

Do steering committees and boards constitute good project governance?

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Abstract

This paper sets out to investigate the perceived effectiveness of the steering committee mechanism as a means of achieving good project governance. It reviews the literature on project governance and project steering committees and finds that while the concept enjoys wide support, the results are by no means conclusive. The paper identifies a lack of consensus on both the meaning of governance and steering committee roles. Analysis of the academic literature finds the nexus between “good governance” and steering committees is unsupported and the issue of whether these committees are steering or advising was raised very early in the literature, but has subsequently been largely ignored. The paper proposes that advisory committees be labelled ‘advisory’ rather than ‘steering’ and that committees with ‘steering’ in their name not be given any mandate that overlaps with existing delegated organisational authority. The paper also proposes a conceptual model for determining committee governance arrangements.

Keywords: Project governance, project steering committee, project advisory committee, project board, committee decision tree.

Introduction

One could argue that good project governance positively influences productivity, and that this shapes the economy in a sustainable way. However, there is a prevailing perception in the corporate and government environment that steering committees and boards in some way constitute good project governance. This perception appears to be based in part upon the presumption that the corporate sector always performs better than government; the corporate sector assures good corporate governance through boards; Ergo everyone else, including government, would perform better if they did the same.

In this paper we review the academic literature dealing with steering committees and project boards along with evaluations of steering committee performance and by this method we investigate the perceived effectiveness of the

steering committee mechanism as a means of achieving good project governance. During the review we examine the original function that project governance and steering committees were intended to perform, together with how these functions have changed or evolved over time. We also analyse the connection between project governance and corporate governance and draw conclusions on the nature of project steering committees and their relationship to good governance before proposing a new conceptual model for determining productive committee governance arrangements.

Three themes presented themselves during the review of the literature, namely; Power, Governance, and Steering Committee functional arrangements and these themes are used as the framework for this paper. What becomes apparent from reading the literature is that coming to understand project governance necessarily involves appreciating the historical development of the steering committee and how it is inextricably bound with how power is exercised throughout the organisation. The literature indicates that steering committees were introduced to address a perceived lack of IT organisational power by attempting to influence or disrupt existing power structures[1-3]. However, there is no evidence of any consideration of how these committees would interact with existing power structures that were hierarchical and autocratic. The new committees might have some power if they looked like a board of directors elected by shareholders, which is a democratic artefact. Early papers [1-5] warn of the dangers of steering committees. Nolan [2] even stated they had a bad name, but considered they were the best way to go. So, being the lesser of two evils, it appears that the concept of the steering committee prospered and questions regarding how power is exercised and how the competing structures would interact were ignored.

On Power

In terms of power, organisational governance has been conceptualised as “affecting the way in which (decision making) powers are exercised” [6]. This definition satisfies the need for political control over bureaucratic discretion and power as “politics and administration are interwoven and a struggle may exist over who is actually in control of power” [6].

The process of auditing is also seen as a way of revealing power plays or political activities. As Vannier [7] puts it, an audit culture demonstrates “a transition in government authoritative power from direct control and supervision to indirect power relations premised on new forms of bureaucracy”.

The introduction of IT has had some influence on the distribution of power within organisations, and this began in the late 1970s to early 1980s. The IT steering committee was seen as a way to elevate the power of IT after “DP (Data Processing) managers have seen their power erode as cheaper and smaller computers have spread throughout the organisation” [2]. Robey and Markus [3] argue that “IS design is a political process in which various actors stand to gain or lose power as a result of design decisions”. They note that “systems which appear to be rationally justified also serve political aims. Behind participants' skilful honouring of the appropriate rituals may lie self-interest and considerable negotiating power”. Steering committees are also a way to get senior management involvement in IT planning [8]. This also suggests recognition of a reduction of IT corporate power and the possibility of reclaiming it by means of senior corporate management involvement in the steering committee mechanism.

