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# The utopia of order versus chaos: A conceptual framework for governance, organizational design and governmentality in projects

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#### Abstract

Images of utopia of order and chaos can serve to depict paradoxes observed in projects by illustrating the ongoing challenges presented by formal organization and informal social structure at the interface of temporary/permanent organizing. This paper develops a conceptual framework that shows that governance, organizational design and governmentality are all essential to an understanding of projects. We seek to clarify these concepts and to consider temporalities in the organizational project management context. This implies examining temporary/permanent organizing interaction at macro-meso-micro levels and challenging the traditional categorization of the formal and the informal aspects into two different and isolated streams of research. The paper offers a theoretical contribution to project studies by creating a bridge between process theory, the sensemaking perspective and the study of organizational project management. It also contributes to practice through the framework's analytical potential and improved understanding of the relationship between governance and organizational design.

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#### 1. Introduction

It is commonplace today to state that organizations are becoming increasingly complex and are facing unprecedented challenges in terms of limited resources for both ongoing operations and innovation (Aubry et al., 2012; Geraldi et al., 2011; Miller, 2017). This complexity needs to be considered in the context of the profound structural change which our societies have undergone while transitioning from the era of traditional mass production to the current-day project society (Lundin et al., 2015). As frequently reported in project management literature, there has been an increasing "projectification" of society (Midler, 1995; Lundin et al., 2015; Wald et al., 2015).

Projectification calls on organizations to engage in a

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process of organizing that involves frequently shaping and reshaping organizational structures given the temporary nature of projects (Bakker et al., 2016). In this way, projectification introduces a dynamic view of organizing, and more specifically of structuring, from a time-based perspective (Bakker, 2010; Bakker et al., 2016).

Based on our review of the project management literature, researchers in this field show considerable interest in a variety of phenomena related to governance, organizational design and governmentality. They address project governance mainly in economic terms, and view it as a key concept for coordinating the multiple transactions taking place (Ahola et al., 2014). Nonetheless, beyond the purely economic perspective, they also examine project governance by combining the "internal versus external" views of project governance, which offer the potential to build on projects as temporary organizations (Ahola et al., 2014). This latter approach sees project governance tightly attached to the

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"governance structure," albeit without seeking to determine what that structure might be like.

To address these issues concerning structure, we turn to the stream of literature on organizational design. This stream is presently moving away from a strict contingency approach, which tries to find the perfect fit between the context and projects within formal structures (e.g., Galbraith, 1977), to a more flexible and frequently changing notion of organizational design, such as networks (Bakker et al., 2016; DeFillippi and Sydow, 2016; Hedlund, 1994). What is of interest to scholars is not only the structure (the *thing*) but rather the reflexive process by which organizational design is performed (Aubry and Lavoie-Tremblay, 2018; Bakker et al., 2016). That said, it is difficult to build a bridge between this stream of research on organizational design and the one on project governance.

However, the notion of governmentality, which has been considered in the literature on project governance (Müller et al., 2014), addresses the human side of governing. According to this notion, which was coined by Foucault (e.g., Foucault, 1991), governmentality concerns the attitude that governors have towards those they govern, and whether governance is enforced through strict rules or through "soft" or "cultural" values that members of an organization share and respect. In this way, this stream of literature has taken the soft side into consideration. Interestingly, research results show a link not only between governmentality and governance but also between these two concepts and organizational design, seeing that flexible organizational structures have been identified as organizational enablers for these two concepts (Müller et al., 2015).

While each of these three streams of research has delivered valuable findings for project-based organizations, we see three major problems that need to be solved in order to pursue the development of a coherent conceptual framework for project-based organizations and its practical implications.

The first problem relates to the absence or quasi-absence of the informal in the understanding of governance and organizational design. In this paper, we refer to formal organization as "the fixed set of rules, procedures, and structures for coordinating and controlling activities" and to the informal organization as "the emergent patterns of individual behavior and interactions among individuals, as well as the norms, values, and beliefs that underlie such behaviors and interactions" (McEvily et al., 2014, p. 300). As identified by McEvily et al. (2014), scholars have devoted their interest to either one (formal) or the other (informal). It follows that in project management, too, scholars tend to focus either on human aspects (i.e., Huemann, 2016) or on formal arrangements of governance and organization design (i.e., Müller, 2009). This has resulted in the formation of two independent streams of research.

The second problem relates to the lack of integration of temporalities and, consequently, of not considering the "temporariness" impact of the interaction of temporary and permanent processes. The projectification of organizations (Midler, 1995) necessitates a much more in-depth understanding of temporary organizations, including of their relation with permanent organizations (Burke and Morley, 2016; Bakker et al., 2016).

The third problem is the confusion between governance and organizational design. The concept of governance was shown to remain ambiguous in project management literature, even if the concept is increasingly a topic of interest (Ahola et al., 2014; Biesenthal and Wilden, 2014) and if more questions are being raised as to the importance of governance in projects (Biesenthal and Wilden, 2014; Müller et al., 2014). Moreover, when the independent research streams governance and organizational design refer to each other, they do so without clarifying their boundaries. On the one hand, the notion of governance is attached to the "governance structure," albeit without seeking to determine what that structure might be like nor referring to organizational design. On the other hand, although organizational design refers to formal rules, it tends to disregard or overlook governance.

The purpose of this paper is to develop a conceptual framework to overcome these three problems. We believe that an integrative understanding of governance, organizational design and governmentality can offer a more comprehensive view of the challenges encountered by projects, from an organizing perspective, and contribute to answer the following question: How do governance, organizational design and governmentality interact? In this question, "interact" refers to the exploration of how governance, organizational design and governmentality are shaping one another while being shaped.

The proposed conceptual framework builds on current knowledge from three individual and separate streams of research, and acknowledges the progress achieved by each of these. In this paper, we adopted temporary organizing as a perspective that is based on an understanding of organization as being in constant movement, in other words, as becoming rather than being (Hernes, 2014). The framework's main theoretical contribution concerns project studies, insofar as it creates bridges between process theory, the sensemaking perspective and the study of organizational project management, namely by bringing together governance, governmentality and organizational design. Conceptual frameworks help organize empirical observations in order to make sense of the field and understand its boundaries. major findings and challenges (Shapira, 2011). The framework considers temporality and the formal-informal interactions at micro-meso-macro levels and clarifies why each of them is legitimate as an individual concept and how they relate to one another. In this approach, we maintain the richness of pluralism while avoiding dispersion (Söderlund, 2011). A second, albeit modest, contribution is also made to the field of management, resulting from our response to a request made by McEvily et al. (2014) to consider both the informal and formal. From a professional perspective, the proposed conceptual framework can be used as an analytical tool, while the paper provides a clarification of terms, which may help to adopt a coherent approach. As pointed out by Bakker et al. (2016), "temporary organizing warrants and deserves more systematic and deeper conceptual and empirical investigation" (p. 1704).

The paper is organized as follows: In the following (second) section, we offer a literature review focusing on the theoretical concepts associated to governance, organizational design and governmentality with regard to projects. We propose a conceptual

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