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INTERPRETING PROJECTS – BUREAUCRATICAL MECHANISMS OR LEVER FOR CHANGE?

Summary. There is a huge amount of research focused on the theme of project organization, stemming from the idea that project can be considered a tool to increase the degree of flexibility within bureaucratic and functional organizations, whereas in other few researches project management is supposed to stress the level of bureaucracy.[1]

The goal of this paper is studying the functioning of the project management within an Italian public organization, traditionally considered highly bureaucratised, in terms of effects produced on control mechanisms.

Keywords: project management, public management, bureaucratic mechanisms, organizational changes

ZARZĄDZANIE PROJEKTEM – MECHANIZMY BIUROKRATYCZNE CZY DŹWIGNIA ZMIAN?

Streszczenie. Istnieje ogromna liczba badań, skoncentrowanych na tematyce organizacji projektowych, wynikająca z rozumienia projektu jako narzędzia, które podnosi poziom elastyczności w ramach organizacji biurokratycznych i funkcjonalnych,

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[1] Clegg S., Courpasson D.: Political Hybrids: Tocquevillean Views on Project Organizations. Journal of Management Studies 2004, no 41, p. 4; Hodgson D.: Project Work: The Legacy of Bureaucratic Control in the Post-Bureaucratic Organization. Organization 2004, no 11(1), p. 81-100.

podczas gdy w niewielu badaniach zarządzanie projektem kładzie nacisk na poziom biurokracji.

Celem niniejszego artykułu jest analiza funkcjonowania zarządzania projektem we włoskich organizacjach publicznych, tradycyjnie postrzeganych jako podmioty wysoce zbiurokratyzowane, w kontekście efektów wywieranych na mechanizmy kontroli.

Słowa kluczowe: zarządzanie projektem, zarządzanie publiczne, mechanizmy biurokratyczne, zmiany organizacyjne

1. Theoretical framework: The implementation of project management within bureaucratic organizations

With regard to the theoretical orientations to be found in the PM literature, it is possible to make reference to two macro-trends of research. The first that may be considered of a more institutional (mainstream) dimension, interprets projects as simple instruments of managerial intervention, and so the very idea of project management may be traced back to a set of models and techniques for the planning and control of complex systems of activity.[2]

This research trend starts out from the analysis of projects and management methodologies[3] and analyzes the functioning characteristics of the project-based organizational structures.[4] The idea of mainstream is associated with the prescriptive nature of the competences and the managerial skills indicated in a considerable number of contributions existing on Project Management. In these works, the themes connected with organizational projecting are systematically defined in order to be able to increase the organization members' capacity to control particularly complex systems.

In the project management literature, a very big emphasis is directed to the relevance of planning activities, introducing, for instance, also "new" practical tools, like work breakdown structures. Gantt schedules, etc.., that are coherent with the rational view of project management.[5]

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[2] Archibald R.: Managing High-Technology Programs and Projects. New York 2003.
[3] Archibald R.: op.cit.; Kerzner H.: Project Management. Wiley, New York 2003.
[4] Sydow J., Lindkvist L., Defillippi R.: Project-Based Organizations, Em-beddedness and Repositories of Knowledge: Editorial. Organization Studies 2004, no 25(9), p. 1475-1489.
[5] Lindkvist L., Soderlund J., Tell F.: Managing Product Development Projects: on the significance of fountains and deadlines. Organization Studiem 1998, no 19(6), p. 931-951; Lundin R.A., Söderholm J.: A theory of the temporary organization. Scandinavian Journal of Management 1995, no 11(4), p. 437-455.

More recent evolutions in traditional PM literature include the idea of project management as temporary organization,[6] as a dynamic way to conceive organizations that are able to adapt and change rapidly on the basis of the project's characteristics.[7]

The contributions which can be included within this second macro-trend, sharing a critical view of Project Management, reveal certain peculiar features which go beyond the more traditional elements, aiming instead at a deeper understanding of projects.

In this perspective certain authors[8] have questioned the usefulness of the traditional project instrumentation. In their view, the focus should move from efficiency measures to the nature of project understood as organizational form. A further criticism moved against the traditional view of project management is that it places a strong rationalistic emphasis on the deliberated action of the actors of the project, which in fact is not encountered in empirical reality.

