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Is it time for good enough governance?
Advances in Project Management
by Prof Darren Dalcher

Advances in Project Management Series[1]

Is it time for good enough governance?

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Last month's column featured strategic initiatives and their ability to connect strategy and execution. This month's topic moves on to address the governance systems, structures and mechanisms required to implement projects and support organisational achievement.

The term governance has been in wide use since the 1980s. It is often invoked in discussions around epidemics, risks, hazards, climate change, coastal erosion, environmental challenges, communities, globalisation, and developing countries, but is neither clearly defined nor universally understood. The surge of interest in governance stems from the perceived limitations of traditional institutions and conventional structures, enabling a new social discourse focused around a fast changing world, where greater attention must be paid to people, practices, behaviours and activities.

'*Governance refers, therefore, to all processes of governing, whether undertaken by government, market or network, whether over a family, tribe, formal or informal organization, or territory, and whether through laws, norms, power or language*'. (Bevir, 2012, p. 1)

The Oxford Dictionary defines governance as '*the action or manner of governing a state, organization, etc.*'. Accordingly, the verb *to govern* is defined as: to '*conduct the policy, actions, and affairs of (a state, organization or people) with authority*'. An additional explanation expands the focus, highlighting the need to '*control, influence or regulate (a person, action or course of events)*.' The term governance, which first appears in Middle English is said to derive from Old French *governer*, from Latin *gubernare* 'to steer, rule' and from Greek *kubernan* 'to steer'. The Cambridge Dictionary offers a more contemporary definition of governance, as '*the way that organizations or countries are managed at the highest level, and the systems for doing this*'. The verb *to govern* is correspondingly explained as '*to control and direct the public business of a country, city, group of people, etc.*'. Finally, the US Merriam Webster Dictionary offers a more pragmatic definition of governance as '*the way that a city, company, etc., is controlled by*

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[1]*The PMWJ Advances in Project Management series includes articles by authors of program and project management books published by Gower in the UK and by Routledge publishers worldwide. Each month an introduction to the current article is provided by series editor **Prof Darren Dalcher**, who is also the editor of the Gower/Routledge Advances in Project Management series of books on new and emerging concepts in PM. To see project management books published by Gower and other Routledge publishers, click here. Prof Dalcher's article is an introduction to the invited paper this month in the PMWJ.*

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the people who run it.' The underpinning verb *to govern* thus relies on the need '*to officially control and lead: to make decisions: or guide the actions*'.

Governance can thus be reframed as a way of steering, organising, amplifying and constraining both power and actions. In other words, it is the way that the rules, guidelines, norms, practices and actions that underpin an area, are developed, justified, sustained and regulated. Stoker further condenses governance to '*creating the conditions for ordered rule and collective action*'. (Stoker, 1998; p. 17)

Governance in projects and beyond

The sixth edition of the APM Body of Knowledge (APM, 2012) has been significantly re-organised around the concept of governance, which is the first key area introduced in the document. The discussion makes it clear that '*the governance of portfolios, programmes and projects is a necessary part of organisational governance*' (p. 8), as it gives the organisation the required internal controls, whilst reassuring stakeholders that the money being spent is justified.

'*Good governance is increasingly demanded by shareholders, government and regulators.*' (ibid.; p. 8)

The APM Body of Knowledge makes it clear that good governance includes the optimisation of investments, the avoidance of common reasons for failure, and the motivation of staff through improved communication. The implication is that governance touches on many aspects including business cases, life cycle selection and utilisation, approval gates, decision making, communication, roles and responsibilities, performance targets, success criteria, sponsorships, stakeholder relationships and engagement, selection of personnel, deployment and handover sequencing, and organisational support.

Moreover, the APM Body of Knowledge further acknowledges that governance applies across many levels and areas:

'*The context of a project, programme or portfolio is made up of two areas: governance and setting.*' (p. 7)

'*Governance deals with the procedural and cultural aspects that need to be in place to improve the frequency and level of delivery success.*' (ibid.)

Such concerns further encompass the host organisation and its overarching strategy, the commercial nature of the work, the delivery partners and their relationships, the client organisations, compatibility with business as usual, and the need to address change.

