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# **PROJECT GOVERNANCE: HOW PROCESSES CAN BE MANAGED WITH AN AIM TO IMPROVE PROJECT PERFORMANCE**

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## **Abstract**

*Project Governance (PG) is often viewed as an unnecessary overhead and hence often integrated within the project framework. This paper presents the results of a study that claims that the level of a project success is influenced by the demarcation of the PG process from the core project management framework. Four case studies were chosen to be analysed based on the success rates and the varying levels of PG demarcation. The practitioners from the four companies working in different contextual setups were interviewed about their perceptions on the role of IT related PG and PM on the success of a project. The findings revealed that 'records management', 'run check lists regularly' and 'encourage project governance adoption' would benefit the performance of the projects. Analysis of the data showed that a PG framework helps add business value to a PM framework provided the roles of each framework is clearly defined and the inter-relationship is synchronised with the overall goals and objectives of the project.*

*Keywords: Project governance, Management, Project processes, Case study parochial*

# 1 INTRODUCTION

Project Governance (PG) is in relation to project management and project performance improvement strategies. PG has, following numerous high profile IT project collapses, become a prioritised area for management. Young (2006) did a study on project management and technical methodologies, it was found that more than half of the project failures were due to lack of support from PG. Issues such as poor PG structures or inadequate skills of people in a governance role were shown to be the main reason of project failure (PMI 2009). A company may have a good PM but not good PG. Governance of IT projects is facilitated by having experienced, well-trained project management and by the organisation having an established methodology for managing projects (Sherma et al. 2009). If any of those two components are missing the project runs a higher chance of not succeeding or not reaching its potential. PG plays a significant role in preventing project failure and preventing increased project costs. It also improves business benefits and project morale (Bekker & Steyn 2009). The study found that effective PG promotes effective communication between stakeholders, management and the project manager. It defends the project against political interference and ensures that project delivery and performance are protected from high-level external interference. It ensures that such issues and conflicts are identified and addressed in context and it ensures that the project continues to be in the strategic interest of the organisation. Ineffective PG, on the other hand, gives rise to problems such as rapid and unexplained turnover of project managers or project staff, projects constantly failing to meet expected targets, and the project team working excessively long hours.

Taking a process perspective on PG, process mechanisms within PG frameworks, such as AS8016 standards, are described and the importance of the mechanism in contributing to PG improvement is demonstrated by reference to research on the capability of an organisation in consistently defining, initiating and managing complex IT projects. For example, corporations such as Microsoft (Microsoft 2010) have in every service management function, for the full project life cycle, adopted a model of guidance for governance, risk, and compliance. This integration makes use of risk management and internal controls present in every management function to provide consistent ways to make decisions and manage project activities.

It is widely accepted that PG adoption plays an increasingly important role in IT projects (Bekker & Steyn 2009; Bowen et al. 2007; Jenkin & Chan 2010; Microsoft 2010; Müller 2009; Sherma et al. 2009; Turner & Keegan 2001; Van Grembergen & De Haes 2008 & 2009). In order to deliver a successful project, the project manager needs to carefully identify and take into consideration the relevant factors. Gardiner (2005) explains that the factors as the deliverables that must be achieved in order for the project to succeed. However, understanding and identifying relevant factors, is dependent upon many influences and the context of the culture and company. There is a paucity of research that identifies what differing organisations view as key factors to projects they undertake and there is even less research done on companies outside of the first world. Consequently, the research question of “*How a set standard of process mechanisms (within a PG framework) can improve project performance*” is adopted. The purpose of this research aims (1) to enrich the understanding on the initial set of practices within the PG framework and (2) to identify how process mechanism can improve project performance within PG framework. To do this this paper aims to look not just at one cultural and organisational context but at two different ones using a case study approach.

This paper is organised as follows. The next section gives a background for governance and the management relationship will be discussed. This is followed by a discussion of the literature in relation to PG. The exploratory research methodology includes the method, data collection and thematic analysis of the data and documents collected. Finally the implications of the findings from the perspective of these four cases and the factors that the participants perceived to be important are elaborated to show how PG process can enhance project performance.

