).

The organization of the control process is easier in the private sector because, in this sector, there is one main criterion of effectiveness – profit (Fottler, 1981). In public sector projects, it is necessary to balance the community's requirement for supervision and control and the hostile atmosphere that can arise in contractors from a sense of distrust among private contractors resulting from this control (Kassel, 2010).

Closing

Intersectoral differences in project closing processes result from differences in other project management processes. Public projects are at risk of termination due to changes in political parties or public referenda. The process of completing a public project is more bureaucratic and more often subject to control by various external

bodies: organizational hierarchy, audit chambers, specialized external PMOs. Major public projects and programs initiated on the basis of decisions of parliaments must pass a hierarchy of approval from implementing organizations to the central government.

Rewarding members of public projects is less likely to be financial in nature than rewarding members of private projects – e.g. because the purpose of public projects is usually not to generate a profit in which project team members could share. Completing public projects is more often accompanied by internal satisfaction with the improved implementation of public functions – than external, material one.

Cost Management

Public projects, unlike private ones, have legally strictly defined rules for spending money. The finances of public projects are subject to controls and audits to a much greater extent than private projects.

Public projects use public money. Therefore, the general principle is the transparency of cost management (like management in other areas), i.e. providing knowledge about their use to the real owners – the society. However, in public projects, it is usually the rule to keep their costs within the exclusive knowledge of entities directly involved in financing the project.

Public sector major projects use public resources, resources of international agencies (Moe and Pathranaraku, 2006) or multiple entities, each of which may have more than one source of funding (Torres and Pina, 2004). Private projects are financed with own resources or loans (Moe and Pathranaraku, *ibid*). Because there are many sources of financing and many directions of public projects subordinating, their budgets are often approved by bodies external to them (Bretschneider, 1990). Managing the budget of public projects is more difficult than that of private projects because the potential financial issues of each financial institution may have consequences for the project budget.

Governments plan their budgets on an annual basis. Therefore, project budgets are also planned on an annual basis. Even if a project is to last more than one budget cycle or is a component of a long-term project program, the amount of expenditure in a given year must be finally approved in the annual government budget. Private companies can budget their projects over any period. In addition to making cost management generally more difficult in the public sector, this may result in financing on the "spend it or lose it" basis within the budget for a given period which is not conducive to cost optimization (Van der Waldt, 2011).

The aim of public projects, unlike private ones, is not to make a financial profit. Usually, there are no direct financial relationships between the service provider and the customer (Spicker, 2009) – governments pay them – therefore, there is no natural mechanism of pressure on project costs.

Schedule management

Major public projects are characterized by the long life-cycle of their products (Kwak et al., 2014). The period of use of buildings, bridges, or roads is usually at least many decades. This is inconsistent with the projects' planning cycle, which may be shorter than in the private projects due to electoral cycles (Wirick, 2009; Van der Waladt, 2011) rather than the nature of the projects (Tabish and Jha, 2011). And this is also contrary to the generally longer duration of major public projects than of private ones (Hobbs and Aubry, 2008).

Perhaps these contradictions cause that public projects have the highest rate of schedule overruns (Zwikael, 2009). Factors that may positively affect project delays (i. e., reduce them) in the public sector are, among other things, coordination of the participation of stakeholders, the way of implementing changes by the owner during the project, and careful preparation of schedules and changes (Hwang et al., 2013).

Risk Management

Public projects are exposed to different risks than projects in other sectors, e.g., political risks, risks related to the participation of public stakeholders, and risks stemming from public regulations. Governance, management, and contracts are considered the main sources of risks for large public projects (Patanakul, 2014). Public projects are inherently risky due to longer planning horizons and the more complex environment (Pūlmanis, 2015). Risk can manifest at any phase of major public sector projects (Baldry, 1998). Therefore, it is essential in the public sector to develop contingency plans and formal risk monitoring processes and then use them (Kwak et al., 2014). Meanwhile, inadequate risk information is the norm in public sector projects (Pūlmanis, 2015). In public-sector organizations, there is more emphasis than in the private sector on risk avoidance (Fottler, 1981). Public employees are more cautious (Rainey, 2014). On the other hand, it is specific to the public sector risk management process that it disregards early warning signals used in the private sector (Williams et al., 2012). Penalties for non-compliance with regulatory restrictions and possible criticism from the political opposition is conducive to a negative risk attitude factor in public projects (Wirick, 2009),

All of this can lead to hiding and not reporting project risks in public projects. The way to overcome this problem may be independent reviews of project plans and implementation, performed in order, among other things, just to identify risks.

Quality Management

Quality management is the area in which the management of public projects differs the least from the management in other sectors (cf. Table 1).

