

What is governance and how does it influence PPPM?¹

Klas Skogmar

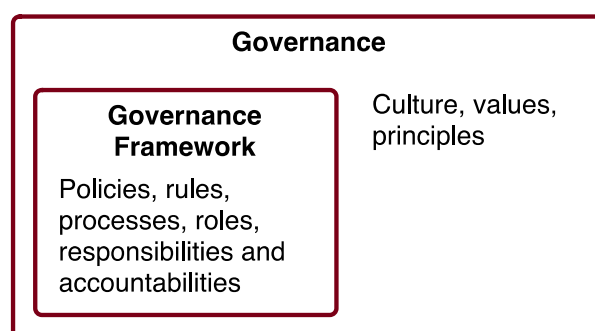
In my experience there are many different opinions on what “governance” is. This article will describe one perspective of governance, how different types of governance relate to each other, and give some details on project, program and portfolio governance.

Governance influences, restricts and empowers, the ways something can be managed through formal or informal means. Management is the operational activities performed to manage tasks or people. Governance can be viewed as the “management of management”, or “the rule of the ruler”.



If you can tell someone to do something, to get it done, it is management. However, if you generalize and write something down that enables everyone to act according to your wishes, then it is governance.

Governance can be formal and structured things such as policies, rules, processes, roles, responsibilities and accountabilities. This type of governance is usually formalized and documented and may be referred to as a governance framework. But governance can also include things that may be hard to formalize and document, such as culture, principles and values.

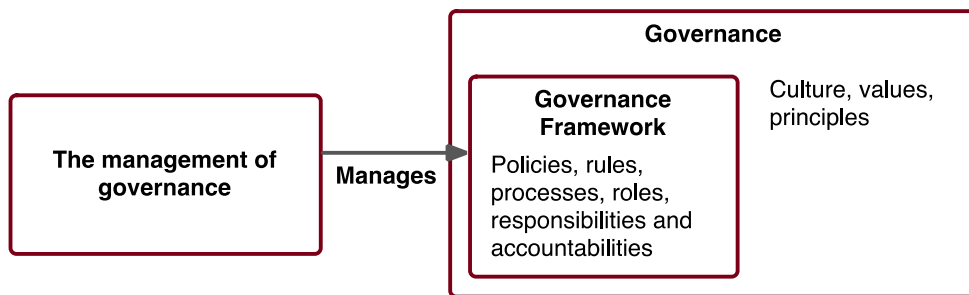


One should note that governance is neither inherently good nor bad. Governance could be used in positive ways, as a means to create democracy, reinforce positive behaviors in an organization or to enable empowered teams, but it could also be used to reinforce the power of a dictator or sustain a never-ending loop of the recruitment of child soldiers. “Good

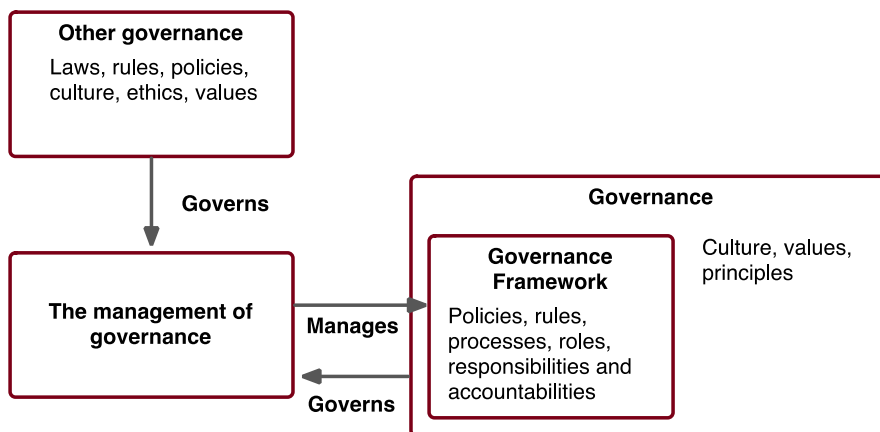
¹ How to cite this article: Skogmar, K. (2019). What is governance and how does it influence PPPM? *PM World Journal*, Vol. VIII, Issue VI, July.

governance” typically follows principles such as transparency, fairness, accountability and resilience.

