

Chapter 14

Governance through Project Management Methodologies

Miia Martinsuo

in: R. Müller, S. Sankaran & N. Drouin (Eds., 2023) Research Handbook on the Governance of Projects, pp. 161-170. Edward Elgar.

Accepted author manuscript

Abstract

When organizations mature in their project management, they tend to include governance to their well-established routines, often built into a project management methodology. Organizations may either adopt a published, all-encompassing project management methodology, adjust and adapt a methodology intended for a specific project type (such as product development or IT), or design and develop their own, unique methodology based on their experienced good practices. Such methodologies specify the core principles, processes, tasks, tools, and actors' roles and responsibilities that are anticipated to lead to successful project outcomes. This chapter outlines the basic features and components of project management methodologies as mechanisms of governance, differentiates the alternative methodology types (adopted, adapted, designed) in terms of their contextualization and use, and reviews current-state knowledge on the benefits and challenges of using project management methodologies. While formalization of project management through these methodologies may promote capability development and learning from a project to another, it also may cause rigidity, which may become quite destructive in dynamic project contexts. The chapter, therefore, discusses the necessity of flexibility, interpretation, adaptation, and continuous learning in using project management methodologies.

Keywords: Methodology, Governance, Project Management, Process, Framework, Formalization, Flexibility

Introduction

Organizations that implement projects repeatedly benefit from an overarching approach to how they decide upon, steer, control, manage, and conduct their projects, and this is covered in the concept of governance of projects. A distinction has been made between an internal view and external view to project governance (Ahola et al., 2014), and this chapter concentrates on the external view, i.e., how the organization governs its projects. Putting governance into practice requires a well-functioning mechanism, that is, such structures and processes of productive activities that contribute toward reaching the goals that the organization has set for the projects (following Pajunen, 2008). The choices at the organizational level are naturally reflected into the internal view of project governance and how individual project managers and project teams implement project governance.

In the governance of projects, organizations often define norms and develop formalized tools and routines that specify how projects should be managed. In this chapter, the focus is on project management methodologies as mechanisms of governance. They comprise the norms, tools and established routines used for managing projects and reflect some key assumptions about what kinds of processes and activities are expected to lead to success. To some extent standardized practices may be needed, to align the different interests of the organization and the projects (Ahola et al., 2014). The organizations create such norms, tools, and routines and develop them over time, through experiences of what has driven success and what has delivered planned benefits through projects. Sometimes, organizations may adopt such norms, tools, and routines from models and frameworks of professional associations and certification bodies (PMI, APM, IPMA, Axelos), standardization organizations (ISO), commercial consultants, or partner firms, based on learning from the successes of other organizations.

Project management methodology (PMM) is here defined broadly as “an organization’s way to control and make decisions on a project during project management” (Lehtonen & Martinsuo, 2006, p. 7). It is sometimes referred to as project management system (Cooke-Davies et al., 2009), framework (Badewi, 2022), or method (Jugdev et al., 2013). With PMMs, organizations often seek consistency in the way in which projects are managed and improvement in project success rates (McHugh & Hogan, 2011). On one hand, PMMs become more established when the organization’s project management maturity evolves. On the other hand, the use of PMMs is seen to advance or reflect the organization’s project management capability (Crawford, 2006). Here, I use the general term PMM to emphasize its

overarching nature as the organization's approach to managing its projects and to acknowledge that it may include many different methods, techniques, and tools used for the different purposes in project management.

Control and decision making on projects may take different forms in organizations. PMMs may specify project management processes, tasks, and tools (including information systems for project management) that can be considered as explicit, formalized aspects of project management. However, some aspects of PMMs may be implicit and even informal, since PMMs also include the core principles and norms that guide project management, and actors' roles and responsibilities that have become established in the organization through the learnings in the past and are anticipated to lead to successful project outcomes.

This chapter focuses on three main questions:

- 1) What are PMMs like, as mechanisms of governance?
- 2) How do PMMs differ from each other? and
- 3) What kinds of outcomes can PMMs offer as mechanisms of governance?

PMMs are here considered especially from the viewpoint of organizations whose main business is projects (i.e., project-based firms) or that carry out projects for the purposes of developing their offerings, operations, or business more generally (i.e., any organizations). Either of them might develop and use PMMs in their pursuit of project goals. Naturally, many types of organizations in the private, public, and non-profit sectors procure, implement, and deliver projects, participate in joint projects with other organizations, and have their specific PMMs. Inter-organizational projects with organizations from different industries add complexity through the possibility of multiple different PMMs, requiring negotiation concerning which PMM is used in the specific project. This complexity is purposely excluded from this chapter, but it is a relevant issue for research.