In public-sector organizations, there often is no competition for providing services (e.g., penitentiary services, traffic regulation, granting of permits) which is not conducive to improving their quality (e.g., Boyne, 1998; Meier and O'Toole, 2011). Still, in many developed countries, some public services, e.g., those related to health or education, operate in a competitive environment – both public and private organizations can

provide them. In this situation, a competitive pressure that may lead to improvements in quality is present.

Another factor of poor quality of public projects is the lower quality of the staff of public organizations (Mouly and Sankaran, 2007). Regardless of that (or because of that), Kwak et al. (2014) suggest developing especially high-quality-management processes for public projects. Another rather natural way to improve the quality of the project team members is by increasing their salaries and particularly their managers. Still another way of quality management in the public sector may be the introduction of customer surveys assessing the quality of services provided by projects.

Summary

Two PM World Journal articles outline the differences between project management in the public sector and in other sectors.

Most of the differences between the management of public projects and those of other sectors are due to the limited autonomy of public institutions, the hierarchical structure of the organization, the ability of central government structures to define the structures and processes of project implementation.

The more undemocratic the state's governance structures are, the more public projects resemble private projects, where decision-making processes are defined and implemented by the same entity. To some extent, the situation is similar even in democratic states where public project management is at the lowest: initial or local – levels, according to Governmental Project Management Maturity Model, GPM3®, Gasik, 2023a). In such states, central institutions do not define project management processes and public institutions have, like private companies, a large degree of autonomy in the implementation of their projects (although this usually does not apply to cost management).

The analyzes presented here confirm, in relation to projects, the validity of the statement of one of the founders of political science Wallace S. Sayre (1958) claiming that "private and public organizations are alike in all unimportant respects."

References

Baldry, D. (1998). The evaluation of risk management in public sector capital project, *International Journal of Project Management*, 16 (1) 35-41.

Boyne, G. A. (1998). *Public Choice Theory and Local Government: A Comparative Analysis of the UK and USA*, London: Macmillan.

Bretschneider, S. (1990). Management Information Systems in Public and Private Organizations: An Empirical Test, *Public Administration Review*, 50 (5) 536-545. Doi: 10.2307/976784.

Buchanan, B. (1975). Red-tape And the Service Ethic. Some Unexpected Differences Between Public and Private Managers, *Administration and Society*, 6 (4) 423-428.

Buelens, M., & Van den Broeck, H. (2007). An Analysis of Differences in Work Motivation between Public and Private Sector Organizations, *Public Administration Review*, 67 (1) 65-74.

Cats-Baril, W., & Thompson, R. (1995). Managing Information Technology Projects in the Public Sector, *Public Administration Review*, 55 (6) 559-566. Doi: 10.2307/3110347.

Coster, C. J., & Van Wijk, S. (2015). Lean project management: An exploratory research into lean project management in the Swedish public and private sector. Retrieved from <http://www.diva-portal.org/smash/record.jsf?pid=diva2%3A850350&dswid=9324>.

Dye, T. R. (2013). *Understanding Public Policy*. 14th Edition. Pearsons, Boston, MA, USA.

Flyvbjerg, B., Garbuio, M., & Lovallo, D. (2009). Delusion and Deception in Large Infrastructure Projects: Two Models for Explaining and Preventing Executive Disaster, *California Management Review*, 51 (2) 170-193.

Fottler, M. D. (1981). Is management really generic? *Academy of Management Review*, 6 (1) 1-12.

Gasik, S. (2023a). *Projects, government, and Public Policy*. Boca Raton, Florida: Taylor and Francis.

Gasik, S. (2023b). On public projects' values. *Let's talk about public projects*, series article, *PM World Journal*, Volume XII, Issue V, May. <https://pmworldlibrary.net/wp-content/uploads/2023/05/pmwj129-May2023-Gasik-On-public-projects-values-2.pdf>

Gasik, S. (2024). How public projects differ from other projects, Part 1, *Let's talk about public projects*, series article, *PM World Journal*, Volume XIII, Issue IV, April. <https://pmworldlibrary.net/wp-content/uploads/2024/04/pmwj140-Apr2024-Gasik-How-Public-Projects-Differ-Part-1.pdf>

Hobbs B., & Aubry M. (2008). An empirically grounded search for a typology of project management office, *Project Management Journal*, 39 (Supplement) S69-S82. Doi: 10.1002/pmj.20061.

Hwang, B. G., Zhao X., & Ng S. Y. (2013). Identifying the critical factors affecting schedule performance of public housing project. *Habitat International*, 38, 214-221.

Jałocha, B., Krane, H.P., Ekambaram, A., & Prawelska-Skrzypek, G. (2014). Key competences of public sector project managers, *Procedia – Social and Behavioral Sciences* 119: 247-256.

