

Project Management in the Public Administration: Evidence from Kazakhstan

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ABSTRACT

The article is devoted to the principles of project management and its peculiarities in the governmental sphere; it is shown that high requirements to efficiency, productivity and control of processes which have to promote achievement of the stated goals and objectives, cause need of use project management in the public administration of the state. The authors suggest certain ways for creating favorable conditions for successful implementation of project management in the government.

Keywords: project management, public administration, government.

INTRODUCTION

In recent years systems of public administration around the world, which are conservative in many aspects, fail to keep up with the constantly increasing speed of social and economic changes and face the new global challenges. In these conditions all national systems of public administration have to review their structure and activities so that, within the short time reach greater results at lower costs.

Among the advantages of implementing a project management system is an increase in the efficiency of distribution and fulfillment of duties, quality of work, minimization of risks and the adoption of inform management decisions. The application of the project management system, on the one hand, is very promising, opens many opportunities, makes the management process dynamic, able to adapt to emerging conditions, but there is a shortage of specialists, for this reason even the most successful projects remain unrealized.

In this regard, the President of Kazakhstan has taken “100 concrete steps” to ensure the implementation of the 5 institutional reforms. In the “step #91” was mentioned that governance system should be result-oriented with standardized and minimal procedures for monitoring, assessment and control, also government agencies have to reduce state programs, redesign strategic and development plans, which was mentioned in “step #92” (Nazarbayev, 2015). In order to meet the objectives outlined in State’s policy document (“100 concrete steps”) it is necessary to carry out the profound reform of the public administration system by implementing methods of project management.

A significant quantity of activities entrusted to each government employee and the complexity of bureaucratic procedures always lead to an increase in the deadlines for the performance of urgent tasks and adversely affect the quality of the work. To date, more than half of state projects in Kazakhstan are implemented with a violation of deadlines and deviations from the results.

Today, the implementation of the tools of project management in the public administration in the Republic of Kazakhstan remain topical and deserve the support and greater attention from all government agencies.

Problem statement and objective of the study

The principles of project management are being introduced in Kazakhstan in recent times. The Prime Minister of the Republic of Kazakhstan noted the issues regarding development of finance, education, healthcare, employment, tourism, sport and other sectors cannot be solved without using project management (Sagintayev, 2017). The solution of these issues requires not only significant investments, but also involvement of highly qualified managers and specialists, the correct assessment of possible risks and results, the improvement of the regulatory framework, the use of software, the correct allocation of responsibilities.

The application of the project management system certainly reveals many prospects for effective state management, but for a number of reasons their implementation is not always possible. First of all, the management environment is not ready for certain changes and innovations. Among the problems that arise when implementing project management, is often observed that staff are not ready to shift rapidly to a new type of activities.

The above challenges often happen and thereby the need to explore ways to adequately encounter them is more than acute. In order to explore this subject matter, there was conducted a survey of employees of private business companies of different levels, from the project manager's assistant to the CEO and the findings have been reflected in the following sections of this paper. As with the above described observations, the objectives of the study have been set as follows:

- To examine the concept of project management;
- To review experience of project management in Kazakhstan;
- To identify the most urgent problems of project management in the public administration of Kazakhstan (results of the questionnaire);
- To provide the recommendations and solutions for improving the project management of Kazakhstan in the governmental sphere.

Theoretical review

Modern approaches to project management began to emerge in the 90s of the twentieth century. Project management provides an opportunity for simplifying procedure for the fulfillment of tasks, rationally allocating functions between employees, thus optimizing public administration system of the government. According to Project Management Institute, the project management is the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements. (PMI, 2008). Famous American theorist and consultant in the field of project management Harold Kerzner developed a model for the development of project management. According to him, any management system goes through certain stages of maturity, which have their own characteristics. Public administration is no exception. In Figure 1, we presented the steps that each country is taking in the process of implementing the project management.

