



A Comparative Analysis of Project Management Practices in Government and Private Organizations in Nigeria

Frank Alaba Ogedengbe

Department of Business Administration, Faculty of Management Sciences, Nile University of Nigeria, Abuja

***Corresponding Author:** Frank Alaba Ogedengbe, Department of Business Administration, Faculty of Management Sciences, Nile University of Nigeria, Abuja

Abstract: This study, “a comparative analysis of project management practices in government and private organisations in Nigeria”, bothers on the sphere of project management. It examines the various approaches employed by government and private organisations in the management of their projects. The study seeks to identify, scrutinize, and compare the factors influencing project management methodologies utilized in these two distinct sectors, to enhance understanding of the dynamics that regulate project management. This study employs purely but comprehensive literature review, by comparing project management practices in government and private organizations. The study endeavours to highlight key differentiators, challenges, and best practices that contribute to project success or failure in each context. The findings provide valuable insights into the unique constraints faced by government parastatals, such as bureaucratic structures, political influences, and budgetary constraints, and how these factors impact project planning, execution, and delivery. The implications of this research extend to policymakers, project managers, and organizational leaders seeking to optimize project outcomes in both sectors. With the understanding of the specific challenges and opportunities associated with project management in government and private settings, stakeholders can develop tailored strategies that align with the distinct features of the varying environment, thereby contributing to improved project performance and overall organizational performance.

Keywords: Project Management Practices, Government Parastatals, Private Organisations

1. INTRODUCTION

Both government parastatals and private companies, require project management to successfully complete their projects (Zasa et al., 2020). This entails the interplay of information, skills, resources, and procedures used to meet project needs and accomplish desired goals within predetermined boundaries. Effective project management techniques are crucial for driving organizational performance and maximizing project outcomes, whether the projects are for building infrastructure, promoting public health, or private sector efforts. Project management is essential for the effective execution of public initiatives, policies, and programmes in government parastatals (Lehtinen & Aaltonen, 2020). These groups frequently take on large-scale initiatives with sizable budgets, intricate stakeholder environments, and varied societal implications.

The development of public infrastructure, the implementation of social welfare initiatives, or the conduct of public awareness campaigns are some examples of projects. Government projects must be carried out with accountability, openness, and the best possible use of public funds. Project management is a key component of the growth, innovation, and competitive advantage of private companies in a variety of industries. Projects form the backbone of all private sector activity, whether they involve the creation of new products, the implementation of IT systems, or the execution of strategic initiatives. Methodologies for project management offer systematic ways to plan, carry out, and keep track of projects, assisting businesses in achieving their goals while staying within the parameters of cost, timeline, and quality. The success of an organization is facilitated by effective project management, which raises customer satisfaction and boosts operational effectiveness.

The unique characteristics of project management in government parastatals and private organizations require tailored approaches and practices. Projects under government parastatals may encounter additional difficulties like bureaucratic procedures, political pressures, and strict restrictions. In this

situation, managing risks connected with public investments and negotiating complicated stakeholder relationships are all essential components of effective project management. To solve these difficulties, approaches and practices created expressly for the public sector are needed. According to Musawir et al. (2020), project management in private businesses places a strong emphasis on resource optimization, risk control, and customer satisfaction. Numerous stakeholders, short timelines, and the need to reconcile conflicting agendas may be present in private sector initiatives. Lean principles, design thinking, and agile project management processes are frequently used to ensure flexibility, adaptation, and value generation in a dynamic business context.

Organizations can use best practices and techniques promoted by industry experts and professional organizations to ensure project success in both government parastatals and private enterprises. These materials offer frameworks, standards, and recommendations that assist project managers in navigating difficulties and achieving desired results. They provide a thorough road map for implementing project management in an efficient manner by covering issues including project initiation, planning, execution, monitoring, and control. Project management is therefore essential for private-sector organizations and parastatals of the government. It makes it possible to execute projects effectively, optimize resources, minimize risks, and satisfy stakeholders. Organizations can improve project results, drive organizational success, and aid in societal development by implementing project management best practices and approaches that are specific to their respective settings.

This review made a comparison of project management in government parastatals, also known as public sector projects, and private organizations based on their varied characteristics and features. The comparison was based on organizational culture, organizational objectives, decision-making processes, funding and budgeting, risk management, stakeholder engagement, and project governance and accountability, to mention a few.

