



For the Change Makers

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Lecture 5: Project Ethics and Governance

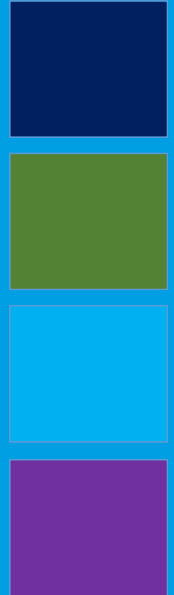
Learning outcomes

Understand the importance of social responsibility in the context of project management

Discuss ethics as part of the Project Manager's role

Consider the Project Management 'code of conduct'

Understand the role of project governance in relation to managing projects



Social Responsibility



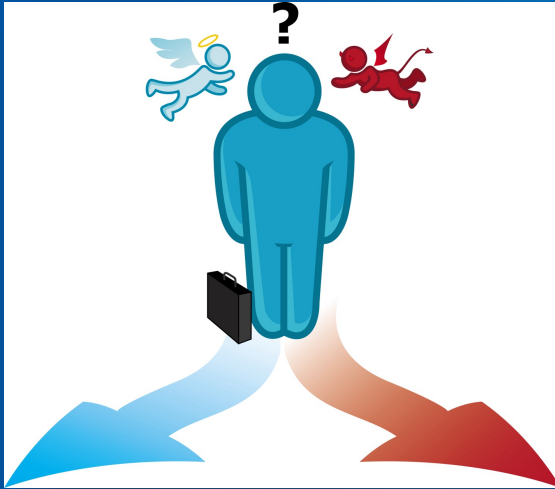
Socially-oriented projects

<https://www.youtube.com/watch?v=f8unx8-pZxg>

The **Eden Project** is more than just botanical garden, says its creator. It is a place where people are encouraged to think differently. Tim Smit now hopes to use his inspirational vision to effect wider social and environmental change.



Ethics as part of the Project Manager role



Project Managers face **ethical dilemmas**

- ...when there are two or more options, but neither of them are the best ethical or moral decision
- Imagine that whatever decisions you make were going to make the national news. Would you be comfortable?



“

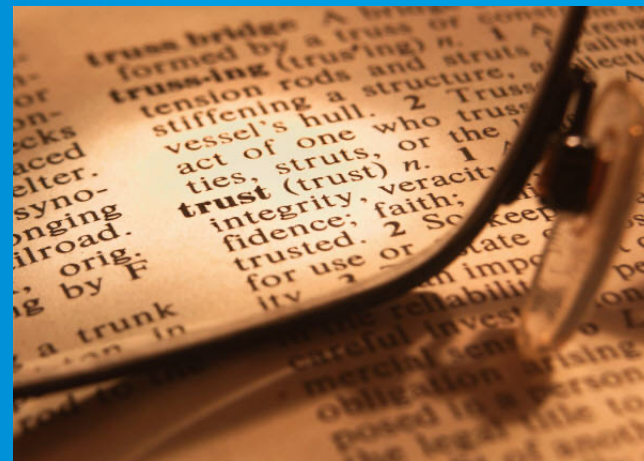
What is ethics?

*“Set of recognised
standards of conducts
and behaviour within
the profession”.
(APM, 2012)*

Legal issues vs ethical issues

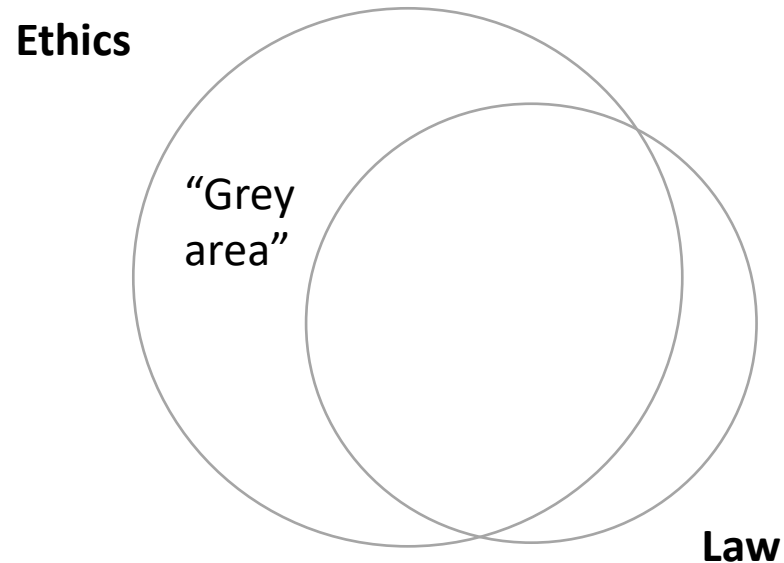
Bribery is **illegal**, but...

