

Illuminating the role of the project owner

Erling S. Andersen
BI Norwegian Business School

This is the author's final, accepted and refereed manuscript to the article published in
International Journal of Managing Projects in Business, 5 (2012)1: 67-85
DOI: 10.1108/17538371211192900

The publisher of this journal, Emerald Group Publishing, grants their authors the right to post the final accepted version of their paper (not the journal pdf) in an institutional or subject repository".
(Publisher's policy 2012).

illuminating the role of the project owner

Erling S. Andersen

Professor, Norwegian Business School

Background

This paper presents the findings of a research project conducted by the Norwegian Centre of Project Management. The Centre is based on an active, integrated collaboration between academia and practitioners. It consists of three Norwegian academic institutions (BI Norwegian School of Business, Norwegian University of Science and Technology and its research organization SINTEF) and approximately 30 prominent Norwegian project-oriented corporations. The vision of the Centre is to be “the national project management arena”. It implements targeted research on issues of project management and ensures that the dissemination of knowledge contributes to the research results being applied in member companies.

Each year the members of the Centre collectively decide which area should be the centre of attention for the next year’s research activities. In 2009 the members wanted the research to focus on the relationships between the project owner and the project manager. They wanted to gain a better understanding of the role of the project owner and to contribute to more professional project owners in the future. This choice of topic is an interesting observation in itself. It tells us that the project management industry and the practitioners are insecure on what should be the roles of the project owners and their relationships to ongoing projects.

This is not entirely surprising. There are an infinite number of education and training offers for project managers. Extensive research has shown what is required of project managers to achieve project success, see for instance Zimmerer and Yasin (1998) and El-Sabaa (2001). There has been less focus on what is required of project owners. Many project managers complain that the lack of competence of the project owners has a negative effect on project results. Very little research has examined the project owner role in any depth (Crawford et al., 2008).

Earlier versions of this paper have presented the results of our research. It was positively accepted (best paper award at the Inaugural Asia Pacific Research Conference on Project Management in Melbourne 2010) and later heavily criticized for its misconceptions on the roles of the project owner (rejected by two reviewers for the special journal issue from the conference). This is also an interesting observation. It shows that even academicians have quite conflicting views on the roles of the project owner in project work.

The lessons from these experiences are that it is of great importance to outline the kind of perspective one has on project work and the role of the project owner, since it obviously differs among practitioners and scholars. Different perspectives lead to quite different views on how projects should be governed and how the responsibilities should be divided between project owners and managers respectively.

Our perspective on the role of the project owner

The perspective on projects used in our research has been called an organizational perspective (Andersen, 2008). The project definition of this perspective could be: “A project is a temporary organization, established by its base organization to carry out an assignment on its behalf” (Andersen, 2008, p. 10). The idea of the project as a temporary organization was introduced by Lundin and Söderholm (1995). This perspective has also been called the Scandinavian School of Project Management.

The organization which establishes the project is called the base organization (some call it the mother organization or parent organization). It is the permanent organization insofar as its lifetime is not limited beforehand. The project is the temporary organization. From an organizational perspective, project management basically concerns the relationships between the permanent and the temporary organization. The temporary organization performs an assignment, which it gets from the permanent organization. Inherent in the organizational perspective is an understanding of the project’s most important purpose, to facilitate another organization’s progress. This is the basic denominator by which everything else is judged. The project owner is the person who on behalf of the base organization is responsible for the project.

This perspective gives the project owner a vital role. The corresponding comprehension of project success reinforces the importance of the project owner. Project success is seen as both goal achievements (time, cost, and quality) and mission achievements. Keeping within the project triangle is up to the project manager. Mission achievement is something else. It depends on how the deliverables are utilized. It cannot be the responsibility of the project or the project manager. It is the responsibility of managers in the base organization, and, not least, the project owner.

The project owner has both a governing and supporting task (Crawford et al., 2008). Governance implies deciding the mission, goals, plans and organization of the project. Supporting means provision of resources, accelerating decisions in the parent organization, enabling formal decisions, and motivating and supporting the project manager and project team.

We deliberately use the term project owner. Some use the term project sponsor and see the two as synonyms, but they are based on different perspectives. The Project Management Institute (PMI) describes the sponsor as the person/group that provides the financial resources, in cash or in kind, for the project (PMI, 2004). This is a narrower concept than we find adequate. The role of the project owner is extended to cover many tasks beyond providing financial support for the project.

The research aims

The Norwegian Centre of Project Management set up, in response to requests from its members, a research project with the purpose of gaining a better understanding of how project

owners in Norway are handling their tasks and to identify challenges. It also studied which factors could significantly improve project success.

The research was divided into two parts. The first one was to give a picture of the actual situation of project owners of today. The second part should, based on inputs from the first part, study the impact of better project owners and its consequences for project success.

When looking at the current situation, we have chosen to investigate both the most common situation and how the most experienced people are performing. To get a picture of the most common situation, the project performed a questionnaire survey among project management professionals. Excellence was studied through a series of in-depth interviews with very experienced project owners and managers. The description of the actual situation, and especially the differences between the typical and the excellent, gave raise to propositions of how the situation could be improved. The second part of the study investigated these propositions. The propositions were tested by a comprehensive questionnaire survey and illuminated which areas are of importance to achieve project success.

