

Failure of Public Sector Programs: A Framework to Manage Success Criteria

P.G.R. Slay, A. Abbasi, A.Imran, C.K. Lee,

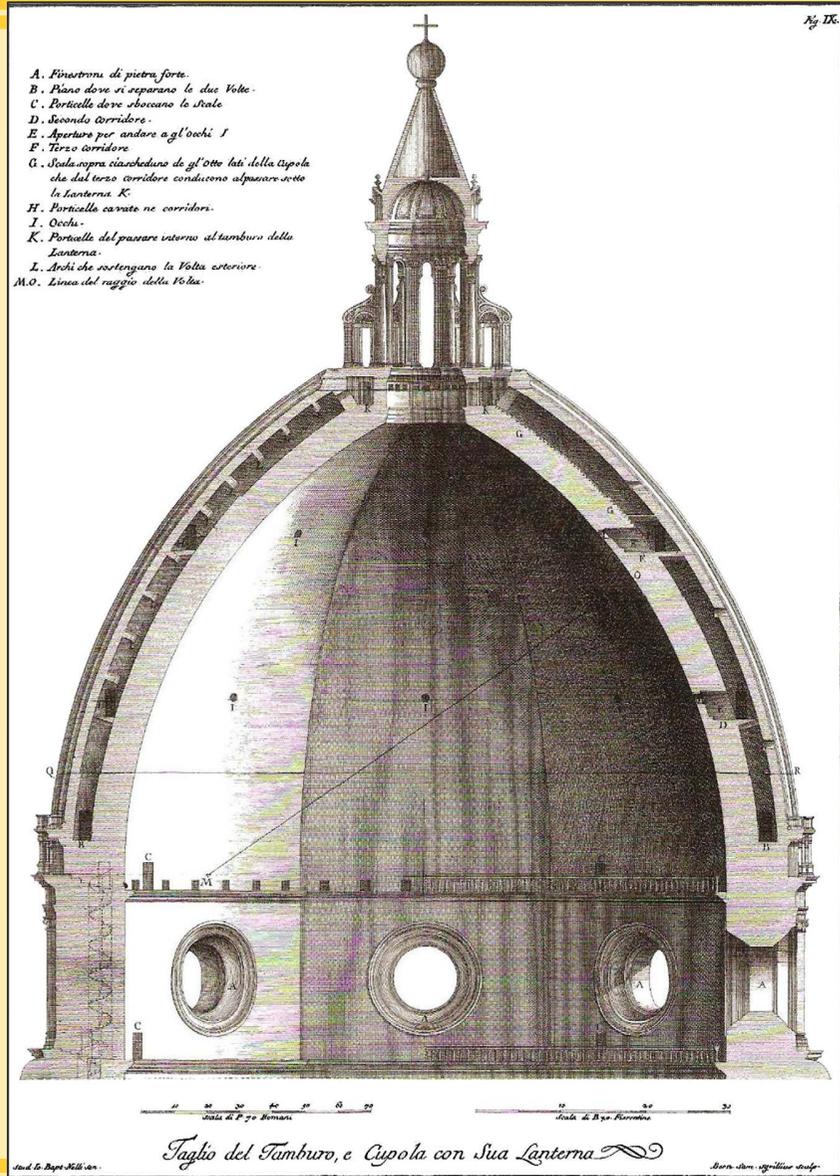
Overview:

- Why am I interested in this topic
- Historical Perspective of project management
- Project success development
 - Confounding Variables
- Who defines success; especially in Public Sector environment
- Framework to develop/ manage specific success criteria



Sextus Julius Frontinus - AD 97

- Curator Aquarium to Rome
- Responsible for delivery of fresh water to Rome
- 2 Volume Manual:
 - Design, Construction & Operation
 - Public Tendering for construction & maintenance
 - Legal tendering guidelines

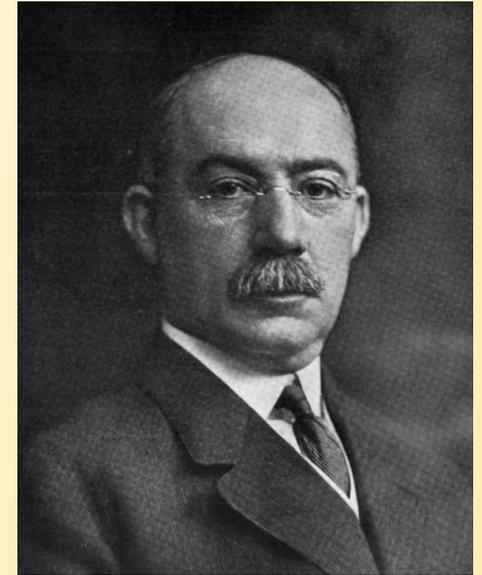


Florence Duomo Project 1420 – 1436

- Florence Cathedral – “Complete” 1367
- 42m hole in roof
- Nobody could design or construct major self supporting dome at 30m above chancel floor
- After 50 yrs – International Design Competition
- Filippo Brunelleschi to investigate & Design then project manage construction
- Documentation shows sophistication that could fit PMBOK