2. REVIEW

2.1. Project Management

Project management is the technique of arranging, planning, and supervising a given project's execution from beginning to end. To make sure that everything is done on schedule, within budget, and to acceptable quality standards, it entails defining the project goals, identifying the resources needed, setting timetables and budgets, and managing the project team. According to what is project management (2023), to deliver something of value to people, project management uses a variety of specialized knowledge, abilities, tools, and procedures. Projects include varieties of issues like, the creation of software for enhanced corporate processes, the construction of a building, the relief effort following a natural disaster, and the growth of sales into a new geographic market.

2.2. Government Agency Project Management

To accomplish certain goals and objectives within a specific timeframe, project management in government parastatals entails planning, organizing, and coordinating resources. Government projects are expected to be delivered on schedule, within budget, and with the required level of quality. Strong project management within government organizations contributes to making sure that taxpayers' funds are used effectively and efficiently. In a similar vein, monday.com, (2022) notes the significance of competent project management in the management of government organizations, whether at the state or federal level, to guarantee that specific government programmes are both effective and cost-efficient.

Government employees utilized project management in project-based work, they use it more frequently to advance projects. Project management is being utilized at all levels of government and in all industries to deliver value for money projects. According to Government Project Management 101 Smartsheet Government Project Management 101 | Smartsheet, (2023.),

Government organisations outsource increasing work to private contractors, which necessitates the management of both the contractors and the employees of the government to advance projects.

Project management provides a foundation for better customer service, which is increasingly crucial within government agencies.

Government organisations strive to employ excellent project management to demonstrate their own worth and viability.

Government organisations, like the business sector, are required to provide 24/7 secure public access to data, which calls for more productive work.

2.3. Project Management in Private Organization

Planning, arranging, and coordinating resources are all part of project management in private organizations with the aim of achieving goals and objectives within a predetermined timeline. To deliver goods, services, or activities that aid in the achievement of private businesses' commercial objectives, project management is used. An organization's ability to deliver projects on schedule, within budget, and with the needed level of quality is aided by effective project management.

Project management is enforced by observing the following:

Define Project Scope: To make sure that everyone involved in the project is working towards a same goal, it is crucial to clearly define the project's scope, objectives, and deliverables.

Develop a Project Plan: The tasks that must be done, the resources needed, the deadlines, the milestones, and the hazards connected with the project should all be included in a thorough project plan. As the project advances, this strategy should be periodically examined and updated.

Allocate Resources: For the project to be completed on schedule and within the allotted budget, sufficient resources must be allocated. This covers individuals, tools, and resources.

Identify and Manage Stakeholders: Stakeholders in private organizations include customers, employees, suppliers, shareholders, and regulators. To make sure that stakeholders' requirements and concerns are considered, it is crucial to identify and manage their expectations throughout the project.

Manage Project Risks: To prevent or lessen possible issues that could develop during the project implementation, risks related to the project should be recognized and handled.

Monitor and Evaluate Project Progress: It is crucial to regularly monitor and assess project progress to make sure it is on track and that any problems are found and fixed as soon as possible.

Communicate Effectively: To ensure that all stakeholders are informed about project progress and any changes or problems that may develop, effective communication is crucial. Throughout the project, routes of communication should be established and maintained.

Generally, a disciplined approach to project planning, implementation, and control is necessary for effective project management in private enterprises. This will make it easier to guarantee that projects are completed effectively and that the intended results are obtained. Additionally, effective project management aids firms in streamlining processes and achieving their strategic objectives.

2.4. Project Management in Government Parastatals and Private Organizations

While project management principles apply to both government parastatals and private organizations, there are notable differences in how project management is practiced in these two contexts (Tereso et al., 2019). A detailed comparison highlighting key aspects of project management in government parastatals and private organizations is provided as follows:

2.4.1. Organizational Culture

In both government parastatals and private enterprises, organizational culture has a significant impact on how projects are managed (Qiu et al., 2019). Government parastatals frequently have a bureaucratic culture that prioritizes laws, rules, and organizational hierarchy. As a result, stringent adherence to the rules and regulations established by higher authorities is frequently required for project management in government parastatals. Accountability, openness, and effective use of public resources are prioritized. Private businesses, on the other hand, frequently have more adaptable and creative cultures that value risk-taking, inventiveness, and agility. Customer expectations, market trends, and organizational goals all influence project management in these firms. The focus is on efficiency, quality, and providing customers with value.