- Low balling
- Bid rigging
- Compromising health and safety
- Withholding important information
- Exaggerating state of the project



... are **unethical**

The relationship between ethics and the law



(Crane and Matten 2004)

Code of Conduct

APM / PMI Code of Ethical Behaviour

Covers:

- Honesty
- Confidentiality
- Accepting responsibility
- Not accepting gifts / bribes
- Upholding the value and mission of the profession
- Working transparently
- Accurate reporting



What next?

We know how we should act as project managers, but what measures should be built into the project to encourage transparency and clear decision making?



The role of project governance

“The process of project **decision making** and the **framework, models** or **structures** that are established to enable this. It is recognised as a critical success factor for the delivery of projects.”

Garland (2009)

“The function of governance is to ensure that an organisation or partnership fulfils it’s overall purpose, achieves it’s intended outcomes for citizens and service users, and operates in an effective, efficient and **ethical manner**.”

OPM (2004)



Project Governance: Origin

- The word **governance** derives from the Greek verb kubernaen [kubernáo] (meaning to **steer**)

Kubernates



Steersman of a Trireme



Three roles of a steersman

1. Set Direction
2. Make Decisions
3. Oversight

(Adapted from Clayton 2018)

<https://www.youtube.com/watch?v=qoro7iML1DA>

What's wrong with this structure?