When studying the actual situation, we focused on how project owners are living up to the ideal situation (according to our organizational perspective) in the following areas:

- the desirable attributes of the project owner;
- the relationships between the project owner and the project manager; and
- the project owner and the assumptions of agency theory.

The first two areas are easily understood: it is important to look at the qualities of the project owners and how they interact with project managers. The third area needs some explanation. An important task of the project owner (according to our perspective) is to control the development and progress of the project. Agency theory has been proposed to give the theoretical underpinning for the control function (Andersen, 2008; Turner and Müller, 2004), and therefore it will be interesting to see if the project owners behave as agency theory predicts.

Research design

Data about the current situation of Norwegian project owners was firstly collected through a survey. The survey results should be representative of Norwegian projects. The survey was based on a convenience sample. It was conducted among participants on part-time executive master's programmes in project management. The participants in these programmes come from a wide variety of enterprises; large and small, different industries, different kinds of organizations. The enterprises all have several projects. The participants hold different positions within their companies, but they are familiar with the way project management is executed in their own enterprises. We would argue that the responses represent a cross-section of Norwegian projects.

As the base organization of the respondents would usually have several projects running at the same time, the respondents were asked to think of a specific project and a specific project owner. To be sure that the respondent had a certain project in mind, they were asked to identify the project owner by title. In this way we secured that the responses were based on concrete observations and not loose thoughts.

The survey was distributed among 77 participants, who all responded to the questionnaire. To ensure that the respondents only answered questions on which they were well-informed, the questionnaire facilitated 'Don't know' responses. By studying the results one can see that the number of responses on certain questions is below the maximum number.

Later we carried out in-depth interviews with 11 project owners and 14 project managers from six enterprises in Norway. The enterprises were chosen because they have extensive experience with projects, more than average, in fact. Contact persons familiar with the projects of these enterprises nominated potential interviewees. The chosen interviewees all had long experience of project work, usually ranging from 10 to 25 years. In most cases the interviewed project owner and the project manager belonged to the same project. The interviewees are not representative of Norwegian project owners and managers in general. The way they were selected ranks them above average in terms of experience and knowledge.

The survey should ideally present the general or most common situation of Norwegian projects, whereas the interviews should reveal how some of the most experienced professionals are performing and where they still see room for improvement. By this research design we are able to compare the typical situation with what might be the more desirable situation.

The second part of the research followed up the results from the first part. It studied if changing negative aspects of project owner behaviour could improve project performance. A questionnaire survey was conducted. The survey was distributed to two populations. It was sent to people who have indicated that they have an interest in the works of the Norwegian Centre of Project Management by being willing to be on its mailing list (about 900 people). The questionnaire was also sent to former participants on the part-time executive master's programmes in project management mentioned above (about 500 people). About 150 e-mails were returned due to unknown recipients. We received 363 responses, which gave a response rate of about 25%.

Results: The desirable attributes of the project owner

Our investigation of the current situation dealt firstly with the desirable attributes of the project owner. We had as our starting point the findings of Helm and Remington (2005). They are the result of 28 interviews with project managers which were conducted to reveal their views on desirable attributes of project owners. The article emphasizes that studies of project ownership have to focus on both behaviour and structure. Often in the project management literature there is too much focus on structure, and more attention should be paid to behaviour. The authors of the article say (Ibid, p. 52): 'If the dynamics of the project are to be more fully understood, studies must combine analysis of structures with an understanding of the behavior and practice of key agents, which arise out of and, in turn, influence the structure and history of the organization within which the project is being managed'.

The main findings of Helm and Remington (2005) were summarized in nine desirable attributes. Our observations of these attributes are as Table 1 (survey) and Table 2 (interviews).

Attributes	N	Yes (%)	No (%)
1. Appropriate seniority and power within the organization	71	94.4	5.6
2. Political knowledge of the organization and political savvy	72	87.5	12.5
3. Ability and willingness to make connections between project and organization	63	79.4	20.6
4. Courage and willingness to battle with others in the organization on	52	76.9	23.1

behalf of the project			
5. Ability to motivate the team to deliver the vision and provide ad hoc support to the project team	65	56.9	43.1
6. Willingness to partner the project manager and project team	56	66.1	33.9
7. Excellent communication skills	63	60.3	39.7
8. Personal compatibility with other key players	55	27.3	72.7
9. Ability and willingness to provide objectivity and challenge the project manager	52	55.8	44.2

Table 1: The desirable attributes of the project owner. Survey results.

As stated above, the role of the project owner can be divided into two parts (Crawford et al., 2008): the governance and supporting role. The desirable attributes cover both the governance role (items 1, 2, and 3) and the supporting role (items 5 and 6). Communication skills (item 7) and personality compatibility (item 8) are important in the execution of both governance and supporting roles.