On Governance

The literature pertaining to project governance and its formal definition of governance is minimal. When it does occur it largely relates to IT governance. Much of this literature was published after a definition of governance as “the system by which entities are directed and controlled” was published in AS8000 by Standards Australia [9], and this definition subsequently appeared in IT standards AS8015 [10] and ISO/IEC38500 [11]. (Note that all three were the same as Cadbury [12].) However these definitions were not referred to and were located from other sources. Only two definitions that were not specifically related to IT were found in the peer reviewed academic literature. The first considers governance to be synonymous with management, viewing it as “administration, coordinating, appraising, planning” [13]. This definition overlaps, omits and

confuses many things. Later, van der Waldt [6] defined ‘governing’ as regulating the proceedings of an entity, and ‘governance’ as “the process of decision-making and the process by which decisions are implemented and thus refers to the rules, processes and behaviour that affect the way in which powers are exercised.”

The definitions of IT governance in the academic literature generally give some aspects of governance then add a qualifying purpose to either justify it or apply it to IT. Definitions of governance itself can therefore be inferred by removing the later qualifiers, so for example, the Weill & Ross [14] definition of governance accepted by Cobanoglu et al. [8] can be taken as “decision rights and accountability framework”. Bowen, Cheung & Rohde [15] refer similarly to “decision making structure and methodologies”. Further similar definitions appear in De Haes & Van Grembergen [16] and Prasad, Heales & Green [17] with leadership added to “organisational structures and processes”. Another group of IT definitions take the lead from the 2003 IT Governance Institute definition of IT governance [18], which is the same as that adopted by the Information Systems Audit and Control Association 2002 [19], namely a “structure of relationships and processes to direct and control the enterprise...”. Huang, Zmud & Price [20] also follow this definition, but add rationalizing, directing and coordinating.

The definitions above indicate a variety and a range of subjects (leadership, decision making, rationalising, relationships, coordinating) that various authors have attempted to range under the banner of governance. This raises the question of whether these extensions are legitimate claims of governance or are surreptitious measures to influence the powerful or to increase the power of a particular, possibly currently disadvantaged group. This would accord with one of the original purposes of steering committees as outlined below, that is, to influence (disrupt or democratise) the authoritarian power structure of the organisation. Whatever the motivation, the low number defining governance of any form, together with the variation of the definitions offered, is concerning, particularly when considered with the fact that much of the literature that sets out to test the efficacy of steering committees does so without detailing the role of the subject committees.

On Steering Committees: their purpose and role

The academic literature indicates two intertwined motivations for bringing steering committees into existence. These were:

1. To alter the autocratic, hierarchical organisational power structure by introducing a democratic decision making process for IT and its users, modelled on the company board of directors.
2. To collaborate, gaining the benefit of input from multiple affected sources (stakeholders).

Both motivations are mentioned in the earliest academic publications on the subject by Grindlay [1]. He refers to Nolan's [2] concept of evolutionary development of 'executive' steering committees, noting this "eventually leads to a corporate philosophy of having the users take responsibility for planning and controlling the IS function in much the same way that a Board of Directors takes responsibility for planning and controlling the entire company." This could be seen as a form of organisational democratisation. It appears to have been driven by "the forces of computer decentralisation" [2]. As Grindlay [1] notes "successful, profitable use of the computer requires users to be heavily involved in the systems activity" and concludes with "If users are to become the 'Board of Directors' of the Information Systems function..."

Many later authors mention MIS/ IT steering committees acting as a kind of board of directors [20-22]. Lechler & Cohen [23] mentioned this concept, but in indirect terms and Karimi et al. [24] mentioned only IT boards, drawing on the concept without being explicit about it.

Some detail about the purpose and function of the 'executive steering committee' has been set out in terms of its roles which include direction setting, rationing resources and advising [2]. [2] also says "Though management by committee generally has a bad name, in the case of computers the executive steering committee is the most efficient way to ensure the fit of information systems with corporate strategy". The 'executive' term appears to have been dropped and "Groups concerned with MIS issues, typically composed of management, user and data processing representatives have generically been referred to as steering committees" [4]. Furthermore there is a diversity of opinion on the composition of the 'ideal' steering committee to produce "a cooperative exchange of ideas, understanding of problems and generation of solutions" [4]. An additional purpose of these committees was added much later - to link the

temporary (project) and permanent organisations [23, 24].

So the term steering committee was originally used to denote a group that: a) contains important parties or actors and b) works cooperatively. This is distinct from the executive steering committee, which was to: a) understand problems and b) generate solutions. Many of the later papers that cited Drury [4] made the assumption that 'steering' was a generic term that encompassed any committee involved with projects. It would appear that none either justified or questioned this.