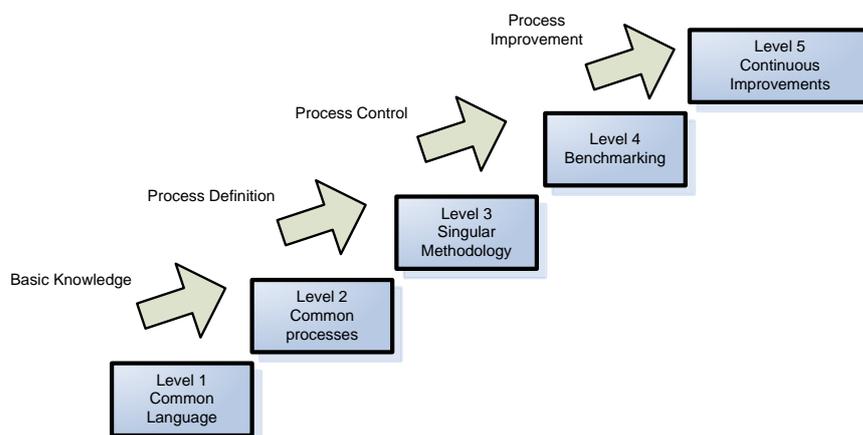


Figure 1. Project Management Maturity Model

Source: Kerzner, Harold. 2005. *Using the Project Management Maturity Model: Strategic Planning for Project Management*. USA: John Wiley&Sons, Inc.

The first level is characterized by awareness by participants in the process of public administration of the appropriateness and necessity of implementing program management, understanding of basic approaches and basic knowledge in the field of software management and cumulative terminology.

The second level is the recognition by each member of the project that management is part of the overall process in the course of performing common tasks and achieving a common result. At the same time, the overall process does not discard the awareness of the value of one's own knowledge and achievements in the overall project.

The third level means the combination of techniques that are used during the project management, which will provide a synergistic effect.

The fourth level is the improvement of management processes in order to strengthen the country's competitive advantages. This group can include the majority of developed European countries.

The fifth level is the stage at which project management within the state is fully implemented. (Kerzner, 2005).

A striking example of a project that complied with the project management standards is building a thirty-storey tower in China within fifteen days! (Jiang, 2012). Due to careful planning, the managers of this project showed fantastic speed; in addition they have succeeded in attaining high environmental performance. The leading international experts found out that the application of modern technologies of project management will make it possible to improve the overall efficiency of the country's economy by at least 15-20%. The large-scale application of the project management will make it possible in a relatively short time (2-3 years) to significantly accelerate the solution of a number of tasks identified by the government of the Republic of Kazakhstan. (Tsekhoovoy, 2010).

Developing countries can be at different stages in the development of project management, but all of them, especially Kazakhstan, share a common desire to improve the management of their projects in public administration. The first

step towards the formation of the national model of project management was adoption of the Standard "Guidance on project management" ISO 21500:2014 in November 2014. The 95% of the content of the Guidance has been derived from the PMBOK Guide and only 4 processes differ in content, including lessons learned, definition of the organizational structure, communications management and resources management. (Oinarov, Eshimova, 2017). Despite that the developers of the Standard ISO 21500 assert that it can be used by organizations of any type public or private, for projects of any type, regardless of their complexity, size and duration, the practice shows its non-universality.

There are currently 773,840 active Project Manager Professional (PMP) certified individuals in 210 countries worldwide. (PMI, 2017). Since successful realization largely depends on high level of expertise of project management specialists, the Association "Union of Project Managers of the Republic of Kazakhstan" (SPM of RK), operating in Kazakhstan from 2003, established competence centers with the aim of preparation of undergraduates and doctoral candidates in the field of "project management" at the leading universities of Kazakhstan. Unfortunately, there is no general register of project managers in the Republic of Kazakhstan, where there would be complete information about managers, the level of their professional competencies and personal experience, the projects they directed, or feedback from directors.

Methodology

While preparing the paper we conducted a research survey of communities that deal in project management (Kazakhstani private companies, project managers of the Ministry of Education and Science of the Republic of Kazakhstan). The interviewees were asked six questions about the relevance of national standards, the demand and importance of applying project management in public sector, about their experience etc. The study also derived the support, upon requests for the legislative documentation, from the Ministry of Education and Science of the Republic of Kazakhstan.

Results and analysis

67 people from 40 companies across the country responded to our survey. We included respondents with varying levels of project management experience in both the implementation of public projects and the implementation of projects of any kind. The survey consists of six questions as:

1. How many years of experience you have in public projects?
 - a. Less than 1 year
 - b. 1 year – 5 years
 - c. 5 year – 10 years
 - d. More than 10 years
2. How many years of experience you have in any projects?
 - a. Less than 1 year
 - b. 1 year – 5 years
 - c. 5 year – 10 years
 - d. More than 10 years
3. In which sphere/spheres project management you had experience of involvement?
 - a. IT / Communication
 - b. Construction / Infrastructure
 - c. Health
 - d. Education / Science
 - e. Police
 - f. Finance/ Insurance
 - g. Transport
 - h. Trade
 - i. Mining / Natural resources
 - j. Electricity supply/ Water supply
 - k. Agriculture
 - l. Chemistry
 - m. Culture / Entertainment
4. Should the government adopt its own national standard?
 - a. Yes
 - b. No
 - c. Not sure
5. Does application of project management in public administration demand coming?
 - a. Yes
 - b. No
 - c. Not sure
 - d. Partially
6. Evaluate the importance of applying project management in public administration of Kazakhstan (from 0 to 5)
 - a. Savings in public expenditure
 - b. Investment promotion
 - c. Successful implementation of projects
 - d. Acceleration of project realization

Differentiation of the respondents in terms of their experience in project management is presented in Table 1.