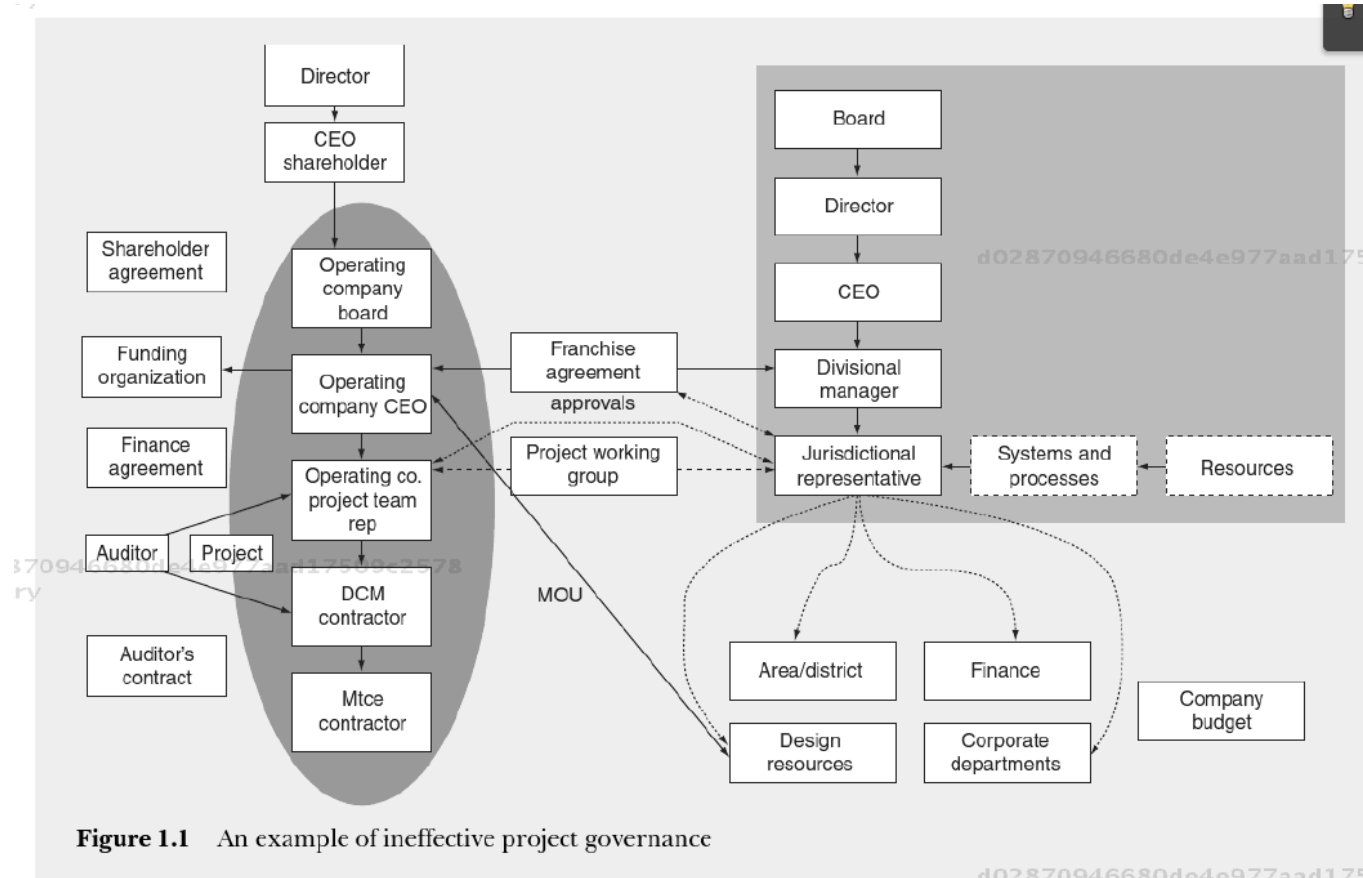
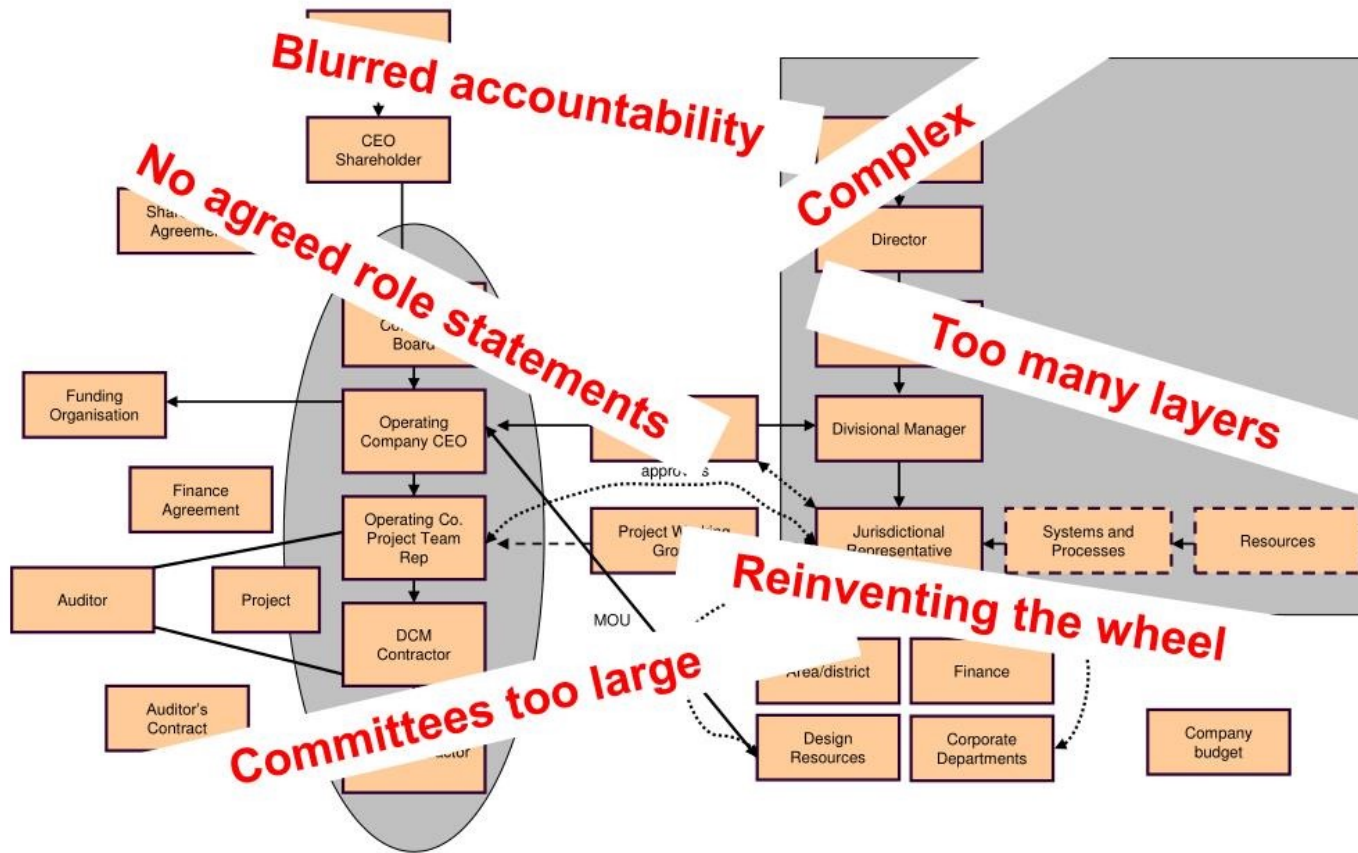