Governance, it would appear, can be defined and enacted at multiple levels ranging from the international, globalised context, through the public, the corporate and the portfolio perspective, all the way to the programme, and project levels.

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Governance as a lens

The academic literature on governance is eclectic and relatively disjointed reflecting a variety of theoretical roots (Jessop, 1995). Yet, despite the diversity of levels and plurality of theoretical concepts, the contribution of the governance perspective lies in its ability to provide a fresh starting point for reasoning about the changing processes of governing and the demands and expectations that they impose. Stoker (1998), thus views governance as a language and a frame of reference capable of yielding fresh insights and identifying underlying assumptions.

Stoker surfaces five key propositions (1998, p. 18), which are paraphrased and re-positioned below:

1. **Complex network**: Governance extends beyond the set of institutions and structures that are drawn from government; reflecting the complex reality of contemporary decision making. This allows for the increased involvement of the private and voluntary sectors.
2. **Blurred boundaries**: Governance identifies the blurring of boundaries and responsibilities; it also recognises the mixing of social, and economic issues, and more recently, the further addition of environmental, sustainable and ethical perspectives.
3. **Power dependence**: Governance acknowledges the power dependence involved in relationships between institutions involved in collective action and the potential for resulting unintended consequences.
4. **Autonomous networks**: The emergence of self-governing networks and partnerships places a greater emphasis on the need for the accountability of such arrangements.
5. **Enabler**: Governance is able to utilise new capabilities, tools and flexibility to steer, guide and deliver in increasingly demanding contexts.

Whilst governance has become a new focus for organisational discourse, the adoption of a fresh lens has resulted in the identification of new tensions and contradictions embedded within organisations.

The new paradoxes of governance

Many paradoxes in organisations revolve around the presence of contradictory and counter-productive tensions, such as the coexistence of authority and free will; control and creativity; and discipline and empowerment. Such co-existence often requires new thinking to embrace the opposites perspectives, or contradictions, in a meaningful new way.

Governance offers an interesting perspective, where according to Müller (2009; p. 1) '*governance in organizations is a form of self regulation where the regulator is part of the system under regulation*'.

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An obvious question to follow is 'if governance is accountable itself, or whether there is a democratic deficit?'

Other contradictions that shed additional light on the distinct parameters and paradoxical implications of governance can also be identified as follows:

Paradox 1: Governance is the new control but is it devoid of power?

In order to achieve greater control;
Some times you need to let go…

The demise of traditional control forms based on precise rules and codified hierarchies is underscored by the need to engage with more complex, demanding and ambiguous contexts. Devising new control structures for such environments requires letting go of some of the prescriptive norms and replacing them with more dynamic, flexible and responsive forms. Governance can therefore create the conditions for an ordered, and perhaps even, a more responsive rule. Note however, that responsibility without authority is meaningless. In order to carry governance responsibilities the governance mechanism must be able to influence the organisation.

Paradox 2: Balancing control and collaboration

In complex contexts, control can often only be achieved through shared responsibilities

Responsibility is also linked to control. Control implies discipline and adherence to defined rules and procedures, leading to an aversion to risk and a distrust of variation. However, responsibility, control and influence also endow power, making a group or individual, and their particular perspective, important and influential in their views and actions.

Yet, the challenges of modern environments require organisations to respond in new ways and consider collaborations with other agencies and interests to achieve a common good. Such open approaches must rely on stewardship, where individual actors, often representing different organisations, are expected to behave collaboratively and co-operate in the service of the achievement of common goals. As stewards, individuals may be trusted to behave in ways that are consistent with common goals and objectives. Shared responsibility thus enables groups to work together in order to deliver to the common good and become effective stewards of organisational resources and capability.

Paradox 3: Focus on shareholder value or stakeholder interests?

Corporate priorities vs. getting everyone on board

Powerful coalitions require a combination of interest groups that represent the priorities, needs and expectations of all critical participants. As organisations

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increasingly look beyond the financial aspects, participation by engaged stakeholders is increasingly sought to deliver meaningful results that will be used as intended in order to deliver actual value to the organisation. The governance philosophy can be located anywhere on the continuum between emphasising either stakeholder or shareholder aspects. Note that the value only arises from the actual utilisation of the assets or capabilities made possible by the project, and hence requires that stakeholders are ready and primed to play their part. A balanced approach between the two perspectives can therefore make sense and deliver workable and meaningful solutions.

