The three dimensions of a governance framework for major public projects

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Abstract

The aim of this article is to advance a conceptualization for governance frameworks for major public projects based on public administration literature. The governance of major public projects has been an important subject of inquiry in project management, as researchers have investigated governance frameworks for public projects as a tool to enhance performance. Yet, while performance is traditionally seen as improved efficiency, other aspects need consideration. Using phronetic and abductive theory building, this conceptual article investigates the relevance of a governance framework for major public projects along three dimensions: those of greater government efficiency, legitimacy and accountability.

The main contribution of this article is to enrich existing theory on the governance of major public projects.

Keywords: Governance framework; Major public projects; Public administration; Project governance; Conceptual article

1. Introduction

Major projects (infrastructure, IT, military, etc.) are increasingly used for delivering a wide range of goods and services, and their scale tends to increase as well (Flyvbjerg, 2014). Yet, to this day the performance of those projects is unsatisfactory: the wrong projects are selected, the costs are underestimated and the benefits are overestimated (Flyvbjerg, 2014). Moreover, the anatomy of those major projects is shifting, with increasingly complex stakeholders and supply chain linkages, calling for enhanced academic scrutiny into this emerging organizational phenomenon (Scott et al., 2011).

Governments are crucial stakeholders for several of those major projects, often as owner or initiator. Accordingly, they have to make political decisions in order to undertake those projects. As governments around the world have to cope with this shifting reality of undertaking more and bigger projects, it is important to understand the implications of organizing public sector projects. In this article, we adopt the view that there are indeed specificities related to the public sector, which must be acknowledged in the governance of major projects.

In the past decades, some governments, such as Norway and the United Kingdom, have adopted a governance framework to deal specifically with major public projects (Klakegg et al., 2008). A governance framework for public projects is “an organized structure established as authoritative within the institution, comprising processes and rules established to ensure projects meet their purpose” (Klakegg et al., 2008, p.30). Confronted with poor project performance including large cost overruns, delays and limited economic benefits, those governments have implemented governance frameworks in order to improve project performance. For example, in Norway, a 1999 in-depth review of eleven public investment projects revealed combined cost overruns of 84% (Berg et al., 1999, cited in Samset and Volden, 2013), whereas their latest report indicates that on average, 80% of projects now remain within approved budgets (Samset and Volden, 2013). Similarly, whereas in 2011 the UK National Audit Office reported that two-thirds of public sector projects were...
completed late, over budget or did not deliver the expected outcomes, the Major Projects Authority recently stated that the record of project delivery has improved to the point where approximately two thirds of projects are now expected to deliver on time and on budget. (Major Projects Authority, 2013; NAO, 2011).

With governments adopting such governance frameworks since the beginning of the 21st century, several researchers have been inquiring about their similarities, their differences and their impact on project performance (Christensen, 2011; Crawford and Helm, 2009; Klakegg et al., 2009, 2016; Williams et al., 2010). At the same time, our current knowledge regarding governance frameworks could be enriched by looking beyond public projects at the larger field of public administration. Whereas performance is important to study with regard to the governance of major public projects, it is not enough to explain why governments adopt governance frameworks. We seek to open up the theoretical comprehension of a governance framework by offering a conceptualization encompassing three main dimensions, those of efficiency, legitimacy and accountability. Those dimensions are developed by reviewing influential literature and using an abductive method (Van de Ven, 2007). The aim of the article is to investigate the relevance of a governance framework for major public projects by suggesting three dimensions, articulated around three propositions.

As the field of public administration is rich and complex, it can certainly help to generate insights into the governance of major public projects. The main contribution of this article is to conceptually explore the theoretical relevance of governance frameworks for public projects by investigating the links between project management, project governance and public administration. While our assumptions for those propositions are limited to democratic governments, it is nonetheless important to acknowledge that other types of political regimes around the world might also benefit from enhanced governance of their public projects. Moreover, the theoretical basis underlined here is the initiation of a wider reflection that will benefit from further empirical testing.

This conceptual article is structured as follow: first, a literature review presents project management and its subfield of project governance, in which is embedded the concept of a governance framework. Then, the research question is presented, followed by the methodology used to answer that question. Results are presented according to the three propositions put forward. A discussion of those results follows, outlining their relevance to the governance of public projects. Finally, the conclusion summarizes the main findings and contributions of this article, and highlights how these propositions could be tested empirically.

2. Literature review

This section reviews theoretical developments in project management, and its subfield of project governance. Then, the definition and characteristics of a governance framework for public projects are provided. Finally, outlining the lack of theorization specifically on governance frameworks for public projects, we posit the research question.

