

Aleksandar Maric¹⁾
Zorana Pavlovic²⁾
Slavko Arsovski³⁾

1) High Technical
Mechanical School of
Professional Studies,
Trstenik, Serbia
alekmaric@gmail.com

2) City Administration
Krusevac, Serbia
zorana83@gmail.com

3) Faculty of Engineering,
University of Kragujevac,
Serbia

IMPROVING THE QUALITY OF ORGANIZATIONAL AND FUNCTIONAL CONCEPTS OF PUBLIC ADMINISTRATION BY INTRODUCING PROJECT FUNCTION

Abstract: Organizations around the world and their stakeholders are becoming increasingly aware of the need for socially responsible behavior and the benefits deriving from it. The goal of social responsibility is to contribute to the sustainable development, all the businesses, government and society, seen through all three dimensions of sustainable development: economic, environmental and social. Within this context, establishment of Project functions in the public sector in the Republic of Serbia may achieve a concrete contribution to the Sustainable Development Strategy. Preliminary solution for project function establishment, presented in this paper, points out the impact and the importance of the project office on the work of local government, in the theoretical and practical terms.

Keywords: projects, project office, the city administration

1. INTRODUCTION

Local governments, in addition to a large number of donations allocated with the aim to fund various programs and projects, are faced with the problem of non-use of the same due to the lack of information, as well as to the lack of an adequate system of creation, planing and successful implementation of projects. The increasing involvement of local government in activities of international cooperation and local development planning, being undertaken at the city level, require better engagement with their local problems and their converting to the form of projects, as well as strengthening the capacity for activating and coordinating of various local and international actors. As one of the

possibilities for utilization of resources and successful implementation of projects is creation, introduction and implementation of project function within local government. Research field of this paper is an analysis of the formation process and practical implementation of the project office as an instrument of the project function, and therefore this paper is directed towards definition of the organizational - personnel structure, importance and functions of the project office in the City Administration. Guided by the examples of good practice of already established project offices in countries of the EU as well as in our environment, this study should determine the potentials which project function can provide in project creation, implementation and monitoring.

2. DEFINITION OF THE TERM OF PROJECT FUNCTION

The project function can be defined as an organizational form, consisted of processes competent in the field of project management, established for the purpose of efficient realization of projects and programs. Also, the project function is defined as an organizational entity which has to provide managerial, educational, consulting and technical support to the project - oriented organization.

3. THE PROCESS OF CREATING A PROJECT MANAGEMENT OFFICE IN THE CITY ADMINISTRATION

3.1 Organizational structure of the city administration of Krusevac

With the aim of efficient definition of the position of the Project function in the City Administration of Krusevac, it is necessary to make a detailed analysis of the organizational structure of City Administration of Krusevac. City Administration is managed by the Head of the City administration, who has its own deputy. The City Administration of Krusevac has seven departments which are organizationally divided into lower organizational units - groups (Figure 1). Departments are managed by chiefs of departments, and groups by coordinators. Communal police is a separate organizational unit of the City Administration, which is managed by the head of communal police.

3.2 Defining the position of project office as instrument of project function in the city administration of Krusevac administration of Krusevac

As it is stated, the City Administration of Krusevac has 7 departments and the

main question that arises is precisely related to the organizational structuring of the Project Office. In accordance with the stated overview of the City Administration of Krusevac, Project Office can be positioned within Department of Finance, Economy and Ecology or within Department of General Administration, Parliamentary Affairs and Joint Services. Department of Finance, Economy and Ecology provide services that are related to local economic development, preparation and execution of the budget, prepares financial plans and monitor their implementation, which is key for planning and implementation of projects of significance to the local community. Efficient project management represents effective mechanism and has a significant contribution to strengthening of economical development. However, Project Office is not closely related only to economic but also to social, environmental, urban, youth, sports development, therefore, to the development in general and consider integrated approach of programs and projects implementation at the community level.

Department of General Administration Parliamentary Affairs and Joint Services provide services related to the preparation of regulations on organization and operation of city administration, improvement of work organization and modernization of the city administration. Since the formation of a Project Office represents modernization and improvement of work organization and for its formation is necessary to have adopted Decision on its establishment, the author believes that the titled Department is the most desirable place for creation of the Project Office. Having in mind that the name of the Department itself relates to the general administration and Joint Services, and Project Office has exactly the task to consolidate projects from different fields and to deal with the general management

of projects in the city of Krusevac; it is considered that the titled department is the most appropriate link with the Project Office.

Based on the above stated observations, follows the creation of the organizational structure of the Department

of General Administration, Parliamentary Affairs and Joint Services (Figure. 2). Since the Department is divided into the lower organizational units - groups, analogous to the stated above, the Project Office is converted to the Project Management Group by its name.