## **2 BACKGROUND**

The term “Governance” was re-minted by the political scientists and also disseminated by institutions such as World Bank in the late 1980s. In the World Bank report (1989), Governance was described as the exercise of authority, control, management, the power of government which is subsequently adopted for the bank’s purpose defined as the managing of the economy and the resources of a country. Governance is often misused in describing processes and activities that are actually management, not governance. Management is a group of people who are given the authority to achieve the desired results (Pound 1995). To differentiate between the concept of governance and the concept of management Van Grembergen & De Haes (2008 & 2009) show that governance is the creation of a settings in which others can manage effectively while management is the making of operations. Weill and Ross (2004), says that governance determines who should make decisions and management is the process of making and implementing the decisions.

With the modern project businesses, these terms apply to any type of project in any industrial, cultural and geographical context. Whether it is governing a project or managing a project, the concepts are related but not the same. In the past, many top managers had little interest in Project Management (PM), considering it to be tactical rather than strategic. Others disliked or were suspicious of PM because it encourages visibility, transparency and accountability and cannot hide mistakes or delays. As the attitude to transparency is changing, PM is now the leadership function that oversees the implementation of projects. Top managers use PM to manage a set of tasks and plan and project milestones within a schedule, and allocating and managing the resources and deliverables of a team for meeting project requirements (Müller 2009).

Overall, PM is not the same as Project Governance (PG). PM defines the people, processes, policies and technology that deliver a “service” (Microsoft 2010). A project manager usually selects a framework to guide the management of a project. A framework is staged into phases and has specific instructions as to how a methodology or the processes ought to proceed.

Project Governance (PG) is a set of formal principles, structures and processes for the undertaking and management of project that helps managers with an oversight that reduces the possibility of project failure. PG is used in relation to project management and project performance improvement strategies. PG has following numerous high profile IT project collapses become a prioritised area for management. The failures have led to shareholders and other stakeholders requesting increased accountability, transparency and ability to implement strategy and one solution to this is PG frameworks or protocols. As projects are the vehicles for delivery of business strategies, effective project management, within the PG framework, has become a serious concern for organisations, offering top management or directors clear visibility and control of business operation and delivery capability (Elbanna 2013). Intra-organisational standards are more common since projects have increased and become more complex. Organisations often implement governance arrangements through a set of governance mechanisms aimed at gaining oversight over their projects. This is to ensure that projects are done in accordance with the ideas and stipulated specifications and to ensure that the project runs on time and within its framework and budget. It has been argued that an organisation can improve project performance as well as achieve its organisational goals if well designed, well-understood and good mechanisms are put it placed within a framework (Weill & Ross 2004). The research question of how a set standard of process mechanisms (within a PG framework) can improve project performance has become critical (Maes et al. 2011).

## **3 LITERATURE REVIEW**

With today’s industry being global and more and more multinational companies working on international projects. There has been a need to perform research that broadens the perspectives and compare IT PG frameworks across cultural contexts and geographical boundaries. In his recent research, Bekker & Steyn (2009) highlighted that many large capital projects, whether coming from

public, private or public-private partnership projects, face the challenge of governing projects across national boundaries. Stewart (2012) reported that there are number of studies in literature where a management problem or issue is considered in a cross national context but that there is a lack of such considerations in PG literature. There is a paucity of research undertaken across national boundaries and there is a lack of studies comparing practitioner's experiences across borders. This research aims to investigate an issue, PG frameworks, from more than one cultural sphere. To our knowledge there are few such studies that have been undertaken and the research can thus be classified as exploratory. Exploratory research is useful when not much is known about a phenomenon. This will bring new insights and understandings on PG processes and provide data where little or no empirical data has been available before (Saunders et al. 2009). Having noted that there is a paucity of data within PG frameworks and its application within companies', researchers such as Bowen et al. (2007) has suggested that this field should be further investigated in-depth and that more empirical data was needed within the field. Other researchers have suggested that this field needs further qualitative research conducted on a micro scale. Qualitative research within this field has been undertaken previously, by researchers such as Bowen et al. (2007); De Haes & Van Grembergen (2009a & 2009b); Huang et al. (2010) and Lazic et al. (2011a 2011b). However the majority of this research has been undertaken within one culture and often within one nation reducing the ability to generalise across national borders and across a cultural context.