2.1. Project management

Project management is a relatively young discipline. Whereas project management research originated from operations research and management science back in the early 1950s (Söderlund, 2011), theoretical developments in the field only started to expand around the turn of the century (e.g. Turner, 2006; Shenhar and Dvir, 2007). Researchers have proposed various schools of thought and theoretical categorization for the field (Bredillet et al., 2008; Söderlund, 2011). The epistemological foundations of project management over the past decade have been addressed (Smyth and Morris, 2007). Thus, project management has benefited from progress in research in many areas of management and ideas developed in other management disciplines (Bredillet et al., 2008). Several important contributions are opening the theoretical perspectives in the field, arguing for renewed approaches including theories from social sciences (activity theory, actor-network theory and structuration theory among other), and other theories from strategic management research and the analysis of power relations (Aubry et al., 2012; Drouin et al., 2013; Floricel et al., 2014). As project management research has improved substantially in quality and rigour (Turner, 2010), the variety found in the study of project management lends support to theoretical pluralism and to the interdisciplinarity of the field (Söderlund, 2011). Yet, as project management extended from a technical discipline to a multidisciplinary one, there is still work to do so as to theoretically anchor that field of study (Söderlund, 2011). One of its subsets, project governance, is presented next.

2.2. Project governance

The discussion about project governance in project management research has expanded over the last decades, although the definition of this concept and its main origins remain ambiguous (Ahola et al., 2014). Along with the development of project management as a field of study came the governance school of thought, which “aims to analyse why projects exist and define the appropriate governing mechanisms of projects as a particular kind of administrative problem and complex transaction” (Söderlund, 2011, p.163). According to Bredillet et al. (2008), the major influences on the governance school use an economic approach, where the project is seen as a legal entity. It first developed in the 1970s, along with contract management using transaction costs and agency theory (Bredillet et al., 2008). The first references in the governance school discuss problems of contracting and governance in the construction industry (Söderlund, 2011). Yet, the governance school has extended over the years, from the temporary organization in the mid-1990s, to the governance of projects in strategic alliances, in complex consortia and in networks in the late 1990s (Söderlund, 2011). Although many studies have been conducted in that area since the 1970s, the concept of project governance has only recently become an issue of importance in the project management community and literature (Miller and Hobbs,
A basic definition of project governance comes from Müller (2009, p. 4), which clearly states that it is embedded in corporate governance:

Goverance, as it applies to projects and project management, coexists within the corporate governance framework. It comprises the value system, responsibilities, processes and policies that allow projects to achieve organizational objectives and foster implementation that is in the best interest of all stakeholders, internal and external, and the corporation itself.

A recent, comprehensive study on project governance produced by Ahola et al. (2014) groups the main articles on project governance into two categories: those where project governance is seen as external to any specific project and those where project governance is seen as internal to a specific project. After reviewing the main origins of project governance and the main origins of governance, the authors conclude that one potential contribution to the development of project management literature is the general governance literature focusing on the role of powerful stakeholders such as governments.

A conceptual model of project governance was developed by Bekker (2013), building on the three levels of project management as presented by Morris (2013): (1) the technical level, (2) the strategic level, and (3) the institutional level. Bekker (2013) proposes a model with three schools of thought in project governance: the single-firm governance school (relating to levels 1&2); the multi-firm governance school (relating to levels 1&2); and the large capital governance school (covering levels 2&3 and the macro environment). Another conceptual model of project governance is proposed by Winch (2014), where governance is associated with the interface between project owners and the projects, thus linking the permanent to the temporary organizations. In addition, a conceptualization of project governance is related in Narayanan and DeFillippi (2012) where it is seen as incorporating five elements: stage gate approval process, stakeholder representation, formal roles and responsibilities, quality assurance, and contracts and sign-offs.

Thus, project governance is grounded in project management and in an economic perspective, but has extended over the past decades to encompass the complexity of networks and the plurality of actors. One specific concept embedded in project governance is a governance framework for public projects.

2.3. Governance framework for public projects

This section presents the definition and characteristics of a governance framework for public projects. An extensive study on governance frameworks sponsored by the Project Management Institute, Klakegg et al. (2009) discusses at length the distinctions between regimes, frameworks, and systems. It raises several terms coming from international literature on megaprojects: “governance regime” (Miller and Hobbs, 2005), “institutional arrangements and regulatory regimes” (Flyvbjerg et al., 2002) and “institutional frameworks” (Miller and Lessard, 2000). Because their analysis covers an extensive literature review into the broad concept of governance, and offers a synthesis presenting the relationship between the concepts of systems, frameworks, and regimes, we adopt their definition of a governance framework as “an organized structure established as authoritative within the institution, comprising processes and rules established to ensure projects meet their purpose” (Klakegg et al., 2009, p.60). While referring to this specific definition certainly has some limitations, it nonetheless provides some clarification of what a governance framework might be, depending on the context and applied to institutions.

Some countries have adopted governance frameworks for public projects in the last decade or so (Klakegg et al., 2016; Williams et al., 2010). For example, Williams et al. (2010) have investigated the governance frameworks for public projects in Norway and in the UK, comparing them and their characteristics. While the main objective of a governance framework is to “secure successful investments” in a democratic government mainly by focusing on the front-end phase of the project (Christensen, 2009, p.11), the main characteristics of a governance framework could be summarized as (Klakegg et al., 2008; Samset et al., 2006):

- a distinct set of milestones and decision gates that would apply to major public projects in all sectors of a government;
- secure political control with fundamental go/no-go decisions;
- an adequate analytical basis for decisions;
- the structure of the framework itself (explicitly stated ends/goals; users; framework elements; etc.); and
- the detailed governance elements (mostly concerning cost estimation and time planning).

