

HUMAN RESOURCES IMPACT OVER THE EFFICIENCY OF ELABORATING AND IMPLEMENTING PROCESS OF EUROPEAN FUNDED PROJECTS AT THE LEVEL OF THE PUBLIC INSTITUTIONS OF CLUJ COUNTY

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Abstract: *This article is a case study regarding the existence of project management departments in Cluj county city halls. The purpose of this case study was identifying some solutions to increase the absorption rate of European funding and to increase the quality of the projects submitted and implemented in Cluj county. This study addresses subjects as the importance of a project management specialized department, the particularities of human resources in public institutions and the organizational culture at city halls levels. Also, it has attempted to identify the main problems human resources are confronting with in the public sector when elaborating and implementing projects, in order to propose as feasible and sustainable solutions. Therefore, the rate of absorption of the European funds in Cluj County was analysed for the 2013-2017 programming period as well as 2014-2020, the actual period.*

Keywords: *rural environment, project management, human resources, public sector, European funds.*

1. INTRODUCTION

In this paper, I chose to talk about the subject of human resources management in the public sector in the context of non-reimbursable financing which Romania receives from the European Union. The objective of this paper was to identify the main shortcomings of the human resource in the public sector, mainly in within the project management departments in Cluj County. Thus, communes that have a specialized department for project management were identified along with the ones that do not to compare them and see if one represents a model of good practices for the other. At the present moment, there are a multitude of programs that offer funding for development and performance as well as for the public sector as for the private one. Even so, the data shows that the absorption of European funding is relatively low, even though, in the last years, people began to take courage and access European funding.

This theme is relevant in the context in which, public institutions, in this case municipalities, for this paper, prefer to use external collaborators, such as consulting firms to deal with the writing and implementing of the projects although they have a specialized department for project management. However, the law allows and encourages public institutions to create their own departments to not outsource so much these activities. Costs with consultancy firms are high, and due to the high level of workload, they often make mistakes that lead to non-funding of the project. Additionally,

consultancy firms fail to know the communities and their needs so well that they can get involved in the writing and justification of the necessity of the projects.

2. PROJECT MANAGEMENT

In recent years, in Romania the interest for project management has increased greatly, both in the public sector level and in the private level. All the more so in the public environment given that the legislation has given the chance to set up departments at institution level to deal directly with the european funding projects through Law no.339/2007 regarding the promotion of implementing project management strategies at county and local administrative-territorial units and the subsequent amendments to it. Through this law, the stat wants to encourage access to funding through well-trained staff at the institution level. Thus, according to art.7 of Law no.339/2007 “At the level of the local and county public administration authorities, as well as at the level of public institutions and services under their authority or subordonation, for the initiation and development of international funding structures”. This encourages the institutions to find well prepared people for accessing European funding.

Management generally refers to how to organize and run an organization to make the most efficient and effective use of resources. At the same time, the project can be defined as something well organized, limited as in a time frame and resources. Each project is unique in its own way, and this brings challenges to the person writing it, respectively, implementing it. Thus, “project management represents the process of leading a project which requires implementation of planning, team building, communication, control, decision making and project completion, principles, tools and techniques” (Ilie G. 2012 apud Project Management Basics Glossary).

