

Projectification of the European Union and its implications for public labour market organisations in Poland

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Abstract

This article contributes to the understanding of the changes that projectification — strongly reinforced by the European Union (EU) — causes in public labour market organisations in Poland. The introduction of project work to the hitherto hierarchical organisational structures found in public organisations influences them. There is, however, a research gap on how changes at the macro level affect individual public organisations and how these organisations change due to the introduction of project work into their structures. The purpose of this paper is to illustrate changes in Polish public labour market organisations caused by projectification. The author draws on a set of quantitative and qualitative data that include a survey conducted in 57 public local organisations as well as interviews conducted at 10 public offices at local and regional levels. A sequential mixed methods approach was used. The results indicate that projectification due to the EU caused changes in organisational structures of public organisations and influenced the selection of the projects. In particular, the findings relating to projectification of the EU and its impact on public labour market institutions in Poland deepen previous research by identifying the specific changes occurring at the level of individual public organisations. These changes are diverse in nature, yet the most important of these relate to the adaptation of organisational goals to the objectives of the grant applications as well as to the changes in organisational structures. The study also illustrates that while EU-funded projects are almost always completed on time, do not exceed their budgets, and achieve the indicators of the EU programs, such projects do not always provide the value that a local community would expect. Therefore, there is a need for the EU to not only assess project success on time, cost and quality measures, but also to assess project success on local impact and value created for stakeholders.

Key words: projectification, projectification of the European Union, public sector project management

Introduction

The variability of environment has forced public organisations around the world to adapt many of the methods used in business (Denhardt & Denhardt 2007; Levy 2010; Osborne & Gaebler 1992) including project, program and project portfolio management (Wirick 2009). In the European Union (EU), we can observe that the transformation of the public sector in particular countries is driven by mega programs and aims to harmonise the methods of public management in all member states. EU policy is implemented through programs consisting of thousands of projects. As a result, the projectification of the public sector (Godenhjelm, Lundin & Sjöblom 2011) in EU member countries has become a reality. In Poland, after accession into the EU, public organisations began a

large number of projects in a very short period of time. During the years 2004–2012 over 80 billion euro was allocated to Poland to be spent on projects. This projectification process had to influence organisations, especially Polish public organisations which to a large extent were not familiar with project management. According to general system theory, introduction of changes in single elements (eg, technical or social structure) cannot remain without influencing the entire organisational system (Bertalanffy 1984). Organisations can either change, develop, mature existing structures or keep complicating them to counteract emerging tensions. Following Morgan's statement that organisations are dynamic, complex systems with the ability to self-create (autopoiesis) and to learn, and that organisations transform together with their environment (Morgan 2005), public organisations are changing under the influence of the projectification of the EU. However, researchers' attention has been focused on the results of the EU programs, not the changes that occur in the organisations that contribute to the programs (eg, Kluve 2010; Luukkonen 1998; Casey & Gold 2005; Bradley 2006). This area has not as yet been the subject of scientific reflection. It is important to study this area due to the size of this phenomenon, the number of projects and the amount of EU funds spent on projects not only in Poland, but also in other member countries. The introduction of project work to the hierarchical organisational structures found in Polish public organisations causes organisational problems and tensions, often multiplies costs, and increases employment (Batko 2009). There is a research gap on how changes at the macro level affect individual public organisations and how these organisations change because of the introduction of project work to their structures. The purpose of this paper is to show some of the changes in Polish public organisations that have been caused by the projectification of the EU.

Projectification

The term *projectification* first appeared in the literature in the 1990s, when Midler (1995) used it to describe the changes towards project orientation in Renault. The meaning of projectification (as used by Midler) is that an environment is recreated in order to support projects in various ways. Godjenheim, Sjöblom and Lundin (2011) write, "One meaning of the word *projectification* is that some kind of work within a company or within some other organisation is transformed to be run as a project". Bredin and Söderlund (2011) define projectification as a move from repetitive production to non-routine work processes and the use of temporary projects.