While those characteristics are presented here, their interpretation and implementation may vary greatly from one government to another. Some governments have adopted governance frameworks with the explicit objectives of enabling decision-makers to make better informed decisions up front (by accurately defining needs, options and cost estimates for major projects), and defining the process whereby each project is to be managed, including designating the players who are to be held accountable (Christensen, 2011; Williams et al., 2009). In his analysis of the Norwegian quality assurance scheme (a governance system covering the front end of projects), Christensen (2011) notes that designing such a system is much more of a political issue than a technical or financial one. As examples of improved project performance have shown in Norway and the United Kingdom, there is an assumption that introducing a governance framework will improve the outcomes of public infrastructure projects (Major Projects Authority, 2013; Samset and Volden, 2013). Yet, the theoretical aspects of having governments adopt different governance frameworks have so far not been investigated. A governance framework is a concept embedded within project governance, which is itself a subset of project management. But governance frameworks for public projects have been investigated for their consequences on performance without
much consideration of their theoretical anchoring within public administration.

2.4. Research question

As the existing literature on project governance has proved insufficient to understand the theoretical anchoring of governance frameworks for public projects, we ask the following research question: what is the relevance of a governance framework for major public projects? The next section presents the methodology used to answer this question.

3. Methodology

In order to answer the research question, this research takes an epistemic stance within phronetic research (Flyvbjerg, 2001). Phronetic research is based on value rationality to study how the theories and laws are applied in society (Flyvbjerg, 2001). Flyvbjerg (2005) advocates that researchers promote this reflexive research over epistemic social sciences based on natural science model. Flyvbjerg (2001) posits that the fundamental questions for phronetic research are: (1) Where are we going? (2) Is this desirable? (3) What should be done? (4) Who gains and who loses; by which mechanisms of power? He described the phronetic researcher as embracing contextualism, situational ethics, and interpretation (Flyvbjerg, 2005).

Starting from those questions, we aim for theory development, as there has been relatively little theorization concerning major public projects with regards to the larger field of public administration. Alvesson and Kärreman (2007) suggest an approach that uses theory and imagination to open up for discovery. We use abduction, or hypothetical inference (Van de Ven, 2007), to propose a theoretical embeddedness of project governance frameworks within the larger field of public administration.

Whereas the concept of “good governance” has been largely scrutinized and decomposed in many principles or dimensions, the underlying values behind those principles are rarely questioned. For example, the OECD proposes international benchmarks on the principles of corporate governance and on the principles of corporate governance for state-owned enterprises (OECD, 2004, 2015). One of the most accepted set of good governance principles is that of the United Nations Development Program (Graham et al., 2003). Those principles are (1) Legitimacy and Voice, (2) Direction, (3) Performance, (4) Accountability and (5) Fairness (UNDP, 1997). In the public realm, Argyriades (2006) contends that there is no such thing as ‘one best way’. Institutional values and objectives are the drivers of what is considered as “good governance” (Mazouz, 2014). In project governance, “good governance” has also been the subject of inquiry for researchers (e.g. Abednego and Ogunlana, 2006; Ghosh et al., 2013).

Based on a literature review covering selected influential works in the fields of public administration and project management, we use an abductive mode of inquiry for theory building (Van de Ven, 2007; Winch and Leiringer, 2016). Our method follows Stoker (1998), who has made five propositions to develop governance as theory. Based on the UNDP principles of good governance, we contend that a governance framework might be of value for a government, specifically in three regards: legitimacy, efficiency (encompassed within the principle of performance), and accountability. Those three dimensions have been selected as they parallel Bemelmans-Videc et al. (2011)’s basic threefold arrangement of public policy instruments: regulations/sticks (legitimacy), economic means/carrots (efficiency) and information/sermons (accountability). We advance three propositions, which are subsequently explained in the next section:

1- a governance framework for major public projects can lead to greater government efficiency;
2- a governance framework for major public projects can lead to greater government legitimacy; and.
3- a governance framework for major public projects can lead to greater government accountability.

4. Results

4.1. Proposition 1 — A governance framework for major public projects can lead to greater government efficiency

Since the industrial revolution in the eighteenth century, efficiency has been a central concern both for public administrations and more generally for all organizations (Schacter, 2007). Although the concept of efficiency has greatly evolved, we refer here to the Oxford Dictionary definition of “achieving maximum productivity with minimum wasted effort or expense” (online). This section argues that it might be relevant for a government to adopt a governance framework for major public projects for enhanced efficiency. By delving into three influential schools of thought in public administration: Scientific Management, New Public Management and New Public Governance, it is argued that a governance framework for public projects can enhance efficiency by favouring analytical over political decision-making, by strengthened, centralized control and by improved governance.