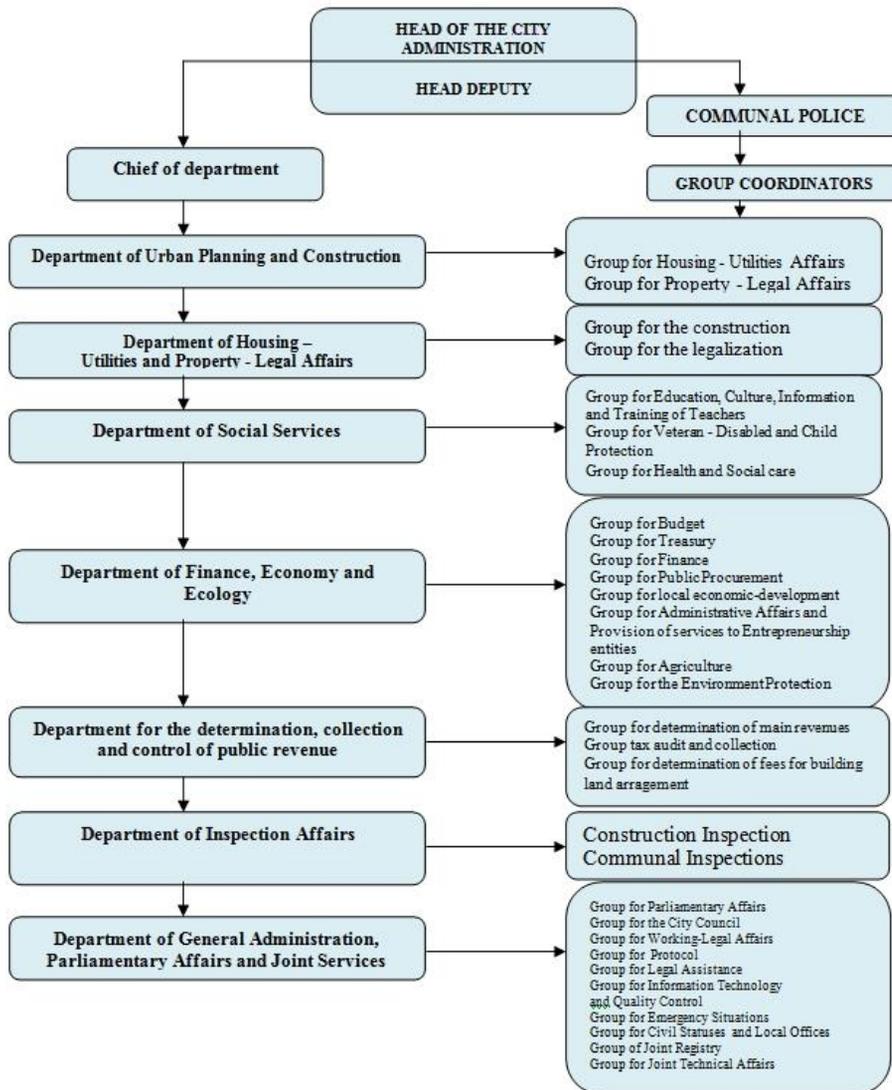


Figure 1. The organizational structure of the City Administration of Krusevac¹

¹ Decision on the organization of the town of Krusevac ("Official Gazette of the town of Krusevac," no. 2/10)

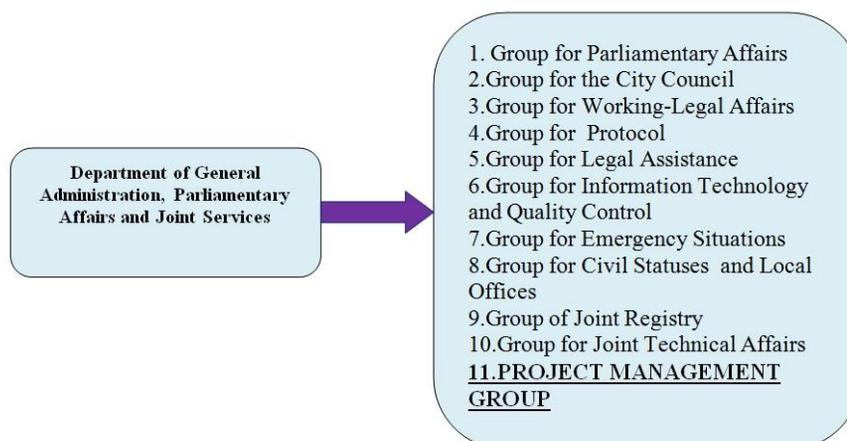


Figure 2. Definition of the organizational context of the Project function

3.3 Organizational and personnel structure of the project office

After defining the position of the Project Office - Project Management Group in the organizational scheme of the City Administration, follows organizational structuring within the Group itself. Project Management Group is managed by the coordinator, who performs the most complex tasks in the field of improvement of project management at the city level. In addition to the coordinator, with the aim of efficient business conduction, five more professional employees are needed:

- 1) Consultant to monitor the competition and to procure funds for projects
- 2) Consultant for design of project
- 3) Consultant for implementation of project
- 4) Expert for financial monitoring, control spending of funds and reporting
- 5) Consultant for translation