Project Management Tools

- Henri Fayol (1841 – 1925): French Engineer in Iron/ Steel Industry Identifies PM Functions:
Planning, Organizing, Commanding, Coordinating & Controlling
- Henri Gantt (1861 – 1919): American Engineer in Steel Industry
The Gantt Chart, 1917
Polish Economist Karol Adamieckic – Harmonogram in 1896
- M. R. Walker: Critical Path Method in 1957 for Chemical Plant Shutdown Maintenance Project
- Polaris Rocket Program, 1958: Project Evaluation & Review Technique (PERT)
- J. Fondahl: Precedence Diagramming Method (PDM) in 1958 for US Bureau of Yards & Docks



<http://mbsportal.bl.uk/taster/subjareas/busmanhist/mgmtthinkers/gantt.aspx>

Birth of Modern Project Management

First Dedicated Project Managers on Projects

- USA: North American Transmountain Oil Pipeline project 1951 – 1953.
Bechtel
- Australia: Civil & Civil in 1954 -1955 to undertake development projects

Birth of Modern Project Management

Peak Bodies

- International Project Management Association (IPMA) 1965 (then International Management Systems Association)
- Project Management Institute (PMI) 1969
- Association for Project Management (APM) 1972 in UK
- Australian Institute of Project Management (AIPM) in 1976 (then Project Management Forum)

What is a Successful Project?

Jugdev & Muller 4 Period Summary:

Period 1: Project Implementation and Handover (1960s – 1980s). Typically the “iron triangle” of compliance to **time cost and scope**

Period 2: Critical Success Factor (CSF) Lists (1980s -1990s). Emphasis towards quality assurance & level of satisfaction of various stakeholders. Distinction between project and project management outcomes.

Period 3: CSF Frameworks (1990s – 2000s). Addition of the information system, Organisational Benefits and Stakeholder/ Community Benefits. Also success viewed from both a technical perspective and as a contribution to strategic mission outcomes

What is a Successful Project?

Period 4: Strategic Project Management (21st Century): approach includes the essential nature of an interactive relationship between client (project owner) & Project Manager

- The criteria for success should be agreed with stakeholders before the project starts and reviewed throughout the project life.
- A partnership relationship should be maintained between the project manager and client.
- The client should empower the project manager with sufficient flexibility to manage unforeseen circumstances.
- The client should take an active interest in the ongoing performance of the project.

Research into Project Success

Project Success Factors

- Factors leading to an environment conducive to successful outcomes
- Wide Ranging: force majeure conditions, latent conditions, project risk, project manager competency and local tolerance to corruption

Outcome Criteria

- Generally drawn from generic project environments
- Often in Association with surveys through Project Management Peak Bodies

Criteria	Muller 2010	McLeod, Doolin & MacDonell (2012)	Bryde & Robinson 2005	Bryde (2005)	de Wit 1988	Geoghegan 2008	Zwikael 2006	Pankratz & Basten 2014	Westerveld 2002	Bakhsheshi & Nejjad 2011	Atkinson 1999	Thi & Swierczek (2010)	Kerzner 1987	Belassi & Tukel 1996	Dvir, Sadeh & Malach-Pines 2006	Muller & Turner 2007	Muller & Jugdev 2012	Przemyslaw 2013	Pankratz & Basten 2014	Cserhait & Szabo 2014
Core Project Outcomes																				
On time	\	\	\	\	\	\	\	\	\	\	\	\	\	\			\	\	\	\
On budget	\	\	\	\	\	\	\	\	\	\	\	\	\	\			\	\	\	\
On Quality	\		\	\	\	\	\	\	\	\	\	\	\	\			\	\	\	\
Within scope		\										\	\							
Meeting user requirements	\	\	\			\	\			\	\					\	\	\	\	\
Reoccurring business	\															\				\
Reliable product																		\	\	
Compliance to Processes																				
Good project processes				\		\	\	\											\	
Good post audit analysis													\							
Stakeholder Satisfaction																				
a) Implementation Group																				
Supplier satisfaction	\				\			\	\		\				\	\	\		\	
Team satisfaction	\			\	\		\		\		\					\	\			\
Achieves its purpose	\				\	\	\			\	\				\		\	\	\	\
Client satisfaction		\		\								\								\
b) Approval/ Endorsing Bodies																				\
c) Other Effected Groups																				
Other stakeholder satisfaction	\		\						\		\					\	\			\
End-user satisfaction	\	\				\	\	\	\		\	\				\	\	\		\
Customer satisfaction	\		\		\	\	\	\	\	\	\			\	\	\	\		\	
Community benefit															\					\

Benefits Realisation Management (BRM)

Approach Developed in Parallel to Success Criteria

- Initially developed in 1980s largely UK based (Breese et al., 2015).
- Related to business change in Information Systems (IS) and Information Technology (IT).
- BRM's development occurred, in parallel with other areas of research into project success.
- Not reported in key academic reviews on project success (eg. Turner in 2013).

Benefits Realisation Management (BRM)

- “Provides organizations with a way to measure how projects and programs add **true value to the enterprise.**” (PMI)
- Benefits: “**Value that is created for the project sponsor or beneficiary** as a result of the successful completion of a project” (PMI)
- Now more broadly integrated through peak bodies (eg. PMI)

Current Research Direction

- Follow Search for Desired Project Outcomes
- Personal & Technical Competencies as drivers to those Outcomes

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Community benefit														\						\

Confounding Variables

Is there a defined research outcome that we can rely on?