4.1.1. Scientific management

Woodrow Wilson is often associated with the birth of the study of public administration in the United-States (Rutgers, 1997). His essay is famous notably for bringing about the classic dichotomy between public administration and politics: “The field of public administration is a field of business. It is removed from the hurry and strife of politics” (Wilson, 1887, 2012, p.22). Thus, the first decades of the 20th century mostly made no distinction between the study of public administration and the study of private industrialization that was taking place at that time. This period, named “Orthodoxy”, gave rise to many thinkers who have been most influential: most notably Frederick Taylor (1912, 2012), Luther Gulick (1937, 2012) and Max Weber (1946, 2012). Though each author had a distinct discourse, the underlying theme of “Scientific Management” promoted the division of work through specialization and bureaucratization, in order to improve organizational efficiency.
Thus, efficiency was already at that time a central concern, and the administrator’s main responsibility was to ensure the coordination of the units of specialization through POSDCORB (planning, organizing, staffing, directing, co-ordinating, reporting and budgeting) (Gulick, 1937, 2012). As Woodrow Wilson stated, as early as 1887 in *The Study of Administration*: “It is the object of administrative study to discover what government can properly and successfully do, and, secondly, how it can do these proper things with the utmost possible efficiency and at the least possible cost...” (Wilson, 1887, 2012, p.16).

The birth of project management can be associated with the orthodox movement in public administration (Morris, 2013). In the 1950s, the optimization school characterized the majority of the thinking and research in project management, reflecting an early concern for the underlying value of efficiency. According to Bredillet et al. (2008), the optimization school is very Taylorian in its approach, as its main premise is to organize and plan the project in order to strive for efficiency. Although project management is now much more diverse and touches on many more dimensions, the historical core has always been to enhance control by breaking complex projects into more manageable tasks in order to deliver efficiently within budget, on time and scope. The stage-gate system, which is central to project management and a main characteristic of a governance framework, has been designed to enhance control over the process, by allowing the relevant stakeholders to assess the end of a phase of a project before giving the authorization to start the next phase (Morris, 2013). Not only does a governance framework for public projects allow enhanced control, it also centralizes decisions at the political level, thus securing political control with fundamental go/no-go decisions (Christensen, 2011).

Lastly, Scientific Management puts a lot of emphasis on rationality. Saint-Simon, a precursor of Taylor and Fayol, has famously stated that the government of people would be replaced by the administration of things, implying that there would be no need for democracy, because administrators would be appointed on the basis of their professional competencies (Strachan, 1999). Scott and Davis (2007, p.35) highlight that control is central to rational systems, which refer to “the extent to which a series of actions is organized in such a way as to lead to predetermined goals with maximum efficiency.” Thus, politicians have to make decisions based on a rational, analytical basis. This is what a governance framework for public projects is intended to achieve, by emphasizing the professional quality of the premises and documents behind such decisions (Christensen, 2009).

However, such an idealized rationality was severely criticized in the second half of the last century. Two schools of thought emerged as counter-currents to this Scientific Management: the Neo-classical school and the Public Administration. Barnard (1938, 1968), a famous Neo-classical figure, argued that management had much to do with human relations, and that strict scientism was thus misleading. Another influential scholar of the Neo-classical school is Simon (1945, 1997), who argued that the dichotomy between facts and values presented in Scientific Management was false, introducing instead the concept of ‘bounded rationality’. It was around the same period that the Public Administration (PA) model arose, with Waldo and his *Administrative State* (Waldo, 1948). The democratic principles were reintegrated into the core of the study of public administration, and the orthodox dichotomy between politics and public administration was refuted (Raadschelders, 2008). The importance of the players and of the power relations between them have also been raised as important issues to nuance this idealized, orthodox view of rationality and efficiency (Crozier, 1963). They will be touched upon in the next section, under Legitimacy (4.2). But for now, we remain with the same dominant view, and fast forward to the 1980s and 1990s with New Public Management.

### 4.1.2. New public management

The 1980s and 1990s saw the emergence of a new trend, the New Public Management (NPM), as a countercurrent to Public Administration. NPM emerged from two streams of ideas: the ‘new institutional economics’ and business-type ‘managerialism’ in the public sector in the tradition of Scientific Management (Hood, 1991). The dichotomy between politics and public administration returned, sharper than ever. That was because the value base of NPM is efficacy of competition and the marketplace, assuming that private-sector management is better than public-sector administration, and thus the public has to learn from the private-sector’s “best practices” (Christensen, 2009; Osborne, 2010). This school of thought developed mostly from practitioners and politicians, with few supporters among scholars (Aucoin, 1990; National Performance Review, 1993, 2012). Thus, NPM is essentially a philosophy of *generic management* that sees the public-private dichotomy as essentially obsolete (Peters and Pierre, 1998). Hood (1991) associates the rise of NPM with four other administrative megatrends: the reversal of government growth, the shift toward privatization, the development of automation, and the development of a more international agenda. This school of thought has been the most influential in many countries, including the UK, Australia, New Zealand, and Canada (Brown-John, 1996; Hood, 1991). Norway, which was reluctant at first, pursued a more radical NPM path from 2001 to 2005 (Christensen, 2009). Even today, although many are questioning the legitimacy of NPM’s principles (Levy, 2010), it is still predominant in many governments (Andrews et al., 2011).