The phenomenon of projectification was first observed and described at the level of organisations (companies), then extended to the level of society (Kuura 2011). In 2002, Gareis expanded the notion of "project orientation" from a single organisation to the level of society. According to Gareis (2002), "a society which applies projects and programs frequently, and which provides project management-related education, research and marketing services, can be perceived as a project-oriented society". Hodgson and Cicmil (2008) underline that projectification applies in the extreme the colonisation of all aspects of life to project-related principles, rules, techniques and procedures. Kuura (2011), based on previous work by Maylor et al (2006), also redefines the concept of projectification in relation to three levels: societal projectification, organisational projectification and personal projectification.

The projectification of the public sector is a trend that is permanently inscribed in the changes occurring in the EU environment. Andersson, Eklund and Lehtola (2007) notice that the EU Interreg Programmes were governed by and through programs and projects and were central devices in the “projectification turn” of public administration in all EU member countries. Lundin (2011) also notes the role of the EU in the continuing projectification of the world. In their work, Kovach and Kucherova (2006, 2009) show that the projectification of the EU led to the emergence of a new social class in Central and Eastern Europe — the “project class”, whose general function is mediation in the redistribution of public and private development funds and the transfer of materials, ideas, knowledge and power. Cicmil, Dordevic, and Zivanovic (2009) also give an interesting example of how adoption and implementation of project management in local organisations in Serbia are influencing the overall process of economic, political, institutional and social transformation in the region.

Andersson (2009) notes that although project management pervades contemporary public administration, it has thus far not been the subject of many studies and analyses. This can be demonstrated especially with the EU and its regional development apparatus, which is based upon projects but which gives them very little attention. At the same time, Kuura (2011) points out that projectification, including the proliferation of temporary organisations, holds a significant place in contemporary public administration. A similar position is represented by Godjenheim, Sjöblom and Lundin (2011), who mention the way in which regional policies of the EU are implemented and so become a driver of projectification in the European public sector. In their pioneering work on the projectification of the EU, the authors emphasise the great impact the manner in which EU policy is implemented has on changes in the public sector. They argue that EU policies are then adapted into strategies of the national ministries and further into short-term action plans, which in turn are transferred to goals and action plans of municipalities and regional and sub-regional administrations. Importantly, they indicate that all the project applications prepared at a regional/local level have to be in line with very formal and very restrictive calls provided for on the European level.

The impact that the EU has had in terms of projectification on member countries can be regarded as extensive. In the financial period 2007–2013, the EU’s budget amounts to EUR 864.4 billion (Communication Department of the European Commission). Close to 80% of the total EU budget goes back to member states in the form of structural funds, cohesion funds and agricultural subsidies. At the same time, as Godjenheim, Sjöblom and Lundin (2011) underline, it is very hard to actually measure the scale of projectification in Europe for the simple reason that such data are not collected on a regular basis.

Changes of the public sector

Territorial self-government units are the largest EU funds beneficiary group in Poland. Previously operating on the basis of typical bureaucratic rules and having the characteristic linear structures of governance, they have changed dramatically over recent decades. The search for new management solutions in the public sector in the context of the changing role of the state in socioeconomic life is mainly focused around the denial of the Weberian bureaucratic model, procedurally rational government, and replacing it

with a managerial model of public management (Hausner 2008). Izdebski and Kulesza (1998) write that modern administration is becoming less “focused on standards and procedures” and more focused on problem solving and the implementation of projects and programs. However, for many years both scientists and practitioners have been raising the question of whether the methods, techniques and tools for improving efficiency of the organisation, previously proven in enterprises, can be employed in the public sector.