Experience	Public projects		Another projects	
	N	%	N	%
Less than 1 year	5	8.1	4	62.6
1 year – 5 years	8	1.9	1	25.4
5 year – 10 years	0	0	5	7.5
More than 10 years	0	0	3	4.5
Total	6	1.1	6	100

Table1 - Experience in project management

The respondents worked in different spheres of business and government. The most numerous were project managers of Trade and Transport spheres (Figure 2).

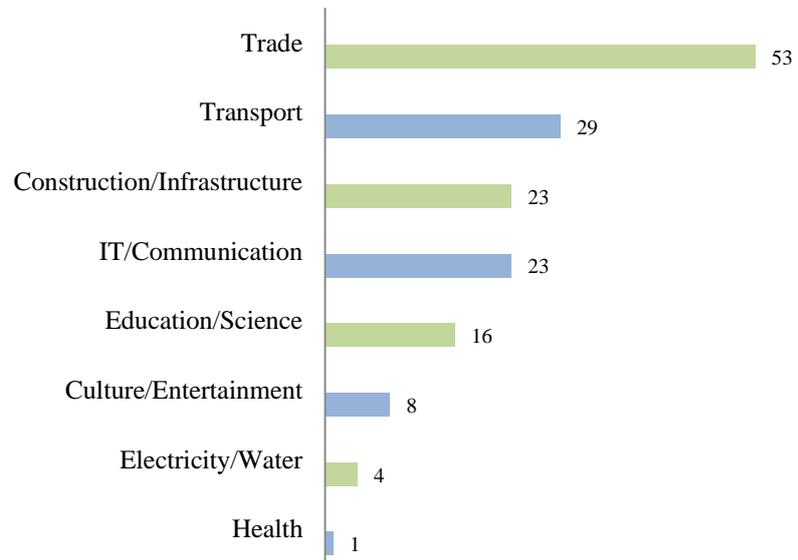


Figure2 - Sphere/spheres of project management

To the questions about the relevance of adopting national standards and applying project management in Kazakhstan the respondents answered as follows (Figure 3).

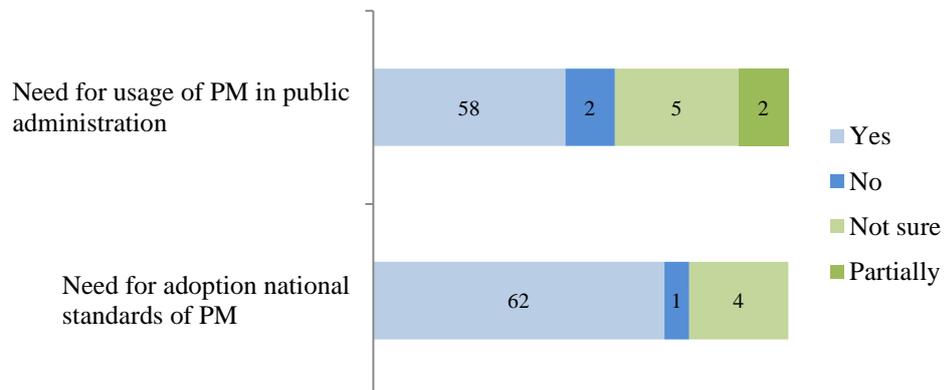


Figure 3 - Need for adoption national standard and usage of project management in public administration

Respondents also were asked to rank the extent of the importance of applying project management in public administration of Kazakhstan on a scale of 1 to 5 (Figure 4).