1.1. The effect produced by project management on the control systems

According to Kirsch, it is possible to distinguish two main categories of control mechanisms: formal (behavioural based and outcome based) and informal (clan and self control).[9]

Formal mechanisms control are directly related with the possibility of managing information. In particular, the behavioural mechanisms are based on the control of the transformation processes, whose knowledge is the key variable. Ouchi states that only when you have a perfect knowledge of the process, you can implement a behavioural control. The output based control mechanisms can be used when it is possible to measure the organization's results.[10]

Informal mechanisms are based on social and cultural values. Ouchi identifies the concept of clan as social mechanism to control organizational members. It is clear that, in this hypothesis, shared and common values play the main role, producing a sort of "isomorphism" in the members' behaviour.

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[6] Packendorff J.: Inquiring into the Temporary Organization: New Directions for Project Management Research. Scandinavian Journal of Management 1995, no 11(4), p. 319-334.

[7] Andersen E., Jessen S.A.: Project Maturity in Organizations. International Journal of Project Management 2003, no. 21, p. 457-461.

[8] Bresnen M., Edelman L., Newell S., Scarbrough H., Swan J.: Social practices and the management of knowledge in project environments. International Journal of Project Management 2003, no 21, p. 157-166; Winter M., Smith C., Morris P., Cicmil S.: Directions for future research in project management: The main findings of a UK government-funded research network. International Journal of Project Management 2006, no 24, p. 638-649.

[9] Kirsch L.J.: The Management of Complex Tasks in Organizations: Controlling the Systems Development Process. Organization Science 1996, no 7(1), p. 1-21.

[10] Ouchi W.G.: A Conceptual Framework for the Design of Organizational Control Mechanisms. Management Science 1979, no 25(9), p. 833-848.

The last typology is defined as self control and reminds the idea of self-management. Each single member behaves autonomously, setting up his own goals, monitoring his own work and rewarding and sanctioning himself if necessary.[11]

Following the idea of control within project management stated by Clegg and Courpasson, it is possible to identify 3 different typologies:[12]

– reputational;

– calculative;

– professional.

Reputational control is composed by two different components: the first is hierarchical, the second is a peer-based one. Reputational control, in which high reputation of members is used to maintain certain positions and marginalise those with lower reputation, is likely to work in large networks where there might not be shared values and beliefs.

The category of calculative control mechanisms include accounting systems that can be introduced to assess the performance gained by individuals within the project group. The calculative mechanisms can be focused both on behaviours and outputs. In other words, these mechanisms aim at checking if objectives (in terms of behaviours and outputs) have been effectively respected.

Sometimes, calculative mechanisms can be used and managed by people who do not belong to the team. In this sense, external calculative control mechanisms impact both on learning process and on internal dynamics. Clegg and Courpasson state: In project management the aim of external calculative control over the project is to 'gain enough known-how to reduce the impact of a potential surprise.

The nature of professional control mechanisms can be understood by considering the fact that the functioning of a project group implies the introduction of a "reticular professional supervision".[13] Remarking the fact that the project leader observes each other behaviours, we think that the effect produced by the internal dynamics of project groups implies that each single member can exercise a sort of surveillance on the other members.

As Clegg and Courpasson[14] claim, professional control can be considered as a supervisory tool: project leaders (but also each individual) can push or constrain the other participants to behave in the desired way.

The understanding of control mechanisms within project management can be improved applying this notion to different interpretations of the project team.[15] In this view, it can be

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[11] Kirsch L.J.: op.cit.

[12] Clegg S., Courpasson D.: op.cit.

[13] Clegg S., Courpasson D.: op.cit., p. 539.

[14] Clegg S., Courpasson D.: op.cit.

[15] De Nito E., Canonico P., Mangia G.: The interpretation of the project group between collectivity of practice and community of practice. Paper presented at Academy of Management Meeting, 3-8 August 2007.

interesting to deploy the analysis, by referring to the distinction between the concepts of Collectivity of Practice (CiP) and Community of Practice (CoP).[16]

According to Lindkvist,[17] collectivities of practice are generally formed by individuals who have never met previously, who are to activate a rapid process of socialization within a very limited space of time, and who are specifically responsible for tasks within the constraints imposed by the project in terms of cost, time and quality.