In the 1980s, the concept of New Public Management (NPM) became widespread, mainly in Anglo-Saxon countries (Ridley 1996). This concept undoubtedly contributed to the dissemination of project management methods in the public sector — one of the implications of the NPM movement is the proliferation of business techniques applications by undertaking a project (Arnobaldi et al 2004). Over the past 20 years, the NPM was one of the dominant paradigms of the theory and practice of public management (Levy 2010). According to NPM, public sector managers interested in performance began to restructure the bureaucratic agencies, streamline processes and decentralise decision making (Denhardt 2011). In their book, *Reinventing Government*, Osborne and Gabler (1992) presented the principles of NPM, which relate to market orientation, management of customer needs, competition in the provision of services and governance-oriented mission. According to Denhardt (2011), although the concept of NPM has been successfully implemented in some countries, it has some limitations. The business-value ratio in the public sector carries important and troubling questions about the appropriateness of such activities. Currently, public management scholars tend to agree that the management rules cannot be directly transferred from the business sector; they must instead be adapted in order to fulfil the specific needs of public organisations. That is why, in the meantime, alternatives to NPM have appeared: New Public Service, for example, whose main assumptions are not based on economic concepts such as to maximise their own benefit (Denhardt & Denhardt 2007), or “Good Governance” (Bogason 2006; World Bank 1989). It is frequently underlined that in addition to the acquisition of private sector management tools such as project management, some specific business sector values have been adapted that do not correspond with the values that should guide management in the public sector.

Wirick (2009, xiii) emphasises that “public projects must be managed differently than most private projects” and also must respond to additional challenges due to the nature of the public sector. Public projects have various groups of stakeholders who should not be excluded. Because the identification of goals and objectives is more complex in the public sector than in private enterprises, it makes managing projects in the public sector very complex (Prawelska-Skrzypek, 2006). Public projects are also conducted under strong social and political pressures, and expectations of stakeholders can significantly affect the process of project implementation.

Projectification of the Polish public sector

Projectification of the Polish public sector started 20 years ago, when Poland regained its independence. Post-socialist reforms that began in Poland after 1989 were in large part carried out in the form of projects or their manner of organisation was based on the principles of engineering (Dornisch, 2002). Dornisch (2002) shows how provisional, contingent post-socialist projects — in opposition to the more stable forms of organisation found in firms, markets, or networks — temporarily drew together sets of actors from diverse organisational environs thus enabling Polish regions to overcome social impediments to development. The most intensive processes of the projectification of the Polish government, however, began in the early 21st century, in the pre-accession period. Poland was able to use pre-accession aid under the Phare, ISPA and SAPARD programs prior to its accession to the EU structures. It was a period when the first European projects were conducted in Poland. Poland joined the EU on 1 May 2004, and subsequently became eligible for support from EU structural funds and the Cohesion Fund. The primary objective of these funds is the provision of assistance in reducing the development disparities between regions in order to strengthen economic and social cohesion. Although Europe is one of the highest developed regions in the world, disparities in the levels of income and quality of life still exist between the 268 EU regions (Gontarz 2008).

According to data provided by the Ministry of Regional Development, a total of 153,557 projects were implemented in Poland with the financial support of the EU during 2004–2011.¹ In the years 2004–2006, EUR 12.8 billion was allocated to Poland, and all the money was spent in the form of projects. Under the new Financial Perspective 2007–2013, Poland will become the largest beneficiary of funding among all EU member states, with EUR 67.3 billion (Gontarz 2008). This means that, when combined with the national financing, EUR 107.9 billion was available to Poland in the years 2007 through 2012, which is comparable to the amount Europe received under the Marshall Plan (the United States aid to Europe destroyed by World War II) (Gontarz 2008).

Method

This article presents insights from the analysis of a subset of data collected for the wider study of project portfolio management in the Polish public labour market institutions, which was conducted by the author in the years 2009–2011. As an object of the whole study, public local and regional labour market organisations were selected. Labour market organisations were selected from among other public organisations on the grounds that they implement a large number of projects. Selected organisations are responsible for state-run labour market policies and (at regional level) are also responsible for the redistribution of major portions of EU funds for labour market development in Poland. The study involved organisations from three regions inhabited by approximately 10 million inhabitants.

¹ Email correspondence with Department of Coordination of European Funds Implementation, Ministry of Regional Development, 06.08.2012.