Can all previous research be relied upon in a given situation?

Is there a “One size fits all” formula that works?

Four Variables considered as potentially Confounding

Confounding Variables

1. Areas of Professional Endeavour

- Project management is a generic profession?
- Most research elicits input from project managers and notes areas of endeavor.
- Is that reasonable?
- Could there be differing approaches to success dependent upon professional environment?

Confounding Variables – 1 Professional Endeavour

Engineering	Medical Research	Agricultural
Pharmaceutical	R & D	Education
Software	Information Systems	Financial Services
Legal Services	Aerospace	Procurement
Logistics	Insurance	Media
Arts	Relief Aid	Telecommunications
Utilities	Oil & Gas	Government

Confounding Variables

2. Impact of Location or Culture

- Personal Experience
 - DTMR Qld Remote Communities Services Unit
 - Work Practices in Namibia
 - trenching for services
 - Chip-sealing roads
- Diallo & Thuillier – Important to understand success in a cultural context.
- Muriithi & Crawford research – Western Project Management concepts not universally valid

Confounding Variables - 2

Hofstede

Muriithi & Crawford research based on prior (& ongoing) work by Hofstede

Research started in 1970's & 80's funded by IBM to investigate differing behavior of its executives in different countries.

Stereotype approach to national groups developing cultural traits which typify a cultural group.

- Initially found 4 cultural traits which influence behavior.
- Ongoing research has increased this to 6

Hofstede Cultural Traits

- 1. Power Distance:** represents the level of **acceptance by less powerful individuals of an unequal distribution of power** (ie. high value shows a high level of acceptance).

- 2. Individualism/ Collectivism:** represents the extent to which **people define themselves primarily as independent individuals** (high value) rather than in terms of being part of a group (family, village, tribe etc).

Hofstede Cultural Traits

3. Masculinity/ Femininity: represents the extent to which typically masculine traits such as **achievement, courage, competition** are valued (high) over perceived **feminine traits** such as **nurturing, quality of life and sympathy** (low).

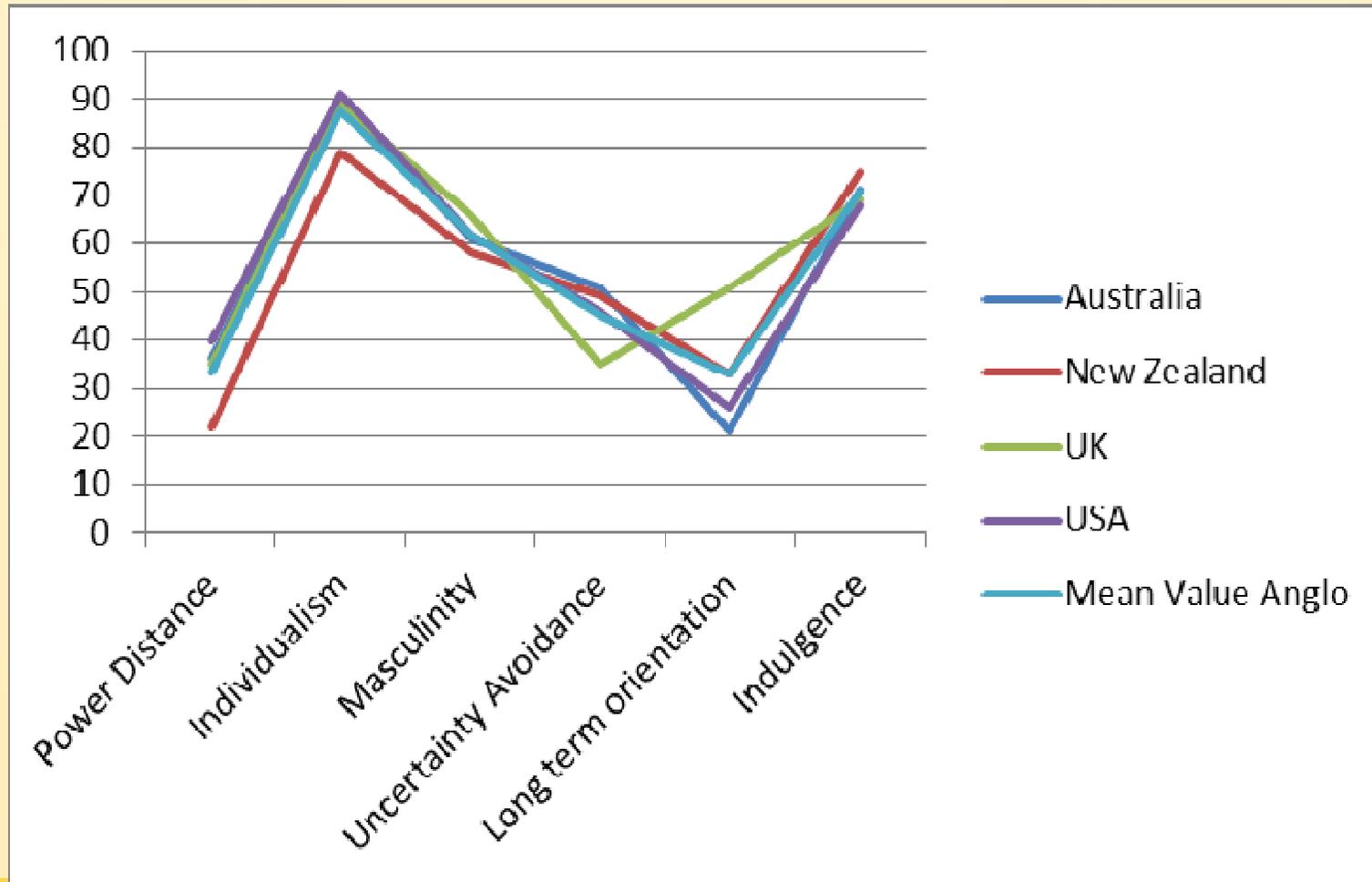
4. Uncertainty Avoidance: represents the level that individuals feel **threatened by ambiguity and have a reluctance to take risks** (ie. **high** value represents low propensity for risk taking).

