

Project Governance

Prepared by Dr. Fayez Jrad

PMG 424

Lecture 0 Orientation



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Session Outline

- ✓ Academic Agenda
- ✓ Course Objectives
- ✓ Learning Outcomes
- ✓ Course Outline
- ✓ Topics
- ✓ Conclusion

Academic Agenda

الأسبوع 1	أسبوع توجيهي
الأسبوع 2	محاضرة 1 + اختبار قصير + حلقة نقاش
الأسبوع 3	محاضرة 2 + اختبار قصير + حلقة نقاش
الأسبوع 4	محاضرة 3 + اختبار قصير + حلقة نقاش
الأسبوع 5	محاضرة 4 + اختبار قصير + حلقة نقاش
الأسبوع 6	محاضرة 5 + اختبار قصير + حلقة نقاش
الأسبوع 7	محاضرة 6 + اختبار قصير + حلقة نقاش
الأسبوع 8	محاضرة 7 + اختبار قصير + حلقة نقاش
الأسبوع 9	محاضرة 8 + اختبار قصير + حلقة نقاش
الأسبوع 10	محاضرة 9 + اختبار قصير + حلقة نقاش
الأسبوع 11	محاضرة 10 + اختبار قصير + حلقة نقاش
الأسبوع 12	حلقة نقاش
الأسبوع 13	الاختبارات النهائية

Quizzes & Exams

- أسئلة الاختبار الفصلي / MCQ / True-False / أسئلة صوتية
- تعد الإجابة على الاختبار بمثابة الحضور للطلاب
- درجة الاختبار القصير 8 درجات/ 8 أسئلة (اجمالي 80 درجة)
- فترة عقد الاختبار القصير /30 دقيقة/

Quizzes & Exams

- الاختبار النهائي سيكون من خلال المودل
- أسئلة الاختبار النهائي / True-False / MCQ / أسئلة صوتية
- درجة الاختبار النهائي 20 درجة/20 سؤال
- فترة عقد الاختبار النهائي / 60 دقيقة/

Obligations and Grading

توزيع الدرجات - 100%	الأعمال
حضور المحاضرة - حل الأسئلة المصاحبة	محاضرة مسجلة أسبوعيًا- السبت من كل أسبوع
8 درجات لكل اختبار قصير - بمجموع 80 %	اختبار قصير مصاحب للمحاضرة بشكل أسبوعي
الحضور اختياري	حلقة نقاش افتراضية أسبوعية لمناقشة محتوى المحاضرة المسجلة.
20%	الاختبار النهائي

يتم احتساب الغياب من خلال حل الطالب للاختبار القصير المصاحب للمحاضرة المسجلة الأسبوعية، وإذا تغيب الطالب 4 اختبارات قصيرة يعتبر الطالب في هذه الحالة حرمان. آخر موعد للاعتذار عن أي اختبار قصير يكون قبل إغلاق موعد الاختبار مع إرفاق دلائل ثبوتية لأي أضرار قهرية أو مرضية عبر نموذج الأعذار عن اختبار قصير عبر منصة (SIS). آخر موعد للاعتذار عن الاختبار النهائي يكون قبل موعد عقد الاختبار مع إرفاق الدلائل الثبوتية لأي عذر قهري أو طبي، عبر نموذج الأعذار عن اختبار نهائي عبر منصة (SIS)، ولن يتم احتساب أي أضرار بعد نهاية الموعد.

● يحق لإدارة الجامعة مراعاة بعض الظروف القهرية.

Lecture

Orientation

Online Lecture

- Answer your questions/inquiries
- Solve different issues/problems
- Discuss your opinions with the instructor/classmates
- Trigger activities related to previous session topics

Course Objectives

- Introducing the principles of project governance.
- Using governance to establish a good project structure, harmonizes processes and resources, and provides a smooth path to achieve project goals.
- Applying governance to remove costly inefficiencies that negatively impact smooth running and reduces the risk of conflict.
- Providing an opportunity to discuss enterprise projects and other megaprojects.

Learning Outcomes

- Categorize the core issues of project governance within the context of projects and programs.
- Evaluate and critique the strengths and challenges of various governance structures.
- Given a large enterprise project, recommend methods and procedures that ensure the project is governed according to best practices.
- Evaluate how changes to project scope may impact the project's schedule, cost, and quality, and create a scope document that will produce the desired project outcomes.

Course Outline

Lecture 1: Definition of Governance.

Lecture 2: Governance Structures and Management Scope.

Lecture 3: Creating Project-focused Governance Structures.

Lecture 4: Transparent and Accountable Organizations.

Lecture 5: Project Ownership vs. Asset Ownership.

Lecture 6: Towards an Integrated Governance Model.

Lecture 7: Effective Project Governance.

Lecture 8: Governance of Portfolios.

