Abstract

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Ask a dozen project management executives how they define, design and implement project and program governance and you will get a dozen different answers. Many confuse the functions of governance with those of management. Most think of governance in terms of corporate governance of organisations and do no realise that project and program governance has a markedly different function. Select a wrong and bureaucratic system of governance and the project/program could suffer significant delays, cost overrun and even outright failure. In fact, it was not until recent times that governance was looked upon as a distinct area of strategic significance in project and program management.

The author defines project/program governance as an overall administrative system within which the subject project/program is defined, developed and delivered optimally. Note that optimality refers to the successful delivery of the project/program business case and achievement of the triple objectives of financial, performance and environment. Financial objectives assess the project's viability over the service life and utilise measures that reflect the project's financial performance from the sponsor's perspective. Performance goals refer to the ability of the resultant system or facility to perform at the expected level, as characterised by parameters such as operability, functionality, capacity, quality, etc. Environmental goals refer to the project/program's performance in terms of impacts on external stakeholders (those who are not financial party to the project/program) and the general socio-economic, political and physical environment.

Note that governance has a strategic and overarching role not an execution function. Governance lays down a coherent, responsive and objective administrative system to facilitate the delivery of the project/program business case and achievement of project/program objectives. Governance defines specific leadership approach, associated consistent policies and common parameters through which the roles and responsibilities can be defined, and authority and accountability can be assigned. Dimensions of good governance include: (i) human resource management policies and leadership; (ii) contractual strategies; (iii) organisational design; and (iv) high level decision making and control system. The actual form of governance is very much shaped by the prevailing risks and adopted strategies for project implementation. Either the client has the capability to design and administer project/program governance effectively and optimally or they must seek help. The performance of governance function- like any other core managerial function-, can be monitored, assessed and improved. The author's model sees governance and strategic management performance as being manifested in the following:

1. The high level performance of the whole project/program administrative system and strategies, policies and practices applied under which the project management team can optimally manage the project and deliver the right outcomes
2. The effectiveness of governance that can be assessed through the following indicators:

   (a) perceived leadership and top management support
   (b) governance structure
   (c) timely actions or decisions
   (d) team culture & commitment to project goals
   (e) maintenance of high morale

The research work undertaken on management of large complex projects and programs by the author at Asia Pacific International College has culminated in the provision of a model for management of large complex
projects or programs and a performance assessment tool (Project/Program Health Check) that can assess actual state of management of a given project/program as well effectiveness of leadership and governance.

In this paper the author will address project/program governance, including relationship to project/program quality, risk and procurement management. Reference will be made to the governance of a major case project to illustrate the role of governance and leadership vis-à-vis the management team.

Key words: Project/program governance, project/program management, strategic management, project/program risk management, project/program leadership and administration

**Presenter's Resume**

- As a long time international consultant, author, researcher and educator in project, program, business and systems management **Professor Jaafari** has wide expertise and professional experience.

- **Professor Jaafari** has, to-date, authored 190 publications in project, program, organisations and business management. **Professor Jaafari**'s current research efforts are focused on strategic project, program and portfolio management, organisation management, innovation and change management, information management systems, TQM and management of risks and liabilities

- **Professor Jaafari** acts as an expert consultant to industry and governments worldwide. In 1994 he acted as a special consultant on the Productivity Initiative Programme as part of TACIS. PIP was part of TACIS developed by the European Commission to re-train some 3,500 senior executives selected from Russian businesses, public institutions, government agencies and industry sectors. In April 2004 **Professor Jaafari** gave advice on the Transformation of Military Academies of Taiwan. In 2008 he provided advice to a major Australian organisation on the management of a large infrastructure project. In 2009-2010 he provided advice on a US$1 billion Urban Transport Project. During 1990-93 **Professor Jaafari** held the position of Chief Manager, Project Management, with SMEC in Australia. In this role he was involved with multiple projects and programs, including Project Director of Hazardous Waste Transport Project in NSW, Australia. From 1969 to 1982 Professor Jaafari held numerous senior appointments in the UK and the Middle East working on major projects and programs, and advising top level government bodies.

- One of the most significant projects **Professor Jaafari** completed in 2006 was to research the project and program management competency needs of the petrochemical projects industry sector, design a competency standard, framework and associated assessment system, as well as training solutions to raise the competencies of over 5000 managers across 600 firms involved in the design, manufacturing, construction and commissioning of large complex projects in that sector.

- **Professor Jaafari** has conducted courses and seminars for over 4,500 executives, managers and professionals in Australia, Asia and Europe. He specialises in graduate education and professional development, and has developed innovative graduate programs that won numerous Excellence Awards.

- **Professor Jaafari** has been a regular contributor to, and invited speaker at high level international conferences and seminars, including IPMA World Congresses on Project Management. Most recently he was the conference co-chair and a keynote speaker of 3rd International Conference on Project Management (ProMAC2006) held in Sydney, 26-29 September 2006. He was the invited keynote speaker at the IPMA International Symposium in Russia, 14-17 February 2007. He was an invited keynote speaker and Conference Co-Chairman of the International Symposium on Project Management, held on 28-30 October 2009 in Bangkok, Thailand. He also chaired Asia Pacific Expert Seminar, held in Sydney on 19-20 November 2010. Professor Jaafari was an invited Keynote Speaker of the National Project Management Conference incorporating the PMI Australia National PM Conference and ISSEC Conference, which was held on 23-29 August 2010 in Brisbane, Australia.

- **Professor Jaafari** has held visiting professorial appointments at a number of prestigious universities, in Europe, North America and Asia, such as visiting professorial appointment at Helsinki University of Technology, Vienna University of Economics and Business Administration and numerous other institutions.

- **Professor Jaafari** received his PhD in Business Economics (Quantitative Business Methods) from Surrey University in the UK, in 1977 (Joint SSRC-SRC scholarship holder and Swan Award), and his Master of Science (Distinction) in Highway Engineering and Transportation Management in 1974 from the same University. He has a Master of Engineering (Distinction) from Tehran University awarded in 1968.

- During his tenor at the University of Sydney **Professor Jaafari** and his research team conducted numerous research projects, including a number of major projects funded by the Australian Research Council. **Professor Jaafari** collaborates widely in the international scene.

- The current research focus of **Professor Jaafari** and his team at Asia Pacific International College is on creation of the next generation of project management models and systems, diagnostic tools for assessing individuals, complex projects and programs and project-based organisation units.

- **Professor Jaafari** is on the editorial board of the International Journal of Information Technology Management, as well as a contributor and assessor of the International Journal of Project Management. He acts a Doctoral examiner for a number of European and Australian Universities.

Asia Pacific International College (APIC) is a leading Australian Postgraduate College with degrees in project, program, business and general management, including the MBA (Project and Program Management). APIC offers tailored corporate training programs that identify the specific needs of each business unit, and offers tailored courses to improve their performance. Courses may be taken at home or at workplace principally through
the Internet under mentoring. Intensive knowledge workshops staged at the onset of each course unit strengthen online learning.

The PH-Check tool offered by APIC is an interactive web-based application software that be used by any manager to check the state of management of a project at any time in its life. It identifies opportunities to increase the performance across 18 core managerial functions (see http://tools.apicollege.edu.au/phc/). APIC also offers courses and executive training in project and program management as well as in a host of other areas, such as general management, supply chain management, sustainability management, leadership and change management, business systems, business planning, enterprise project-based management, enterprise asset management, governance and risk management. For more information please visit www.apicollege.edu.au.