Nelson and Morris (2014) suggest that by looking within an Information Technology (IT) project there are ways to improve the estimates that quantify IT Project expectations. Whereas, Young (2006) suggests that by looking outside an IT Project to the business purpose of the project, a better appreciation of the overarching guidance framework for expectations is achieved. Several of studies recommended employing an exploratory case study approaches for deeper and better understandings of the current PG research area (Van Grembergen & De Haes 2009; Willson & Pollard 2009). Likewise, Stewart (2012) believes that exploratory case studies play an important role in the growing the field of governance-related research. With this research aiming to investigate process mechanisms within PG frameworks in an international context, using multiple sources of evidence will provide a better overall validity and be more useful for practitioners (Saunders et al. 2009). Yin (2003) describes case study approaches as useful when a how and why question is being asked about a contemporary set of events over which the investigator has little or no control. Choosing the multiple case study approach allows the researcher to be close to the studied objects, enabling a rich understanding of the context of the research and the processes being recognised (Halinen and Törnroos 2005; Jenkin and Chen 2010). Any generalisation of the PG practices cannot be based on one case study, the choice of four companies allows some generalisation on the findings and yet faces limitations for transfer. A multiple case study is a special effort to examine something that has many causes or members (Stake 2006). It is suited to governance-related research if the researcher attempts to understand patterns, experiences and understandings across organisational boundaries (Stake 2006). Stewart (2012) analysed journal publications and found that multiple case studies are less frequently employed in this research field and recommended further use of multiple cases when qualitative methods were employed within PG research.

## **4 PROJECT GOVERNANCE FRAMEWORK**

Many large organisations are organised into portfolio structures where roles are ascribed to portfolios, many managers support a portfolio and many projects are related to a manager (ValIT 2009). Projects in this sense provide the critical productive attributes of organisation where the business value is generated. Project Governance (PG) is defined as:

*“a set of management systems, rules, protocols, relationships, and structures that provide the framework within which decisions are made for project development and implementation to achieve the intended business or strategic motivation.” (Bekker & Steyn 2009, p.87).*

PG provides a framework for the organisation of responsibilities and decision-making capabilities. This also ensures that the project implementation and execution has external reference points. Before the project starts, it is determined how and who will make project-related decisions. Setting up PG increases the probability of better controls during the life of the IT project. The core focus of PG is about choosing the right projects and providing end to end direction from the initiation to the achievement of the business outcomes. It includes the prioritisation, selection and alignment of projects with the organisation's strategic objectives (Wilcocks 1991; Jenkin and Chan 2010). To choose the right projects the organisation needs to perform the project steps effectively. This requires effective project management that can work within the Governance requirements, control the project processes to gain the deliverables and maintain efficient communications (relational mechanisms) (Turner & Keegan 2001; Lambert 2003; Van Grembergen & De Haes 2009).

From a governing body perspective (AS8016 2010 & 2013), PG concerns the principled steering of projects. The PG frameworks of interest in these papers (AS8016 2010 & 2013) adopt the concepts of business value realisation through good governance. These PG frameworks adopt principles to guide acceptable behaviours and encapsulate system relationships that benefit goal attainment. The motivation for this research came from the 2013 (December) release of the AS8016 that suggests governance requirements benefit projects and are distinct from management requirements. The framework appears as a guideline for practice and is supported by a model for project management and PG interaction (see Table 1). In terms of our research the framework offers a way of identifying project elements that fit governance and those that fit management. The distinction is crucial as we are anticipating the identification of such elements in project management action; and the disposition of comments by interviewees to indicate the expectations and requirements for PG.

Principles	Descriptions
<b>Principle 1: Responsibility</b>	The responsibility for realisation of value from projects involving investment in IT is defined with understood and accepted roles for the governance and management of projects. This includes all aspects, including project prioritisation and selection, oversight and management of project activities, including business change and realisation of benefits.
<b>Principle 2: Strategy</b>	The organisation's strategy maximises the potential for success from projects involving investment in IT.
<b>Principle 3: Investment</b>	Investments in projects are made for valid reasons, on the basis of appropriate and on-going analysis, with clear and transparent decision making to ensure projects and project priority contribute to business strategy.
<b>Principle 4: Performance</b>	Each project is managed to achieve the agreed outcomes while managing risks to the organisation.
<b>Principle 5: Conformance</b>	Each project conforms to external regulations and internal policies.
<b>Principle 6: Human behaviour</b>	Each project demonstrates a respect for human behaviour in the planning and management of activities and in the resultant deliverables and their use in the changes to business processes.