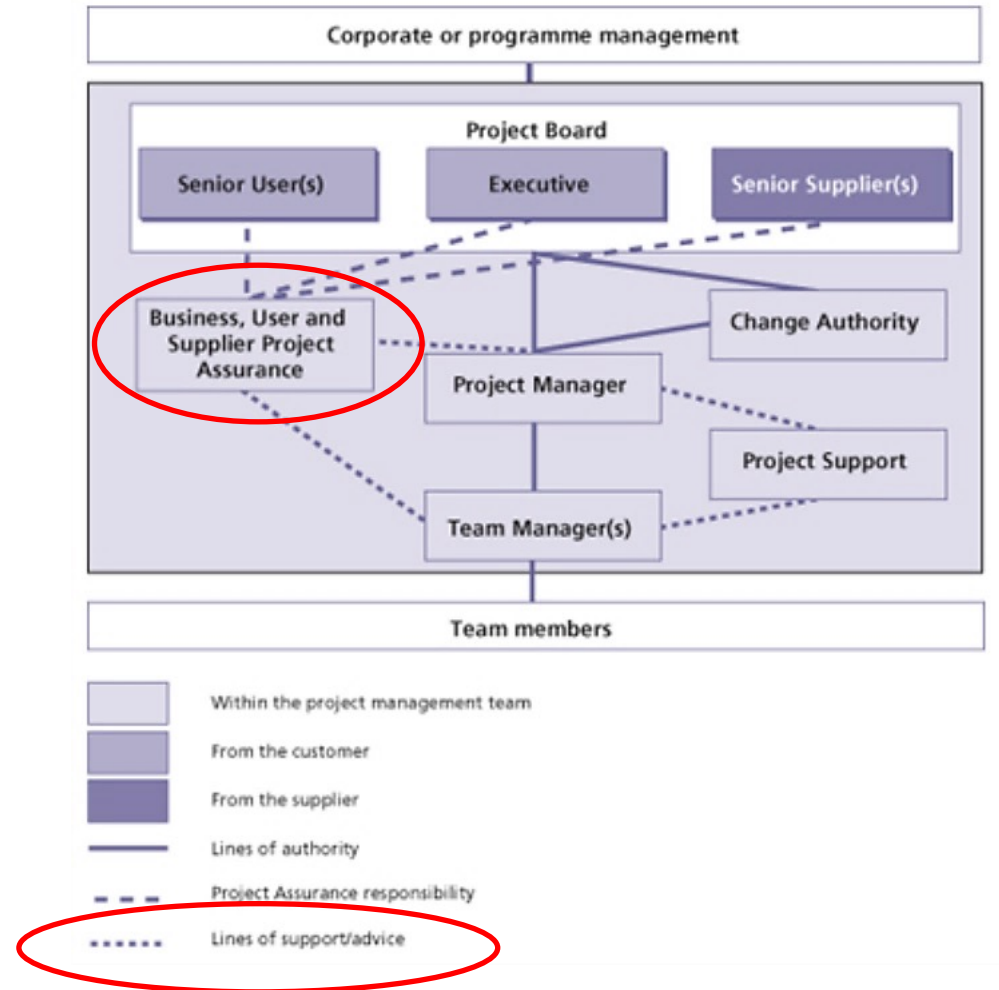