Paradox 4: Internal diversity or external 'actorness'?

Biased insider knowledge vs. impartial and broader perspective, with limited local understanding

The strength of many boards and committees comes from the diversity of participants, especially those able to bring and to draw upon new sets of interests and perspectives. Identifying and agreeing on a common position may thus become subject to political negotiation and committee machinations may drive consensus-building resolutions instead of local needs. Such boards rarely act as one, and negotiate in a more 'actor-like' fashion, which prioritises local issues. Consequently, the board may be deprived of both power and influence in important negotiations and trade-offs.

Paradox 5: Project governance or Organisational success

Temporal projects vs. overarching organisational priorities

As we have seen, governance is addressed at multiple levels. The tension between short-term projects, which require governance structures and procedures, and long-term organisational priorities and needs remains a key concern. Decisions that may make sense at a project level, attempting to optimise local considerations, may make less sense from a portfolio or a corporate organisational perspective. Governance structures therefore need to identify the different levels of control and assurance that are being applied and address decisions and concerns at the right level (which may vary between shaping strategy and influencing execution). Note that rapid change, adjustments and adaptation may further challenge the division between levels of governance and the various spheres of influence. Decision making and prioritisation may also be challenged to account for emerging conditions as local project concerns and wider organisational priorities may further diverge over time. This can also translate into an escalating inability of the board to turn bold ambition into meaningful change due to limited implementation capability, or simply manifest as a disconnect between strategic priorities and execution.

Establishing governance

Governance is sometimes referred to as the 'conduct of conduct'. What is often missing is advice and guidance regarding how to implement effective governance mechanisms.

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This month's guest article by Martin Samphire acknowledges the need for developing governance capability and provides a detailed introduction to the governance landscape. The article is extracted from Martin's extended contribution to the 2nd Edition of the _Gower Handbook of Programme Management_. Martin identifies the key enablers, shares established guidelines and formulates a list of ten golden rules required for successful governance. Martin's contribution is in addressing many of the key concerns and in providing guidance to questions such as how much governance is enough. He also identifies the key players with the main lines of accountability and provides insights into embedding governance into the wider organisation, connecting it to the board, and beginning the conversation about the success and failure of governance efforts. Crucially, his reflections on governance capture the different levels of perspectives around projects, programmes, portfolios; integrating them with business as usual and the corporate governance mechanisms.

Fink (2016) notes the distinction between _management_, which focuses on the current and internal aspect of the organisation, and _governance_, which is concerned with the dual demands of future and external requirements. The governance emphasis encourages an outcome-oriented view emphasising effectiveness measured by business success, as opposed to zooming in on the efficiency of the execution effort. The broader scope resulting from a governance perspective thus replaces the immediate concerns of management with organisational leadership priorities tuned in to corporate targets and ambitions.

Ultimate challenge: Moving from total integrity to good enough governance

Evans (2012) introduces _integrity_ in public administration as a metaphor for accountable, transparent, competent and responsive governance underpinned by the concept of public value. The integrity metaphor chimes with the observation of US architect and system theorist Buckminster Fuller that '_integrity is the essence of everything successful_' and with Moliere's credo that '_if everyone was clothed with integrity, if every heart were just, frank, kindly, the other virtues would be well-nigh useless_'. It also matches the recorded aspiration of Indian Prime Minister Narendra Modi who elucidates that '_good governance with good intentions is the hallmark of our government. Implementation with integrity is our core passion_.'

Utilising integrity in the application of values, principles and norms offers the corner stone of good governance. Evans consequently notes (ibid.) that the design of effective integrity requires an informed understanding of the obstacles to the achievement of integrity in public administration systems and a significant effort to implement measures to overcome them.

