

**OPERATIONALIZING PROJECT GOVERNANCE AND INFORMATION  
TECHNOLOGY GOVERNANCE: IMPLICATIONS OF AN EMPIRICAL STUDY OF  
IMPACTS ON PROJECT PERFORMANCE**

Pinyarat Sirisomboonsuk, Ph.D., PMP  
University of Massachusetts Dartmouth  
285 Old Westport Road, North Dartmouth, MA 02747  
Tel: (508) 999-8476 Email: psirisomboonsuk@umassd.edu

James R. Burns, Ph.D., PMP, CIRM  
Texas Tech University  
709 Flint Avenue, Lubbock, TX 79409  
Tel: (806) 834-1547 Email: jim.burns@ttu.edu

Ray Qing Cao, Ph.D.  
University of Houston – Downtown  
320 North Main Street, Houston, TX 77002  
Tel: (713) 221-2747 Email: caoq@uhd.edu

Vicky Ching Gu, Ph.D.  
University of Houston - Clear Lake  
2700 Bay Area Boulevard, Houston, TX 77058  
Tel: (281) 283-3205 Email: GuVicky@uhcl.edu

**ABSTRACT**

In this study, we endeavor to operationalize the implications of a recent empirical study involving impacts of project governance and information technology (IT) governance on project performance (Sirisomboonsuk, et al., 2018). There appear to be a number of apparent and logically deduced implications of the empirical study that need to be addressed in context. What are the real-world, operational implications of the empirical study and how should they be executed? These are among the questions this study intends to address.

**INTRODUCTION**

Medium-to-large companies will have many hundreds of projects ongoing in an environment that is continually changing. Such has become necessary because of the character of global competition, the rapidity with which products and services grow, become profitable and then decline, and the increasing rate of change of technology and innovation. With so many projects concurrently underway, there rises a need for governance to coordinate, monitor and control all of the projects. Governance is designed to address the questions of which projects to pursue now, how to oversee all of the ongoing projects, how to measure performance of all of these ongoing projects, of how to share resources among projects and how project management can continuously

improve. Governance is designed to monitor and improve the management of multiple projects ongoing over the long haul.

A lot of the problems observed within projects today fall within the purview of governance. These relate to 1) a mission or vision statement that is vague, lame and not enervating, not exciting, and 2) problems with budgets, schedule or scope or 3) priorities that are not well-established, widely articulated and actively pursued. The result is chaos, anarchy. Project professionals do not know which projects to pursue, project people are having many meetings to figure out what to do next, conflicts arise among people as vagueness creates uncertainty and lack of trust, and some projects are rushed to completion while others are surprisingly placed on hold.

Müller et al. (2014) indicated governance as an organizational enabler was comprised of process facilitators and discursive abilities. On the project level, Altshuler and Luberoff (2003) and Crawford et al. (2008) suggested project governance as a new paradigm of governance. Additionally, Biesenthal and Wilden (2014) reviewed articles that discussed project governance (62 articles published in 21 non-project management-specific journals and 34 articles across the leading project management journals) and found that project governance was important in ensuring successful project delivery. The Project Management Institute (2016) defined project governance as “the framework, functions, and processes that guide project management activities in order to create a unique product, service, or result and meet organizational strategic and operational goals.”

In addition, Klakegg et al. (2008) stated that project governance should flow from top-level management down to the project-level personnel. It implies that, not only project governance but other types of governance such as IT governance also have an impact on the success or failure of the projects. The IT Governance Institute (2011) defined IT governance as “an integral part of corporate governance which is a responsibility of the board of directors and executive management.”

A recent empirical study by the authors (Sirisomboonsuk, et al., 2018) suggested that both IT governance and project governance have a positive impact on project performance. We found that three dimensions of IT governance, namely, strategy setting, value delivery, and performance management are positively associated with project performance. We also found that all three dimensions of project governance, namely, portfolio direction, project sponsorship as well as project effectiveness & efficiency, and disclosure & reporting are positively associated with project performance. Moreover, the alignment between IT governance and project governance was found to be positively associated with project performance. These findings show the importance of project governance and IT governance being part of the operational strategy. Implementing both project governance and IT governance should help to facilitate the success of projects. This is what this study is addressing—how to operationalize project governance and IT governance in a real-world project context—and summarizing next.