Bryde (2008) confirms that project ownership can be classed in terms of external focused client-representing activities and internal focused supporting/championing activities. He confirms that the role of the project owner consists of a role with external focus, representing the base organization and being the focal point between users and project, and a role with an internal focus, supporting the project. His research further indicates, however, that a delineation of project ownership based solely on externally focused activities and internally focused activities may be an oversimplification. A third factor, namely, championing projects, including making resources available, also seems to be vital to the work of the project owner. This may, in extreme situations, also involve the action of cancelling a project. This could, according to Bryde (2008), be viewed as a logical extension of the concept of project champion. The champion is a person who breaks down resistance to a project and uses all the weapons available to see a project succeed. In situations where resistance cannot be broken down or, despite the champion employing all weapons at their disposal, the project is still doomed to failure; a decision to cancel the project has to be taken. The role of the champion is addressed by items 5 and 9 in the tables.

Table 1, the common Norwegian situation, reveals (according to our perspective on the role of the project owner) some clear weaknesses of the project owners. It is especially noteworthy that close to half of the survey respondents say that project owners lack the ability to motivate (item 5), to communicate effectively (item 7) and to challenge the project manager intellectually (item 9). Many of the respondents see the project owner and the project manager as having different personal compatibilities (item 8) and this might make cooperation between them difficult.

Attributes	Project owners (N=11)	Project managers (N=14)
1. Appropriate seniority and power within the organization	Eight interviewees agree, three would have liked more seniority	Most agree, some argue that the project owner could have had more decision power
2. Political knowledge of the	All agree	All agree

organization and political savvy		
3. Ability and willingness to make connections between project and organization	All agree	Most agree, some few say that the willingness is not always present
4. Courage and willingness to battle with others in the organization on behalf of the project	They are willing to fight if the project/fight is worth it	They accept that the project owners must prioritize their efforts
5. Ability to motivate the team to deliver the vision and provide ad hoc support to the project team	All agree, but some add that they could probably do more than they actually do	The ability is there, but the project owners do not always do it (and maybe it is not their task)
6. Willingness to partner the project manager and project team	The willingness is there, but the implementation is not always optimal	Very often a good partnership, but owners and managers have different roles
7. Excellent communication skills	All agree that they have good or excellent skills	Some are very good, some good, some poor
8. Personal compatibility with other key players	All agree, but difficult to say	Find the project owners easy to work with
9. Ability and willingness to provide objectivity and challenge the project	All agree	Agree, good for project owners to have several projects for comparison

Table 2: The desirable attributes of the project owner. Interview results.

The survey showed that nearly all respondents thought the project owners had appropriate seniority and power. The interviews give a more differentiated view. We find among some project owners and project managers views suggesting that there would have been an advantage if the project owners had had more decision authority. A project owner says: ‘I don’t think all people have realised the importance of my role’. The statement implies that it would have been beneficial if the owner had had wider authority. A project manager says: ‘The project owner is not given the necessary authority to exercise his role. This is not about the project owner, but it is an organizational problem’. The project managers say that it is of importance that the project owners have good experience, and some say that the project owners are improving.

All project owners and managers agree that the project owners have a good understanding of how the base organization works. In this sense the projects consist of the right people.

All project owners confirm their ability and willingness to create contacts between the project and relevant members of the base organization. The project owners state that they are focused on interaction between the project and the base to ‘sell’ the project to the base organization and to use all their available resources. The project managers confirm that the project owners have the ability, but some think that the project owners do not always work intensively for the project.

All project owners say that they have the courage and willingness to fight for the project against others in the base organization, but they add that this is also a matter of prioritizing

and they have to choose which fights to fight. Some say that the mandate should be so clear that there is no need for fights, but others observe that the role of the project owner is very often a fight over resources and affects the priorities of the base organization. The project managers understand that the base organization has to set priorities and that the project cannot expect to win all the time or have project owners fight all the fights. Some say that it is an important task for the project manager to supply project owners with relevant information and arguments so that they know when to engage themselves.

All interviewed project owners say that they have the ability to motivate and support the project team. The survey showed that close to half of the respondents thought the project owners did not succeed at this. Some of the interviewees say that they have potential for more than they are doing (confirming in a way the results of the survey). Their excuse is that they do not have the time to do all they should do as project owners. Nearly all project managers think that the project owners have the ability to motivate and support the project team. The actual efforts of the project owners may vary considerably. In some cases the project managers have experienced poor performances of the project owners, but we must also add that some of the project managers did not consider this to be the fault of the project owners; perhaps it was true at the start-up, but not all through the project. We should be aware that this is an area where the project owner and the project manager should agree at an early stage what kind of responsibility rests with the project owner.

All project owners say they are willing to be seen as a partner with the project manager and team, but some feel they should not fill this role exclusively. One project owner sees a conflict: ‘The role of the project owner consists of two parts; setting the requirements and being the coach. I have to balance these two roles’. Many of the project managers confirm this view. Most say they have a good dialogue with the project owner and receive valuable advice. As one project manager says, however: ‘We have very different roles in the project. The project owner should represent the base organization and has the responsibility for the value creation of the base organization’.

The project owners say that it is difficult to evaluate their own communication skills, but they all think they have good or excellent skills. They emphasize that the owner has to communicate with people at different levels both orally and in writing. The responses from the project managers are that the communication skills of the project owners vary from excellent to rather poor.

The survey revealed more scepticism regarding the communication skills of the project owners. More specific questions were asked about communication (see Table 3).