With the aim of efficient project planning, it is necessary to establish the Committee for project management at the local level, consisted of competent professionals, who will have a direct collaboration with the Project Management Group. Commission has to be appointed

by the City Parliament. The relation between of the City Parliament, the Commission and the Project Management Group are shown in picture no. 3. The Commission shall appoint the necessary working bodies responsible for specific areas in which projects are developed, where every working body has a chairperson who is responsible for a specific area. In order to have efficient decision-making and meeting of deadlines for projects, it is essential that City Council and Mayor officially verify, by the signature and seal, decisions brought by Commission. The Commission is governed by the Regulation on Commission Activities by which shall working conditions, authorisations and responsibilities of the Commission. Commission for project management as well as employees of Project Management Group should have knowledge of project management, experience of working on projects, capabilities in planning, organizing, implementation of innovative project management models, as well as appropriate professional qualifications and accomplishments in their work. The Commission shall submit plan and working program on an annual level to the City Parliament for inspection.

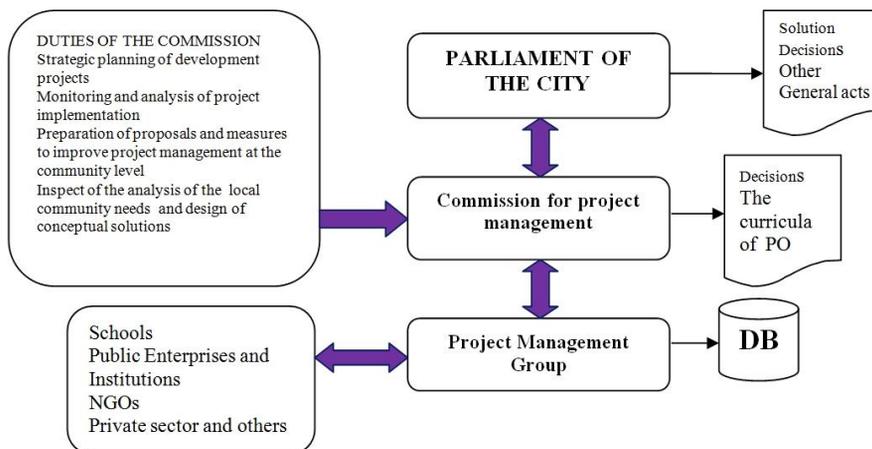


Figure 3. The organizational and informational context of the Group for project management in decision-making structure

3.4 Tasks, objectives and importance of project function

The main tasks of project function are:

- 1) development,
- 2) implementation and
- 3) evaluation and control of projects.

The main objectives of the project function are:

- 1) Improvement of planning, control and implementation of projects,
- 2) Proposing, designing and project management,
- 3) Implementation of the strategic projects of the City of Krusevac,
- 4) Inclusion of local governments into international cooperation and
- 5) Systematization of data on all city projects.

Local government, which has adequate capacities for the adoption and implementation of practical policies, and which is effective and close to the citizens, gives a significant contribution to the community building based on the principles of democracy and decentralization. Thus constituted local government represents one of the key stakeholders of European integrations. Active involvement and participation of local governments in the process of integration implies access to the

various EU funds and partnerships through various cooperation programs. Timely and effective use of opportunities provided by these funds and programs of cooperation represents one of the factors for balanced and sustainable economic and social development of local communities. However, success in obtaining and using of resources from these funds and the positive results of cooperation programs, are not guaranteed by the simple fact that local governments have the opportunity to participate in them. It is necessary to fulfill organizational preconditions for the sake of involvement in this process, to undertake the appropriate preparatory actions at the local level and to establish good cooperation with the central government. Project function plays an important role in creating a modern and successful local government that provides funds to finance development projects to improve local communities.

3.5 Process of project function establishment

The key steps in the establishment and implementation of Project function are:

- 1) Decision on the establishment of the Project Management Group and

- provision of adequate human resources
- 2) Adoption of the Act on organization and classification of working places in the Project Management Group
 - 3) Provision of office space in the City Administration
 - 4) Supply of office furniture and computer equipment (6 computers and 2 printers)
 - 5) Training of employees according to the program of the International Project Management Association (IPMA)
 - 6) Realization of project tasks and activities.

4. CONCLUSION

The preliminary solution on establishment of project function in the City Administration of Krusevac was given on the basis of detailed analysis of functional and structural elements of the administration, while respecting the

strengths, weaknesses, opportunities and threats that properly structured Project Management Group has in terms of project management as well as in improvement of local government work.

Project Office should become part of the City Administration of Krusevac, which represents a huge challenge and a feat, considering that the process of introducing innovation in public administration is a very specific and slow. A key role for the successful realization of this project would have the City Parliament, City Council, Mayor and Head of the City Administration which should give, in addition to importance promotion, support

to the human resources, which would be reflected above all in the recruitment, engagement and training of project managers, which would gradually lead to a change in attitudes and creation of innovative awareness, in terms of importance of project and finance management.

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