In light of the NPM, a governance framework for public projects could contribute to increased efficiency by ensuring that the projects’ documentation required for approval at a decision gate is complete and includes: a clear definition of the need and the project objectives, measures of performance and control systems (to ensure compliance with project scope, schedule, resource, and budget, within defined contingencies, associated with Morris’ level 1) (Morris, 2013). This is very well aligned with some of the doctrinal components of NPM presented by Hood (1991, pp.4–5), namely: “Explicit standards and measures of performance” and “Greater emphasis on output controls”. In fact, Williams et al. (2010) argue that the whole framework is a control measure. Referring back to the dichotomy of politics and administration so entrenched in NPM, Williams et al. (2010, p.43) affirm that the intention behind the Norwegian
governance framework was “to establish a system where politics and administration is well divided, with the interplay between these two sides well understood.”

Yet, another feature of NPM can be more or less exploited in a governance framework: to use private consultants as experts to ensure quality of project documentation. The Norwegian governance framework is based on this premise, as the involvement of external, independent experts is seen as strengthening the control function (Christensen, 2011). Not only was this feature of the governance framework used for greater control, but it was also used to include private, ‘neutral’ expertise (Christensen, 2011). On the other side, the United Kingdom, which originally used many private consultants to review projects’ documentation according to their governance framework, in the last decade decided to build internal capacity and to use internal, public reviewers (NAO, 2012). While two classical justifications for the doctrinal components of the NPM are to “gain efficiency advantages of use of contract or franchise arrangements inside as well as outside the public sector” and “rivalry as the key to lower costs and better standards” (Hood, 1991, p.5), caution has been raised concerning public contract management. One of the main issues regarding efficiency is that public organizations need the expertise and capacity to monitor and assess the work provided by private ones (Goodsell, 2007; Winch et al., 2012). After many decades of forceful domination, NPM is now slowly giving way to a new, emerging school of thought: the New Public Governance.

4.1.3. New public governance

Osborne (2010) qualified NPM as a ‘transitory stage’ between Public Administration and the New Public Governance (NPG), which according to him is “both a product and a response to the increasingly complex, plural and fragmented nature of public policy implementation and service delivery in the twenty-first century.” (Osborne, 2010, p.9). While some refer to this school of thought as ‘post-NPM’, the idea is that the state has to rebuild a central capacity, as it is an important player at the centre of a complex network involving many different stakeholders (Christensen, 2009). Just as NPM had theoretical roots in institutional economics and managerialism, NPG is anchored in institutional and network theory (Osborne, 2010). Efficiency is still a central concern, yet, the state is seen as pluralist, and more emphasis is placed on negotiation, networks and relational contracts in order to collaborate across organizational boundaries (Osborne, 2010). Coming back to Morris’ levels of project management, a governance framework for public projects aims to frame level 2, which represents the project’s strategic envelope, by accentuating the front-end development and definition of the project as well as stakeholder management (Morris, 2013). In their comparative study of the Norwegian and the UK frameworks, Williams et al. (2010, p.49) concluded that: “All cases appeared to confirm the importance of a governance framework. It is clear that the complexity involved in the decision-making, technology and contracts means that a governance framework is particularly important, although it may be a challenge for quality assurance.”

Thus, a governance framework for public projects, in today’s complexifying world, might be a useful tool for governments to improve the overall governance of their projects.

By looking at three influential schools of thought in public administration, we have proposed that a governance framework for major public projects can lead to greater government efficiency, since it makes it possible to base decisions on a more analytical (rational) basis, to centralize and strengthen control, and to improve the governance of projects by putting emphasis on the front-end phase of projects and stakeholder management. The next section explores the concept of legitimacy.

4.2. Proposition 2 — A governance framework for major public projects can lead to greater government legitimacy

Legitimacy is a wide concept that has been central both to political science and to public administration. In political science, legitimacy usually refers to “the degree to which a government’s procedures for making and enforcing laws are acceptable to the people” (UNPD, 1997, p.34). By looking at specific themes in three schools of thought: Public Administration, New Public Management and New Public Governance, it is suggested that a governance framework for public projects can enhance a government’s legitimacy. First, by insuring secure, centralized political decision-making, second by exerting a regulatory system based on an analytical process to limit individual power, and lastly, by enhancing the governments’ client capability.

4.2.1. Public Administration

Public Administration’s (PA) school of thought developed around the 1950s, as a reaction against Scientific Management, most notably with Waldo and his Administrative State (1948). PA’s theoretical roots lie in political science and public policy (Osborne, 2010). The democratic principles were reintegrated at the core of the study of public administration, and the orthodox dichotomy between politics and public administration refuted. Whereas in Scientific Management rationality was viewed as the source of legitimacy, in PA it was democracy itself: “the only thing which can legitimize authority in a democratic society is democracy itself” (Waldo, 1948, p.103). Around the same time, Weber suggested that there were three types of legitimate authority: legal authority based on rational grounds, traditional authority and charismatic authority (Weber, 1947). In Weber’s view, a bureaucracy refers to an administrative structure developed to answer the needs of the rational-legal mode of authority (Scott and Davis, 2007). While bureaucracy originally emanates from Scientific Management and the conventional view of concentration of units of production, in Public Administration it was seen as of central importance in a democracy, being a crucial part of government as a way to enhance efficiency (Rosenbloom and McCurdy, 2006).