If governance is to play such an important role in project performance and ultimately such financial measures as rate of return (ROI), internal rate of return (IRR), return on equity (ROE), etc., then this must be operationalized through a governance team. Such a team will have oversight responsibility for creating clarity with respect to project priorities, for tracking the progress of each project, for project selection and timing and for elimination of power plays (Larson and Gray,

2017). Such a team will have responsibility for creating project selection criteria and for making certain these same criteria are always used.

### **OPERATIONALIZING PROJECT GOVERNANCE**

In terms of operationalizing project governance, here is what we inferred from the empirical findings of the authors study (Sirisomboonsuk, et al., 2018):

1. Project governance should be subordinate to corporate governance.
2. Project governance should be aligned with corporate governance—consistent priorities, etc.
3. Project governance should insist on proactive portfolio selection, possibly through use of decision support software (optimization and simulation).
4. There should be an announced project sponsor and/or project champion along with a project manager.
5. A highly-articulated vision for each project is recommended.
6. High levels of clarity and buy-in relative to the vision of the project and/or organization is needed. Here we also need to measure clarity and buy-in.
7. Rules regarding processes, best practices, and reporting should be noted. For example, is *Project Management Body of Knowledge (PMBOK) Guide* going to be rigorously adhered to or not?
8. Governance drives organizational culture. How much learning, how much maturing will be encouraged within the organizational culture? Will the culture be one that is conducive to projects? Will the governing operational policy encourage once a month writing and reflection? Will the governing operational policy require the development of an aggregated history database? Will the governing operational policy be one that encourages team identity rather than individual identity?

### **OPERATIONALIZING IT GOVERNANCE**

In terms of operationalizing IT governance, here is what we inferred from the empirical findings of the authors study (Sirisomboonsuk, et al., 2018):

1. Practically, IT governance should be established after project governance is established.
2. Strategically, IT governance should assume a supportive role relative to project governance.
3. In terms of performance management, the questions are what to measure, how to quantify and measure it, how frequently to measure, when to measure and so forth.
4. Value delivery actually comes after performance measurement and is assessed in terms of the incremental increases in the performance measures. Value delivery is based on the prioritization established within project governance.

By implementing IT governance after project governance has been ‘designed,’ and insisting that IT governance be placed in a supportive role relative to project governance, the designer can insure that IT governance will be aligned with project governance.

## REFERENCES

- Altshuler, A., and Luberoff, D. (2003) *Mega-Projects: The Changing Politics of Urban Public Investment*. Washington, DC: Brookings Institution Press.
- Biesenthal, C., and Wilden, R. (2014) Multi-level Project Governance: Trends and Opportunities. *International Journal of Project Management*, 32, 1291-1308.
- Crawford, L., Cooke-Davies, T., Hobbs, B., Labuschagne, L., Remington, K., and Chen, P. (2008) Governance and Support in the Sponsoring of Projects and Programs. *Project Management Journal*, 39 (S1), S43-S55.
- IT Governance Institute. (2011) About IT Governance. Published electronically.
- Klakegg, O.J., Williams, T., Magnussen, O.M., and Glasspool, H. (2008) Governance Frameworks for Public Project Development and Estimation. *Project Management Journal*, 39 (S1), S27-S42.
- Larson, E.W., and Gray, C.F. (2017) *Project Management: The Managerial Process, seventh ed.* New York, NY: McGraw-Hill Education.
- Müller, R., Pemsel, S., and Shao, J. (2014) Organizational Enablers for Governance and Governmentality of Projects: A Literature Review. *International Journal of Project Management*, 32, 1309-1320.
- Project Management Institute. (2013) *A Guide to the Project Management Body of Knowledge (PMBOK Guide), fifth ed.* Newtown Square, PA: Project Management Institute.
- Project Management Institute. (2016) *Governance of Portfolios, Programs, and Projects: A Practice Guide*. Newtown Square, PA: Project Management Institute.
- Sirisomboonsuk, P., Cao, R.Q., Gu, V.C., and Burns, J.R. (2018) Relationships between Project Governance and Information Technology Governance and Their Impact on Project Performance. *International Journal of Project Management*, 36 (2), 287-300.