Due to the public nature of their job, government parastatals often have a lower risk tolerance than other organizations. Frequently, the emphasis is on limiting potential negative effects and making sure that public monies are used responsibly. Private organizations, on the other hand, are typically more risk-tolerant because they are motivated by profit and competitiveness. To get a competitive advantage and accomplish their corporate goals, they could take calculated risks. It is encouraged to think creatively and entrepreneurially (Kloppenborg et al., 2019).

Government parastatals frequently focus on compliance, service delivery, and adherence to predefined targets and goals when it comes to performance measurement. Legislation or government regulations may specify evaluation criteria (Pollitt, 2018). However, private organizations typically adopt performance measures aligned with their business objectives and market competition. Financial metrics, customer satisfaction, and project success are commonly used to evaluate performance (Harrison & John, 2019).

2.4.2. Organizational Objectives

Project goals might vary greatly between government parastatals and private businesses. Public goals and the interests of citizens motivate government initiatives. Government representatives, regulatory organizations, taxpayers, and members of the public are the main stakeholders. Social effect, service delivery, and adherence to laws and regulations are used to gauge project success (Kerzner, 2017). Examples include the development of public facilities, the delivery of social welfare programs, and the implementation of public health initiatives. The provision of public services to residents and addressing the demands of society at large are the main priorities. Projects in private organizations, on the other hand, are focused on organizational development, innovation, and competitive advantage. Projects in the private sector are in line with business goals, profitability, and client pleasure. Stakeholders typically include company executives, shareholders, customers, and employees. Project success is measured based on financial returns, customer satisfaction, market competitiveness, and meeting strategic goals (Pollitt, 2018).

Additionally, government parastatals frequently under pressure to manage expenses and work within a tight budget. In these organizations, project management must strike a compromise between the requirement to properly manage resources and the need to offer public services. Projects may be judged according to how well they meet their objectives while staying within their allocated budget. Private firms, however, handle expenses primarily with an eye toward making money. In these businesses, project management is frequently focused on maximizing revenue and cutting expenses. Based on their contribution to cost reduction and revenue growth, projects can be judged (Kloppenborg et al., 2019).

In addition, government parastatals may have goals for innovation and expansion, but these are frequently secondary to their main goal of providing public services. Rather than looking into new markets or business models, project management in these businesses might be focused on developing more effective and efficient ways to deliver services (Cepiku, 2013). On the other hand, growth and innovation are frequently the priorities of private firms. Developing new goods, exploring new markets, and implementing new technology may all be the focus of project management in these firms. According to Kerzner (2017), projects may be judged according to how likely they are to provide future revenue and support the sustained expansion of the organization.

2.4.3. Decision-Making Processes

Government projects frequently include several levels of bureaucracy, public input, and adherence to legal and regulatory frameworks to make decisions (Picciotto, 2020). Political factors, popular opinion, and the requirement for accountability and openness may all have an impact on decisions. But in private businesses, decision-making is frequently more simplified, with an emphasis on effectiveness and achieving economic objectives. The organization's strategic aims, market demands, and financial concerns all influence decisions. To keep a competitive edge, it is frequently urged to be agile and quick to make decisions. Like this, government parastatals frequently have hierarchical structures for decision-making. Multiple levels of management may need to approve decisions, or they may need to go through a formal process involving numerous stakeholders and following legal requirements. As a result, decisions could take longer to make and might place more importance on

conformity and following rules and regulations. In contrast, private firms frequently use a more decentralized method of decision-making. Project teams or individuals with the relevant experience and responsibility may be given the power to make decisions. This enables project management to make decisions more quickly and with more flexibility (Kloppenborg, 2019).

Equally, risk management in government parastatals often involves a conservative approach due to the need to minimize potential negative consequences and ensure the responsible use of public funds. Decision-making processes may involve thorough risk assessments and extensive stakeholder consultations to mitigate risks (Pollitt, 2018). However, private organizations tend to exhibit a more entrepreneurial and risk-tolerant approach to decision-making. They may take calculated risks to gain a competitive advantage and achieve business objectives. Decision-making processes may involve a focus on risk analysis, but with a greater emphasis on potential rewards and innovation (Kerzner, 2022).

2.4.4. Funding and Budgeting

According to Müller et al. (2019), funding and budgeting for projects in government parastatals and private companies might vary in terms of the funding sources used, the budget that is allocated, and financial management. Projects in government parastatals are frequently sponsored through public money, grants, and loans. The allocation of funds is frequently influenced by political factors and public priorities and is subject to stringent rules. Accountability, openness, and effective use of public resources are frequently emphasized in financial management. Projects in the private sector, however, are frequently financed through bank loans, internal funding, or private investment. Organizational goals, market dynamics, and investor expectations all influence the funding process. Financial projections, ROI analysis, and project feasibility evaluations all influence budgeting. Financial accountability is primarily to shareholders and investors.