Although the main goal of the study was to examine the state of project portfolio management (PPM) in selected public organisations in Poland, the impact of EU projectification on the researched organisations was noted as an emerging factor influencing PPM process, both in local and regional offices. It was impossible to understand the mechanisms of project portfolio selection and management without researching the influence EU projectification had on Polish public labour market organisations. Therefore, the author posed an additional research question: How has the process of projectification, reinforced by the availability of EU funds for projects, influenced public labour market organisations in Poland? In an attempt to answer this and other questions posed in the study, a two-stage research project was conducted, the results of which are partially presented in this paper.

The research took a pragmatic perspective (Feilzer 2010; Morgan 2007; Denscombe 2008; Johnson, Onwuegbuzie, & Turner 2007), according to which a two-stage study was carried out using mixed methods (combining both quantitative and qualitative methods) (Creswell 2009; Sankaran, Cameron & Scales 2012; Molina-Azorin 2011; Vitale Armenakis & Field 2008). The strategy of sequential mixed methods was chosen, based on the Sequential Explanatory Approach (Creswell 2009). A sequential mixed methods study involves qualitative research followed by quantitative research or, as in this research project, quantitative research followed by qualitative research. The second phase of the study was used to increase the level of understanding by using an additional perspective and provide further explanation for unexpected findings from the first phase (eg, an extremely high number of projects that were finished on time, within budget and according to expected quality in local regional offices). Mixed methods research helped to uncover the paradox observed between findings of the first and second phases (in fact, the successful projects did not always deliver proper value to the local stakeholders both on regional and local level).

The study began with quantitative research that identified the scale of the researched phenomena and indicated the local organisations where, together with three preselected regional offices, the second part of the research would take place. The online survey consisted of 20 open-ended and closed-ended questions such as: the number of projects, their size, percentage of office activities implemented in the form of projects, completing projects on time within budget and planned objectives, and the criteria of project selection. Surveys were sent to 84 local public labour organisations, which accounted for 100% of such organisations in the three regions. The surveys were addressed to the directors of the organisations. If the directors could not complete the surveys personally, they were asked to pass them on to managers who supervised project management work in the researched offices or to project managers. In this way, the respondents were selected from among those who understood the strategic context of project management in the organisation. A total of 57 organizations successfully completed and returned the questionnaire, which corresponds to 67.8% of all the local organisations from the area of the three provinces surveyed and 16.7% of all local labour market organisations in Poland. This confirms the representativeness of the sample.

The qualitative research based on interviews, and supplemented with in-depth analysis of the documents, helped to overcome the limitations of the quantitative method. Selection of the research sample for qualitative testing was intentional, which was justified by the fact that purposeful sampling allows the selection of cases reflecting a feature that is important for the research problem. Regional and local labour market organizations jointly implement a very important part of social policy; however, the regional offices implement more diverse projects than local offices. Based on available document analysis (eg, reports of the Social Capital Program), it was known in advance that the regional labour market offices implement a large number of very different projects financed by EU funds. It was therefore realised that quantitative comparison of those two types of organisations (local and regional) could falsify results of quantitative study. In regions selected for the purpose of the research there were only three regional labour market organisations and all of them were automatically included in the second phase — qualitative research. The criteria for the selection of local organisations for the qualitative study was the assumed greater project maturity, which was determined on the basis of the survey results; eg, high number of projects currently being executed and delivered in the past; high ratio of project activities compared to the regular activities of the institution, the existence of an organisational unit whose tasks correspond to the tasks assigned to the Project Management Office (PMO). The overall interpretation of the data is based on the results of both phases of the study in local and regional organisations, and consists of methods of data interpretation from mixed methods research (Bazeley 2009).