Communication skills	N	Average
1. Project owner’s communication skills in general	67	4.06
2. Project manager’s communication skills in general	71	4.87
3. Communication between project owner and project manager	57	4.68
4. Communication between project manager and project team	71	5.13
5. Communication between project manager and line management	59	4.27

Table 3: Communication in projects (1=very poor, 4=medium, 7=very good). Survey results.

Table 3 suggests that project owners have a communication problem. It is easy to see that there is potential for improving the communication between the project owner and the project manager.

We return to the last two items on the list of desirable attributes. The interviews revealed that it was difficult for the project owners to tell if their personality made it easy to cooperate with the project manager, but they believed so. The project managers confirm that they usually find it easy to relate to the project owner. Among experienced project people the problems that should be expected from the survey results are not apparent.

All project owners think they have the ability and willingness to challenge the project manager when necessary. Many say that they ask critical questions and demand good reasons to ensure that the best solution is chosen. One of the project managers calls attention to the fact that it is quite common for project owners to have several projects that allow them to compare projects and see what suits the base organization best. He says: 'We are constantly challenged on solutions and cost savings'.

In summary the survey and interviews demonstrate how the project owners are performing in terms of desirable attributes: The survey presents a picture of a rather weak project owner (according to our perspective) lacking the ability to motivate, communicate effectively and challenge the project manager. The interviews show that the experienced project owners are doing much better. The project managers feel that there is still room for improvement, but they understand the priorities of the project owners.

Results: Sharing of responsibilities between project owner and project manager

Our empirical investigations also focused more specifically on the sharing of responsibilities between the project owner and the project manager. Five different important tasks were listed and the respondents were asked who contributed the most. The questions were:

1. Who contributed the most to the project mandate (the description of the project task)?
2. Who defined the success criteria of the project?
3. Who is most committed to the project – burning with desire to see it executed?
4. Who was in charge of the start-up meeting or most engaged at the start-up?
5. Who sees to it that the project gets its resources?

Kloppenborg et al. (2006) identify the possible behaviours of the project owner and study which ones have an impact on project results. Project success is measured by three different outcome measures: meeting agreements (time, cost, and quality), customer satisfaction and use, and future success of the enterprise. They find that six behavioural factors are significantly correlated with at least one of the three outcome measures. The six behavioural factors are: establishing communications and commitment, defining and aligning the project, defining project performance and success, mentoring the project manager, prioritizing and selecting, and establishing project teams. Two of the behavioural factors were associated with all of the success factors: defining project performance and success, and mentoring the project manager. They might be of special importance.

The factors defining and aligning the project and establishing project teams are connected to item 1, namely setting up the project mandate. The factor defining project performance and success is partly covered by item 2 (defining project success), but probably only partly. The factor should ideally consist of the following parts. The project owner must ensure that

- metrics to measure the project's success are established;
- the strategic value of the project is communicated;
- the project managers are empowered to do their job effectively; and

- the expectations of the project manager's performance are defined.

Item 3 deals with start-up. Halman and Burger (2002) have studied the effectiveness of project start-up (PSU) practices. The emphasis is on the focal position of both project owner and project manager and on uncovering potential differences between the two. The research findings support the assumption that a PSU contributes to a better understanding of project purpose, scope and objectives. The study makes it clear, however, that there is room for improvement of the PSUs. In particular, the role of the project owner and the project manager during the PSU should be discussed and aligned prior to the PSU.

The survey results are shown in Table 4.

Behavioural tasks	N	Project owner (%)	Project manager (%)
1. Who contributed the most to the project mandate (the description of the project task)?	63	42.9	57.1
2. Who defined the success criteria of the project?	53	37.7	62.3
3. Who is most committed to the project – burning with desire to see it executed?	70	27.1	72.9
4. Who was in charge of the start-up meeting or most engaged at the start-up?	50	26.0	74.0
5. Who sees to it that the project gets its resources?	68	60.3	39.7

Table 4: The involvement of the project owner and the project manager in important project behavioural tasks. Survey results.

Table 4 reveals a situation where the project manager in most instances is the dominant person. If we have the perspective that an important part of project success is the implementation of the deliverables into the base organization by the help of the project owner, this could have severe consequences. The project manager is probably, as a consequence of the task given to him/her, focusing more on short-term results while the project owner would have a longer-term perspective.

Table 5 gives a summary of the interviews.

Behavioural tasks	Project owners (N=11)	Project managers (N=14)
1. Who contributed the most to the project mandate (the description of the project task)?	Cooperative effort, defined by the project work standard	Cooperative effort, but the project manager is often in the leading role
2. Who defined the success criteria of the project?	Cooperation	Cooperation
3. Who is most committed to the project – burning with desire to see it executed?	Half of the project owners say they are	Half of the project managers say they are

4. Who was in charge of the start-up meeting or most engaged at the start-up?	Cooperation	Cooperation, many involved
5. Who sees to it that the project gets its resources?	Most of the project owners say they do	Half say the project owner does it, half say the project managers

Table 5: The involvement of the project owner and the project manager in important project behavioural tasks. Interview results.