In terms of budgeting, the process used by government parastatals is convoluted and frequently bureaucratic. It necessitates abiding by legal and financial requirements as well as government laws. Annual budgets are often created, evaluated by several levels of approval, and affected by political factors. Private businesses, however, have more latitude in their budgeting procedures. Based on their strategic objectives, the state of the market, and their financial resources, they can develop budgets. The procedure is typically more simplified, and the management or board of directors of the firm is typically in charge of making decisions. Regarding budget constraints, budgets for government parastatals are often constrained by political priorities, limited resources, and public scrutiny. These constraints can affect the scale and scope of projects.

Additionally, changes in government policies or economic conditions may impact budget allocations and project funding. Conversely, private organizations face budget constraints primarily driven by market forces and financial viability. Private entities have more autonomy in reallocating resources or seeking additional funding to support their projects. They can prioritize projects based on profitability and return on investment. Government parastatals have a higher level of accountability due to their stewardship of public funds. They are subject to stricter reporting requirements, audits, and oversight by government agencies or legislative bodies. Transparency and adherence to public procurement procedures are crucial in project execution. But, private organizations have accountability obligations that are generally subject to less external scrutiny compared to government parastatals. Reporting requirements may vary depending on the industry, stakeholder expectations, and regulatory compliance. Accountability is primarily driven by the organization's internal governance mechanisms.

Therefore, project management in government parastatals and private organizations differs significantly in terms of funding and budgeting. Government parastatals rely on public funds and are subject to complex budgeting processes with tighter accountability and reporting requirements. Private organizations have more flexibility in their budgeting, prioritize profitability, and are accountable primarily to their stakeholders. The nature of funding, budget constraints, and risk management approaches reflect the distinctive characteristics of each sector.

2.4.5. Risk Management

Government projects often involve greater risk exposure due to the scale, complexity, and societal impact. Risks may include political interference, changing regulations, public resistance,

environmental considerations, and budgetary uncertainties (Kerzner, 2019). Risk management involves assessing political, social, and economic risks and developing strategies to mitigate them. On the other hand, private sector projects face risks associated with market dynamics, competition, technological advancements, and financial viability. Risk management focuses on identifying and mitigating risks that may impact project profitability, customer satisfaction, and business continuity. Market research, competitor analysis, and financial risk assessments are key aspects of risk management.

Similarly, government parastatals operate within a framework of regulations, policies, and guidelines. Risk management practices are often influenced by compliance requirements imposed by regulatory bodies. These regulations ensure transparency, accountability, and adherence to specific protocols. On the contrary, private organizations have more flexibility in defining their risk management practices (Mesa et al., 2019). They are guided by industry standards and best practices but have fewer regulatory constraints compared to government parastatals.

Furthermore, government organizations often serve a diverse set of stakeholders, including the public, government officials, and interest groups. Risk management practices in parastatals need to consider the expectations and demands of these various stakeholders. However, private organizations primarily focus on delivering value to their shareholders and clients. Risk management practices are aligned with meeting profitability targets, customer satisfaction, and maintaining a competitive advantage. Stakeholder expectations are more narrowly defined. Government parastatals operate in the public eye and are subject to higher levels of scrutiny and public accountability. Risk management practices must be transparent, well-documented, and auditable. They may require periodic reporting to government bodies, auditors, or oversight committees. But private organizations have less public scrutiny, although they still need to be accountable to their shareholders and customers. Risk management practices may be more focused on protecting the organization's reputation, intellectual property, and trade secrets.

Hence, while risk management is an essential aspect of both government parastatals and private organizations, the context and considerations differ significantly. Government parastatals operate within a more regulated environment, serving a broader range of stakeholders and emphasizing public accountability. Private organizations have greater flexibility in defining risk management practices, with a primary focus on financial goals and stakeholder value.

2.4.6. Stakeholder Engagement

Stakeholder involvement in projects in government parastatals and private organizations can differ in terms of the number, complexity, and diversity of stakeholders involved (Biygautane et al., 2019). In government parastatals, projects often involve multiple stakeholders with diverse interests and priorities. Stakeholder engagement is critical for managing public expectations, gaining support, and addressing concerns. Public consultations, transparency, and open communication are emphasized. Examples include government agencies, elected officials, civil society organizations, and the public. Stakeholder involvement is crucial to ensure that projects align with public interests, meet societal needs, and foster public trust.