Figure 1.1 An example of ineffective project governance

(Garland 2009)



PRINCE2 team structure



Project assurance

- Aims to ensure a project is delivering what is expected by providing an **independent assessment** of how the project is progressing
- Reports to the project board
- Can be as extensive as the project itself, particularly where safety is a concern, or the project is publically funded

(Maylor and Turner, 2022)



Can the Project Manager conduct the Project Assurance role?

Four principles of effective governance

- Ensure a single point of **accountability** for the success of the project
- Ensure project governance is **service delivery focussed** (*customer-led*)
- Ensure **separation** of stakeholder management and project decision making activities
- Ensure **separation** of project governance and organisational governance



(Garland 2009)

SADBET



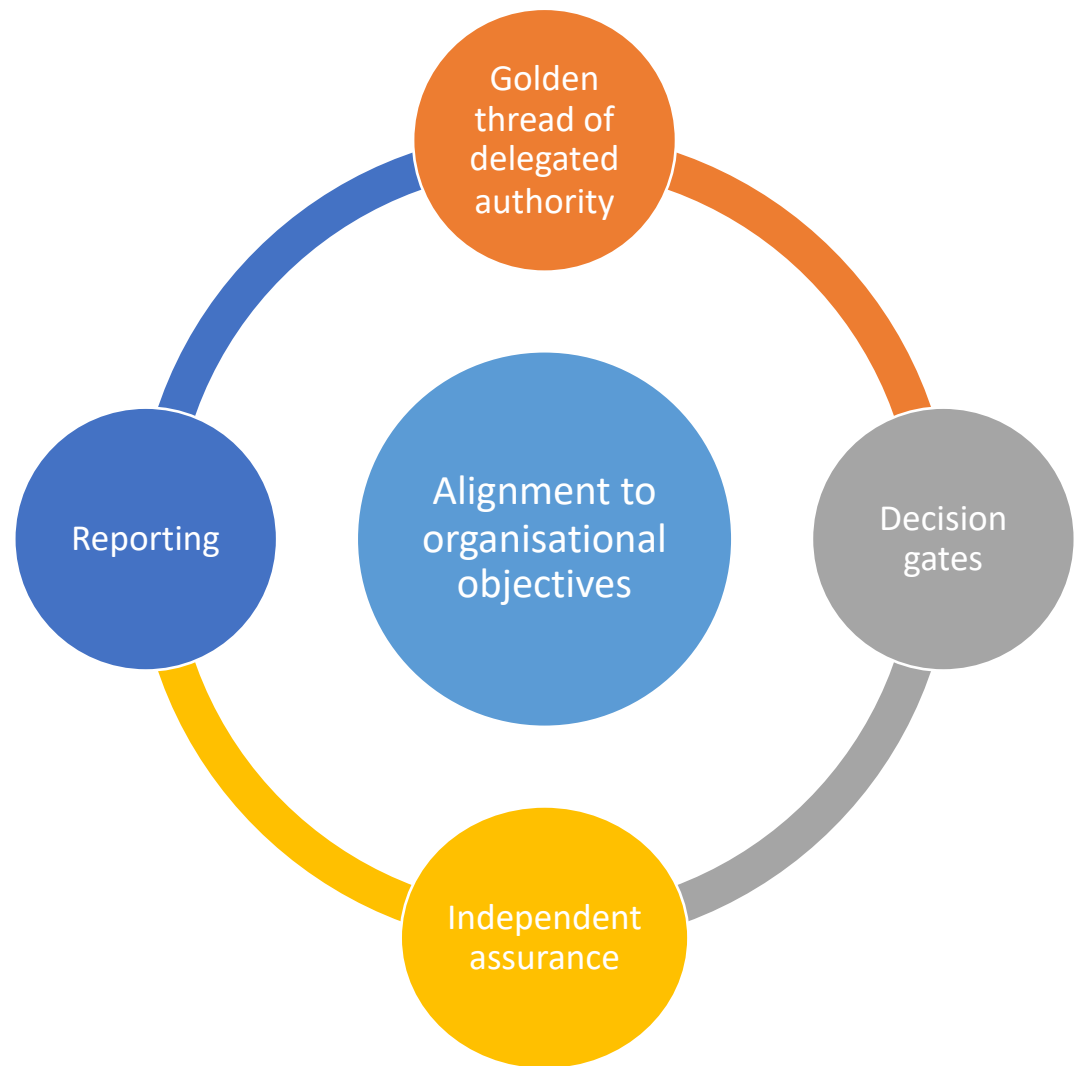
<https://www.youtube.com/watch?v=i9z9plhDYNy>

SADBET

- The project needs to be **strategically** aligned with the goals of the organisation
- **Accountability** needs to be defined for governance.
- **Disclosure** of information about the project must be open and honest
- **Business case** must be in place and align with the corporate strategy for every project
- **Evaluation** of project by **external** peer groups is a required to ensure it remains in control
- **Termination** of projects that do not have a viable business case must be done.