We should look more closely at the results. First, we turn to the question of who contributed the most to the project mandate. A thin majority of the survey respondents said that the project manager is the main contributor. The interviews show that there are great variations, but all interviewees indicate some kind of cooperation between the project owner and the project manager. Many say that the project owner takes the initiative, the project manager comes up with adjustments and proposals for changes, and then the project owner approves. A project owner says: ‘The project owner initiates, the project manager does the job’. Most often there are some processes managed by the project owner before the project manager is brought in. Some also say that it is the customer or client who orders the project and sets the requirements.

We find the same kind of process for defining success criteria for the project as for determining the mandate. A project owner says: ‘Dialogue is based on a draft from the project manager. It may also be based on the commission we have been given’. Some projects distinguish between the project’s mission (purpose, overall objective) and goals (often expressed in terms of the time, cost and quality of the delivery of the project). In one case the mission is determined by the project owner and the project manager sets the goals. In another case it is the project owner who determines all three aspects of the project triangle: time, cost and quality.

The survey showed that most of the respondents said that it is the project manager who is ‘burning’ for the project to succeed. The interviews give a somewhat different view. About half of the project owners say they were the ones most engaged. The project managers actually confirm this as half of them say they are the most engaged. A project manager says the following about who is burning for the project: ‘It is not the project owner. He does not allocate enough time to the project. It is the project manager. But sometimes the project manager gets “burned out”. There is no more passion’. One project owner argues that it is the project owner who has struggled for a long time to get the project in place, but to get it going, one needs a motivated and enthusiastic project manager, so in that sense both parties should be burning. We also find the view that nobody is really burning for the project. A project owner says this about his involvement: ‘I am not burning for it. It is a piece of work. My duty is to implement the strategy the company has chosen. We are not burning for it. We are businesslike, engaged’.

The survey overwhelmingly showed that people feel that the project managers take care of the start-up meeting. The interviewees again have a more multifaceted view. Most of them look at it as a cooperation effort, whereby the project manager puts into effect all the practical matters, but the project owner still has a role to play. A project manager says: ‘I was the propeller, but the project owner was involved in all important preparations for the meeting’. Another project manager observes: ‘The project manager arranged the meeting. But this meeting really belongs to the project owner. The project manager is only a secretary’. One project owner argues that it is of great importance that the project owner plays a vital role in

the start-up meeting. He says: 'It is important that the project owner is visible in the meeting. He must become more than a name in documents'.

Some 60% of the survey respondents said that the project owner arranges for the project to receive its resources. The majority of the interviewed project owners say they provide the resources for the project. As one of them says: 'This is the main task of the project owner'. There are still a few project owners, however, who take a different view on this and see it as the responsibility of the project manager. Half of the project managers say that the project owners provide the resources. The other half says they are responsible for obtaining the necessary resources. In many situations the project owner and manager cooperate. A project manager says: 'The project manager must get hold of the people; the project owner comes up with the money'. The project may struggle to get enough resources. Sometimes the project manager and the project owner may decide to take it to a higher level. As one says: 'It should be a team effort, but often it is a fight'.

In summary, we may say that the survey showed the project manager as the leading person in most tasks. The interviews partly confirmed this, but stressed more that all the different tasks discussed should be seen as cooperative efforts whereby the project owner and the project manager have distinct roles, complementing each other. Some of the differences indicate that the project owner – project manager relationship depends on the corporate culture. In some organizations the project manager looks for resources and in others the owner; the same thing with budgets.

The results: The project owner and the assumptions of agency theory

Our perspective on projects says that project management deals with the relationship between two organizations (Andersen, 2008). The base organization sets up a temporary organization and assigns it to perform work on its behalf. We need a specific theory to discuss and understand this constellation. A relevant theory is agency theory. This theory is directed at studying a relationship in which one party (the principal) delegates work to another (the agent), who performs the work (Eisenhardt, 1989).

Agency theory is primarily used for situations where two parties enter into a contract, but the reasoning of the theory is also relevant when no formal contract is signed. We will draw on agency theory to illuminate the relationship between the base organization as the principal and the project as the agent. The base organization appoints the project owner, who then takes on the role as the representative for the principal. The project is headed by the project manager, who represents the agent. The theory will accordingly throw light on the relationship between the project owner and the project manager.

The agency theory specifically addresses the following questions: Which is the best way for the principal to control the relationship between the principal and the agent to ensure the optimal solution for the principal? Which issues affect the relationship?

Let us apply this to projects. The optimal solution for the project owner as principal is to secure maximum value creation for the base organization. The project owner has established the project for this specific purpose. He wants to see certain changes to the base organization and has engaged the project manager to help him bring about these changes and create better results for the base organization. If the two parties (the principal and the agent) are completely alike (they think and behave the same way), there will be no problem if the work is left to the agent. The agent will do exactly what the principal would have done himself.

Problems arise when the two are not quite alike, if they differ in some way. The agency theory points to areas where the two parties may differ. They may at least be dissimilar in the following aspects:

1. preferences (the project owner and project manager may have conflicting values or preferences);
2. available knowledge (the project owner and project manager do not have the same knowledge; we say that the situation is characterized by asymmetry between the two parties); and
3. attitude to risk (the project owner and project manager may have different risk aversions, i.e. they dislike exposure to risks differently).