In contrast, private sector projects may involve fewer stakeholders with clearer interests and priorities. The primary stakeholders in private organizations are typically customers, shareholders, and employees. Stakeholder involvement is focused on meeting customer needs, maximizing shareholder value, and ensuring employee engagement.

2.4.7. Project Governance and Accountability

Project governance in government parastatals and private organizations can differ in terms of decision-making processes, project oversight, and performance management (Gasemagha & Kowang, 2021). In government parastatals, project governance is often subject to bureaucratic procedures, political considerations, and public scrutiny. Government projects require extensive reporting and accountability mechanisms to ensure transparency and compliance with regulatory frameworks. Regular reporting to government bodies, audits, and public disclosures are common practices to ensure accountability. Decision-making processes are often centralized, and project oversight is conducted by multiple layers of authority. Performance management is often focused on meeting public expectations, ensuring transparency and accountability, and measuring societal impact.

In contrast, private sector project governance is often driven by market competition, organizational hierarchy, and performance indicators. Decision-making processes are more streamlined, and project oversight is typically conducted by project sponsors or senior management. Reporting in private organizations is primarily directed toward internal management and shareholders. Reporting focuses on project progress, financial performance, and compliance with internal policies. Accountability is primarily to company executives and shareholders. Performance management is focused on meeting customer requirements, achieving project objectives, and delivering value to stakeholders.

Another characteristic of government entities is their hierarchical governance structure. Multiple layers of management are involved in projects' oversight, and various committees or departments frequently share decision-making responsibility. Government policies, laws, and regulations may all establish governance frameworks. The governance structure of private firms, on the other hand, is typically more streamlined and is frequently centred around a board of directors or executive management team. Usually, the decision-making power is concentrated around a smaller number of people who are responsible for the project's results. The corporate structure and internal policies of the firm have an impact on the governance system.

Due to the open nature of their activities, government entities also have built-in accountability systems. They are the focus of internal and external bodies' audits, inspections, and evaluations. Accountability is essential at all levels, including financial management, following rules, and completing projects in accordance with government goals. However, internal, market-driven accountability procedures are common in private firms. Management is held responsible by shareholders and investors for achieving results and hitting financial goals. Accountability may also include adhering to legal and ethical requirements, contractual commitments, and industry standards.

In a similar vein, due to public accountability, government institutions are frequently expected to maintain a high level of transparency and reporting. They must provide regular updates, reports, and financial statements to various oversight bodies, auditors, and the public. Transparency is crucial to maintain public trust and confidence. However, private organizations may have reporting obligations to regulatory authorities, their transparency requirements are generally less stringent compared to government parastatals. Transparency and reporting practices are tailored to meet the needs of shareholders, investors, and other contractual obligations.

Therefore, project governance and accountability differ in government parastatals and private organizations. Government parastatals have a more complex governance structure, engage a broader range of stakeholders, and are subject to stringent accountability mechanisms and public scrutiny. Private organizations have a more streamlined governance structure, focus on specific stakeholders, and are accountable primarily to shareholders and investors.

3. CONCLUSION

Project management in government parastatals and private enterprises shares similar concepts but varies in terms of, among other things, organizational culture, project objectives, stakeholder involvement, finance and budgeting, and project governance. Government initiatives typically have a public focus, include many bureaucratic levels, demand adherence to legal and regulatory frameworks, and place a high priority on accountability and openness. Contrarily, initiatives in the private sector are more likely to be in line with corporate goals, concentrate on efficiency, profitability, and customer happiness, and call for swift decision-making and agility to keep a competitive edge. Effective project management is necessary in both sectors to ensure successful project outcomes, but knowing how project management differs in public and private enterprises can assist project managers deal with the difficulties of each. To adapt their methods, methodology, and practices to the unique demands and settings of government parastatals and private businesses, project managers must have a thorough understanding of these variances.

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AUTHOR'S BIOGRAPHY



Operations Management.

Frank Alaba Ogedengbe, currently a Senior Lecturer in the Department of Business Administration. Lectures Management courses both at Graduate and Undergraduate levels. Lectures courses like Quantitative Analysis, Operations Research, Project Management and Operations/ Production Management. Has over forty peer reviewed articles published in both local and international journals. Has attended several conferences both local and international. Research Interests are in the areas of Project Management, Quantitative Analysis, Production and

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