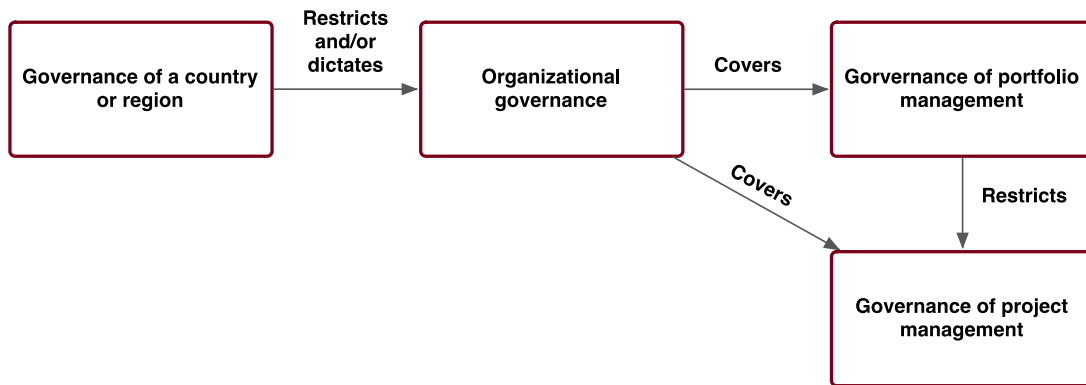
Governance is something that "is" - not something you "do". Therefore you also need to manage the governance. This view on the subject may be referred to as the act of governing. The act of governing may be writing and communicating policies, establishing processes, defining roles and responsibilities, etc. Those individuals responsible for managing governance are often referred to as the "governing body", but may have different names in different contexts. The governing body could be viewed as the ruler; the governing could be considered "to rule"; and governance "the rules".



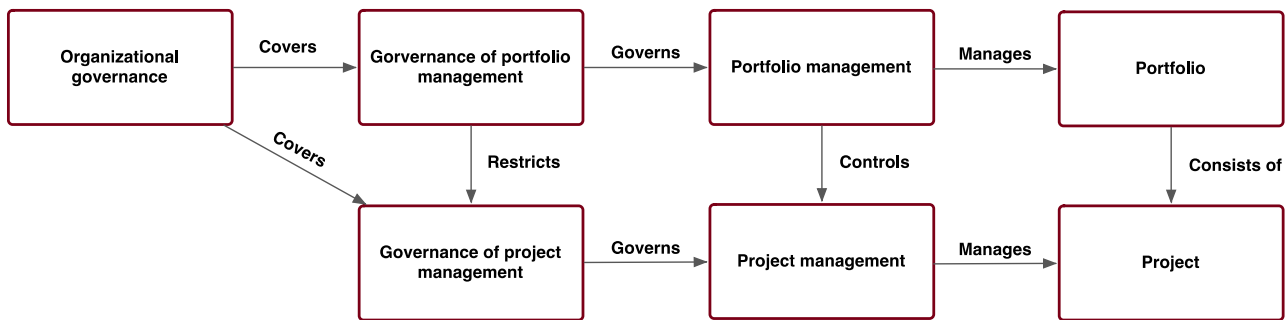
The management of governance should also be restricted and empowered in the same way as other types of management. Therefore, governance often restricts the management of the governance, for example when a country in its laws describes how the laws are supposed to be changed. Some management of governance could also be restricted and empowered by some external governance. For example, most countries regulate through laws how the board of a firm is elected and how the Chief Executive Officer (CEO) is appointed.



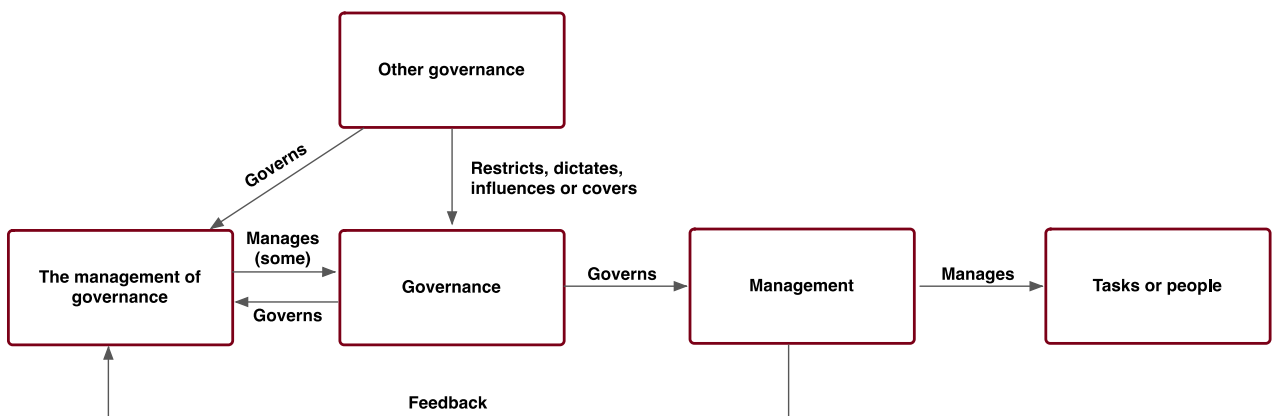
The governance of an organization is often referred to as organizational governance. Organizational governance is influenced by the governance of the environment in which it exists, such as the governance of a country or region. Within the organization, there may be different parts of the organizational governance that covers some aspect of management, such as project portfolio management or project management. These subsets of the organizational governance may influence each other.