In summary, the literature indicates that organisational groups given the name 'steering committee' were intended to:

1. bring together important actors
2. work cooperatively (collaborate) to
 - a. understand problems (how to fit information systems with corporate strategy) and
 - b. generate solutions and
3. link the temporary project organisation with the parent organisation.

In other words steering committees were intended as collaboration devices for problem solving. However, the operation of steering committees since the early 1980s has evidently been problematic, as steering committees had no standard descriptor for project oversight responsibilities, and the "concept of a steering committee is neither clearly defined nor perceived in industry" [23]. Steering committees were classified by level (executive and business unit) rather than by purpose, function or structure [23], and ignored Drury's [4] caution on their method of operation, regarding whether the committee advises or decides.

On Steering Committees: their method of operation

The fact that one of the two main purposes for establishing steering committees was to bring about power sharing means that their method of operation is important. This is a significant issue that has been virtually ignored in the academic literature since Drury [4] observed whether the committee provides guidance or makes decisions is an important functional difference. Drury [4] referred to 'structural alternatives', which were more functional than structural. These comprised the level of the chair, representation, meeting frequency, source of agenda items and whether decisions were imposed (by either the IT department or the chair) or reached by agreement.

This issue was not raised again in the academic literature for nearly twenty years until Reimers [25] found that majority-based decision-making in the steering committee enables other managers to block decisions, and consensus based decision making was associated with an increased likelihood of service level declines after cut-over. He argued “this form of decision making gives every department a veto-right which they might use egotistically risking severe problems after cut-over.” Reimers [25] also mentions that:

- centralised decision making in the steering committee causes delays resulting in schedule and budget overruns,
- seniority based decision making enables senior management to make decisions without being aware of the consequences and
- the extent of delegation of authority to the project team has an influence upon project success.

This is, in effect, a succinct evaluation of the authoritarian versus democratic control debate that highlights the difficulties of alternate means of introducing democracy.

Voting is a significant factor in how the committee functions. If a committee votes, then it presumably has some decision power, implying it is not an advisory committee that simply provides guidance. It is worthwhile to revisit what the other key academic references that analysed steering committee methods of operations had to say on this subject. Drury [4] considered various structural alternatives, one of which was the balance of representation, implying that he also considered the

committee would vote. Lechler and Cohen [23] also explicitly consider that the steering committee would vote. Nolan [2] offered suggestions on method of operation but made no comment on whether the committee would vote.

The voting question leads to a further definitional issue. Calling the committee by the name ‘steering’, which Drury [4] indicated was widely advocated in the systems literature at the time “for groups concerned with MIS issues”, means that steering was supposed to be inclusive of both recommending and deciding. This is logically inconsistent. These two options of harnessing available power are mutually exclusive. Steering a direction means making decisions, not making recommendations or providing guidance. So use of the phrase ‘steering committee’ as a generic term has been and still is a misnomer and the importance of deciding versus advising, first raised in Drury [4], remains unacknowledged and untested in the subsequent literature. We attempt to redress this by proposing a model that takes this into account.

Proposed Model

A conceptual model for determining committee governance arrangements is shown in Figure 1. The Committee Decision Tree addresses the issue raised by [4] and removes the logical inconsistency of the early usage of the term ‘steering’ as being inclusive of advising. It does this by explicitly asking the question if there is a desire for the committee to decide. If this desire is present, it calls for two subsequent checks to make sure that the committee is situated within a governance framework whereby it can actually decide i.e. steer.