Table 1. *Project Governance Principles (AS8016)*

The AS8016 provides a useful model and framework for the inter-relationship of Governance and Management. The role of PMs is to oversee the implementation of projects and to relate to a governing body that is to evaluate project proposals and to issue clear plans and policies for the management of projects. The governing body also has the role of monitoring the conformance and performance of PMs. In this way the principle of responsibility extends end to end in an organisation. Further principles are elaborated to guide the best value realisation and guidance for PMs.

The process mechanism within AS8016 PG framework is to ensure the IT project decisions support the organisation goals. This involves the IT project investment approval, condition process, service level agreement, chargeback, project tracking and formal tracking of business value for IT that articulates the connection between the important characters within an organisation (Weill and Ross 2009).

The type of analysis made was mainly by case studies such as shown in Van Grembergen & De Haes (2009) where they compared how Enterprise Governance of Information Technology was implemented in poorly aligned and highly aligned organisations. Another case study example by Willson & Pollard (2009) examined the practical nature of Information Technology Governance (ITG) and compare it with the theoretical view of ITG within one large multinational organisation. All these examples employed qualitative approach that involved interviews and document collection for data collection.

In general, this paper shows that when top management have a good PG process in practice it provides direction to, and needs support from the PM team (Elbanna 2013). In turn, the PM teams provide support to and needs deliverables from the project implementing team. More research is needed to support this analysis and there are significant gaps in the literature related to process mechanism within the PG framework in managing IT projects.

## **5 METHODOLOGY**

This research adopted multiple case studies as its method of inquiry. The selection of research methods was informed by literature such as Stake (2006) explained governance-related research is suited to adopt multiple case studies if the researcher attempts to understand patterns across organisational and cultural boundaries. Case studies can be said to be especially well suited when the underlying knowledge of the research is interpretive and held from many different perspectives. Case studies play an important role in the growing field of governance-related research (Stewart 2012). This is because case studies are one approach that supports deeper and more detailed investigation of the research that has abstract and socially constructed phenomena. The strategy provides a possibility to be close to the studied objects, enabling a rich understanding of the context of the research and the processes being recognised (Halinen & Törnroos 2005). Case study involves a fact-finding investigation of a particular event within its real life context using multiple sources of evidence (Saunders et al. 2009). The multiple case studies is used to compare and contrast the findings. In PG, the strategies and integration processes are unique in each organisation, and generalisations may not transfer to other contexts. Stake's (2006) approach of defining multiple-case study as being investigations of a particular event at a number of different sites is helpful. Case studies is also well suited to deliver exploratory findings. Thus the choice of multiple case studies were taken.

Stewart (2012) reported that there are number of studies in the journal literature where a management problem or issue is considered in a cross national context. Considering the paucity of research from other cultural setting than first world such, this study aimed to investigate PG not just in one cultural context but in multiple and to compare and contrast findings from several case studies across organisational and cultural and national boundaries. This will provide an addition to present data by showing how PG and project outcomes is affected by organisational, cultural and national contexts.

The selection of cases was made from companies in New Zealand and Malaysia. Choosing cases from two countries (one English speaking developed country and one Asian country striving to reach developed country status) allows the study to provide a comparative cross national perspective on how factors that influence success is identified and if it differs between the two cultural and national contexts. While the study does not aim to generalise its findings it aims to provide a comparative and contrasting view of PG success. The organisations chosen had recently completed an IT project or had project management as their main operational activity. In this research, the different organisation has its own unique strategies and integration processes. The selection of participants was driven by executive management's role in relation to PG. A small sample group of respondents were selected from each organisation, with respondents being Chief Information Officer (CIO), Project Management Officer (PMO), IT director, Project manager and Business managers. The participants has relevant skills, oversight and knowledge which ensure that they could contribute rich and insightful data. Table 2 shows the selected cases and descriptions. Four exploratory case studies were performed (1) to enrich the understanding on the initial set of practices and (2) to identify how process mechanism can improve project performance.