Jurkiewicz, C. L., Massey, T. K. Jr., & Brown, R. G. (1998). Motivation in Public and Private Organizations: A Comparative Study. *Public Productivity & Management Review*, 21 (3).

Kassel, D. S. (2010). *Managing Public Sector Projects: A Strategic Framework for Success in an Era of Downsized Government*. Boca Raton, USA: CRC Press.

Kwak, Y. H., Liu, M., Patanakul, P., Zwikael, O., & Allison, G.T. (2014). *Challenges & Best Practices of Managing Government Projects & Programs*. Newtown Square, PA, USA: Project Management Institute.

Meier, K. J., & O'Toole Jr., L. J. (2011). Comparing Public and Private Management: Theoretical Expectations, *Journal of Public Administration Research and Theory*, 21: i283–i299. Doi: 10.1093/jopart/mur027.

Mihăescu, Ch., & Țapardel A-C., (2013). A Public Administration Based on Project Management, *Administration and Public Management*, 20: 97-107.

Moe, T. L., & Pathranaraku, P. (2006). An integrated approach to natural disaster management. *Public project management and its critical success factors*. *Disaster Prevention and Management*, 15 (3) 396-413.

Moore, M. (1995). *Creating Public Value: Strategic Management in Government*. Harvard University Press, Massachusetts.

Mouly, S. V., & Sankaran, J. K. (2007). Public- Versus Private-Sector Research and Development. A Comparative Analysis of Two Indian R&D Project Groups. *International Studies of Management and Organization*, 37 (1) 80-102.

Peled, A. (2000). Creating winning information technology project teams in the public sector, *Team Performance Management*, 6(1/2) 6-14.

Pūlmanis, E. (2015). Micro-Economical Aspects of Public Projects: Impact Factors for Project Efficiency and Sustainability. *PM World Journal*, 4 (6) 1-12. <https://pmworldlibrary.net/wp-content/uploads/2015/06/pmwj35-jun2015-Pulmanis-microeconomical-aspects-of-public-projects-second-edition.pdf>

Rainey, H. G. (2014). *Understanding and Managing Public Organizations*, 5th Edition. San Francisco, USA: Jossey- Bass.

Rainey, H. G., & Bozeman B. (2000). Comparing public and private organizations: Empirical Research and the Power of the a priori. *Journal of Public Administration Research and Theory*, 10 (2) 447-469.

Sayre, W. S. (1958). Premises of Public Administration. *Public Administration Review*, 18 (2) 102-105.

Shen, L. Y., Li, Q. M., Drew, D., & Shen, Q. P. (2004). Awarding construction contracts on multicriteria basis in China. *Journal of Construction Engineering and Management*, 130, 385–393.

Spicker, P. (2009). The nature of a public service. *International Journal of Public Administration*, 32 (11) 970–991.

Subramanian, S., & Kruthika, J. (2012). Comparison between Public and Private Sector Executives on Key Psychological Aspects. *Journal of Organisation and Human Behaviour*, 1 (1) 27-35.

Tabish, S. Z. S., & Jha, K. N. (2011). Identification and evaluation of success factors for public construction project, *Construction Management and Economics*, 29: 809-823.

Torres, L., & Pina, V. (2004). Reshaping public administration: the Spanish experience compared to the UK. *Public Administration* 82 (2) 445–464.

Van der Waldt, G. (2011). The uniqueness of public sector project management: A Contextual Perspective. *Politeia. South African Journal for Political Science and Public Administration*, 30(2) 67-88.

Williams, T., Klakegg, O. J., Walker, D. H. T., Andersen, B., & Magnussen, O. M. (2012). Identifying and Acting on Early Warning Signs in Complex Projects. *Project Management Journal*, 43 (2) 37-53.

Wirick, D. (2009). *Public-Sector Project Management: Meeting the Challenges and Achieving Results*, John Wiley & Sons, New Jersey.

Zwikael, O. (2009). The Relative Importance of the PMBOK® Guide's Nine Knowledge Areas During Project Planning. *Project Management Journal*, 40 (4) 94-103.

About the Author



Stanisław Gasik, PhD, PMP

Warsaw, Poland



Dr. Stanisław Gasik, PMP is a project management expert. He graduated from the University of Warsaw, Poland, with M. Sc. in mathematics and Ph. D. in organization sciences (with a specialty in project management). Stanisław has over 30 years of experience in project management, consulting, teaching, and implementing PM organizational solutions. His professional and research interests include project knowledge management, portfolio management, and project management maturity. He is the author of the only holistic model of project knowledge management spanning from the individual to the global level.

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.

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.

His website is www.gpm3.eu.