The data of 57 correctly completed questionnaires were analysed. Through the use of an internet data collection tool, all online survey results were automatically exported to a Microsoft Excel file and analysed using this program. The 57 offices represent 100% of the surveyed organisations. All responses to the open questions were also automatically exported to the data analysis program; nevertheless, they were also carefully read by the author to examine the answers in depth. Following the quantitative study, interviews in 10 chosen organisations were conducted. The interviewees were asked questions according to a predefined, semi-structured protocol. The principal questions focused on the contextual changes that were affecting them, how this impacted their roles, the management practices they employed and the new skills they felt were required. The interviews lasted at least one hour, sometimes 2–3 hours. There were over 40 open-ended questions in the interview protocol. The questions, the same for local and regional labour market organisations, were divided into sections, which covered aspects of project work such as: how the office is dealing with increasing number of projects and how it influences its organisational structure; how and to what extent project and portfolio management activities are formalised; what the criteria of project selection and execution are; and how EU grant applications influence this process. Interviews were conducted with senior management — directors of researched offices, PMO managers and in some cases department managers responsible for projects. A total of 15 people were interviewed (plus two additional persons during pilot interviews which were not analysed for this paper).

Kostera (2003) writes that qualitative research may help us to understand what quantitative studies cannot. The qualitative study actually helped to better understand the specificity of projectification in labour market institutions. The study used a data collection approach involving the recording of interviews that were conducted then transcribed. Mixed methods research has no special guidelines for the interpretation of data; data analysis relates to the type of research strategy chosen for the procedures (Creswell 2009). The researcher interprets the data according to methods (quantitative and qualitative) that are used and depending on which part of the study is subjected to interpretation. In the analysis of the data collected for the purpose of this study, quantitative data were interpreted in a manner characteristic of the interpretation of quantitative data (descriptive statistics), while qualitative data were interpreted based on qualitative methods of data interpretation. To analyse the qualitative data, a template that included the main research categories and problems was used. Every interview was transcribed by the researcher. The data transcribed from the 10 interviews were carefully read several times and the information was categorised and structured in a template for emerging categories. During the analysis of data, some additional and unexpected categories, which are described in this paper, appeared: impact of EU indicators on project selection process, and changes in organisational structures of Polish public labour market organisations under the influence of projectification process.

Results

In the first part of the research, the quantitative survey showed that projects were conducted in all researched local organisations. These projects were mostly fully financed by EU funds. Only a few projects in all the researched organisations were financed by the government through special national programs. There were no institutions that had not yet implemented the project work. Over 60% of organisations carried out between 30% and 50% of their activities in the form of projects. In 7% of the offices, more than 50% of all activities were implemented by projects. In only 2% of the offices did project activities account for a marginal amount of office activities (less than 10% of the total activity was realised in this way). Also, a very important finding was that in the structures of as many as 41/57 researched organisations a special functional unit existed that was assigned various responsibilities related to coordination and management of projects; the role could be compared to a PMO (Pennypacker & Retna 2009).

In the surveyed local labour market institutions, up to 100% of offices declared that projects are never abandoned in the course of their lifetime. This is a significant difference in comparison with portfolios of projects in the private sector where a common activity is “killing projects” in a portfolio (Balnis 2011). This applies to projects that have lost their business justification for further implementation by the company. In as many as 89% of the surveyed institutions, all projects always end on time. Private sector practice shows that delays in project schedules are very common. Thus, there is a significant difference between the timeliness of project implementation in the private sector compared with public projects financed by the EU. Also, only 4% of respondents (2/57) admitted that projects exceeded the planned budget. This is also a distinctive feature of project management in the private and public sectors: budget overruns, due to various reasons, are common in private sector projects.

Analysing the quantitative results without knowledge of the legal framework in which Polish public organisations operate and the rules related to the distribution of the EU funds, it could be argued that the researched organisations are dealing with superior project management. It seems that they do not make mistakes when selecting projects for their portfolio (no project has been abandoned), they plan the budget very well (in 96% of the projects there was no change in the planned budget), and are very good at realising projects on time (89% of projects were completed according to the original schedule). However, drawing such conclusions would be incorrect due to the fact that most public organisations simply do not have the ability to complete projects in a more flexible way. The main reason these differences exist is that the researched organisations are public, they have to follow very strict public finance law, and because projects are financed from EU funds. If they fail with a project that was financed by EU funds, they will probably not receive any further funding. All the costs generated by the project after the allotted time (and accepted in the contract between the EU and the organisation) are ineligible. It means that if an organisation does not finish a project on time, the costs have to be covered by the internal budget. Yet for most organisations, there is no money in internal budgets. Projects are then planned and managed in such way to meet the iron triangle criteria and receive further funding from the EU. However, meeting the iron triangle criteria should not be the only measure of a public project's success. Successful public projects should be those that bring real value for stakeholders. One may suspect that there is serious ambiguity between the "success" of projects as proclaimed by researched public organisations versus the real needs of their stakeholders; the latter should define a project's real success.