Coming back to the interest of a governance framework for a government, it is suggested that it might enhance its legitimacy by providing a secure and centralized political decision-making process. As Christensen (2009, p.15) explains, a governance framework is: “meant to take back central political power over
the decisions of major public projects and anchor it at the central level”. In a report reviewing the performance of the Norwegian governance framework since its adoption in 2000, Samset and Volden (2013, p.11) highlight that “Policymakers are of course free to make the final choice of conceptual solutions, according to their own preferences. Data suggests however that in 2/3 of the cases, the government has followed the recommendations of the [private experts].” The governance framework, being ‘a kind of structural innovation,’ is a separate system not integrated into the government hierarchy (Christensen, 2009, p.26). One disadvantage of this framework, as it gives more central, political power, is resistance from other government units, ministries and agencies (Christensen, 2009, p.26). While in the 1950s bureaucracy and hierarchy were associated with efficiency, the growing importance of the recognition of various actors and power relations took over and bureaucracy as a tool for government efficiency became seriously doubted.

In an influential study of two public, bureaucratic organizations, French sociologist Crozier (1963) worked at understanding the bureaucratic characteristics and vices, as he considered that far from being efficient, they were rather debilitating. His theory highlighted the central importance of players and power relations in the origin of the bureaucratic phenomenon. He acknowledged that all individuals have some degree of power in their relation with others, mostly enhanced by unpredictability of behaviour (irrational behaviour to external players) and the control exerted (encouraging being indispensable and keeping information hidden) (Crozier, 1963). Thus, a dual system emerges, formal and informal, which generates inefficiency even if the structure was designed to reflect rationality (Crozier, 1963). In organization theory and political science, this became an important stream of research and theorizing, later known as 'strategic analysis' most notably with the book Actors and Systems by Crozier and Friedberg late in the 1970s (Crozier and Friedberg, 1977; Hardy, 1995). Crozier (1963) proposed that power relations have to be acknowledged and regulated in order to foster negotiation and communication; that cultural dimensions are important, being an important obstacle to any significant change; and that there is a need for bureaucratic structures to be reduced and flattened. This probably laid the ground for the development of the NPM philosophy.

4.2.2. New public management

With NPM reforms, bureaucratic structures have been severely attacked (National Performance Review, 1993, 2012). NPM tended to re-establish the primacy of representative government and managerial principles over bureaucracy (Aucoin, 1990). By valuing government downsizing and private expertise, NPM emphasized the need for contract management and horizontal integration. While a governance framework for public projects secures central political control, the system is anchored at the institutional level, thus, limiting the influence and power of individual politicians who usually stay for short periods (Christensen, 2009). Moreover, legitimacy is to be gained by the quality of the projects’ documentation required under the governance framework, whether it comes from private experts or civil servants. While from a political perspective, outsourcing to private firms raises concerns over the legitimacy and integrity of the political process (Romzek, 2006), the New Public Governance promotes a state with greater capability.

4.2.3. New public governance

New Public Governance emphasizes the pluralistic nature of the state, and the need for stakeholder management to address large, complex inter-organization networks (Osborne, 2010). With the recognition of the growing plurality of stakeholders, the question of legitimacy becomes more complex, as diverse stakeholders proffer alternative bases for legitimation (Scott et al., 2011). Increasing complexity and diversity have put pressure on public organizations to soften original bureaucracies and to adopt new transversal modes of governance (Kettl, 2002). Yet, after some decades of government downsizing implying the loss of internal expertise, many political systems are now trying to re-build the state and create a more central governance capacity (Christensen, 2009). According to Moe (1984, p.476): “the best thing that could happen […] is to have a first-class public sector, appropriately limited in size and functions, but fully capable of providing the legal, economic, and public goods infrastructure.” In public projects, a government has to develop its client capability as owner, so that services are delivered according to its chosen strategy (Winch et al., 2012). This is what a governance framework for public projects aims at. By promoting specialized attention and capacity structure within the government (Christensen, 2009), a governance framework reinforces the client capability of the government as owner of the public projects it undertakes.

By looking at three influential schools of thought in public administration, this section has argued that a governance framework for public projects enables greater government legitimacy. First, it allows a secure, centralized political decision-making process; second, it limits individual power by being a regulatory system based on an analytical process; and third, it enhances client capability from the government. The next section tackles the question of accountability.

4.3. Proposition 3 — A governance framework for major public projects can lead to greater government accountability

This section argues that a government might be interested in adopting a governance framework for public projects for greater accountability. Accountability “involves concern for the legal, institutional, and procedural devices by which public servants may be held accountable or answerable for their actions” (Kernaghan, 1978, 2005, p.174). And yet, Kernaghan (Kernaghan, 1978, 2005, p.174) admits that it is becoming increasingly difficult to enforce, because of complex networks rendering it hard to single out specific individuals who have taken specific decisions that have had specific consequences. By looking at New Public Management, New Public Service and New Public Governance, it is argued that a governance framework for public projects can enhance accountability by offering a comprehensive process with clear definition of roles.
and expected outcomes, enhanced transparency and quality assessment of the projects’ documentation.