Essential elements of good project governance

(Murray 2009)



Gateway reviews



- Peer experts outside the project
- Gate or end of stage assessment

Governing project life cycle

Project lifecycle	Strategic assessment	Preliminary assessment	Business case development	Procurement	Build	Service delivery
Key project documents	<ul style="list-style-type: none"> • strategic business case 	<ul style="list-style-type: none"> • preliminary business case • concept design 	<ul style="list-style-type: none"> • final business case • procurement strategy • detailed design 	<ul style="list-style-type: none"> • updated final business case • bid evaluation report 	<ul style="list-style-type: none"> • contract • project completion report 	<ul style="list-style-type: none"> • benefits realization plan • business case
Major milestones	<ul style="list-style-type: none"> • project established • project owner appointed • governance established 	<ul style="list-style-type: none"> • advisors appointed 	<ul style="list-style-type: none"> • procurement model decided • decision to approach market taken 	<ul style="list-style-type: none"> • EOI issued • request for tenders issued • contract award 	<ul style="list-style-type: none"> • construction start • commissioning complete 	<ul style="list-style-type: none"> • commence operational service • close project
Estimates and accuracy	<ul style="list-style-type: none"> • no estimate or based on past projects • ± 100% 	<ul style="list-style-type: none"> • preliminary estimate based on concept design • ± 50% 	<ul style="list-style-type: none"> • pre-market estimate based on detailed design • ± 15% 	<ul style="list-style-type: none"> • contract price • ± variations 	<ul style="list-style-type: none"> • actual out-turn • ± 0% 	
Accompanying government announcement	<ul style="list-style-type: none"> • 'Investigating various options for the development of [...]. Preliminary estimate available in approximately [...] months.' 	<ul style="list-style-type: none"> • 'Preliminary estimate based upon concept design. More detailed estimates will be developed before any investment decision is made.' 	<ul style="list-style-type: none"> • 'Pre-market estimate developed as part of final business case for project. Decision to proceed subject to market providing value for money response to request for tenders.' 	<ul style="list-style-type: none"> • '[company name] has committed to deliver the project at a price of [contract price], which represents a value for money outcome in line with the government's business case.' 		
Key approvals	Strategic decision to proceed.	Funding to develop the final business case.	Final business case; commitment to fund; procurement model.	Investment decision.		
Gateway process gates		business justification: gate 1	delivery strategy: gate 2	investment decision: gate 3	readiness for service: gate 4	Operational review and benefits realization: gate 5

(Garland 2009)

Figure 8.5 An integrated project delivery framework

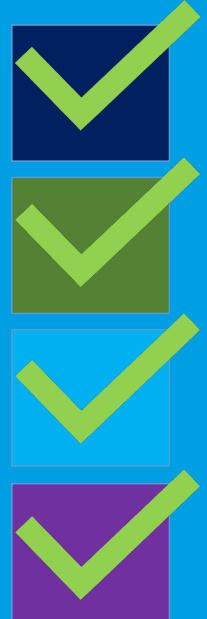
Learning outcomes - checklist

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References and further reading

- Andersen, E. (2008) *Rethinking Project Management. An organisational perspective*. Gosport, Prentice Hall
- Garland, R. (2009) *A Practical Guide to Effective Project Decision Making*. London: Kogan Page
- Maylor, H. and Turner, N. (2022) *Project Management* 5th ed., Harlow: Pearson
- Murray, A. (2011) *PRINCE2 & Governance*. Available https://www.educore.com.tr/wp-content/uploads/2014/08/PRINCE2_and_Governance_White_Paper_Nov2011.pdf
- Office of Government Commerce (2009) *Managing Successful Projects with PRINCE2: 2009 Edition*. Norwich: TSO
- OPM (2005) *The Independent Commission on Good Governance in Public Services*. Available <http://www.jrf.org.uk/publications/good-governance-standard-public-services>



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