Instead, the CiP represents a coordination modality used by functional specialists who have their own tasks which are linked to each other. The occasional nature of the meetings among the participants emphasis the idea of a form of collectivity of practice which does not aim at creating a shared interpretation, but responds to a need of integration.

The dual interpretation of project team can be related with the nature of control mechanisms, as defined by Clegg and Courpasson.[18]

In fact, in the CiP the weakness of the relational dimension impacts directly on the need of formalizing and standardising rules and procedures, in order to control participants' behaviours. The relevance of calculative control mechanisms is strictly related with the opportunity to enhance the accountability of individuals and to develop actions of control.

In the CoP the presence of a mutual relationship between individuals favours the creation of a shared way of doing things and a common language.

It means that within a CoP, the professional control mechanisms are much more important because everyone knows what the others are able to do and what they actually do. In this way, the implicit coordination mechanisms become fundamental in order to explain internal dynamics.

The CoP functioning is coherent with the creation of a reticular professional supervision. According to Cohen and Sims, the idea of professional control mechanism can be related with the concept of clan expressed by Ouchi.[19] As Kirsch states "to implement clan control, the organizational group cultivates common values, philosophy and approaches to problem solving within the clan".[20]

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[16] Bragd A.: Knowing Management an Etnographic Study of Tinkering with a New Car. Paper presented at 17th NFF conference, 14th-16th August 2003; Lindkvist L.: Knowledge Communities and Knowledge Collectivities: A Typology of Knowledge Work in Groups. Journal of Mangement Studies 2005, no 42(6), p. 1189-1210.
[17] Lindkvist L.: op.cit., p. 1190.
[18] Clegg S., Courpasson D.: op.cit.
[19] Ouchi W.G.: op.cit.
[20] Kirsch L.J.: op.cit., p. 3.

2. Methodology

The research unfolded considering a single case study, as this approach was considered useful in gaining in-depth, holistic understanding of the phenomenon studied, and in general is a preferred method when an organization finds itself in a new or peculiar situation, and special characteristics of this situation are to be studied.[21]

In order to investigate the relationship between PM and control mechanisms within the PA entity identified, we decided to adopt the participant observation method.

One of the authors participated in the development of POR Campania project as an officially and formally designed member. This means that there was constant participation in the meetings that will be described in the case study section, and full access to materials, documents, and figures.

By doing so, we had the opportunity to observe directly the internal dynamics of project management, relying on a stable social relationship with the other members who belonged to the PA entity. We have been carrying out the research since 2000.

During these years we made 21 interviews (3 for each "measure manager") and 3 for the "head of unit".

All the authors participated in this activity. In order to increase the degree of uniformity, we decided to conduct semi-structured interviews, standardising the most important questions, concerning 1) the role played by the project leader, 2) the use of different typologies of control mechanisms, 3) the specific characteristics of control mechanisms used.

3. Case Study: POR Campania Region Project

Regional Operational Programmes POR (Programma Operativo Regionale) set out regional priorities for delivering the funds. Although there is certain degree of flexibility, a region's priorities must be consistent with their Member States' decisions.

POR are multi-intervention programmes articulated in areas of investments defined as "Misure" (Measures). A Measure is a bunch of homogenous Regional investments that can be attributed to firms or public entities.

From an organisational point of view, the process of allocation of financial resources has been modified as a consequence of new EU regulations. Such constraints have determined:

– the introduction of the role of the Measure Manager (Responsabile di misura);

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[21] Yin R.: The Case Study Crisis: Some Answers. Administrative Science Quarterly 1981, no 26, p. 58-65; Yin R.: Case study research. CA Sage, Beverly Hills 1984.

– the introduction of a clear formal separation between the role of technical instructor and administrative reference person involved in the management of each single project;

– the creation of an ad hoc control procedure, which include accounting and administrative issues, aimed at verifying and certifying all expenses;

Campania Regional offices are articulated in 20 divisional units; each one is specifically focused on a single area of interest (for instance, Infrastructures, Agriculture…).