Is it reasonable to believe that the project owner and the project manager differ on these points? Our interviews raised this question.

Turner and Müller (2004) discuss communication and cooperation between the project owner and the project manager. The best project performance requires good communication and high collaboration between the two parties. Unfortunately, this is not how it happens in many projects. There is distrust, even conflict, between owner and manager, and the owner sets tight constraints within which the manager must work. Project owners mouth partnership and empowerment, but implement conflict and tight control. The article makes use of principal-agency theory to explain why the problems come into being and argues that better communication between the project owner and the project manager may reduce or eliminate the problems. We followed this up by including the following question in the interviews:

4. socialization: do activities to form common preferences take place?

Our discussion on the validity of the assumptions of the agency theory was not covered by the survey, only by the interviews. Table 6 shows a summary of the results of the interviews.

Assumptions of agency theory	Project owners (N=11)	Project managers (N=14)
1. The project owner and the project manager have different values or preferences	All disagree; see no conflicts in mission	Nearly all disagree; some say it may happen
2. The project owner and the project manager have different knowledge of the project	Disagree: same knowledge of project work, but different information about project progress	Many agree: different knowledge and different information
3. The project owner and the project manager have different attitudes to risk	No clear picture, partly disagree	No clear picture, partly disagree
4. Socialization (activities to form common preferences) has taken place	Activities are arranged	Activities are arranged

Table 6: The relevance of the assumptions of agency theory. Interview results.

All project owners agree that the project owner and the project manager have the same idea and understanding of the mission of the project. They point out that this is an essential part of

the project task and that by taking on this assignment the project manager has directly or indirectly approved the purpose of the project. Most of the project owners do not see any goal conflicts between the two parties. Some say that they experience some conflicts when the project has to prioritize time, cost and quality. The project manager is more willing to sacrifice scope or quality than the project owner, who is more faithful to the original concept.

The project managers, to a large degree, agree with the project owners that there is no fundamental difference in opinions on mission and goals, but the project managers emphasize to a larger extent that problems may arise when the two parties see the way forward differently. They are especially worried that a lack of resources may elicit differences in preferences.

The interviews did not reveal that the project owner and the project manager had different perceptions on how to reach the goals but several interviewees stressed that there were good discussions along the road and that the project had flexibility to choose what they saw as the best approach. A project owner says: 'I feel that within our organization we share the same basic thinking. We are good at focusing on mission and goals. The road is secondary. We discuss; there is no dictatorship. Our organization has some basic principles, besides that freedom. That's the way it should be: freedom and responsibility'.

It is the perception of the project owners that the project owners and project managers do not have different knowledge of project work. They claim to have experienced and competent project managers, who speak the same 'language' as themselves. The interviewees are from enterprises that have their own 'project schools', which are credited by the interviewees with creating a common platform of knowledge. Even if the knowledge of project work is common ground, there are differences in experiences. A project owner says: 'My project manager has a technical background; I am more focused on concepts'.

The project managers disagree with the project owners, and think that the two have different knowledge of project work. They see that in certain areas the project owners are more experienced than them and find it useful to talk with them to get their views on the tasks confronting them. They see that project owners and project managers could supplement each other and together create a better team, but we also find that some project managers are sceptical about the competence of the project owners. A project manager says: 'It takes time to create a good project team. I haven't met any project owners with that kind of competence, and the role of project owner is very important to projects'. Another says: 'The project owner should take on greater responsibility'.

Most of the interviewees think that the two parties hold different information about the project. As one project owner says: 'The project manager is best informed about the project – and that's the way it is supposed to be'. All are concerned about the importance of an open dialogue and how to share the information about the progress of the project and not hold back important information. A project manager says: 'The challenge for the project owner is to communicate downwards in an adequate way. The project manager has a similar responsibility for communicating upwards so that the project owner does not get any unpleasant surprises'.

The interviews do not reveal any distinct variations in attitude to risk between the project owner and the project manager. Most of the interviewees are focused on identifying risks and discussing how to handle them. Project managers are not risk averters, but on the other hand they do not want to take any risk beyond what is described in the mandate and their authority allows them to do. A project owner says: 'We should take risks, but we should have control and take deliberate actions'.

The interviews further show that most projects conduct certain activities to create team spirit and a common understanding of the purpose of the project. Start-up meetings are important in this sense. Some projects have special team-building sessions twice a year. Some have regular meetings for sharing of information. The initiative usually comes from the project manager. Some complain that lack of time prevents gatherings. A project manager says: 'No, we don't have time and resources to do it'.

Our summary of this part of the empirical study would be that the assumptions of the agency theory are only partly confirmed. This does not necessarily mean that the agency theory is invalid. We see that all projects have had socialization activities. That may have reduced or removed the basis for the differences between the project owner as the principal and the project manager as the agent. We also see that an information imbalance prevails, but that it is accepted by the parties and no explicit actions are in place to overcome this imbalance.