Lecture 9: Governance of Programs

Lecture 10: Governance of Projects

Lecture 1: Introduction to Projects and Governance

Project Concept

- A temporary endeavor to create a unique product, service, or result.
- Characteristics:
 - ✓ Complexity
 - ✓ Limited resources
 - ✓ Focus on clear objectives

Lecture 1: Introduction to Projects and Governance

Project Life Cycle

- Framing: Conception and initial planning.
- Planning: Developing detailed plans.
- Execution: Performing the actual work.
- Closure: Delivery and closing.

Concept of Project Governance.

- Derived from Latin "gubernare" meaning to steer/direct.
- Includes: values, responsibilities, processes, and policies that enable projects to achieve organizational objectives.

Lecture 2: Governance Theories and Their Impact on Project Management

Core Governance Theories

- Shareholder Theory: Focuses on maximizing shareholder returns (organization as private property).
- Stakeholder Theory: Aims to create value for all parties (employees, customers, community, suppliers) by balancing interests.

Economic & Agency Theories

- Transaction Cost Economics: Applied in the pre-contract phase (make-or-buy decisions).
- Agency Theory: Applied in the post-contract phase; addresses information asymmetry between principal and agent (project manager).

Organizational Paradigms (Based on Orientation)

- Behavioral-oriented Organizations: Strict adherence to processes and standards regardless of who executes.
- Outcome-oriented Organizations: Focus on achieving results with greater flexibility.

Four Governance Models (Based on Orientation & Shareholder Philosophy)

1. **Conformist:** Strict process compliance to achieve lowest cost (repetitive projects).
2. **Flexible Economist:** Cost reduction through efficient methodologies led by experienced project managers.
3. **Versatile Artist:** Maximizing benefits by balancing requirements of multiple stakeholders.
4. **Agile Pragmatist:** Maximizing technical value by incrementally delivering specific functions.

Lecture 3: Relationship Between Projects and Organizational Strategy

Strategy and Projects

- Projects are created to achieve organizational strategic objectives.
- The relationship operates through two cycles:
 - Delivery Cycle: Strategy → Objectives → Portfolios → Programs → Projects.
 - Control Cycle: Information flow from projects → higher governance levels (via PMOs).

Project as a Temporary Organization & Governance Objectives

- Project as a temporary organization formed to achieve a specific outcome.
- Objectives of project governance:
 - ✓ Ensure consistent and predictable delivery.
 - ✓ Create a supportive environment for success.
 - ✓ Prioritize projects.
 - ✓ Identify troubled projects.

Key Governance Bodies

1. **Board of Directors:** Sets strategy, defines types/quantities of projects, decides governance model.
2. **Portfolio Management:** Selects projects, sets priorities, allocates resources, handles risks and resource bottlenecks.
3. **Sponsor & Steering Group:** Sponsor owns the Business Case; Steering Group (chaired by sponsor) approves budget, schedule, success criteria.
4. **Project Management Office (PMO):** Strategic (overall objectives) and tactical (supports managers with tools/methodologies).
5. **Program Governance:** Program = group of related projects with a common goal. Program Manager acts as sponsor; a Program Board may be formed.

Lecture 4: Project Management Governance Framework

- Factors Affecting Project Management Quality
- Education (What can be done): Improves project manager skills, tools, methodologies.
- Management Demands (What should be done): Set by senior management (methodologies, reports, planning/control techniques).
- Perceived Economic Pressure (What is done): The project manager's feeling of financial pressure or risk of failure (can lead to short-sighted decisions).

Progressive Governance Framework

- Step 1 (Foundations - Low investment, low return): Basic training, forming steering committees.
- Step 2 (Expansion - Medium investment, medium to high return): External certifications, establishing PMOs.
- Step 3 (Maturity - High investment, very high return): Advanced training, benchmarking.

Lecture 5: Project Ownership vs. Asset Ownership

- Asset and Asset Owner Concept
- Asset: Anything of value (tangible, intangible, functional) that provides economic benefits.
- Asset Owner: Executive responsible for classifying the asset, identifying users, and ensuring compliance.

Project Owner vs. Project Manager

- Project Owner: Strategic leader responsible for project vision, objectives, securing funding, and ensuring business case (no daily management responsibility).
- Project Manager: Responsible for daily management (schedule, budget, team).
- Distinguishing the two clarifies responsibilities, accountability, and efficient resource allocation.

Lecture 6: Towards an Integrated Governance Model

- Components of an Integrated Model
- No single governance model fits all organizations.
- Components of the integrated model:
 - ✓ Governance Model: Defines strategic vision.
 - ✓ Governance Bodies: Entities responsible for implementation
(Board, Steering Groups).
 - ✓ Institutional Theory: Focuses on legitimacy and social acceptance.

