



Governance Groups and the Illusion of Control

Description

Many enterprises have groups responsible for governance functions, such as Project Management (the PMO,) Enterprise Architecture (the EA team) or Technical Architecture (the ARB.) Unless these groups reflect a mature, enterprise-wide approach to management, however, they are unlikely to produce the benefits for which they are chartered. This results in the Illusion of Control.

Enterprise Evolution: Random vs. Intentional

Processes in many organizations aren't designed; they evolve by trial and error, often arriving at a state in which their performance, reliability and manageability are not bad enough for them to be viewed as problems requiring the time and effort to "fix." Other organizations take a more proactive approach, building models of what they want the organization to look like and how they want it to work and then defining the components that will be required and how they must integrate with one-another. The difference between the two is management maturity. The mature organization:

- Articulates its strategic and supporting operational goals
- Performs Discovery, Analysis and Design activities to define the building blocks required to meet the goals and the plan for how to implement and integrate them
- Identifies the criteria by which progress toward the goals will be measured (Key Performance Indicators or KPIs)
- Monitors the KPIs regularly
- Takes corrective action when the KPIs indicate a need to, when an exogenous event induces reconsideration of the goals or transformation plan or when execution of the plan diverges from expectations enough to force a re-evaluation

Intentionality and discipline separate mature and immature organizations. It's easy for a company that operates in a highly dynamic market environment to react reflexively to every new development in order to keep pace with it. In some cases, failing to react quickly enough may actually be an existential threat. However, management of the mature enterprise knows that taking the time to develop and document a nuanced understanding of the environment in which the organization operates will better prepare it to react to market events quickly but still make reasoned decisions.

Governance Groups and Enterprise Evolution

Transformation toward the enterprise's desired future state requires changes in many areas and immature organizations can be pretty deficient in their abilities to transform in an ordered fashion. To address this, they institute governance groups that are intended to manage how change is implemented. Often, these groups are a knee-jerk reaction to costly, visible failures. As such, they are not chartered, constituted or integrated into the organization in a way that will position them for success.

Have no doubts, governance groups can be highly political and can be easily undermined if they do not have very explicit goals or are not supported properly. Groups that are thrown in place as a reaction to mismanaged initiatives frequently provide the illusion of control without actually providing control. I would not presume to guess at what the ratio of governance groups that function properly to those that are basically window dressing is, but I would not be too surprised to find that illusion is pretty prevalent.

Signs That Your PMO Only Provides the Illusion of Control

The PMO's prime raison d'être is to ensure that projects are conducted in a way that ensures completion within the baselines (meeting functionality quality, cost and schedule targets) and minimizes risks. This is a HOW issue but there are larger goals (WHAT issues) to which the PMO should contribute, as well:

- Ensuring that project deliverables (WHAT will be built) are in line with the enterprise's strategy and operating processes
- Ensuring that the business benefits on which initiatives are predicated are achieved (Traceability between deliverable features and functions and the benefits targeted in the project charter serve to validate WHAT will built.)
- Ensuring continued improvement in the enterprise's ability to execute projects
- Providing a development capability for PMs to ensure an adequate supply of capable and well-trained PMs as they are required

You will notice that all of the larger goals require that the PMO integrate with the organization's management, strategy-setting bodies and other governance groups to be feasible. Thus, if the enterprise does not properly vet projects with respect to alignment with strategy, assign stakeholders to take responsibility for achieving targeted business benefits or does not audit projects post-completion to determine whether targeted benefits were realized, it's likely that the control that the PMO is expected to provide is illusory. Similarly, if the PMO cannot identify the KPIs it uses to measure project execution performance and cannot show how it is facilitating improvements in performance, it's likely that the PMO is only providing the illusion of control, not really providing the benefits it should be.

Bottom Line

What can be seen in this is that governance groups are unlikely to provide a higher level of management maturity than their chartering organizations. The fact is that an enterprise with sufficient management maturity will probably have ingrained approaches and controls for managing operations that almost obviate the need for many governance groups, other than those that deal with highly specialized subject matter, such as those that govern regulatory compliance in healthcare or pharma.

If your PMO, EA group, ARB or other governance bodies serve mainly to ensure compliance but not to ensure alignment of transformation initiatives with the enterprise's strategy or can't articulate how they measure and demonstrate improved results, then it's possible that your governance groups are only providing you with the Illusion of Control and not actual control, itself.

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