3. METHODOLOGY

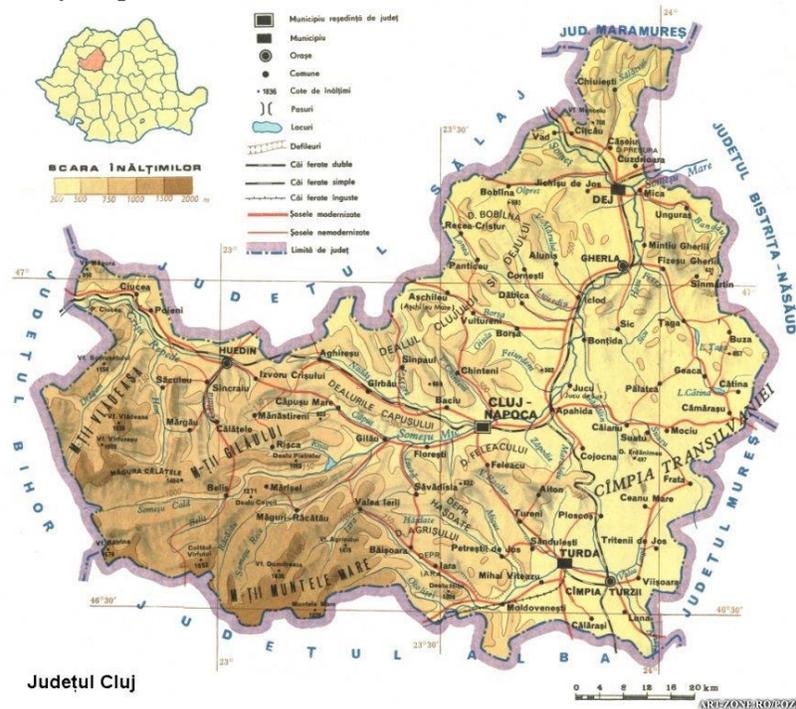
We chose this theme in the context in which although at the present moment the European Union gives a series of funding for public institutions to develop and raise the life standard of the Romanian people, few of them are accessed. Thus, the purpose of this paper is to identify the number of communes in Cluj county which have a specialized project management department, the problems they are confronting with in the elaboration and implementation of the projects and some solutions to help the employees to develop the communities in which they work. So, I made an interview guide which I applied in Cluj county city halls and through which I found more information regarding these institutions. The interview guide was sent to all the city halls in Cluj County, respectively, all 75 communes, and I got back answers from 42 communes. I chose Cluj County due to the fact that it is in continuous development in the last years and I wanted to observe if this development is justified in some measure through the running style of the public institutions at local level.

Cluj county is situated in the west-central Romania, in the center of Transilvania historic province. Its residence is the city of Cluj-Napoca and its neighbours are Sălaj, Maramureş, Bistriţa-Năsăud, Mureş, Alba şi Bihor counties. Cluj-Napoca is the fourth

city in Romania considering the size and is one of the most important academic, cultural and industrial centres in Romania. This thing implicitly leads to the development of the whole commune and the raise of the living conditions at the county level. According to the 2011 Population and Housing Census, Cluj County ranks third as the number of stable population at the country level, the first two being Iasi and Prahova. In 2017, it was ranked the 8th in the hierarchy of the national counties according to the National Institute of Statistics having a population of 725.708, the first 7 places being occupied by București, Iași, Prahova, Constanța, Suceava, Timiș și Bacău.

The administrative organization of the county of Cluj includes a network of 420 human settlements, grouped in 75 administrative-territorial units. The population of Cluj County is of approximately 700.000 inhabitants, of which 65% live in the urban area. What is characteristic for Cluj County is also the multitude of ethnicities coexisting with romanians, along with them being Hungarians, Germans, Saxons and Armenians. Regarding the majority of religions, according to the County Council of Cluj 72% of the faithful are Orthodox, 12% Reformed, 4.3% Greek-Catholic, 3.6% Roman-Catholic, 2.9% Pentecostal, 1.1% Unitarians and 1.04% Baptist.

Figure 1 Cluj County Map



Source: Cluj County Councils website

CASE SELECTION

Considering that the interview guide will be applied to people working in the public sector, I will not be able to select the cases, but I sent the interview guide by e-mail and those able responded. The interview guides were sent to Cluj County city halls in the

19th and 20th of March 2018. Since we received very few answers on the e-mail, although the information requested was of public interest, I called the city halls, and so some of the interviews were applied on the phone, making notes as I discussed with the respondent about the main ideas he was conveying. This way, at the end of the data collection I managed to get 42 answers from the city halls, and from these ones after checking the organizational charts of the 75 communes in Cluj County, I realized that only two of them have a project management department, respectively Apahida and Floresti, communes in the metropolitan area of Cluj.