4.3.1. New public management

Accountability has not only become more difficult to enforce because of increased complexity, but also because of media scrutiny and the negativity bias. People appear to pay more attention to negative than to positive information, so politicians and public servants have developed strategies for avoiding blame (Hood, 2011). Hood (2011) exposes the various mechanisms and strategies for blame avoidance in the public sector for four sets of players (Top/Front-line/Middle level and Civil society): Presentational, Agency and Policy strategies. One example for public organizations is to develop partnership structures in order to avoid blame through shared responsibility and organizational complexity (Hood, 2011). This resonates with Moe’s concern that a ‘third-party government’ might lose much of its decision-making capacity to the private sector: “when a public function is assigned to a private entity, usually through a contract, there is an inevitable weakening in the lines of political accountability” (Moe, 1987, 2012, p.475). In 1990, Aucoin (1990) argued that there was a need for a new emphasis on organizational designs for public management, as public accountability was perhaps chief among issues which had yet to be fully addressed. In a famous article exposing the doctrinal components of NPM, Hood (1991) suggested two premises required for accountability: clear assignment of responsibility for action and clear statement of goals.

Accountability in the public administration is complex and difficult to tackle, and it might be even more so for complex public projects involving many organizations and many players. With the implementation of a governance framework for public projects, a government enhances accountability by providing a comprehensive process, with clear definition of roles and expected outcomes. In their investigation of the Norwegian and the UK governance frameworks, Williams et al. (2010) confirmed the importance of such a framework to support the complexity involved in decision-making, the technology and the contracts of major infrastructure projects. Turning now to the school of thought of New Public Service, accountability from a strictly managerial perspective is broadened to public accountability.

4.3.2. New public service

The school of thought of New Public Service (NPS) extended from Public Administration, asserting that the core of the public administration was democratic citizenship (Denhardt and Denhardt, 2000). The government thus has to serve the public interest and respond to public values (Bozeman, 2007). Thus, the concept of democracy is reemphasized over efficiency, although this latter is redefined rather than rejected. NPS values greater public participation, improved public governance and enhanced transparency (Tait, 1997). With regard to public projects, Flyvbjerg et al. (2003) suggest that democracy and efficiency go along for successful decision-making. They propose four basic instruments of accountability to enhance decision-making: transparency, performance specifications, explicit formulation of regulatory regime, and the involvement of risk capital (Flyvbjerg et al., 2003). Of those, they state that “transparency is the main means of enforcing accountability on the public sector” (Flyvbjerg et al., 2003, p.139).

A governance framework for public projects offers enhanced process transparency. For example, in Norway, since 2002 the Ministry of Finance has been funding an independent research centre, the Concept Research Program, which is based at the Norwegian University of Science and Technology (NTNU). Its mandate is primarily to collect data in order to study the performance of projects subjected to their governance framework, thus enhancing the overall transparency of the process (Samset and Volden, 2013). In the United Kingdom, the state’s governance framework has been subjected to various external organizations, from the National Audit Office to the House of Commons (Committee of Public Accounts, 2012; NAO, 2012). Yet, although some significant improvements have been made with the implementation of a governance framework, there is still room for improvement with greater public participation and scrutiny in the process, notably by giving the public full access to the projects’ documentation and reports (Christensen, 2009).

4.3.3. New public governance

The question of accountability is central in NPG, as it becomes more complex and multi-faced in a fragmented state (Osborne, 2010). Building on a legacy of the NPM and its emphasis on performance management and performance metrics, NPG developed a culture of public performance evaluation (Osborne, 2010). Power (1997) refers to the growing influence of practices of evaluation and inspection as “the Audit explosion.” He argues that its institutional effect has been the “transformation of existing, and the emergence of new, formal institutions for monitoring” (Power, 2003). He also explains that there are two different but convergent bases for the audit explosion, the auditing of performance in the name of efficiency and quality assurance and assessment (Power, 2003). On the downside, the audit explosion has raised the concern of greater risks of an illusion of control (Tremblay and Malsh, 2012). On a positive note however, accountability coupled with organizational learning improves performance in the long-run (Greiling and Halachmi, 2013).

In public project management, delivering quality is essential for added value (Morris, 2013). Especially in the front-end phase of the project, it is crucial to “develop quality control and due diligence to establish just how reliable, or unreliable, the business case, cost-benefit analysis, and social and environmental impact assessment are for a given project, and to decide the implications of this for the project go-ahead” (Flyvbjerg, 2013, p.3). This is exactly what a governance framework for public projects aims to achieve, by assessing the quality of the projects’ documentation. The Norwegian governance framework is even named the ‘Quality Assurance Scheme’ and puts heavy emphasis on project reviews by external experts (Christensen, 2009). Samset and Volden (2013) recognize that the quality of conceptual appraisals has improved over time, along with the quality assurance reports. This reinforces the
value of a governance framework to ensure the quality of project documentation, and also the importance of organizational learning in the process.

This section highlights the potential of a governance framework for public projects for enhanced accountability. By looking at New Public Management, New Public Service and New Public Governance, it has been argued that a governance framework allows for a clear definition of roles and outcomes, enhanced transparency and quality assessment of projects’ documentation. This concludes our main argument as to why a democratic government would adopt a governance framework for public projects. The next section presents a general discussion of those propositions and their relevance to the governance of public projects.