Hofstede Cultural Traits

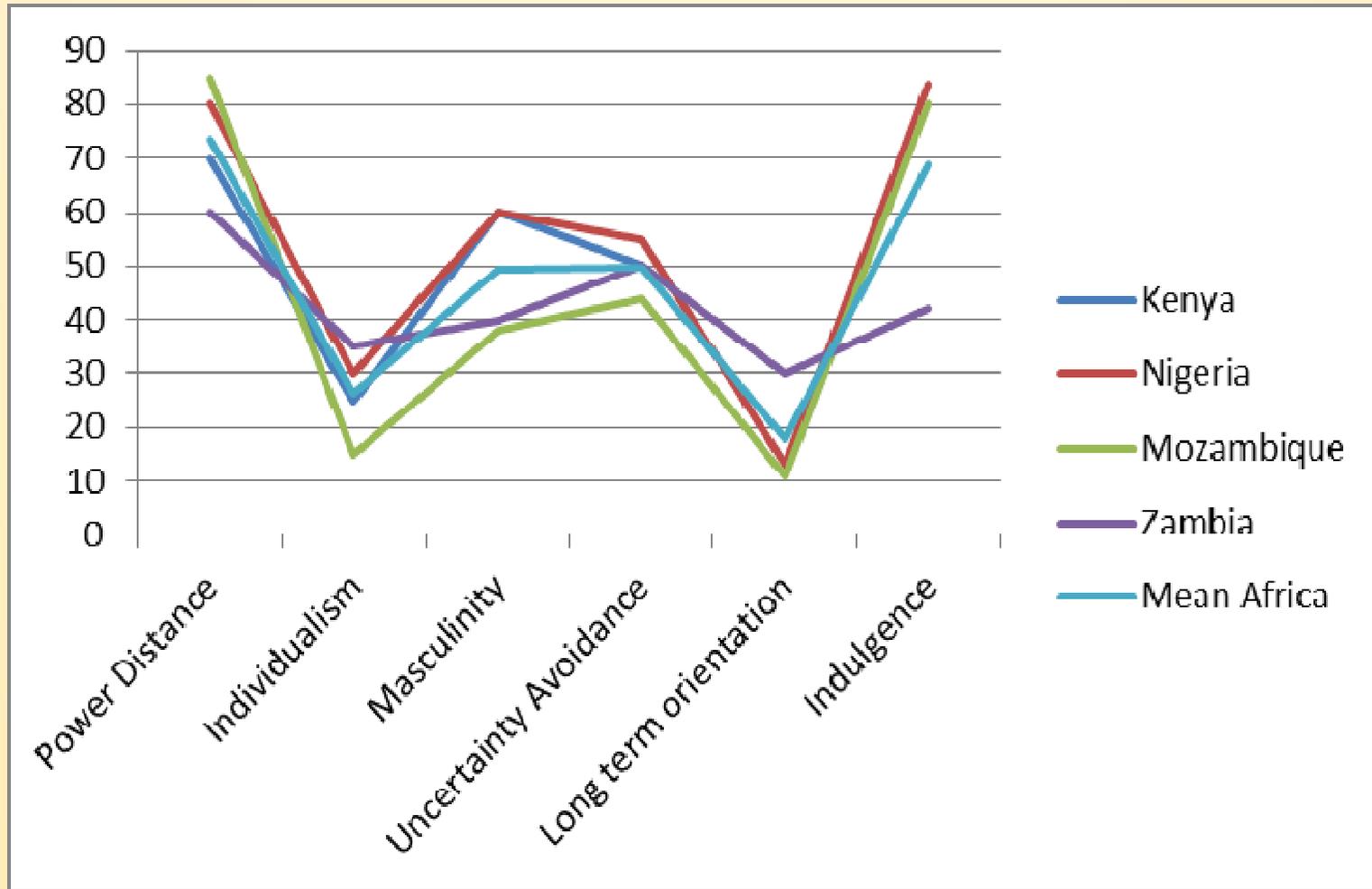
5. Long Term Orientation: represents the extent that the society has a **long term cultural approach** (such as Confucius based cultures) rather than short term targeted approaches.

