



Emerging Markets Queries in Finance and Business

The Use of a Project Management Application in Managing Investments in a Public Administration Institution

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Abstract

Modern theoreticians emphasize that management is required in all modern organizations, economic or not, possibly being even more necessary in organizations that have no economic character, such the state institutions as they are not governed by the principle of profit and loss. Hence, research in the field of project management within the institutions of public administration is a potentially fruitful one, as shall be seen from the project management application in managing investments in the public administration in the present study. the methodology includes the best known scheduling techniques in project management: Gantt and the Critical Path Method (CPM). Results emphasize the important role of these methods. As an outcome of project implementation, it is expected that the Romanian public administration will be to a larger degree in the service of the citizen and more positively perceived by him or her, more involved in several basic areas of public life.

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Selection and peer-review under responsibility of the Emerging Markets Queries in Finance and Business local organization

Keywords: public institutions; organizational change, project management, Gantt chart, CPM, functional analysis

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1. Objectives of this paper

In the first place, we shall nominate through the FAST method the main and secondary functions that a product of public administration must achieve, in our case a children's playground (park). Secondly, to assess the manufacturing duration and to identify the critical activities from the execution project of children's playground knowing their activities and durations. In this respect, a network chart is designed according to the listed activities and the events identified, then the formulas are applied for the calculation of the events' minimal and maximal terms.

2. Research Methodology

The main work methodology used consists in utilizing project management. According to the European Commission (Măuțan, 1999) interpretation "the project is a program subdivision, having a temporal limit (usually one year) in comparison with long term, sometimes undefined temporal constraint programs; the project has budget limits whereas the program has a global, adjustable budget; the project has a local impact while programs have a more general character." The main advantage of developing a project within the programs managed by local, national or international institutions is that the funding is ensured by an authority interested to solve a problem, with the compliance of contractual obligations: meeting the quantitative and qualitative objectives on time and within the funds allocated. The methods of the Critical Path (CPM) and the Gantt Chart are presented within the application of the project management in managing investments in the public administration field.

3. Project Management and Public Administration

Peter Drucker highlighted that "...management is required in all modern organizations, regardless of whether or not economic. In fact I realized that it is more necessary in organizations that have no economic character, such as those that do not have a financial profile (the so-called social sector or state institutions). They need management as they are not subject to the discipline imposed by profit and loss." Drucker, 1996. Management is the science that makes it possible to put individual skills into organizational objectives. Project management is much discussed today, as it can be seen from the specialty literature, Lock, 1996, Marian, 2011, et al.

The set of institutional units that deliver public services (non-marketable) and redistribute the income and gross national product form the public administration of a state. The public administration institutions can be central (ministries), territorial (county councils, mayor halls, county school inspectorates) and of social insurance (Health Insurance House). They also include schools, hospitals, theatres, museums, public libraries, military units, police; they are all managed by local communities according to the decisions of locals elected and funded by the related administration funds.

The structure of a public institution and its leading board is directly influenced by the services delivered during a certain period of time and the available funds. Therefore, for this type of institutions budgetary management is used, being imperative (cost categories for certain activities have to be respected) and indicative (contains a series of estimates on foreseen revenues and required expenditures).

The total of expenditures cannot exceed the organization revenues for a certain period of time. The budget from previous years represents model patterns for the following year so as based on the experience acquired to make improvements in accordance to the structure, intensity and variation of activity volume and previous activity framing. Thus, in routine, bureaucratic activities carried out by public institutions, budgetary management on functions and traditional services proves to be useful, easy to plan and manage, with real chances to ensure the organization's efficiency. However, a public institution faces permanently a series of internal and external challenges, the occurrence of needs that require reorganization, changes, diversification, modernization or adaptation. In this regard, there is no precedent as some activities are totally or partially new

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