The chapter shows that there is no one single best PMM, but all organizations need selectivity, flexibility, interpretation, and adaptation when using a PMM. The paradox between formalization and flexibility is discussed, and the necessity for organizational learning is revealed, when organizations use a PMM and continuously develop their project management capabilities.

Basic features and components of project management methodologies

When PMMs are considered and used as mechanisms of governance, there is a need to acknowledge both its normative (rules and procedures) and behavioral (people and what they do) perspectives. Figure 14-1 illustrates four key components of PMMs, each discussed below. The general discussion on PMMs tends to concentrate on formal rules and procedures, but I emphasize that also the deeply rooted and often invisible social structures and cultures are equally important in the governance of projects.

	Normative components (Rules and procedures)	Behavioral components (People)
Foundation (what, why)	Knowledge areas, processes and tasks	Values, principles and culture
Implementation (how, who)	Tools, techniques, methods and technologies	Actors, committees and their roles and responsibilities

Figure 14-1: Overview to the key components of PMMs

A core aspect of PMMs deals with the **knowledge areas, processes, and tasks** that are expected to be central in achieving project success. When they are specified clearly, organizations appreciate the possibility to keep the project processes well structured, controlled, and known, projects are treated in a consistent manner, and personnel share the same project vocabulary and understand each other (Wells, 2012). Wells (2012) also reports that PMMs may act as “hygiene factors”: without PMMs the organization would become inefficient. PMMs might be necessary when working with customers and communicating to other stakeholders, since such organizations may require official accreditations for the assurance of project management quality. However, PMMs might also become constraints, especially if people do not rely on them or cannot act flexibly in the context of the PMM (Wells, 2012). It is important for personnel to remain sensitive to the requirements of specific contexts and circumstances, when using the standardized processes and tools.

Tools, techniques or methods, and technologies may deal with any of the processes or tasks in projects and are often focused on handling some specific tasks in the projects. PMMs may include many kinds of tools and methods, for example, for project planning and monitoring, and the information they offer is relevant for governance, too. For example, the critical path method, work breakdown structure, Gantt chart, various analysis techniques, and project management software are such tools that are actively used in projects (White & Fortune, 2002; Fortune et al., 2011) and offer information input to decision makers. These kinds of tools often represent good-practice knowledge accumulated over the past decades, and they are intended for very specific tasks and purposes. Organizations might also develop their own tools for their own purposes. The study by White and Fortune (2002) identified some limitations with general tools and techniques in that they are not always suitable for the organization or could be somehow inadequate. Therefore, it is quite important to select the right tools and techniques for the right purposes in the organization and not merely copy them from others.

Each organization may have its own, unique PMM, which is not just formalized, documented, and officially shared, but it may be resting upon implicit **values, principles, and culture**, learned over the years as ‘good’ and ‘right’ ways of operating in the specific context. Value drivers underlying the development of PMMs may, for example, deal with the need for process efficiency and the need for differentiation (Cooke-Davies et al., 2009). Such values and principles may reflect the national culture of the organization’s historical homebase, or the culture typical to the organization’s industry. Organizations and their PMMs might differ, for instance, in the degree of formality, centralization, control, participation, communication, and openness. The values, principles and culture are reflected in the general character of the PMM. For example, Joslin & Müller (2015) analyzed the comprehensiveness, supplementation, and selective application of PMM as overarching approaches of PMM use. Cooke-Davies et al. (2009) differentiated between ad-hoc, classic, innovative, and entrepreneurial PMMs. Lehtonen & Martinsuo (2006) examined the appropriateness of project management by drawing attention to respondents’ own view of ‘our way’ of managing projects. Even if the cultural aspect of PMMs is often invisible, the project-based learning occurring over the years and accumulating to the project routines and practices in the organization is a powerful aspect of PMMs.

PMMs may additionally specify **actors’ roles and responsibilities** in project management and define **competence requirements** for project decision makers and project managers.