1. INTERPRETATION OF DATA

4.1 Qualitative Data Analysis – Interview Analysis

The interview guide was sent by e-mail to all the city halls in Cluj County and from the 75 existing at county level, only 42 of them responded. Even so, following the organigrams and analysing the responses received by interview from the communes, we quickly realized that only 2 communes in Cluj County have a project management department in the institution, the rest of them outsource these services.

a) Data reduction by encoding

<i>Category</i>	<i>Codes</i>
Position held in the institution	Counciler Mayor Specialty Inspector Public Administrator Commune Secretary
Existence/inexistence of a project management department	Generally there is no such department at the level of the communes in Cluj County Only two communes have such department: Apahida Commune and Floresti Commune
Perception of the usefulness of the existence of such department	It would help a lot in tracking the financing lines suitable for the commune It would reduce the costs the city hall has: outsourcing services, travel, failure to meet deadlines It would not be justified considering the size of the commune
Main projects submitted	Building sport grounds and playgrounds for children Modernization of the commune roads Modernization of the agricultural roads Extend sewage and water supply
The main problems encountered in the writing and/or implementing the projects and the main actors involved	Excessive bureaucracy Unprepared consultants Large outsourcing costs for the project management activities Failure to meet deadlines
Outsourcing the activities regarding project management and justifying the costs of these	Most of these activities were outsourced There were no projects submitted in the previous programmed period

consultants	The outsourcing costs of these activities are too high The cost of outsourcing these activities are relatively justified
The importance of the existence of an organizational culture and specialists within the public institution	The existence of a department within the city hall would be more useful The organizational culture is extremely important and leads to greater work efficiency Faster development of the community by tracking territorial needs
The main reasons for not creating such a department	The creation of such department is not justified considering the size of the commune There is no specialized work force in the commune Recruitment and selection would be difficult due to the lack of interest of the young people for the public institutions There would be specialized work force in the commune

b) Data presentation

During the interview, there were a series of questions aimed to identify the existence/inexistence of a specialized project management department as well as the way writing and implementing projects takes place in the absence of such department. From the interviews conducted, I found that although Cluj-Napoca is in full development and expansion phase, the rural environment in Cluj County is declining. Only 2 of its 75 communes have a project management department, these two being located in the metropolitan area of Cluj.

Although there is no such department, Cluj County city halls submit projects for European or governmental funding through the consultancy firms existing at the county level. So, these activities are outsourced and projects are being submitted under different measures. The secretary of Căianu commune told me that even though they have no project management department in the commune "we submitted four projects, three of them are approved, and the approved projects are for asphaltting the communes roads, the purchase of a backhoe loader and the equipment of the dental cabinet, and the fourth of which we do not know yet if it will be approved is for the renovation and modernization of the gymnasium school". On the other hand, following the responses obtained from the respondents, I found that almost all city halls obtained funding for the same type of expenses. I also discussed with the accountant of Aiton commune, who told me that "there were submitted, won and implemented three projects in the present programming period for the rehabilitation of the communes roads and a project for endowing with specific furniture and equipment of the human dispensary".

Also, most respondents consider that the establishment of a specialized project management department would lead to an increase in the number of projects submitted at the commune level. The public administrator of Panticeu commune told me that "if a project management department was set up at the commune level, the number of projects submitted for the development of the commune would certainly increase because in this way there would always be a person to follow the funding possibilities and fold them to meet

the commune needs. Considering the current state, we only access funds when consultancy firms contact us and let us know what is being funded or when there is a great need that cannot be postponed.”