Within the unit "Agricoltura" (Agriculture), the POR Programme has 18 Measures and funds 1260,67 Meuro to be spent within 2008. This unit is divided in 3 Sectors: in this paper we analyse the sector named "Interventi sul territorio", that manages 7 measures related to interventions such as the construction of new roads and irrigation systems.

It is useful to underline that the project we investigate corresponds to the process of allocation of funding within the seven Measures.

In our case study, then, project activities can be distinguished in two categories:

1. the analysis of the investment choice, the **technical** evaluation and the resources allocation duties;

2. the **administrative** management and the *in itinere* and final control execution.

At this stage it is expedient to remark that there is a significance difference between the formal organizational design and the actual way in which roles and responsibilities are attributed in practice.

Regarding **technical** activities, formally the Measure Manager (MM) was meant to be supported by a Measure Team made up of 6 people, which should have carried out activities which included a generic support to the management of the Measure. The activities that take place in the technical investigation of the project occur prior to allocation of financial resources to the single investment actions.

Such activities are managed by internal staff (mainly by the Measure Manager) or by consultants hired specifically for the project, that nevertheless collaborate with the Measure Manager on a stable basis.

With regard to the management of administrative issues and of control on project results, we assisted to some change during the time. In a first step the separation between Technical and Administrative units was just formal, in fact the MM managed directly the two phases. In a second step, the Administrative unit got the effective power to control the technical one and in particular the MM: between the two units (Technical and Administrative) there was a formal reciprocal control mechanism upon the regularity of their action and upon the ability to meet the time frames planned for each project.

Starting the POR Programme has determined in the Agriculture unit the development of a logic leaned towards the Project management idea, within a structure which used to work under a typical functional and bureaucratic way of organizing.

From a formal point of view, the POR Agriculture is characterised by a clear definition of economic and financial goals with reference to specific typologies of intervention, for which there is also a statement of the technical features of the interventions which are going to be funded.

Considering this aspect the Measure Manager 3 says: "at the beginning, in front of new goals, clearly defined, we felt locked. We need time to understand the real contribute given by the new set of rules. Finally, the management of POR represents for our managers (sincerely, for everybody!) a good opportunity to come out of the logic of improvisation".

The Measure Manager is the formal reference person for all aspects connected with the management of funding interventions within its measure. He carries out all periodical reporting on results achieved, to the POR Manager.

The POR Agriculture project has been supported by the creation of typical managerial PM tools, such as accounting systems and scorecards, in order to plan, monitor and report on the results of each Measure.

Human resources management systems have also been modified in order to reinforce the attention to the management of the project. Specifically, the performance management system used to assess the managerial line has adopted the rule of considering and rewarding with a special emphasis the activities included in the POR.

The main formal coordination mechanism within the programme involve the POR Manager and the Measures Managers (COSAM coordination meetings). Within COSAM meetings, a critical aspect is represented by the ability of each Measure Manager to meet the expenditure objectives. Measure Manager 1 states: "our commitment has significantly increased. This depends, in my opinion, on two different aspects: first, the fact that we are afraid of the possibility of giving the funds back to the EU; second, the clear definition of goals and deadlines".

The role of the project manager

The overlapping circumstances of the lack of management personnel and of the existence of a law which regulated the organization of the Regional offices which was not any longer coherent with the new tasks to be implemented, has created a "dyscrasia" between the logic of functioning of the POR and the formal organizational logic. In particular, such contrast has emerged in the definition of the role of Measure Manager.

"The MM role represents a very good solution in order to manage effectively projects, in coherence with formal constraints. Unfortunately, also nowadays we do not have enough managerial staff to support this way of organizing activities: this aspect represents a serious problem for us" (Measure Manager 3).

Each MM is accountable for the results achieved in terms of expenditure, but still is not hierarchically superordinated to the human resources that make up his/her project group. In the specific case of the Agriculture unit, the MM is actually subordinated to the persons that he supervise, obviously having troubles in remarking his autonomy.

MM is in fact accountable for goals that are not negotiated with the POR Manager, and for which he cannot control or choose the human resources needed to implement them, neither is he in condition to obtain the managerial tools to be deployed in order to monitor the programme (to wit, he cannot even identify the most appropriate information systems).

As such, over time, the Measure manager has evolved towards a figure of "weak" coordinator of the project activities, that formally he manages jointly with the Divisional Unit Manager.