This might imply specifying the requirements for project managers and upper-level decision makers, and also defining the various groups and committees involved in projects and related decision making. While official standards and textbooks may define project and decision-making structures and competence requirements generally and reveal alternative models for different project types, such structures and the division of responsibilities always have to be defined organization-specifically, acknowledging the available resources and culture of the organization. Thereby, it is important to consider how the PMM empowers decision makers and project actors to drive projects toward success. Especially senior management support, effective leadership, team building, and training provision have been identified as actor-related critical success factors (White & Fortune, 2002; Fortune et al., 2011). Project managers may also pursue professional qualifications and maintain memberships in professional organizations, to demonstrate their project management competences, as reported in some countries (Fortune et al., 2011).

Alternative methodology types

Organizations have various options, when they choose and implement a PMM for their own purposes. It is important to acknowledge the differences between different types of PMMs and use them selectively for the organization's own needs. I here differentiate between adopted, adapted, and designed PMMs. Previous research acknowledges that different PMMs are needed for different purposes (Cooke-Davies et al., 2009), environments (Joslin & Müller, 2015, 2016) and cultures (Piwowar-Sulej, 2021). The study by Cooke-Davies et al. (2009) indicates that especially when the organization seeks high process efficiency and does not need to differentiate itself from competition, a very traditional PMM with focus on efficient implementation is needed, whereas a firm with a high differentiation strategy would require PMMs that will enable much more flexibility and creativity.

Adopted PMMs. Over time, standards, bodies of knowledge, and knowledge bases have been developed, suggesting and documenting processes, tools, and competences useful in project management. Some PMMs may rely upon an international standard and guidance (ISO 21502) and some focus on the organization and its capability or maturity in project management (e.g., PMI OPM3, APM Body of Knowledge). Complementing the organizational approach, some models rest on individual capabilities and related certifications (e.g., PMI Body of Knowledge, APM Chartered Project Professional, IPMA Competence Baseline ICB4, Axelos: PRINCE2, P3O). Organizations might learn from and adopt the processes, guidelines, and toolboxes based on such established standards and related support

materials, potentially through the support of accreditation and certification systems and consultants. However, as the ready-made models do not acknowledge the organization's special circumstances or differentiate between project types, organizations need to be careful in interpreting such methodologies for their specific needs. Organizations might customize the international standards generally, or specifically for different project types (Joslin & Müller, 2016). When adopting PMMs based on standards developed for general use, it is important to select carefully which parts of the existing frameworks are useful and helpful for the specific organization's needs, tailor them (McHugh & Hogan, 2011) and also take into account needs specific to the project types. Adopted PMMs have the strength of international availability and potential sharing within and among firms (e.g., customers and partners), enabling the use of a commonly understood project terminology (McHugh & Hogan, 2011; Wells, 2012). Their weakness might be similarity with competitors: adopting a similar PMM as competitors does not really enable differentiation and, thereby, achieving competitive advantage.

Adapted PMMs. Research literatures, textbooks, practitioner literatures, and commercial consulting and training firms offer process models and tools for specific project types, such as product and service development, organization change, software development, construction, investment, and infrastructure development. Organizations may procure consulting services to introduce such a model or learn a conceptual model from existing literature. While such models may acknowledge the special nature of a certain project type (e.g., Wells, 2012), they may be thereby quite limited and they require additional work, to take the organization's unique context into account. There is a need for adjusting and adapting the models for the organization's specific circumstances and needs. It is important to also consider the unique organizational culture and develop such norms, routines and tools that fit with the specific organization. Adapted PMMs have the strength of accumulated project type-specific knowledge into good practices, and potentially also the terminological consistency internationally. Their weakness might be the limited application domain and operational nature, requiring the combination of multiple separate PMMs for different project types.

Designed PMMs. Particularly large project-based organizations may have multiple project types and a strong, unique identity and culture with learnings from past projects. Then, instead of adopting or adapting an existing PMM, it might be more useful to design an organization-specific PMM, based on the knowledge and learnings accumulated in the past.

For example, Fortune et al. (2011) reported quite a high proportion of in-house developed PMMs in their study of firms in Australia, Canada and U.K. Especially for large organizations, the investment into a tailored, designed PMM might prove to be good, as the PMM then reflects the capabilities, commitment, and learnings of the involved employees. Designed PMMs also enable the different treatment of different project types and sizes, for example, through advising which practices and tools are used for which types of projects (Joslin & Müller, 2016). Challenges with tailored PMMs deal with a too strong foundation in the past, reliance on internal learning (instead of learning from also others), mismatch with customer's supplier selection criteria, and mismatch with models that international customers and partner firms might use. On the other hand, a unique PMM might reflect capabilities that could enable differentiating from competitors and developing competitive advantage (Cooke-Davies et al., 2009). Table 14-1 summarizes some key features of different types of PMMs.