Instead, I noticed that the public institutions that have project management departments inside them submit projects with higher financial value and also community impact. It is obvious that, in the case of different project types, there are certain eligible application categories, but due to the poor training and lack of knowledge of the field, small dimensions communes will never have the courage to try and absorb higher funds due to the fact that they will not have the capacity to manage them. For example, Floresti commune submitted and won a project which is now in the implementation phase ” Project financed by the Human Capital Operational Program – afferent to the project call POCU/82/3/7 ”Increasing employment through supporting non-agricultural firms in the urban area – Romania Start Up Plus with the title ”Entrepreneurship – your chance!”, project code 105931”, project which could reach up to 4.999.999 euros, depending on the business plans financed.

Following the situation and the status of the two communes that have a specialized project management department, I noticed that at the moment, Apahida city hall has five projects in progress, as follows: (1) execution work at the cultural center in Sănnicoară, (2) establishment of the sewage network in Dezmir village and partially in the villages Sănnicoară și Apahida, (3) expansion of the sewage treatment plant in the commune, (4) modernizing and rehabilitation of the commune streets and (5) building infrastructure for protection and prevention against commune flooding.

So, the activities and description of these projects can be found in more detail in the table below:

Table 1 Ongoing projects at the level of Apahida commune

Project title	Description
Construction work at the cultural centre Sănnicoară, from Apahida commune, Cluj county	The existing building will be demolished and a new building will be built, with a high regimen ground floor + mansard on a land with a surface of 527 sq m, with a street front of 18.90 m and depth of 19.45 m.
Establishment of sewerage network in the village Dezmir and partially in the villages Sănnicoară and Apahida, Cluj county	Establishment of the sewerage network with approximate parameters of 38.712 m sewerage network of gravity and pressure type and 14 pieces of new sewage pumping stations for extracting used water.
Expanding the sewage treatment plant in Apahida commune	The wastewater treatment plant will involve the expansion of the current station and the takeover of the current debit surplus of 1.58 l/s, respectively, 4.75 l/s debit collected from Dezmir village and a part of Sănnicoară village.
Modernization and rehabilitation of the streets of Apahida	Asphalting streets in Apahida commune, Corpadea and Apahida villages, of which total roads 1,946.81 ml, total altitudes 2,290 sqm, ditches 235 ml.
Construction of flood prevention and protection infrastructure in Apahida commune, Cluj county	Construction of flood prevention and protection infrastructure in Apahida village, declogging,

	indigestion, consolidation.
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Source: own processing based on the data obtained from the website of Apahida commune

At the moment, Florești commune has only the above-mentioned project under the Human Capital Operational Program within the project call POCU / 82/3/7 "Increasing employment by supporting non-agricultural enterprises in the urban area - Romania Start Up Plus with the title "Entrepreneurship - Your Chance!", which will have to fund about 40 young entrepreneurs to set up a business. This is a big project and the implementation will be carried out entirely by the city hall in Florești, without resorting to other external aids, represented by the consultancy.

4.1 Qualitative data analysis – document analysis

We conducted an analysis of the attracted funds in the programming period between 2007 and 2013 to see to what extent the administrative-territorial units from the rural environment managed to attract funding for development. So, at the end of 2013, respectively, in December, the absorption rate in Romania was extremely low. This absorption rate is also explained by the fact that an important part of the funded projects were not settled for payment, the implementation being made, and most likely they did not ask for advance or reimbursement. In this way, the absorption rate for the programming period can be seen only in 2015, when it is n+2, also being implemented the projects that entered in the funding period only at its end.

Therefore, initially, I decided to follow the absorption rate of European funds at national level, regardless of the type of eligible beneficiary to see the increase in interest in accessing European funding from one programming period to another. According to the data published by the Ministry of European Funds, only 26.48% from the total allocations from the European Union were absorbed, and most of the projects were submitted under the Regional Operation Program. Under this Operational Program, most of the eligible beneficiaries were and are also public beneficiaries in this programming period. However, most funding lines are addressed to towns or municipalities where the residence municipality of the county is located, as few measures are available for larger communities. The values allocated under this Operational Program for a project are large and require good project management so that they can be successfully completed.