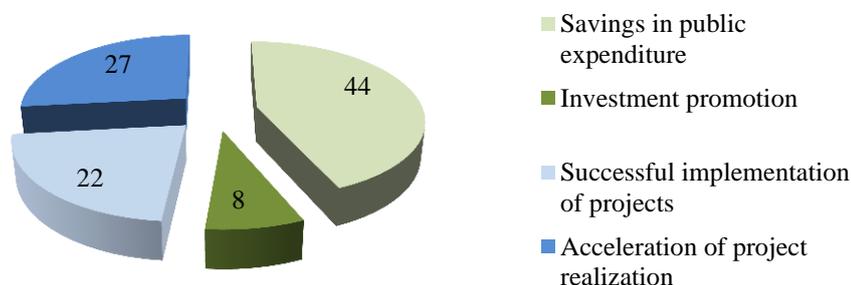


Figure 4 - The importance of applying PM in public administration in %.

DISCUSSION

During the survey respondents considered that the importance of project management is gradually growing at the state level nowadays. Some respondents confessed that Kazakhstan companies and public sectors in terms of using project management tools too far behind by world standards.

Public officials should be able to clearly formulate goals, which ensure the effectiveness of any project, often specialists have a poor understanding of the results of activities, because of the lack of knowledge and skills in project management, and another problem is that trainings in project management are almost non-existent. When the government bodies implement some projects, they usually attract foreign specialists. It follows that there is a serious problem in Kazakhstan - the lack of domestic experienced specialists in the management of public projects. This claim was affirmed by the results of analysis, which showed high rate (88.1%) of project managers in public administration with experience of work 1 year or less. In order solve this problem we suggest to carry out the following activities: setting up training programs, evaluation of performance assessment, and involvement of experienced project managers from abroad.

Also, the analysis indicates another issue: there is an urgent need for the development of project management in priority and strategically important areas of the public sector such as Finance, Education, Health, Agriculture etc. The most projects which has been realizing in public administration of the state look more as strategic plans than strategic projects. According to respondents the obstacle for the implementation of project management exactly in referred sectors is the difficulty in assessing results, identifying key performance and effectiveness indicators, final and intermediate results of work. Furthermore, project management in government developed by Ministries is so complex that it should have been developed not as a project, but as a program, so that these programs would have been able to form a portfolio.

In general, the respondents of survey agree that Kazakhstan has favorable conditions and opportunities for broad implementation of project management in the state administration system, so the most of them responded positively for implementing project management in Kazakhstan (58 respondents out of 67) and for adopting national standard (62 respondents out of 67). In our view the government should establish Project Management Office (PMO) which will manage all projects and programs in different public sectors of the country. PMO should be formed in order to avoid imbalance between all governmental programs, in order to establish a system of prioritization of programs (strategic level) as well as for management (both strategic and tactical). With the assistance of PMO it would be easier to conduct work for a more successful implementation of the project management system into the civil service, because there will be one regulatory and legal framework like documentary basis, methodological recommendations on project, clear division of responsibilities and appointment of executors.

The experience of many developed countries has shown that project management is able to provide public administration with such benefits as: reduced costs; improved utilization of resources; projects delivered on time; projects delivered on budget. From the foregoing analysis, it appears that project management should become part of the public administration system, because it is a universal key to the success of various government programs, plans and projects. The implementation of project management tools in the public sector will definitely improve budget planning, the efficiency of using budgetary funds, etc. It has been noted by the responders, savings in public expenditure is the major advantage of applying PM to public administration, and then goes the speeding-up of project realization, successful implementation and promotion of investments.

We are convinced that for further development and improvement of project management in public sector of Kazakhstan it is necessary to ensure the development of national standards, to raise the level of knowledge and skills in the sphere of public management among young professionals.

CONCLUSION

The study showed that demand for implementation of project management in public administration of Kazakhstan is too high, but the problem is that there is a shortage of specialists in this area. According to the data of the Ministry of

Education 57.2 % of the employers point out that there is insufficiently high level of skills of specialists and 28.3% of employers observe the low level of knowledge of specialists. This reason relates to the sphere of competences.

As for the skills, which a project manager should possess, due to the systematic character of project management itself there is a wide range of professional and personal competences and skills. As Harold Kerzner puts it in his book "Project Management: A Systems Approach to Planning, Scheduling, and Controlling", managing complex projects and programs represents a challenge requiring "skills in team building, leadership, conflict resolution, technical expertise, planning, organization, entrepreneurship, administration, management support, and the allocation of resources". To get results, the "manager must relate to (1) the people to be managed, (2) the task to be done, (3) the tools available, (4) the organizational structure, and (5) the organizational environment, including the customer community" (Kerzner, 2003).

We think that public authority should pay attention to the fact that in order to realize an effective project and achieve desired results it is not enough to develop a plan, it is necessary to manage this project. Thus, a public manager, who is responsible for managing such a project, needs to possess certain skills from appropriate professional areas.

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