	Company NZ1	Company NZ2	Company MY1	Company MY2
<b>Company Profile</b>	One of the large IT companies in NZ (infrastructure service sector)	One of NZ's fastest growing IT companies. (service sector)	One of the largest holding companies in Malaysia	Small and rapidly growing. Fully-integrated poultry producer
<b>Respondent position</b>	Senior Transition Manager, Project Management Chief, Quality Assurance Manager and Project Manager	General Director, Chief Information Officer	General Director, Project Manager, System Integrate Manager	General Director, IT Director, Senior Software Developer
<b>Knowledge of project process</b>	More than 10 years of project management/ processes and provide trainings	More than 10 years of IT implementation /project management	More than 10 years of IT implementation /project management	Less than 10 years of IT implementation experience as well as PM processes
<b>Knowledge of project governance</b>	Write and use governance to run projects and business to keep up with standards and quality assurance	Attempt to use other standards to manage implementation and run projects.	Attempt to use other standards as a guideline to manage their project	Attempt to use other standards to manage the implementation and to run projects.
<b>PG use in the organisation</b>	Yes	No	Yes	No

Table 2. Sample Company Profile Descriptions

Data collection was made using unstructured in-depth interviews and document collection. The purpose of unstructured interviews is gathering as much information as possible on the research topic from the interviewees without interference from the researcher. This allows the interviewees to talk freely and openly on the research topic together with some guidance from the researcher (Eriksson & Kovalainen 2008; Collis & Hussey 2009). The interviews were recorded and transcribed for thematic analysis using NVIVO software.

The process of data analysis followed the steps of transcription of the interviews, analysis of the interviews using narrative analysis, comparative analysis, and the cross-case analysis. The transcription was performed straight after the interview completion. The narrative analysis required the summarising of meanings, categorisation of meanings and structuring of meanings. In addition the data from documents and the researcher diary were introduced into the narrative so that the pinpointing, examining, and recording of patterns or themes within data were merged meaningfully into the developing storyline. The use of software enabled the researcher to manage, organise, and analyse qualitative data more effectively through transcribing, coding, classifying themes, sorting data, and examining relationships in the data. The comparative and cross-case analysis provided multi-dimensional evidence and allowed the matching of theoretical patterns with empirical patterns (Eisenhardt 1989).

All in all, each organisation was considered to be a case. The method required the researcher to identify themes in each of the cases for retention of the greatest level of situational detail. Next, the researcher moved from themes to the identification of factors. Then the cross-case analysis is performed by generating a case-ordered descriptive matrix that establishes a basis for comparing the cases on a number of factors. With these processes, the researcher will be able to develop theories based on apparent patterns or relationships; and draw and verify conclusions.



## 6 FINDINGS

A thematic analysis of the interview data and documents delivered factors that the participants perceived to be important influences on PG processes. Foremost was the assertion in all four cases that PG had not been readily adopted or prioritised because it was seen to be a cost overhead that may not be recovered by a return on the investment. Table 3 summarises the case responses to each factor.

<b>Process Mechanism within a PG Framework:</b> Based on the AS8016 model of 6 Principles:				
1. Responsibility	4. Performance			
2. Strategy	5. Conformance			
3. Investment	6. Human Behaviour			
<b>Factors that identified on:</b>	<b>Case NZ 1</b>	<b>Case NZ 2</b>	<b>Case MY 1</b>	<b>Case MY 2</b>
<b>Negative impact:</b>				
Lack of top management's commitment and engagement	No	No	No	Yes
Scope creep issue	No	No	No	Yes
Lack of funding	No	Yes	Yes	Yes
Lack of documentation	No	No	No	Yes
Lack of information	No	No	No	Yes
Overkill project budget	No	No	No	Yes
Risk management issue	No	No	No	Yes
<b>Positive impact:</b>				
Run checklist regularly	agree	agree	agree	agree
Encourage project governance adoption	agree	agree	agree	agree
Managers take project improvement seriously	agree	agree	agree	agree
Records management	agree	agree	agree	agree

Table 3: Factors Influencing the PG Processes

These factors are divided into: negative and positive impact. Any obstacles found in projects that influence the projects ability to be executed smoothly were listed under negative impact. Factors that improve project performance are put under positive impact. These impacts were reported by the respondents during the interviews. Each factor represented process concerns that the respondents considered best resolved by having an external reference point. Many of the matters extended beyond the control of a project manager. For example, the factors 'lack of top management's commitment and engagement' and 'managers to take project improvement seriously' signalled external reference whereas 'scope creep issue' and 'lack of funding' could be assignable to the PM. However, we did not question the respondents further to ascertain if the factor "lack of funding" was a management or a Governance issue. All four cases agreed the factors of 'records management', 'run check lists regularly' and 'encourage project governance adoption' would benefit the performance of projects.