Also, although the present exercise is still in developing. I chose to follow the way the submission and contracting the projects evolved the present programming period 2014-2020. Therefore I chose to give an overall image on national level, but I also centralized the project situation for the ones submitted in Cluj county under the National Program for Rural Development, where the beneficiaries were the communes.

According to the project situation submitted until the 7th of June 2018, in the programming period 2014-2020, there were 226 projects submitted under the submeasure 4.3 "Investments for the development, modernization and adaptation of the agriculture and forestry infrastructure - irrigations", from which 192 projects of a total value of 189.050.230 euros were selected. Also, under the same submeasure, but for the

component of agricultural access,, were submitted 441 projects, from which only 78 were selected of a total value of 76.014.119 euros. On the other hand, for the component of forestry access, there were 104 projects submitted, from which 65 of them were selected of a total value of 91.277.869 euros.

Table 2 Submitted project status until the present in the programming period 2014-2020 under the submeasure 4.3

Submeasure	Projects submitted		Projects selected		Projects contracted	
	Number	Value-euros	Number	Value - euros	Number	Value - euros
4.3 Investments for the development, modernization and adaptation of the agriculture and forestry infrastructure - irrigations	226	226.680.858	192	189.050.730	141	139.926.881
4.3 Investments for the development, modernization and adaptation of the agriculture and forestry infrastructure - agricultural access infrastructure	441	418.451.214	78	76.014.119	69	65.571.212
4.3 Investments for the development, modernization and adaptation of the agriculture and forestry infrastructure - forestry acces infrastructure	104	146.772.415	65	91.277.869	62	86.881.827

Source: own processing based on the data published on the Agricultural Ministry website

I processed the selection reports afferent to the submeasures of the present programming period 2014-2020 to identify the communes in Cluj county that submitted projects for funding, but also obtained funding through the National Rural Development Program. This aspect is relevant, as obtaining large funding, as the ones obtained through NRDP can bring higher impact into the community in comparison with the smaller projects. Within the 4.3 "Agricultural and forestry infrastructure" submeasure, 17 projects were submitted in Cluj county in the programming period 2014-2020, from which only two were ineligible, and 10 did not receive funding because of the score they had.

For the 4.3 "Investments for development, modernization or adaptation of the agricultural and forestry infrastructure – the agricultural component", no less than 135.585.187 euros were allocated for the programming period 2014-2020, for the 2015 session 25.000.000 euros were allocated, while for the one in 2016 20.690.109 euros were allocated. So, I realised a situation, that can be traced in the table below:

Table 3 Submitted project situation in the programming period 2014-2020 until present afferent to the 7.2 and 7.6 submeasure

Submeasure	Projects submitted		Projects selected		Projects contracted	
	Number	Value-euros	Number	Value - euros	Number	Value - euros
7.2 Investments in the creation and modernization of the small scale base infrastructure - water and used water infrastructure	501	726.335.354	335	476.597.571	298	416.545.347
7.2 Investments in the creation and modernization of the small scale base infrastructure - local interest roads infrastructure	976	1.007.959.285	489	510.942.432	471	486.220.447
7.2 Investments in the creation and modernization of the small scale base infrastructure - educational and social infrastructure	444	168.742.693	325	121.037.443	304	113.178.046
associated with the protection of the cultural heritage	913	304.492.065	584	189.004.141	514	165.289.772

Source: own processing based on the data published on the Agricultural Ministry website

At the level of Cluj county, in 2015, 26 projects were submitted under the submeasure mentioned above, out of which 11 within the 7.2 "Investments in the creation and modernization of the small scale base infrastructure", and 15 were submitted within the submeasure 7.6 "Investments associated with protecting the cultural heritage". Such projects submitted under the 7.2 "Investments in the creation and modernization of the small scale base infrastructure" submeasure at the level of Cluj county have a total value of 9.717.002 euros in 2015.