Table 14-1: Summary of features typical to different types of PMMs.

	Adopted PMM	Adapted PMM	Designed PMM
Offers a common language and terminology	+	+	+
Promotes a consistent way of working and use of good practices	+	+	+
Promotes easy learning of practices and capability development	+	+	+
Is widely available and possible to share internationally	+	+	-
May be used as a formal supplier or partner selection criterion	+	(+/-)	(+/-)
Takes into account the needs of a specific project type and size	-	+	(+)
Takes into account the requirements of different project types and sizes	-	(-)	+
Takes into account the requirements in a specific industry	-	(+)	+
Capabilities and support for implementation broadly available	+	+	(+)
Coverage of history, learning and good practices across different types of organizations	+	+	-
Coverage of history, learning and good practices within the organization	-	-	+
Possibility for differentiation from competitors	-	(+/-)	+

Outcomes of using project management methodologies

A crucial aspect of benefiting from PMMs relates to whether and how they are used. Even if a PMM exists officially, it does not always mean that it is used in the right way and in all possible projects. Getting a PMM into use will require extensive effort from the organization, first to create the PMM and/or modify it to the organization's specific circumstances and then to educate the personnel on its use. Accreditations, audits, and certifications of PMM use are available to assure proper governance through PMMs.

It is up to project managers, decision makers, and personnel to implement PMMs in practice, and there are some benefits from using PMMs for single projects. Some studies associate the use of PMMs and their elements with success at the single project level (Joslin & Müller, 2015, 2016), suggesting that the use of PMM explains the achievement of goals in a certain project. Some examples indicate that using and referring to PMMs may help in preparing and negotiating successful project proposals and bids, since the customers appreciate a transparent approach to project management, and in making the project plans realistic and feasible (Wells, 2012). The use of a PMM can make project managers' and decision makers' work easier, since they offer guidance on agreed-upon ways of working in the organization and help new managers in their work (Wells, 2012). The study by Badewi (2022) reported that the institutionalization of PMMs was associated with the managers' power in transformation projects and to some extent also project success.

The benefits of PMMs, however, are much more significant for the organization as a whole, as multiple projects may take place simultaneously and sequentially. PMMs represent an important component of project management capability that is maintained and improved over time (Crawford, 2006). PMMs promote consistency, sharing of a common language, systematic control for projects, guidance and support, and continuity over time (Wells, 2012). The study by Cooke-Davies et al. (2009) showed examples where the efficiency pursuits of projects increased over time, when the organizations developed and established PMMs and took effort to continuously improving the project efficiencies. If the organization uses a PMM, employees experience the project management approach of the organization as more appropriate than without a PMM, and the PMM use could increase the proportion of projects that reach their goals (Lehtonen & Martinsuo, 2006).

PMM alone, however, is not a guarantee for repeatedly high-performing projects. All PMMs have their limitations, in terms of suiting certain project types, matching with real-life needs,

required time and resource consumption, availability of training, and employees' capabilities and readiness to use the methodology (White & Fortune, 2002, Fortune et al., 2011). The added workload, rigidity of the system, and documentation and capability requirements might even become barriers to using the PMM (Terlizzi et al., 2016). Some examples in the study by Wells (2012) also indicate that individuals might be reluctant to use PMMs, as they do not believe in the effectiveness of methodologies, they may feel too old to learn new ways, they want to rely on common sense, and had not heard of others' experiences or good practices of using such PMMs.

Conclusions

In this chapter, I have portrayed PMMs as mechanisms of governance that enable organizations to use their projects for goal-oriented endeavors successfully, to continuously learn from managing the projects, and, thereby, to build their project management capability. PMMs, as mechanisms of governance, focus on the general approach of deciding upon, steering, controlling, managing, and carrying out projects, but they are not sufficient alone. Organizations need strategies and future visions that give direction to the projects, too.