Discussions: Lessons from the studies of the current situation

Our empirical studies have illuminated the role of the project owner. The two studies have given somewhat different pictures. The differences might be owed to different data collection methods. The survey respondents might have felt that their responses should be in accordance with the popular notion that the project owner is playing a weak role and because of this they have overemphasized the negative behaviour of the project owner. The interviewees, on the other hand, might have suppressed negative reactions to the project owner to avoid conflict or an attitude of negativity towards colleagues. Even if some biases are present, the results seem clearly to indicate that the experienced companies and professionals are behaving differently than the common behaviour.

This is not a surprising conclusion. The challenge for further work is to find out which aspects are most important in developing successful project owners. Our interviews have shown that experienced people are taking on a more active job as project owners. They are working for companies which have institutionalized training by establishing their own project schools and also implemented project work standards. The successful projects also reported socialization activities as part of project work. These aspects should be studied further and we suggest below some propositions for further work.

The behaviour which is reflected in agency theory can be seen as a certain governance structure. Project governance is "the value system, responsibilities, processes and policies that allow projects to achieve organizational objectives and foster implementation that is in the best interest of all stakeholders, internal and external, and the corporation itself" (Müller, 2009), p. 4). Since we were not able to verify that professionals of experienced project-based companies behaved according to agency theory, other governance structures should be investigated.

Bryde (2008) investigates whether effective project ownership influences project success. His analysis provides some support for the hypothesis that the greater the project ownership effort the greater the perceived level of project success. The results suggest that internal activities comprising wide-ranging supportive actions coupled with the activities associated with the traditional project ownership role of the client representative may predict levels of overall project success.

Based on our findings from the empirical studies of the current situation, we suggested the following propositions for the second part of our study:

The role of the project owner is executed in a better way, when:

1. the base organization has implemented project management guidelines;
2. socialization activities take place at the start of the project and continue throughout the project;
3. the person fulfilling the role of project owner has extensive experience of project management work and relevant training for the role; and
4. the company has a governance structure which implies a close cooperation between the project owner and the project manager.

On this basis we formed the research model, shown as Figure 1.

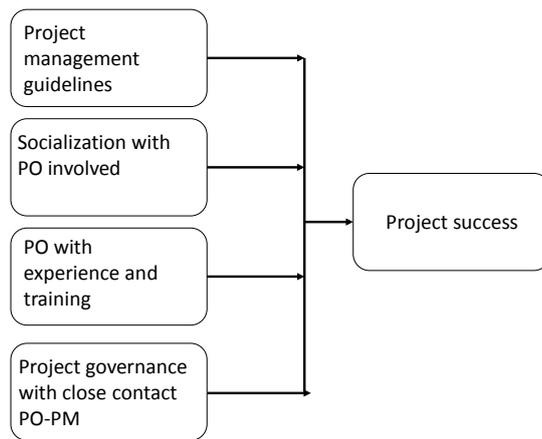


Figure 1: The research model

Results: Project owner and project success

The second part of our research investigated the research model. The model hypothesizes that project success could be increased by better performance on four different factors. Project success will enhance with better use of project management guidelines, with more emphasis on socialization where the project owner plays a significant role, with an experienced and trained project owner, and with project governance based on close cooperation between the project owner and the project manager.

Table 7 shows the variables we used to measure the four factors and the present performance. When responding to the questions, the respondents were asked to use a scale from 1 = Complete disagreement to 7 = Complete agreement. The current situation of the surveyed population is illustrated by arithmetic means and modes.

Variables	Mean	Mode
The project will finish/is finished on time, within budget and with planned quality	4.7	6
The project's end product is already/will be made use of as planned and be of great benefit	6.0	7
The project is/will be regarded as a success by all participants	5.2	6

Project success	5.3	5
The base organization has extensive guidelines for how the project work shall be conducted	4.6	6
The project has strictly followed the guidelines for project work	4.5	6
The role of the project owner is clearly described in the guidelines	4.5	6
Project management guidelines	4.5	6
The project owner has actively contributed to the common understanding and fellowship within the project	4.0	5
The project has extensively carried out activities to create a community with shared values	4.4	6
Socialization with project owner involved	4.2	4.5
The project owner has extensive experiences as project owner from previous projects	4.6	6
The project owner has been trained for the role by attending courses or other kinds of training	3.5	1
Project owner with experience and training	4.1	5
The project owner should play a very active role	3.9	2
The project owner should be equally involved in all phases of the project	4.3	5
The project owner should be a supporting person for the project manager	4.5	6
The contact between the project owner and the project manager should take place whenever one of them feels the need for it	4.7	6
The project owner should take decisions based on presented material and should not look for additional material	4.9	6
Project governance with close contact between project owner and project manager	4.5	4.8

Table 7: The variables of the research model. Arithmetic mean and mode.

Table 7 shows the results from respondents covering 363 different projects. We might say, based on the results, that Norwegian projects in general are rather successful (mean 5.3). Most base organizations have guidelines or standards for project work and they are followed. Projects are arranging socialization activities, but the project owner might be more actively involved (mean only 4.0). The project owner has previous experience of the role, but the typical project owner is without formalized training (mode 1). The actual project governance of the surveyed projects does not give an active role to the project owner (mean 3.9 and mode 2), but sees the project owner more as a supporting person, who trusts the project manager.

