Organizational Enablers for Project Governance

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Agenda

- Background, concepts, definitions etc.
- Study aims and research questions
- Research methodology and data
- Results from five studies
- Most important take away

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Dr Jingting Shao, Chinese Academy of Social Sciences, China
Dr Sofia Pemsel, Copenhagen Business School, Denmark
Background, concepts, definitions

- Governance: the management of management - the way organizations are directed and managers are held accountable for conduct and performance
- Project governance - for single projects
- Governance of projects – for groups of projects
- Governmentality – the way governors present themselves to those they govern

Study aims and research questions

Aims:
- Understanding governance practices and enablers

Research questions:
- RQ1: What are the practices for governance and governmentality in the realm of projects?
- RQ2: What are the organizational enablers for governance and governmentality in the realm of projects?
Research methodology and data

Five studies
- Two literature studies on enablers
- Six case studies - 31 interviews in Europe and China
- Worldwide survey with 208 responses
- Longitudinal study with the same six case companies (48 interviews in total)

Results from the literature and qualitative studies: Practices

<table>
<thead>
<tr>
<th></th>
<th>Regulative</th>
<th>Normative</th>
<th>Cultural-cognitive</th>
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</thead>
<tbody>
<tr>
<td>Project governance</td>
<td>Steering Groups</td>
<td>Project management methodologies</td>
<td>Meeting schedules</td>
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<tr>
<td></td>
<td>Flat and flexible organization</td>
<td>Clearly defined roles*</td>
<td>Top management support</td>
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<tr>
<td></td>
<td>structures</td>
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<td>PMO*</td>
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<tr>
<td>Governance of projects</td>
<td>Flexible organization</td>
<td>Company-wide methodologies</td>
<td>Alignment of projects and business</td>
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<td>structures</td>
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<td>Standardization</td>
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<td>Media and infrastructure</td>
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<td>Governmentality</td>
<td>Autonomy of project managers</td>
<td>Self-responsibility</td>
<td>Project-thinking</td>
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<td>Open-system thinking</td>
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</table>

* = mainly large companies
Quantitative study on enablers

- Worldwide survey (208 responses)
- Part 1: Analysis by levels (project governance, governance of projects, governmentality)
- Part 2: Analysis across levels

Validated measurement constructs

<table>
<thead>
<tr>
<th>Project governance (PG)</th>
<th>Governance of projects (GoP)</th>
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<tbody>
<tr>
<td>PG—Mental infrastructure</td>
<td>GoP—Institutionalization</td>
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<tr>
<td>E.g. extent of information exchange within the</td>
<td>Use of similar reporting</td>
</tr>
<tr>
<td>project, across projects, and with professional</td>
<td>systems, methodology, project</td>
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<td>organizations – i.e. the project</td>
<td>selection, and coordination</td>
</tr>
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<td>manager’s sphere of action</td>
<td>GoP—Roles and responsibilities</td>
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<td></td>
<td>Clearly defined roles and</td>
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<td></td>
<td>responsibilities, formalized</td>
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<td></td>
<td>and central decision</td>
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<tr>
<td>PG—Communication</td>
<td>GoP—Flexibility</td>
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<tr>
<td>E.g. communication with different managers for</td>
<td>Flexibility in governance</td>
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<tr>
<td>the coordination of the project</td>
<td>institutions, organization</td>
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<td></td>
<td>structure, leadership, and</td>
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<tr>
<td>PG—Flexibility</td>
<td>governance approach</td>
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<tr>
<td>Flexibility in meeting types, structures, and</td>
<td>GoP—Governance Orientation</td>
</tr>
<tr>
<td>roles</td>
<td>Shareholder versus stakeholder</td>
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<tr>
<td></td>
<td>orientation</td>
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<td></td>
<td>GoP—Leadership</td>
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<td>Governance is/was established by a strong leader, is further developed and well established</td>
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Concepts measured

<table>
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<tr>
<th>Governmentality (Gvty)</th>
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<tbody>
<tr>
<td>Gvty—PM</td>
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<td>Gvty—Managers</td>
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<tr>
<td>Gvty—Control</td>
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<tr>
<td>Gvty—PMsupport</td>
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<tr>
<td>Gvty—Collaborativeness</td>
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<th>Success</th>
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<tbody>
<tr>
<td>Governance success</td>
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<tr>
<td>Corporate success</td>
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Enablers at 4 levels of success in governance

Significant correlation with governance success
Enablers at 4 levels of success with the project-based part of the organization

Significant correlation with organizational success

Quantitative study

- Worldwide survey (208 responses)
- Part 1: Analysis by levels (project governance, governance of projects, governmentality)
- Part 2: Analysis across levels
The interplay and coexistence of structural and mental elements which jointly carry forward a phenomenon within a social structure.

Model to be tested

Factors
- Process facilitators
- Discursive abilities

Mechanisms
- Practices

Success
- Organizational
- Governance
Model for organizational success

- 22% of organizational success can be explained by the 3 enabling factors for governance (medium effect)
- No mediation by mechanisms (<20%)
- Leadership is most important, followed by mental infrastructure and then governmentality

That means for organizational success...

- Enabling factors (leadership, mental infrastructure and governmentality) are most important and very little supported/hindered by organizational mechanisms
- Leadership (a senior manager who established governance and ensures its continuous development) is most important
- A wider mental infrastructure (sphere of action/sovereignty) of project managers correlates with success
- People orientation in governmentality (stakeholder and teamwork orientation, support of professional development) correlates with project success
Model for governance success

- The 3 enablers explain 36% of governance success (large effect)
- 24% of Governmentality impact is absorbed by the meeting structure – the meeting structure mediates the impact of governmentality on governance success
- Leadership is most important, followed by governmentality and mental infrastructure

*= Beta coefficients

That means for governance success...

- Enabling factors are important and only the impact of governmentality (a factor) is mediated to a small extent by the meeting structure (a mechanism).
- Wider meeting structures (i.e. PM allowed to negotiate with more levels of management in the organization) compensate for some (24%) of the people orientation in governmentality
- Leadership is most important
- Mental infrastructure and governmentality are almost at par with their impact on success
Most important ‘take away’

• Leadership is key
  – A leader who establishes governance and its maintenance
  – Explains 1/3 to 1/2 of the effect on success

• Mental infrastructure makes a difference
  – Trust and freedom for PM in acting as representative for the project

• Governmentality matters
  – Team (no hero) culture
  – Fostering PMs development (also outside the firm)
  – Alignment of line and project remuneration system
  – Stakeholder (not shareholder) orientation in corporate governance

Thank you

• Related books

More on: www.pm-concepts.com/publications
References and further reading

Books

Articles

Conference paper

References and further reading

Recommended readings