Within the same submeasure, in 2016, the number of projects submitted and approved for funding was much higher, with projects worth a total 28.159.975 euros, representing a total of 30 projects funded at the level of Cluj county. Also, there were 4 projects submitted by the communes Cătina, Călățele, Căpușu Mare și Sînpaul, but those did not get into funding because two of them, namely Călățele și Cătina did not have a good score, and the other two were declared ineligible. In 2017, the number of projects that have been won in Cluj County by the communes under this submeasure has decrease, only three communes obtaining funding under this submeasure. So, in the 3 years approximately 50 projects were submitted by the 75 communes, because some of them submitted projects under different components, such as Apahida or Gilău or projects have been submitted, but were not funded.

In 2016, only 2 projects were submitted, both of them being funded through the 7.6 submeasure, projects involving the modernization and endowment of cultural centers from communes Iara and Cornești having a total value of 815.973 euros. The funding applications submitted by the communes from Cluj county that have received a total value of the funding over 30.000.000 euros show as the fact that the local public administration is interested in the life of the rural environment population and wishes to improve it as much as possible. He

Generally, as it can be seen in the above analysis, the projects with a higher value are the ones within the 7.2 submeasure, where the majority of the projects come close to 1.000.000 euros which are intended for road, education, water or waste water. The rural population must have better and better living conditions and access to services of public interest, otherwise there is the risk that the Romanian villages will remain without work force and with an aging population, which will lead to the loss of the of the rural environment and its authenticity.

Following this research, I came to the conclusion that only two of the 74 communes in Cluj county have a specialized project management department, and the main problems faced by the local authorities are mainly bureaucracy and lack of competent staff in the field of European funding. Most of the communes consider that the creation of a department is not justified due to the dimensions of the commune, but the existence of one would be essential for the harmonious development of the rural environment. On the other hand, the representatives of public institutions think that the establishment of such a department, would lead to a better coverage of the needs of the community, given that it will be a territorial vision over the necessities and problems.

CONCLUSIONS AND RECOMMENDATIONS

The aim of this paper was the research of the researching of the situation of the human resources in the project management field and the impact its impact over the European or governmental funding projects. After applying the interviews, I found that at the level of Cluj county there are no project management departments, except for two communes in the metropolitan area of Cluj. Thus, there are many communes that lose important funding because of the fact that they do not have specialized staff to constantly follow funding lines which they can apply for. Considering the fact that each consultancy firm is specialized on certain types of investments, there is the probability that when there is a funding opportunity under a program that they have not worked on before, they could hide this thing, and the community may not continue development because of this. Increasing the quality of the written and implemented projects can be realized only with specialized staff in the field of European funding, because the procedures are cumbersome and do not encourage other people who do not know the field.

Part of the communes at the county level of Cluj choose to submit projects only for certain types of activities, because they have not identified a firm to trust and with whom to try the territorial development. From the talks I had with the city halls, these have spent significant amounts of money with different consultancy firms, which havenot

brought any benefit to the communities because these were star-up firms and lacked expertise in non-reimbursable funding. Mayors and leading staff in Cluj county city halls are aware that they do not have specialized persons and recruiting young graduates into the county's communes would be very difficult, because they choose to move to the urban area, where they have many opportunities.

However, Romania could try to offer specialized courses for these funds that come from the European Union, and the courses should be seriously organized, not only on paper, to give the local public administration the opportunity to develop and know better what writing and implementation of a European funded project means. Thus, I consider that the establishment of a project management department would be useful for 3-4 smaller communes, and the persons in it should deal only with identifying funding sources, writing projects and implementing them for their communes. This way, the costs would be much lower, the mayors would know exactly who works for the communes projects, and the project team would have easier access to information, documents, location and all they need to carry out a quick and efficient project.

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