Three Forms of Legitimacy

- Pragmatic: Based on self-interest.
- Moral: Based on ethical approval.
- Cognitive: Based on simplicity and clarity.
- True success comes from integrating economic and social dimensions.

Lecture 7: Problems of Ineffective Project Governance

- Three Categories of Ineffective Governance Problems
- Confusion in governance objectives: Excessive focus on regulatory reporting or stakeholder management.
- Conservatism in risk management: Reliance on consensus-based decision-making (slow processes).
- Stakeholder issues: Either ignoring them or involving too many.

Characteristics of an Effective Governance Framework

- Clear objective.
- Fast decisions.
- Clear accountability.
- Distinct structure between permanent organization and temporary project.
- Focus on project delivery as a service.

Lecture 8: Portfolio Governance

- Portfolio Concept and Objectives
- Project Portfolio: Grouping of projects and programs with similar skills or needs.
- Objective: Effectiveness (doing the right things) by selecting priority projects that support strategy.
- Portfolio Governance Structures
- Multi-project organizations: Focus on each project individually.
- Project portfolios: Maximize effectiveness through skills and objectives.
- Project programs: Maximize efficiency through major goals.
- Hybrid: Combine efficiency and effectiveness.

Portfolio Optimization Strategies

- Value maximization
- Balancing
- Strategic alignment

Lecture 9: Program Governance

- Program Concept and Objectives
- Program: Group of interrelated projects to achieve a common goal not achievable by a single project.
- Objective: Maximize efficiency (doing things the right way) and leverage synergies among projects.
- Program Types and Governance Mechanisms
- Program types: Temporary (defined end date) / Semi-permanent (no defined end date).
- Governance mechanism: Executive sponsor + Program Steering Committee.
- Program governance focuses on: benefits management, stakeholder management, and governance of projects within the program.

Lecture 10: Modern Trends in Governance

Difference between governance and management:

- Governance: "Should we do it?"
- Management: "How do we do it?"

Basic Principles of Governance

- Strategic alignment
- Accountability
- Transparency
- Assurance
- Stakeholder engagement

Governance and Project Management Methodologies

- Governance and Project Management Methodologies
- Governance methodologies: Top-down / Bottom-up.
- Project management methodologies: Predictive, adaptive, emergent.
- Future Trends
- Adaptive governance.
- Data-driven and AI-based governance.
- Integration of ESG criteria.
- Digital and hybrid governance.
- Use of smart tools (e.g., Jira, Tableau).

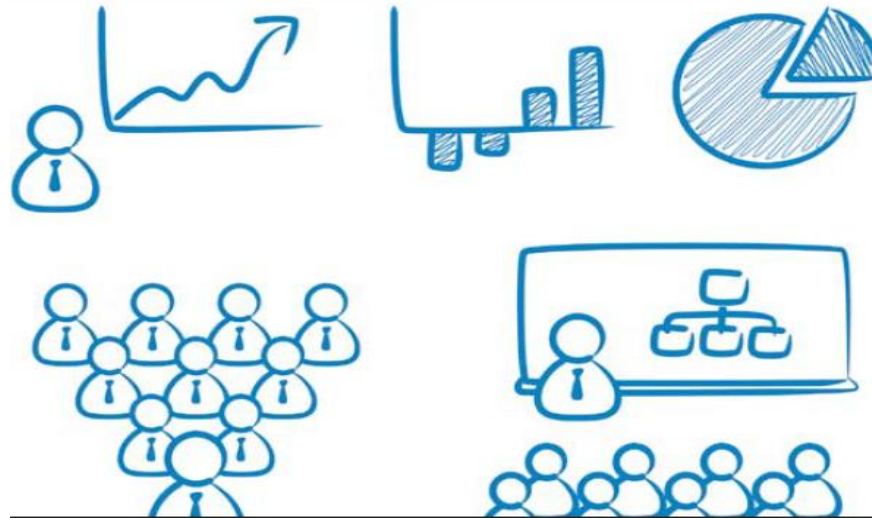
Conclusion

Definition of governance	Defining governance and why we need it.
Types of Governance Structures	Exploring existing governance theories, paradigms, and structures
Creating Project-focused Governance Structures	Understanding governance in the context and scope of project management
Transparent and Accountable Organizations	Discussing how to create transparent and accountable organizations and the main roles needed
Project Ownership vs Asset Ownership	Differentiating between project ownership and asset ownership
Understanding Project Governance Structures	Understanding governance structures within different scales of projects, programs, and portfolios
Governance, Decisions, Risks, and Resources	Clarifying the interlink between governance and decision-making, risk management, and resource allocation
Verification and Validation	Presenting a model for governance of projects, programs and portfolios, and envisaging the future of project governance
Enterprise PM	Describing how projects on a companywide scale

Reference

Project Governance

Ralf Müller





Thank You