A regression analysis was carried out to test the research model. The result of the regression analysis is shown as Table 8.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.143	.289		10.882	.000
Project management guidelines	.149	.044	.193	3.400	.001
Socialization with PO involved	.356	.050	.418	7.175	.000
PO with experience/training	-.071	.044	-.095	-1.624	.105
Project governance PO/PM	.057	.061	.045	.931	.352

Dependent Variable: Project success R = .502 R square = .252

Table 8: Linear regression analysis with project success as the dependent variable

The regression analysis shows that project success is significantly improved by more focus on socialization with the project owner being part of the activities and by better usage of project management guidelines.

To our surprise experiences and training of the project owner has a negative impact on project success (however, the conclusion is not significant on 0.1 level). Our interpretation of this is that experience and training have an impact on the way the project owner sees his/her role. Maybe experienced project owners do not involve themselves closely enough with the project managers or the training focuses too much on controlling aspects and not on socialization activities.

The project governance structured used by the respondents of our survey does not have a significant impact on project success. We saw above (Table 7) that the governance structure did not include a very active role for the project owner. We have deleted this part of the governance structure and run a new regression analysis with a modified governance structure. The result is shown as Table 9.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.939	.305		9.650	.000
Project management guidelines	.150	.046	.195	3.249	.001
Socialization with PO involved	.377	.052	.445	7.232	.000
PO with experience/training	-.094	.046	-.130	-2.042	.042
Modified project governance	.103	.063	.084	1.644	.101

Dependent Variable: Project success R = .527 R square = .277

Table 9: Linear regression analysis with project success as the dependent variable and a modified governance structure as a new independent variable

The new regression analysis verifies the importance of project management guidelines and socialization activities. It still shows that experience and training have a negative impact. The modified governance structure has a positive impact on project success. It is not convincingly significant (on 0.1 level), but we might say that a governance structure with an active and supporting project owner, who trusts the project manager and has close contact whenever there is a need, is positively affecting project success.

Conclusions and further work

This paper has presented research, sponsored by the Norwegian Centre of Project Management, on the role of the project owner. The research has been carried out in Norway and has been based on a certain perspective on the role of the project owner. We are confident that our results have relevance beyond the Norwegian scene. Our perspective focuses on the relationships between the base organization and the project and argues that the project owner should take on an active role as responsible for establishing the project and ensuring that the deliveries of the project actually create vital changes to the receiving organization. Both the project owner and the project manager are seen as responsible for the success of the project.

Our empirical study showed that common practice was not living up to our perspective. The lessons for the Centre and others would be to argue for better preparation and training for the project owners and to help the project owners to understand their position, roles and responsibilities.

There is great hope for having more successful project owners. Our study of the most professional project owners and managers showed that they were doing better than average. The experienced project-oriented companies have a duty to explain and advocate the future role of the professional project owner.

Our study has demonstrated that project success could be enhanced when the project owner takes an active part in the socialization activities of the project, directed by implemented project management work guidelines. Project success may also be strengthened by a project management governance structure consisting of close cooperation between project owner and project manager throughout all phases of project work and whenever one of them feels the need for contact. These results represent guidelines for activities to enhance the success of the project owner.

The role of the project owner has been sparsely researched, especially seen in the perspective we advocate. There is a clear need for research to study our conclusions further. In a project world where project success is given a broader interpretation than the project triangle (time, cost, and quality), there is a strong need for more focus on the project owner.

References

- Andersen E.S. (2008) Rethinking project management - an organisational perspective Prentice Hall, Harlow, England.
- Bryde D. (2008) Perceptions of the impact of project sponsorship practices on project success. *International Journal of Project Management* 26:800-809.
- Crawford L., Cooke-Davies T., Hobbs B., Labuschagne L., Remington K., Chen P. (2008) Governance and support in the sponsoring of projects and programs. *Project Management Journal* 39:S43-S55.
- Eisenhardt K.M. (1989) Agency theory: An assessment and review. *Academy of Management Review* 14:57-74.

- El-Sabaa S. (2001) The skills and career path of an effective project manager. *International Journal of Project Management* 19:1-7.
- Halman J.I.M., Burger G.T.N. (2002) Evaluating effectiveness of project start-ups: an exploratory study. *International Journal of Project Management* 20:81-89.
- Helm J., Remington K. (2005) Effective project sponsorship: An evaluation of the role of the executive sponsor in complex infrastructure projects by senior project managers. *Project Management Journal* 36:51-61.
- Kloppenborg T.J., Tesch D., Manolis C., Heitkamp M. (2006) An empirical investigation of the sponsor's role in project initiation. *Project Management Journal* 37:16-25.
- Lundin R.A., Söderholm A. (1995) A theory of the temporary organization. *Scandinavian Journal of Management* 11:437-455.
- Müller R. (2009) *Project Governance* Gower, Burlington, VT, USA.
- PMI. (2004) *A Guide to the Project Management Body of Knowledge (PMBOK^R Guide)*. Third ed. Project Management Institute, Newton Square, PA.
- Turner J.R., Müller R. (2004) Communication and co-operation on projects between the project owner as principal and the project manager as agent. *European Management Journal* 22:327-336.
- Zimmerer T.W., Yasin M.M. (1998) A leadership profile of American project managers. *Project Management Journal* 29:31-38.