6. Indulgence: represents the extent to which people have a **willingness to indulge their whims and desires** rather than restrain themselves for a common good.

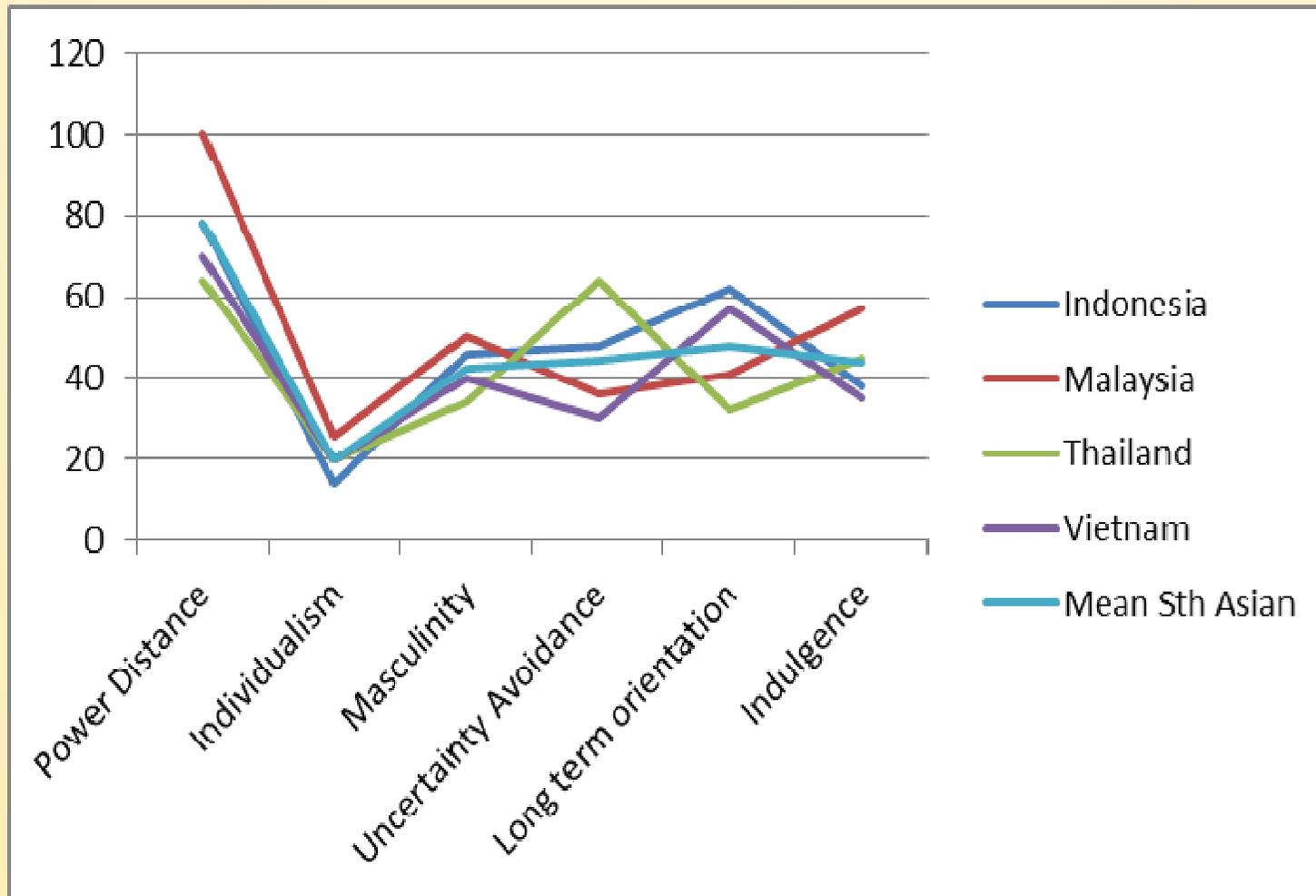
English Originated



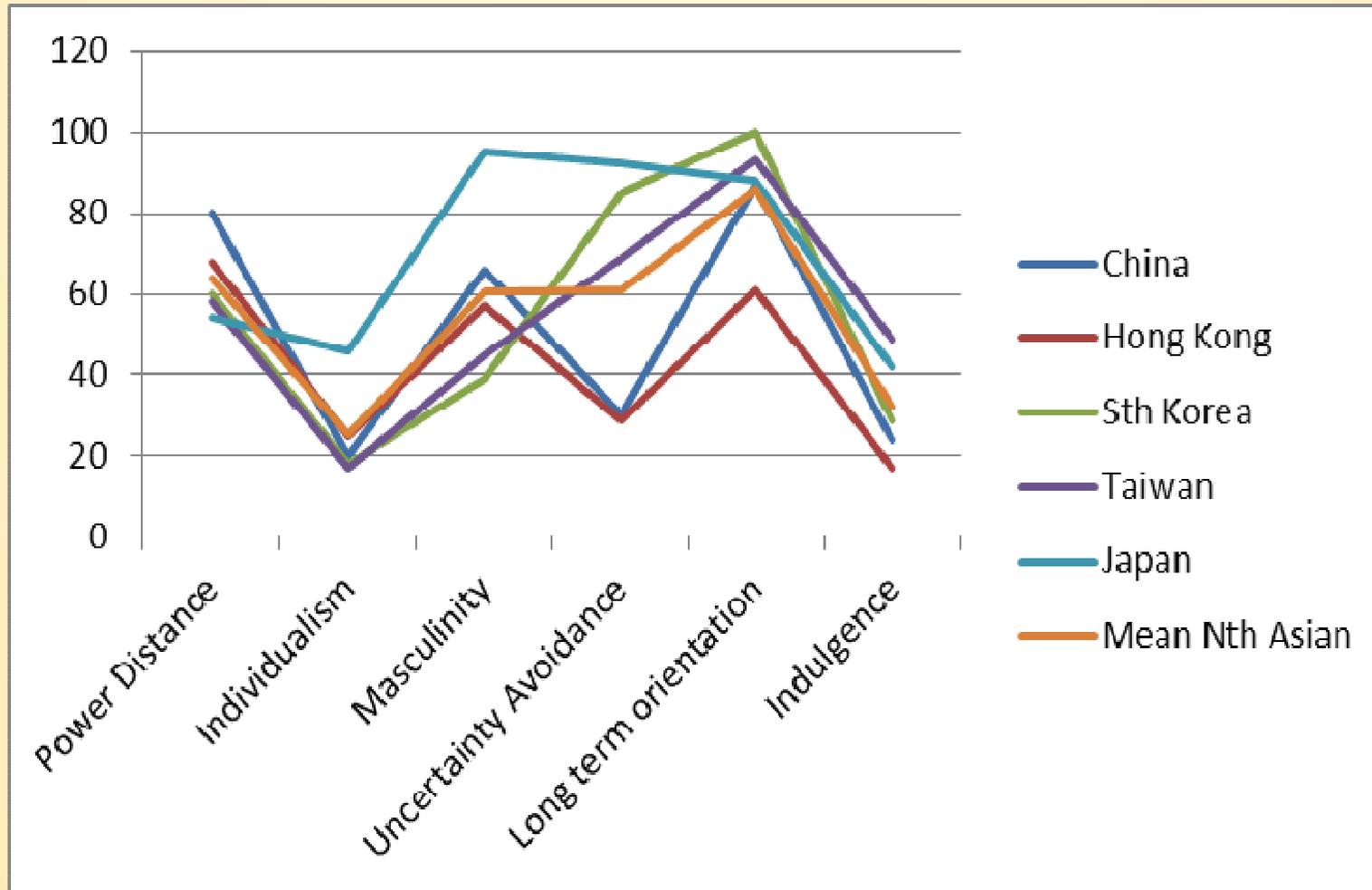
African (Sub-Sahara)