However, as we have already surmised, governing is an intricate challenge that requires a constant act of balancing of different roles, interests and perspectives to provide an organising viewpoint. Moreover, governance inevitably recognises the rising complexity and the need for multilevel governing that takes account of the intricacy, uncertainty

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and the various levels and needs. The application of effective governance, irrespective of parsimony, thus requires recognition of the variety and contingency of governance.

Grindle (2004) asserts that the delivery of a good governance agenda is unrealistically long and growing longer over time. Recognising the implausibility of good governance as a project of modernity, he instead makes a case for *good enough* governance. Grindle (2007) acknowledges the limit on resources including money, time, knowledge and human and organisational capacities.

Good enough governance (Grindle , 2004; 2012) offers an alternative informed by:

- Acceptance of the limitations of modern institutions;
- Recognition that governance capabilities need to evolve over time;
- Explicit acknowledgement that trade-offs and priorities cannot all be pursued at once; and,
- Learning about what's working rather than focusing solely on governance gaps.

The idea of a *good enough* strategy or heuristic is common in a number of other domains, including decision making, problem solving, administrative behaviour and morality and ethics circles under circumstances in which an optimal solution cannot be determined or reached. Lack of information and inability to exhaustively explore or quantify all potential options may render the optimal unachievable. The notion of a good enough, or 'satisficing' solution, advocated by US Nobel Laureate in Economics, Professor Herb Simon, offers an alternative and highly pragmatic approach to rationality. Such bounded rationality allows actors to limit the search for optimal solutions and stop when a good enough alternative is reached. Moreover, it reduces the demand on the scarce resource of attention, limits the search period, and enables participants to proceed with a workable, albeit less than perfect way forward.

'*Evidently, organisms adapt well enough to 'satisfice'; they do not, in general, 'optimize.'* (Simon, 1956; p. 129)

"*In an information-rich world, the wealth of information means a dearth of something else: a scarcity of whatever it is that information consumes. What information consumes is rather obvious: it consumes the attention of its recipients. Hence a wealth of information creates a poverty of attention and a need to allocate that attention efficiently among the overabundance of information sources that might consume it.* " (Simon, 1971; p. 40-41)

Grindle (2004; 2007) maintains that it is better therefore to assess feasibility more carefully; target fewer changes; and work towards *good enough* rather than ideal conditions of governance. Nonetheless, he detects a further paradox; the greater the need for improved governance, the more difficult it is likely to be to achieve *good enough governance*.

The answer is likely to be found in gradual deployment and development. The idea of *good enough governance* offers a limited, but informed dynamic capability that can evolve and improve in an effort to provide integrated governance. Rather than be an

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end in itself, the target of good governance can become the product of intelligent application of *good enough governance* that is allowed to grow, mature and evolve. Indeed, in recognising the limitations of reality and postponing the search for matching perfection, we may already begin to establish the foundation for an informed and relevant version of the pertinent governance needed to assure the integrity of our present affairs against our future intentions.

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Darren Dalcher, Ph.D. HonFAPM, FRSA, FBCS, CITP, FCMI, SMIEEE, SFHEA is Professor of Project Management at the University of Hertfordshire, and founder and Director of the National Centre for Project Management (NCPM) in the UK. He has been named by the Association for Project Management (APM) as one of the top 10 "movers and shapers" in project management in 2008 and was voted Project Magazine's "Academic of the Year" for his contribution in "integrating and weaving academic work with practice". In October 2011 he was awarded a prestigious lifetime Honorary Fellowship from the Association for Project Management for outstanding contribution to the discipline of project management. Following industrial and consultancy experience in managing IT projects, Professor Dalcher gained his PhD in Software Engineering from King's College, University of London.

Professor Dalcher has delivered lectures and courses in many leading institutions worldwide, and has won multiple awards and prizes. He has written over 200 papers and book chapters on project management and software engineering and published over 30 books. He is Editor-in-Chief of the *Journal of Software: Evolution and Process* published by John Wiley. He is the editor of the book series, *Advances in Project Management*, published by Routledge and of the companion series, *Fundamentals of Project Management*. Heavily involved in a variety of research projects and subjects, Professor Dalcher has built a reputation as leader and innovator in the areas of practice-based education and reflection in project management. He works with many major industrial and commercial organisations and government bodies in the UK and beyond.

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