Furthermore, the analysis extracted the comments that related to external reference points and then we aligned these comments with the requirements of the AS8016 PG framework. The result is a set of factors that relate to identification of negative characteristics that inhibit project progress and those that can accelerate project performance with respect to PG processes. These factors relate to PG and indicate a working relationship between PG and PM frameworks. The data was further analysed to establish the alignment of the respondents' views with the requirements of the six principles in the AS8016 standards. The purpose of PG processes is to ensure that the project decisions are supporting the organisation goals and that the IT project is aligned with the organisation expectations. The respondents described their experiences and perspectives of how project activities were tasked, managed and measured from their respective role positions in four different organisations. We have first sorted responses into comments related to implementation, comments related to PM and

comments in relation to PG. Comments that could relate to management or Governance were accepted for analysis as relevant to PG and the analysis proceed with the PG comments.

In relation to the **Responsibility principle** the respondents were asked to describe how the top management set out the tasks that are undertaken in achieving the outcomes of projects. The respondents believed that an organisation must be structured first in order to receive and deliver projects. The Senior Transition manager from NZ 1 made the following comments:

*“The level of professionalism is expected by the customers where weekly report is recognised. The expectation is to have some form of governing for any project deliveries otherwise they would consider us not professional if we do not have standards or guidelines presented.”*

The position and title in agile environments was a variable so that a PM role moved between the developers. Both General Director and Chief Information Officer from NZ 2 confirmed:

*“Nobody has a title here in the company. They can introduce themselves as a developer but with different hats. Everyone wears a different hat depend on what they are doing. Some projects, I am the project manager... The idea about agile development is quite flexible in term of specifications.”*

In relation to the **Strategy principle** the respondents were asked if they were strategically following any process to run projects. The expressed views suggested that the strategy-making process is the effect of day-to-day prioritisation decisions made by project managers, engineers, services delivery managers and financial staff. There is no single standard processes of strategy as to how a project should be done in particular order but rather it is based on experience depending on the project. Project manager from NZ 1 stated:

*“I decide who does the work depend on workload, type of work, people who are available on side, type of project I have got and many others... we have more experienced and less experienced software people. Some projects are better off for assigning to more experienced group otherwise some projects will be better off to pair one senior person and a less experienced person to work on the project. All projects are approved by top management before passing down to the project manager. Some projects may be transferred to external contractors to complete the project if the organisation does not have the resources or tools to implement the system.”*

In relation to the **Investment principle** the respondents were asked how projects were measured and decided. There were various responses in the area depending on the methods used for PM and the organisation. The Senior Transition manager from NZ 1 made the following comments:

*“the contractual commitment is the master service agreement... That is a legal document de command. Then we write service schedules. So we say for that component of your business how will we manage it, what is our responsibility, what is your responsibility, because it will be a complete responsibility as well. What is included in the delivery of that component or what is excluded, what’s the cost, the services levels of expectation and so on... and these become our KPI.”*

In relation to the **Performance principle** the respondents were asked what steps or processes would they consider appropriate to manage the project. The respondents stated that the project manager controlled project implementation so that the project achieves its outcomes in an efficient, effective and acceptable manner. The performance of delivering the project was tracked and the quality of the service provided to stakeholders measured. Both Senior Transition manager and Project Management Chief from NZ 1 confirmed and explained:

*“The proper planning phase is to do the project. And then execution phase getting the work done, keeping track of the quality to make sure they delivered what business required. It is also keeping customers informed of any changes in scope or the usual things during the execution phase. And then the closure really which is to hand over to the support team to check make sure we tick off everything we delivered. Close and then get sign off for it.”*

In relation to the **Conformance principle** the respondents were asked about how the project regulations and policies were identified and measured. They responded by citing the tension between internal compliance and customer expectations. The Project manager from NZ 1 stated:

*“We can do a lot of documentation based on our processes but does it align to what the customer wants? So for everything I do, I need to have business policies and processes as well.”*

In relation to the **Human Behaviours principle** the respondents were asked how the organisation would interact with their stakeholders throughout the project life cycle. Keeping the stakeholder informed and actively engaged in the project cycle was considered critical. Project Management Chief from NZ1, Chief Information Officer from NZ 2 and System Integrate Manager from MY 1 gave a similar feedback:

*“Sometimes what happens was there were a lot of decisions made without consulting the customer and this is very dangerous... and so making sure the right people and having the right conversation and the decision need to be made with agreement with the customer.”*

In order to keep the customer consulted, informed and engaged with the project team the organisation must begin from the initiation phase to make sure that the stakeholder agrees to the timeline of the project delivery. Project Management Chief, Senior Transition Manager and Project manager from NZ1, Chief Information Officer from NZ 2 and General Director from MY 1 gave a similar feedback:

*“It is important to have a key representative to make this communication for keeping their customer involved and informed. Sometimes we need our customer to come to the workshops to know what is happening. So that the customer can sign off the contract of agreement once they are happy with the design or proposal. Then we can continue the next phase.”*

The thematic analysis of the interviews and documents delivered summative factors of positive and negative influence on project PG processes (see Table 3). The respondents believed the comments made to the starters and leading statements best explained the situation with PM and what steps could be taken to improve project performance.

## **7 DISCUSSIONS AND CONCLUSIONS**

This research study was carried out to enrich the understanding on the initial set of practices and identify how process mechanism can improve PG. We consequently set out to identify the factors that highlight and result from the thematic analysis and to understand how knowledge of these factors can be potential benefiting to IT PM or PG practitioners. The respondents in our sample represented the significant enterprise roles in relation to project management. Each role acknowledged the necessity of reference points external to their level in the enterprise as being a necessary requirement for better project performance.

In comparison of New Zealand and Malaysia companies, the study found both countries understood the adoption of PG plays an increasingly important role in IT projects (Bekker & Steyn 2009; Bowen et al. 2007; Jenkin & Chan 2010; Microsoft 2010; Müller 2009; Sherma et al. 2009; Turner & Keegan 2001; Van Grembergen & De Haes 2008 & 2009). Each company should have a set of standard process mechanism within a PG framework would help improving project performance (Müller 2009; Van Grembergen & De Haes, 2008 & 2009). The cultural context between New Zealand and Malaysia; New Zealand companies showed some standard process mechanisms has been practiced for delivering the project and strongly encouraged and wanted more standard process mechanisms within a PG framework. Whereas Malaysia companies strongly support the adoption of standard process mechanisms within a PG framework. Due to the cost relation, they would find it difficult to get the top management to agree to invest in the adoption of standard process mechanisms within a PG framework.

The study has suggested that the harmonisation of the relationship between PM and PG frameworks can start with the relative roles taking the working concerns of the other seriously (e.g. Müller 2009; Microsoft 2010). Managers showed reluctance to take project improvement seriously and those directing Governance policies and plans were reluctant to negotiate budgets and become involved in conflict resolution (e.g. Huang et al. 2010). The thematic analysis shows a general absence of many of the PG attributes expected in a high performing business environment. The cost of implementing a PG framework would fall principally on the PMs themselves. The cost of Governance (e.g. Turner & Keegan 2001; Lambert 2003; Elbanna 2013; Halinen & Törnroos 2005; Van Grembergen & De Haes 2009; Bekker & Steyn 2009 and Weill & Ross 2009) is its structures, processes and communication requirements; each of which requires design, documentation and facilitation. These are organisational costs that are to be included in a project budget. In this paper we have looked specifically at the Processes. PG processes (e.g. Saunders et al. 2009; Van Grembergen & De Haes 2009; Wilcocks 1991; Jenkin & Chan 2010) ensure project decisions support the organisation goals and that the IT project is aligned with its business objectives. The respondents unanimously supported the concept of implementing a PG framework to improve project performance. Van Grembergen & De Haes (2009) viewed the costs of such an implementation to be outweighed by the benefits that could be realised.

The concept of exteriority extending end to end in an enterprise best aligns with the principles of Governance that are to steer an enterprise towards the goals. Having a set of contractual commitments in place (e.g. Weill & Ross 2009; Van Grembergen & De Haes 2009) is a great investment to promote business value. Our results show that consistently the respondents referred to external matters (e.g. Maes et al. 2011) for improved project performance. The comments by the respondents were accepted as a fair appraisal of the situation and accepted as a genuine attempt to improve project performance. In Table 3 the analysis delivered factors in relation to the principles and the process mechanism of PG from all those involved. This research concludes that a PG framework is required to improve the project performance providing the contribution of each framework is clearly demarcated and the inter-relationship harmonised by agreed goals and objectives.

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