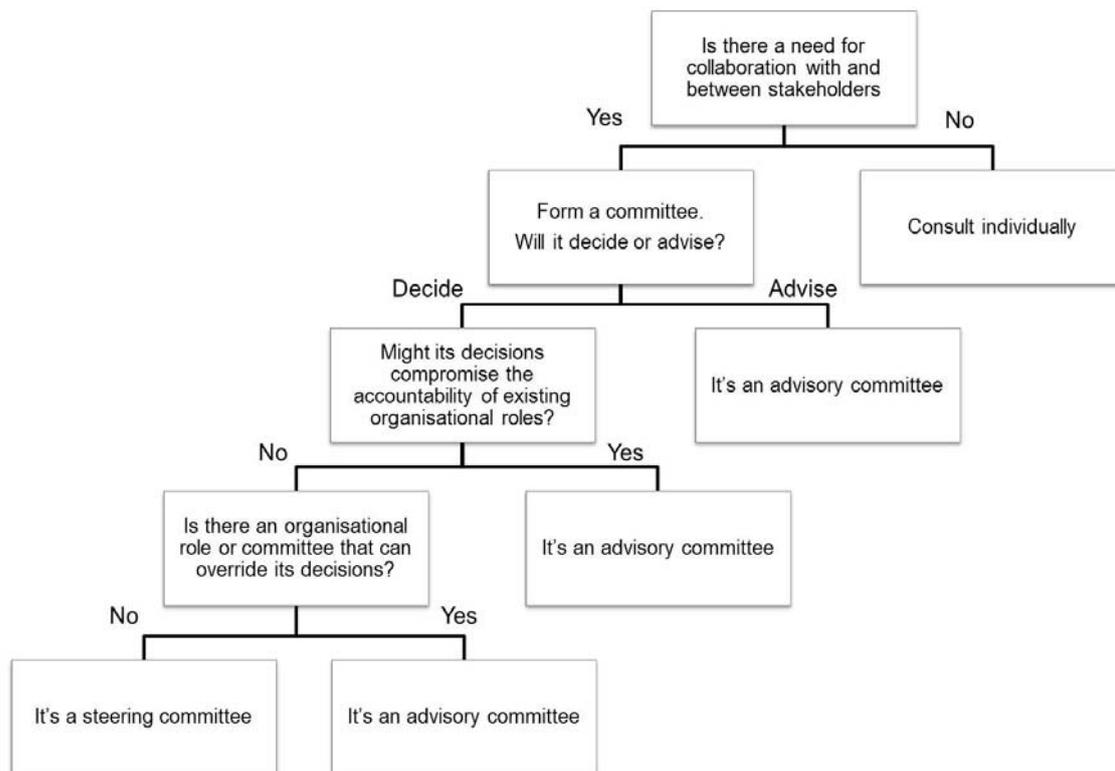


Figure 1: Committee Decision Tree

This model has the potential to reduce the number of steering committees and increase productivity in various ways including:

1. Avoiding both conscious and accidental de-railing of organisational agendas by committee attendees, through removing the voting and veto power of the steering committee and calling it an advisory committee. Labelling a committee 'advisory' fundamentally changes the committee dynamic from one providing the opportunity to prevent or frustrate to one that is at worst neutral and at best, a co-operative collaboration where issues are identified, compromise positions are developed and solutions are generated.
2. Reducing senior executive time attending steering committee meetings. Membership of advisory committees can be delegated.
3. Placing the onus back on to project managers to carry out effective stakeholder consultation.
4. Conversely, removing the hindrance that the existence of a steering committee can provide to a project manager in consulting with affected stakeholders.
5. Mitigating the tendency to set up a steering committee whenever an organisational problem arises.

Concluding remarks

The academic literature indicates that the acquisition of power was a significant factor in the development of the steering committee concept. While the committee itself was intended for collaboration and problem solving, the means of implementation varied and the key power distribution issue of deciding and voting versus advising and recommending was left vague. This has provided fertile ground for power play. It is therefore not surprising that various interests have attempted to garner more power by including extraneous concepts that can embed themselves unobtrusively under the banner of governance. Overlooking this issue has allowed vague, non-specific, discordant power arrangements to proliferate and this would seem to be the antithesis of good governance.

A step towards resolving this has emerged from this paper, along with a Committee Decision Tree to assist in determining committee governance arrangements. The use of the term 'steering' could be used to describe only a committee that either votes or operates on a consensus (veto) basis, and the term 'advisory' could be used to describe all other committees that provide advice. Labelling an advisory committee as such may reduce its perceived power, but may also reduce organisational power conflicts and positively influence productivity. It can still be given a very

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important sounding name, just so long as the word 'steering' is not used.

The broad philosophical issue is when, where, how and why interspersing democratic structures within a hierarchical and authoritarian structure can actually work. It may be useful to differentiate between structure and process. An advisory committee enables democratic process without providing an alternative power structure in the way that a committee that decides does.

Finally, perhaps we can more simply summon an answer to the question posed in the title of this paper by employing a rhetorical question: How can a 'deciding' committee constitute good project governance when it is not legally constituted, has no financial delegation or accountability, and has responsibilities overlapping with existing organisational roles?

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