Concerning the nature of PMMs as mechanisms of governance, this chapter emphasized the complementarity of normative and behavioral perspectives to governance. While PMMs are often represented as official rules, tools, and processes, there is a need to acknowledge the need for flexibility and agility (Lappi et al., 2018) and the powerful influence of people, implicit values, and organizational culture in the governance of projects. All organizations can and should consider the established foundations of both aspects of PMMs (i.e., what is being governed as part of projects and why), and also support the efficient and flexible implementation of PMMs in projects (i.e., how the learned practices are used and by whom). This chapter has offered a holistic overview to the components of the governance of projects, which may help organizations in acknowledging all the necessary perspectives in their own governance approach.

Various PMMs are available publicly and commercially, and I proposed differentiating between PMMs adopted from standards and bodies of knowledge, PMMs adapted from commercial and practitioner process models, and PMMs designed specifically for the organization's own needs and context. These alternatives are not necessarily mutually exclusive, but organizations could combine parts of pre-existing PMMs with their own designed components. The analysis of the strengths and weaknesses of different PMM types

enables organizations to consider which approach is suitable to their own needs. It also encourages organizations to allow flexibility, interpretation, and adaptation, when choosing and using their own PMM. None of the PMMs can perfectly anticipate the circumstances faced in projects, so the use of PMMs needs to be complemented with personnel's awareness and active anticipation of uncertainties.

Since PMMs as mechanisms of governance pursue efficiency and learning in and among projects, research tends to emphasize that PMMs produce beneficial outcomes both at the level of single projects and at the level of the organization. The conceptions of success and outcomes tend to be limited through how they are assessed. If reaching of project goals and efficiency are pursued, then they are measured. However, in inter-organizational contexts, successes and outcomes may be perceived differently by the different organizations and some aspects of project and business value may be more difficult to assess than efficiency. The benefits of PMMs, therefore, are highly sensitive to the strategies with which projects are steered and the contexts and circumstances in which projects take place. Some PMMs might become extremely rigid and hinder personnel from seeing events occurring in the context, or they might be biased to one organization's expectations and neglect the other stakeholders' interests. Therefore, benefiting from PMMs will require constant attention and responsiveness to the stakeholders, events, and strategies and related dynamics.

When implementing and using PMMs, the personnel in organizations may face a dilemma between the official formality of the PMM and the flexibility necessary in implementing projects in their specific context. The chapter indicated that personnel may be reluctant to use a PMM due to lack of confidence in the PMM and reliance on their own common sense and capabilities. However, projects and project business are always team efforts, which will require effective communication and interaction between personnel and even between different organizations. To resolve the dilemma between formality and flexibility, organizations should educate their personnel in the selective and, yet, sufficient use of PMMs. Employees' own agency, responsibility, and capacity to adjust operations upon need are crucial in any projects due to their inherent uncertainty.

A key aspect of PMMs relates to their evolution over time. Organizations develop their project management capabilities through learning from previous projects and at the same time they become more mature in project-based operations. PMMs are always results of some learning, either broadly in the world or a certain industry or specifically in an organization. In

any types of PMMs, it is necessary to accumulate the organization's learning into good practices and share them actively, which means that PMMs are not intended as static and fixed entities, they are supposed to be developed continuously. It is important that organizations have procedures in place also for changing and improving the existing PMM, for example, as part of the tasks of a project management office or project support office. At its best, PMMs as mechanisms of governance promote the organization's success through a double-loop learning process where learning takes place not just between projects, but from projects to the organization, in the form of a continuously evolving PMM.

This chapter has considered PMMs both as a mechanism promoting project success and organizational governance. Future research possibilities exist broadly, both concerning adopted PMMs and their implementation and use internationally, and adapted and designed PMMs in their unique local contexts. With the diverse cultural and industrial contexts of project business, research could consider the local implementations of PMMs and experiences of their inter-organizational use. Particularly the conflicts between multiple different PMMs in inter-organizational projects would deserve attention and guidelines for resolution. Research could delve more into the process of adapting or designing PMMs, focusing empirically on the mechanisms that enable agility and flexibility in governance (following Lappi et al., 2018). Furthermore, there is a need to understand behavioral aspects of PMMs in governance, in terms of the values, norms, and distribution of tasks between governing actors in the development, implementation, use, and revising of PMMs. Research could explore the competing values and task division between top managers, project portfolio managers, project management offices, and project managers in PMM use. Also, there is a need to take a more critical view to the outcomes of using PMMs, both at the level of single projects and the organization. For example, the accrued costs and sacrifices made need attention by the side of the achieved benefits, when assessing the real value and outcomes of PMMs.

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