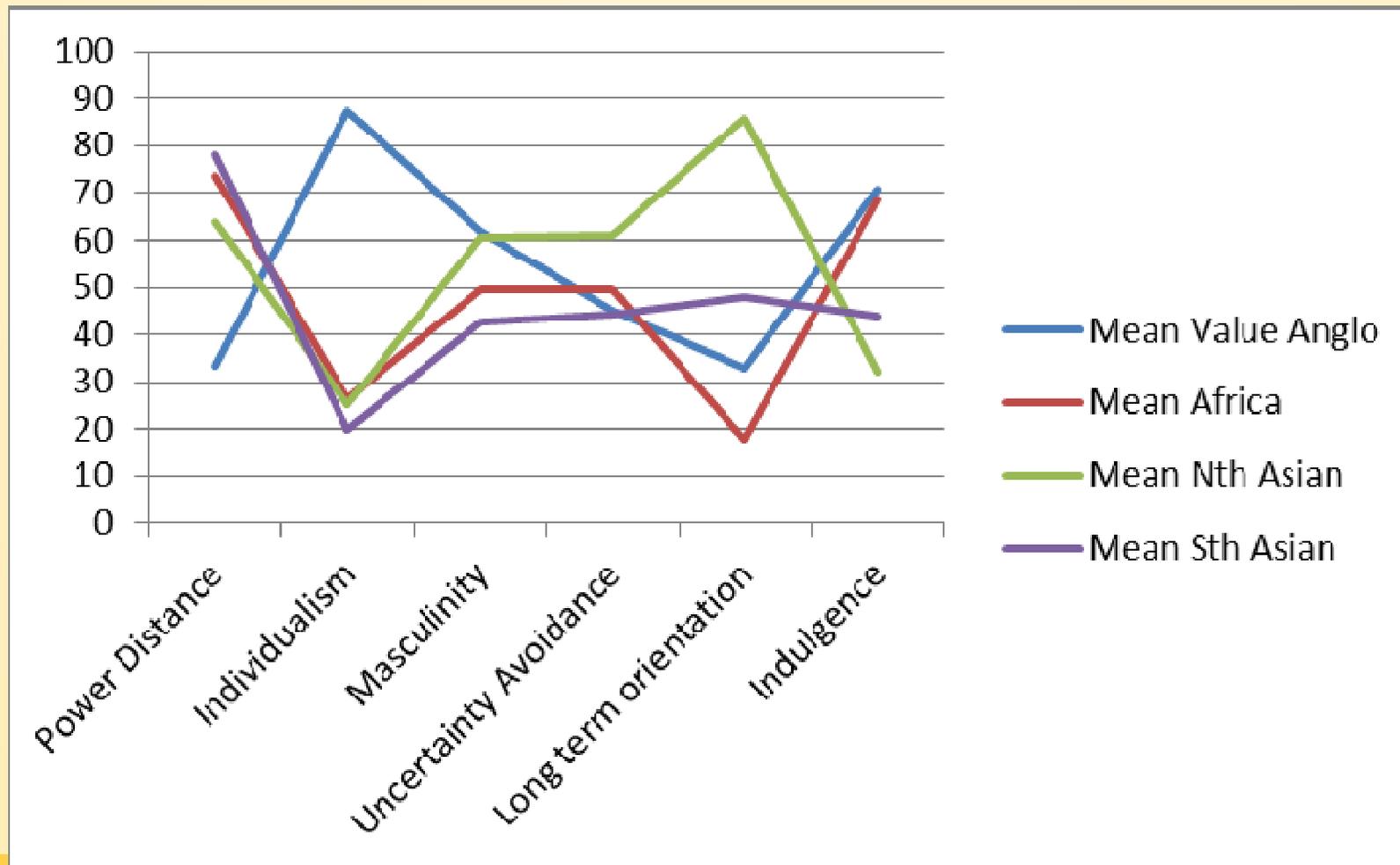
South Asian



North Asian



Mean Values of All Groups



Confounding Variables

3. Long Term View

- Tabish and Jha, 2011 – Denver Airport Development
- Wilson et al., 1999 – Concluded that concepts of project success change over time
- Local Community responses to major projects in their neighborhood

Confounding Variables

4. Project Manager Professional Background

Will professional training of project managers effect their attitude to success?

- Formal project management accreditations
- Engineering accreditations but without additional project management accreditations
- Other generic management backgrounds

Who Defines Success?

Public Sector Programs more complex environment

- Wide Variety of Stakeholders
- Intense press scrutiny
- Combative political culture

Who Defines Success?

Often Concentrate on Client

- As a Consultant I've learnt to live by the Golden Rule Principle:

“He who holds the gold makes the rule”

- Client sets planning brief  design brief 

Implementation brief

- Contracts define anticipated outcomes

Who Defines Success?

Public Sector – Political Approach

New Minister for Planning, Development, Infrastructure etc addressed Executive & Senior staff at State Land Development Agency.

“You need to understand that your job is to make me look good”

Who Defines Success?

- Spoken in Jest?
- Clearly true
- What does it mean?
- Complete on time, on cost, on quality **Of course**
- More importantly.... No bad press

Broad Stakeholder Satisfaction

Who Defines Success?

Conclusion:

1. The Broader Stakeholders need to help define success
2. They need to do so **early** so that planning can give consideration to Stakeholder aspirations
3. Needs to be integrated into **Stakeholder Management Strategies**
 - Not a bottomless well “All goes in: nothing comes out”
 - Not an open cheque book

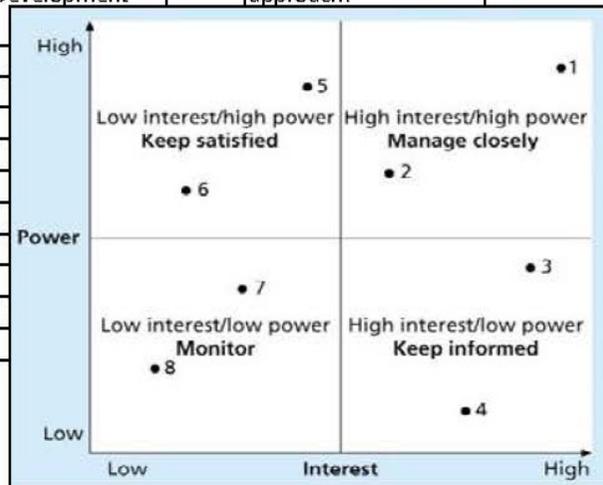
Framework to Assess & Manage Success

- Start early in Project Initiation Phase
- Integrate with **Stakeholder Strategy**
- Remember ... **the Client is a primary Stakeholder**
- Consider a layered or sequential approach to manage commercial in confidence or other confidential matters
- Be honest – Restrictions exist due to budget, scope etc.