The project team

During the typical phases of each investment project, the Measure Manager was supposed to coordinate a project team. Defining and structuring precise roles within the team is not really a way of working according to Project Management principles, as the belonging to a Measure Team, for its members, is above all a way of obtaining monetary incentives: such compensations are allocated only on the basis of participation to the project activities.

The head of unit says: "typically, the project team has been used as a tool to involve people belonging to the different departments and units, in order to share with everybody the incentives stemming from the POR".

These people carry out essentially support activities, while the technical issues were managed by MM and the administrative ones by MM in a first phase and then by a specific unit. Just in a few measures, MM interacts with human resources that only partially belong to his team. This implies that it is not possible to define a real project team managing the project. It is the single MM that in a certain way operates to realize the project.

Coordination and control mechanisms within the POR

The monitoring of the allocated investments, as well as the level of compliance of goals assigned to Measure Managers, is debated within a project group termed as COSAM (under the Italian acronym), that meet quarterly and to which POR Manager and the Measures Managers are called to participate.

Formalising the role of Measure Manager and structuring ad hoc coordinating and control mechanisms had as output the creation of COSAM, that may be identified as collectivity of practice, according to the previous sections of the paper.

The MM says: "the effectiveness of control mechanisms adopted has been significantly increased by the functioning of COSAM. In fact, it facilitates cooperative relationships"

COSAM is a group made up of persons with homogenous technical competences (Measures Managers), that play different and not mutually dependent roles, that have autonomous objectives, but still that work jointly to reach the overall goals of the POR. Given the high levels of tasks specialization and standardisation of the project activities, within COSAM the Measures Managers may meet periodically to present expenditure results obtained for each Measure, to analyse gaps from the initial forecast, and to design purpose-built actions to correct such gaps.

Measure Manager 3 says: "a real transparency (in terms of roles, responsibilities, goals, activities…) has really been achieved: in my opinion, this important result is due to the effectiveness of control mechanisms adopted".

In order to this, COSAM utilise quantitative and qualitative data, and standardised planning tools derived from an information systems created on purpose.

Over the years, COSAM evolved towards being the organizational momentum in which Measures Managers used to meet and debate common initiatives to negotiate with the POR Manager, in order to protect themselves from the continuous attempts to increase the standardisation of activities and enforce more aggressive control mechanisms. In doing so, the most important contributions has come from those Measure Managers endowed with more financial resources in terms of budgeting expenditure.

4. Final consideration and discussion

We can sum up a few interesting research results. First, the overall logic of programming and measuring (a feature of the POR scheme), within the Agriculture Unit, resulted in the adoption and development of some typical project management tools.

POR ended up in developing organizational routines that have included over time also collateral activities, centred on the clear definition of goals, roles and responsibilities, on the periodical and formal control upon results achieved, and on the link between incentive schemes and POR general objectives.

The implementation of project management, nevertheless, showed some failures.

In spite of an increase in the level of formalisation of objectives and planning and control tools, we witnessed, within the Measure project groups, a higher level of standardisation and

formalisation of activities, and a higher level of task specialisation (with reference to technical, administrative, support staff). As a consequence, even in the absence of a real project group, all Measure Managers and the whole POR programme could enjoy a full success in reaching the initial objectives, due to the increase in the ability of controlling and coordinating activities that such standardisation brought about.

With regard to control issues, the standardisation of activities fostered the adoption of control mechanisms of the calculative kind,[22] that can be traced within COSAM entity. In fact, COSAM represents an instantiation of a collectivity of practice, in which there are formal control mechanisms focused on the monitoring of achieved results and on the collective analysis of success and failure causes.

Within COSAM group we could also find elements of the reputational informal control typology. Behaviour of group members was self-regulated and tended to adhere to schemes and values which were established during the common experience of working in group. Even in the case of Measure Managers belonging to different hierarchical levels, the source of control was not given by hierarchy in itself, but instead used to come from the different amount of financial resources that Measure Managers could allocate, which in turn depended on the distribution of resources done by the POR Manager and on the success of the expenditure that each Measure Manager had achieved over time.

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[22] Clegg S., Courpasson D.: op.cit.

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