Indicators and their impact on project selection

According to the chosen research method, quantitative research was followed by in-depth interviews. This part of the research provided an understanding of how public offices are able to indicate that they are (statistically) dealing well with projects and (theoretically) achieving such great results. Further, it provided an understanding and explanation of the real mechanisms that led to the excellent results declared by organisations in the first part of the research.

Respondents in both local and regional organisations emphasised that the selection of projects for implementation usually depended on announced competitions in which the EU funds were distributed ("Projects are developed in response to the announced contest"). This means that the key criterion for the selection of projects that were carried out in Polish public organisations was the availability of EU funds for the financing, not an organisation's strategic goal(s). In strategic planning we can distinguish two important features: targeting the long-term objectives and the ability to adapt to changes in the environment and within the organisation (Hatch 2002). The fact that the authorities managed to seize opportunities (EU funds) that have emerged in their environment confirms their ability to adapt to change; however, it has to be emphasised that external possibilities for receiving funding should not be the main criteria for project selection in public sector.

Announced competitions determine the shape of the projects and their objectives. In discussing the indicators by which a project's success was evaluated by EU agencies, officials repeatedly emphasised during the interviews how artificial and not tailored to their realities the criteria often were. Yet, to achieve the indicators was absolutely crucial. The government and local authorities had set goals for public organisations but at the same time did not provide a sufficiently high budget to enable them to achieve their targets. This is the reason why the local organisations were forced to reach out for the EU money to be able to “survive”:

In the middle of the year we have virtually no governmental funds for our activities, so we do everything using the EU money. Unfortunately, indicators allow us only to help certain groups. This creates resentment of our clients who cannot benefit from the projects we conduct. For example, single parent mother who is not below 24 years of age or over 50 or long-term unemployed have no chance to get help in finding job, even if she really needs it, because she does not fall into the criteria described by the EU indicators. Her situation is very difficult, but we cannot support her because we have projects in the first instance to be addressed to persons who comply with the indicators of the European Union.

Some of the EU indicators are averaged for the entire region and are not always adequate to the local situation in the district. According to the rules, the ministries try to achieve the indicators at the national level and divide the indicators within the region using an algorithm. This means that there are situations where, for example, the local public office is required to train many more people than the severity of the problem in their area requires. It is not possible to allocate resources to other groups in need because there is a different parameter in the region, and the office must adapt to the average indicators. During the interviews, respondents at local and regional levels doubted the validity of such a unified system. Investigated organisations measure projects' effects by referring to the rates imposed by the EU, but research has shown that sometimes these indicators have forced project managers to focus on the artificial rates, not on the quest for value creation for stakeholders through projects. Among the respondents, there was a clear understanding that these methods of measuring the effectiveness of public projects and their selection have not always been correct:

We as an intermediary organization participate in the deterioration of project management, directing the attention to all those silly indicators that have been adopted and not the value that projects should bring to society.