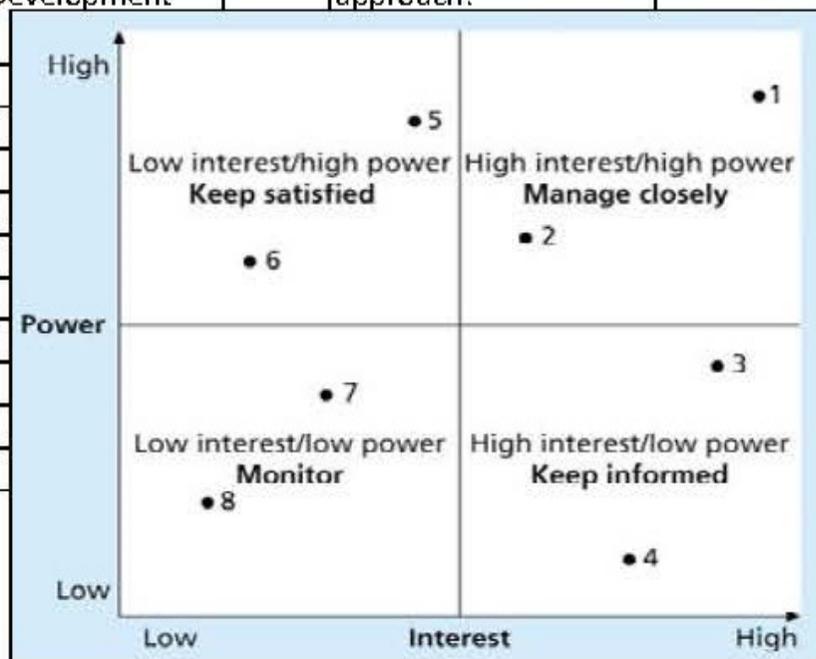
Sample Stakeholder Management Strategy

STAKEHOLDER MANAGEMENT STRATEGY

Log Ref	Organisation	Name/ Contacts	Position	Power/ Interest	Strategy	Interaction	Desired Involvement	Desired Success Criteria	Agreed Success Criteria	Client Approval	Stakeholder Feedback
1	A B Develop' ments	Mr. C. Lient	MD Development. Client	5/4	Ensure all stakeholders identified Discuss Consultancy	see log	Regular progress reports No surprises	All requirements of consultancy brief Early intervention with	As desired	Y	Seek satisfaction response 3 monthly Yr 1 then 6 monthly
2	Internal	Mark Jones	GM/ Project Services	4/3	Compliance to company PM processes	Regular compliance meetings	Monthly project reports. Periodic process audits	Pro-active management demonstrated Nil non-conformances	Ad desired	Y	Response to regular progress reporting
3	EPA	John Smith jsmith@epa.gov.au	Snr Liaison Officer, Development	5/5	Involve pre-concept design. Seek united approach.	see log	Early involvement + regular updates	As Register	Design to best practice Community perceptions to be well managed Regular meeting with EPA	Y	6 monthly satisfaction survey + end of project survey
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											



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4								
5								
6								
7								
8								
9								
10								
11								
12								
13								



Sample Stakeholder Register

Project Title:	Development AB Industrial Lands		
Log Ref:	1	Stakeholder Register	
Organisation:	EPA		
Name:	John Smith		
Position:	Snr Liaison Officer, Development		
Email:	jsmith@epa.gov.au	Phone:	
Address:			
Interest Rate:	5	Comment:	Very high. John sees site as being potentially very problematic
Power Rate:	5	Comment:	EPA can stop approval process and/ halt works if issues are not well managed
Interaction Strategy:	Involve John at concept stage Seek regular update meetings Seek united approach for media interactions and community strategy		
Interaction Log:	<i>{Log of all informative interactions. Reference associated file documents.}</i> 3/4/16: Initial phone call. John happy for briefing 10/4/16: Initial meeting outlining proposed interaction strategy. John happy but needs approval for formal response.		
Desired Involvement:	<i>{Investigate extent of involvement sought by stakeholder without committing to allow this without Client support}</i> John generally happy with strategy but EPA needs to demonstrate independence. They will advise us of media responses only.		
Desired Success Criteria:	<i>{Consider each outcome group: Core Outcomes, Compliance to Processes & Stakeholder Satisfaction}</i> Design catering for management of contamination and other EPA sensitive issues No registered environmental events No bad community perception		
Agreed Success Criteria:	Design outcome subject to best practice approach Community perceptions to be well managed Regular meeting with EPA to control process		
Agreed Satisfaction Feedback:	6 monthly satisfaction survey + end of project survey		
Client Agreement:			
Satisfaction Feedback Log:			
Report by:		Date:	

Stakeholder Register

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Stakeholder Register

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Client Agreement:	
Satisfaction Feedback Log:	
Report by:	
	Date:

Concluding Comments

- **All research is not equally applicable to a specific situation**
- **Public Sector Programs present particular problems in understanding what will represent a successful outcome**
- **Public Sector perceptions of success will necessitate consideration of a broad set of stakeholder inputs**
- **Input is best considered early and managed throughout the program**





Ideal Cultural Trait by Phase

Trait	Initiation		Design	
	Level	Score	Level	Score
Power Distance	High	7.5	Low	2.5
Uncertainty Avoidance	High	7.5	Medium	5
Indiv/ Collectivism	Medium	5	Medium	5
Masculinity/ Femin	Low	2.5	Medium	5

Source: Muriithi & Crawford (2003)

Ideal Cultural Trait by Phase

Trait	Execution		Termination	
	Level	Score	Level	Score
Power Distance	Low	2.5	Medium	5
Uncertainty Avoidance	Medium	5	High	8
Indiv/ Collectivism	Medium	5	High	8
Masculinity/ Femin	Medium	5	Medium	5

Source: Muriithi & Crawford (2007)