5. Discussion

In light of the results presented above, two main points are discussed here. First, we come back to the objective of the article and argue how the research question has been answered. Second, we discuss the results from a phronetic perspective.

5.1. Theoretical anchoring of governance frameworks for public projects

Whereas project governance has been relatively theoretically developed in the larger field of project management (Ahola et al., 2014), the literature on public administration can deepen our theoretical understanding of project governance applied to governance frameworks for major public projects. The three propositions developed so far have been elaborated on important themes and schools of thought in public administration that have shaped the last century. Public administration as a field of study has always been struggling to define itself as distinct from politics and from private management. The neoliberalism of the 1980s took precedence in governments with the rise of the NPM movement (Hood, 1991). As the issues of private and public management surfaced, along with governance concerns, more emphasis developed around the questions of public governance, with the birth of New Public Governance (Osborne, 2010).

Public administration as a field can certainly enrich our current understanding of project governance, and more broadly the larger field of project management. Hybridization is now advocated for theory building (Boxenbaum and Rouleau, 2011), as well as pluralism to develop the field of project management (Söderlund, 2011). So far, we have been building conceptual bridges between public administration and project governance, which is a first step in that direction. Project governance frameworks are tools which allow the operationalization of project governance (Lascoumes and Le Galès, 2004). Yet, we contend that the relevance of such a tool for a government is multifaceted and encompasses the three dimensions of efficiency, legitimacy and accountability. So far, project governance frameworks have been studied for their results on performance, while other important dimensions have been omitted (Klakegg et al., 2016). This theorization is important to develop, not only for enhancing performance but within a larger perspective. This is in line with stakeholder theory (Eskerod et al., 2015) and consideration of the wider social and environmental impacts of megaprojects (Molle and Floch, 2008).

5.2. Phronetic research applied to governance frameworks for public projects

As stated by Flyvbjerg (2001), phronetic research reflects the values and interests of various social groups. In project management research, contextual thinking has gained importance over the years, bringing to the fore the embeddedness and ‘fit’ of projects in their context and highlighting the importance of learning (Engwall, 2003; Morris, 2013). However, projects do share similarities, by being political (Clegg and Kreiner, 2013) and involving a plurality of stakeholders (Eskerod et al., 2015). According to Winch (2001, p.799), a governance framework needs to be flexible, yet it is “limited by the institutional context within which it trades.” Thus, we adopted in this article the perspective that major public projects are embedded in their institutional framework, and this anchoring at the institutional level requires that cultural and political dimensions be taken into consideration.

Thus, the relevance of a governance framework for a government may vary according to its underlying values. The desirability of such a tool may vary with respect to the three dimensions put forward. As Bemelmans-Videc et al. (2011)’s public policy instruments include regulations/sticks (legitimacy), economic means/carrots (efficiency) and information/sermons (accountability), the combination of those three aspects might be operationalized differently according to the government in place. This is important to keep in mind while doing research in public project governance, as contextualism, reflexivity and interpretation are important for the phronetic researcher.

Our results suggest that while few theoretical developments have attempted to link project governance to public administration, this initial abductive inquiry into theoretical building proved not only to be perceptible but also promising for future developments.

6. Conclusion

This initial theory building used abduction to highlight specific dimensions for which a governance framework for major public projects could be relevant. Our initial research question was: what is the relevance of a governance framework for major public projects? Using abductive reasoning, we suggested three propositions on the dimensions of efficiency, legitimacy and accountability. The main contribution of this article is twofold. First, some conceptual bridges between the interdisciplinary fields of public administration and project management are elaborated, anchoring the concept of a governance framework for public projects within public administration. Second, three propositions have been put forward that will be useful for further empirical research on the governance of major public projects. There are some inherent
limitations with this theoretical discussion, as this abductive theory building has not been tested so far, and as we limited our analysis to a democratic government.

Those three propositions will be validated in a subsequent step. One possibility that could generate rich empirical testing is critical discourse analysis (Mantere and Vaara, 2008; Vaara and Tiernan, 2004). By analyzing the discourse of public administrators and those involved in major public projects, and various documents related to the governance frameworks of major public projects, it would be possible to gain further insight into the justifications and interpretation of those players. By researching the underlying reasons as to why a governance framework is used, the players’ interpretation could not only validate those propositions but also generate a refined comprehension of the phenomenon. The discursive perspective has proven quite relevant so far for social science research and has generated important contributions (e.g. Foucault, 1991; Gregory, 2014; Skelcher et al., 2005).

As we have discussed throughout this article, governments have to adapt to the increasing complexities and challenges brought forward by numerous major public projects. Based on the account of Moore and Hartley (2010), it could be argued that the adoption of a governance framework for public projects is by itself an innovation in governance. This article suggests that a government could find value in a governance framework for major public projects for enhanced efficiency, legitimacy and accountability. This conceptual article is the initiation of a wider academic investigation into public projects, their anchoring in the public sector and values, and will provide many more opportunities to enhance our knowledge of public project management.

Conflict of interest

There is no conflict of interest.

References


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