The respondents acknowledged that in grant applications certain types of projects are preferred. Even if they have interesting ideas, which are more adapted to the needs of their regional and local clients, they cannot implement them because the competition's guidelines do not allow for it (“We have no room for maneuver to do something that is in our view more useful, more interesting”). This clearly indicates that the rules of grant applications — the requirements to achieve specific indicators — are affecting the shape of project portfolios in the surveyed public labour market organisations in Poland. Public organisations are very limited due to funding sources. Even if the needs of local and regional customers are slightly different, a project is not planned to cater to these individual needs. On one hand, this is not correct, as project portfolios are not really built on the basis of a detailed planned concept that fits the needs of local stakeholders in the

best possible way. On the other hand, this is a necessity demanded by external factors on which local and regional public organisations have a very limited impact. It should be also emphasised that the public organisations acting in this way make use of opportunities that arise in their environment, which proves their flexibility in adapting to changing conditions, even if the only way to achieve it is by taking part in bureaucratic, formal EU projects:

In carrying out the projects we face challenges: The first of these is administration, reinforced with the Public Finance Act, which is completely against development. (...) The project is a form of flexible work but the administration with its regulations and bureaucracy makes me and my staff extremely frustrated. We do not work for the effects of the project but only translate papers, adjust, correct tables.

Extremely rigid bureaucratic rules of EU project competitions prevent public organisations from manoeuvring. These rules limit the possibility of more flexible project management and the implementation of changes in the course of a project's lifetime in comparison to the original plan. Formalisation of the implementation of public projects is mainly due to a desire to prevent fraud and embezzlement concerning EU funds. At the same time, it requires officials to focus on the administration and documentation instead of delivering benefits to their stakeholders.

It should be emphasised that all projects implemented in the researched offices fit into the wider labour market development vision. Projects that are conducted by Polish labour market organisations are not separated from the strategic objectives of the organisations in which they are implemented. On a national scale, these projects aim to achieve the objectives of the EU in terms of the development of the labour market in the European community. However, at the level of individual organisations that operate on a local or regional market, the projects are not optimally adapted to the needs of the stakeholders.

Changes in organisational structures under the influence of projects financed by the EU
In the case of the researched public organisations at the regional level, it is noted that the role of the EU project "redistributors" that they fulfil results in the rapid changes in their organisational structures, including increasing employment in a very short period of time (Batko 2009). The structural changes observed in the studied local and regional offices are twofold. First, most organisations appointed in their structures departments focused exclusively on project work, a kind of PMO (Dai & Wells 2004; Desouza & Evaristo 2006; Hobbs & Aubry 2007). Second, there were changes in management structure: the typically linear transformed into a quasi-matrix structure. In such models, project teams consisted of employees from different functional units specifically chosen for the scope of the project, who were delegated to the project for the period of its duration in full or in part. The managers of such project teams are appointed by the chief executives of institutions from among their employees. Although employees in the projects report to both line managers and project managers, line managers always have stronger decision-making power. In addition, subordination to the project manager is often informal, contractual.

The introduction of project teams to the rigid, linear structure of the offices led to resistance. It was a kind of revolution in the existing hierarchical structures:

The project team was performing something of a mystery in the eyes of other employees - things which for the rest of the clerks were not understandable.

It is also characteristic that officials are aware that changing the mode of action and organisational structures to those more favourable for project work is extremely difficult in public offices:

We, as a public office, have changed enormously through the implementation of the projects. We have more flexibility and a different approach to our activities, however the administration grows like Hydra — you tear off her head, and it grows back again. We break the bureaucratic barriers and then we go back in a rut of administrative routine.

It is therefore difficult to determine whether changes in organisational structures in the surveyed institutions were permanent. Despite the adaptation of project work and, in some of researched organisations, project management methodologies, continuing existence of permanent, hierarchical relationships could be seen. This may indicate that changes in organisational structure are a temporary adaptation to the changes that have occurred in the external environment. This change is mainly caused by projectification of the EU, which forces member states to undertake project activities. As research indicated, organisational units dedicated to project work were often treated as something temporary not associated with the traditional, hierarchical model of the public office structure. According to the respondents, there was very often a lack of cooperation between departments implementing projects and administrative departments. In most of the organisations a division between the “The Office” and the “Projects” could be observed. Despite the fact that the management puts pressure on middle managers responsible for projects to widen the scale of project activities, administrative divisions were not supportive. Management actions aimed at increasing the number of projects were not associated with changes to facilitate the implementation of projects and streamlining project:

The office has been working for many, many years. Over these years procedures for administrative divisions have been developed. Suddenly projects appeared and office has to conduct them, but administration is not supportive towards project work.