The governance of project management governs project management, which in its turn manages projects, and the same applies for other types of governance and management.

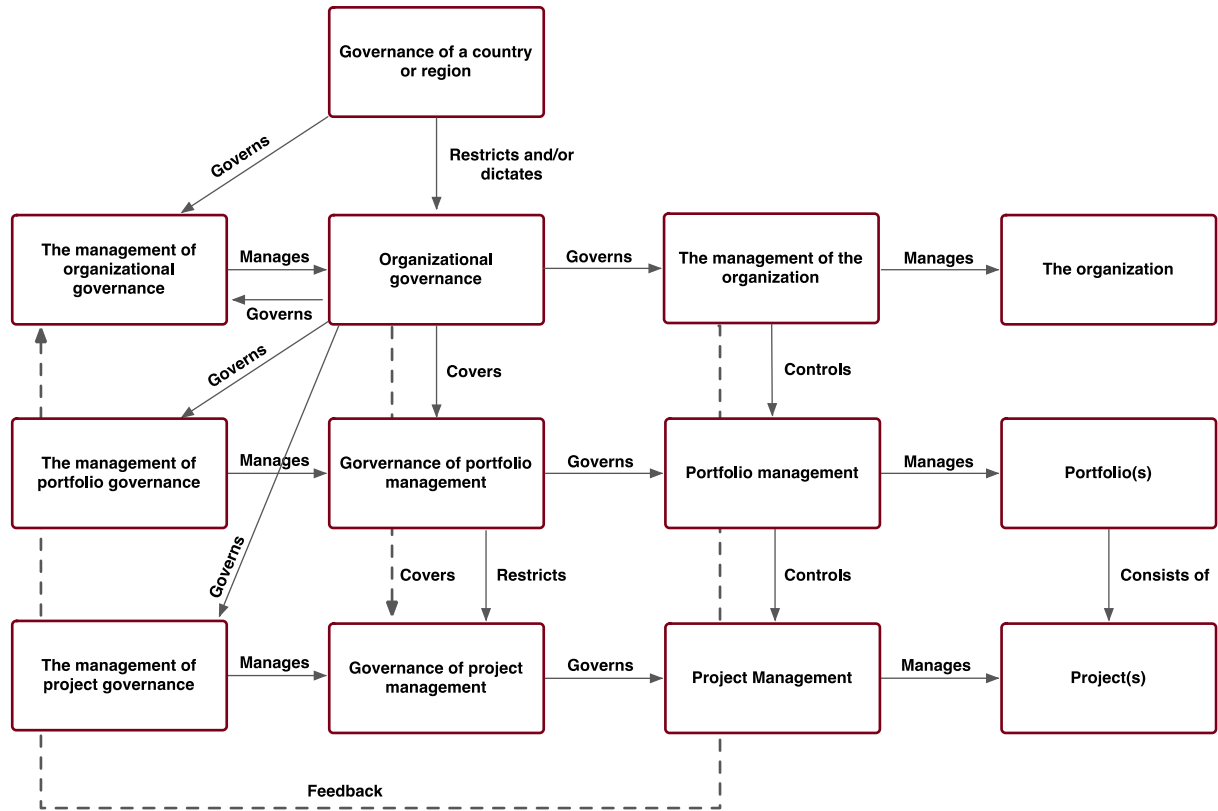


To change the governance, there also needs to be a feedback loop from those individuals that manage the organization, and those individuals that manage governance, to enable any issues in governance to be raised and handled. Showing these different aspects together gives the following figure:



Such actions and feedback loops may not always change the governance that the governing body has control over, if there are some other governance outside its scope that takes precedence. An example of this statement is the application of laws that restrict the governance that an organization could take on. It is also worth noting that the same person could manage governance, as well as managing tasks or people within the organization.

Putting all the pieces together for the governance of project management results in the following figure:



The figure shows how different layers of governance and management relate to each other. Having a proper understanding of the relationships should make it easier to assign responsibilities and accountabilities to the various layers of managers and governing bodies, optimizing the performance of the organization’s project, program and portfolio management.

About the Author



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Klas Skogmar is a management consultant and trainer within project, program and portfolio management. Klas have been part of ISO standardization for several project management related standards, and regularly holds courses and seminars in areas such as PMBOK, ISO, PRINCE2 and agile development. He is also an entrepreneur with experience from founding and managing companies in various industries over the years. As a methodology specialist, he helps large organizations such as IKEA, Sony Mobile, Tetra Pak, Alfa Laval, Volvo and the Swedish Social Insurance Agency with portfolio management, project management and organizational agility. Klas can be contacted at klas@arkatay.com