Such a large scale of public sector projectification in Poland could be an opportunity for the profound modernisation of public administration. However, it is difficult to determine whether public sector projectification in Poland will affect public labour market organisations in a sustainable manner or if the change is only temporary. So far, these changes appear to be a superficial way to adapt to the opportunities that arose in the environment.

Conclusion

This article shows that projectification, reinforced by implementation of the EU's policies through programs and projects, has had a direct impact on public labour organisations in Poland. These changes are diverse in nature but the most important of these relate to the adaptation of organisational goals to the objectives of the grant applications, as well as to the changes in organisational structures both at the regional and local level. The realisation of the EU cohesion policy by implementing thousands of projects forced public organisations in Poland to learn how to conduct project work, in order to raise funds for their activities. Project creation by the researched public organisations at the local and regional levels is not always suited to the needs of stakeholders. Proposals are prepared to maximise the chance for obtaining the grant, which does not always mean that projects perfectly fit into the needs of local communities. It shows the need for the EU to change how it selects projects. Currently, the grant application process favours projects applications into which authors cleverly weave keywords expected by the reviewers and artificially imposed top-down EU factors (not always in line with local needs).

We can also observe changes in organisational structures in Polish public labour market organisations caused by the growing scale of project activities. It is worth mentioning that the researched organisations are more focused on meeting the project's iron triangle criteria than on the value brought by the projects to local stakeholders. Therefore attention should be paid on the need for Polish public servants, especially at the local level, to not simply apply for grants because they need money for their daily activities, but to think about the real needs of their local stakeholders.

In particular, the findings relating to projectification of the EU and its impact on public labour market organisations in Poland deepen the previous research by identifying the specific changes occurring at the level of individual public organisations. According to Sjöblom & Godenhjelm (2009), projects have important functions in "trickling down" global regulatory frameworks to locally implemented initiatives, thereby serving as vertical transmitters between several administrative levels. The research shows that the objectives set by the European community and authorities at the national level through parameterisation and averaging do not always reflect the real needs of local and regional communities.

Also, as Sjöblom and Godenhjelm suggest (2009), projects are expected to provide a means for overcoming the inevitable tensions between overarching policy frameworks and local implementation. Studies have shown that this adaptation is one-sided. Public organisations adapt to the expectations formulated in the calls for grants. These organisations are doing this to increase their chances of obtaining financial resources. This confirms the argument raised by Godenhjelm, Lundin & Sjöblom (2011, 15) that "at times it seems that applications are well in line with EU ambitions but not quite in line with the local ambitions." EU projects should not be implemented only to achieve the indicators or meet the project's iron triangle criteria. Public projects should strive to achieve value for society, both at the EU level and the local level. This study showed that, despite the fact that the EU-funded projects are almost always done on time, do not

exceed the budget, and achieve the indicators of the EU programs, they do not always provide the value that the local community would expect. Therefore, there is a need for the EU to assess project success not only on time, cost and quality measures, but also based on local impact and value created for stakeholders.

Limitations and future research

There are some potential limitations in this study. First, it was not international in character, so it is impossible to generalise the results to the entire EU. In the future, it may be beneficial to conduct a study on the effects on public organisations' projectification on a broader sample of different types of public organisations located in different EU countries. It would be interesting to know the specific impact on public organisations that projectification has, both in "old" and "new" EU member states. In addition, the study did not have a longitudinal character. Therefore, it is difficult to determine whether the observed changes are permanent or temporary. This study does not answer that question; however, it would be of interest for further study. Perhaps the observed changes of public labour market organisations in Poland caused by the projectification of the EU are only the result of the availability of funds. It would be interesting to repeat the study, when the amount of EU funds earmarked for projects in Poland are significantly reduced. Future studies on the projectification of the EU should also address the issue of value creation by public projects and programs.

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