

The Paradox of Governance and Leadership: Collaboration between Project Boards and Project Leaders to Improve Major Project Outcomes

Introduction

The principles of corporate governance guide organizations to function efficiently and effectively by ‘following a set of rules, practices, and processes to direct and control an organization’ (Conmy 2025). Corporate governance determines power structures and accountability processes in organizations. The board of directors of an organization is held responsible for ensuring that an organization adheres to corporate governance requirements mandated by law. Based on the strategic direction set by the board, the CEO of an organization is expected to operate the organization, overseeing its activities. The Institute of Community Directors of Australia observes that ‘While the board and CEO are on the same team, they do not have the same roles’ (ICDA 2025). Despite their different roles, conflicts could occur if the board and CEO do not work together, resulting in low morale in the organization, leading to poor performance.

Erakovic & Jackson (2012, p. 69) argue that the separation of powers between the board and the CEO has led to them acting in isolation. They attribute this to ‘the fact that the leadership and corporate governance drew upon quite disparate disciplinary roots for their guidance and inspiration—corporate governance is primarily rooted in accounting and commercial law, leadership in the disciplines of psychology and, to a lesser extent, sociology and political science’ (p. 69). Similar isolation can be observed between a project board responsible for project governance and the project leader responsible for the delivery of project results. This is also a result of the alignment between corporate governance and project governance, while deliberations on project leadership have followed the developments in organizational leadership. As Erakovic & Jackson (2012) argue, while the corporate board and leader have different roles, they need to work together to lead an organization collaboratively whenever the organization faces uncertainty and complexity to achieve its goals.

However, when project leaders need to navigate complex situations, they may lack the expertise to make appropriate decisions in critical situations facing the project. They need the support of the project board or steering committee’s leadership to help them with decision-making by providing access to external resources with the requisite knowledge to deal with the situation faced by the project manager or leader. Therefore, complex

situations in projects demand cooperation and collaboration between the leadership at the project and board levels to develop strategies to move forward. This creates a paradox, as this may impinge on the separation of powers between the two leaders required by their roles and responsibilities.

Brief Literature Review:

It has long been assumed that the domains of governance and leadership are separate and dichotomous (Erakovic and Jackson 2012). This plays out in the microcosm of projects, with project leadership and project governance treated separately (e.g., Müller, Sankaran et al. 2023, Levitt, Pollack et al. 2024). There are several historical reasons for this dichotomy both at an organizational level and in projects. The first is that separation is inherent: a function of the separation of ownership of an organization from the management of it (Jensen and Meckling 1976, Daily, Dalton et al. 2003, Clarke 2004). In addition, in the project domain, projects have been deliberately separated from organizations to reduce uncertainty and risk, and so that resources can be focused on activities needed to deliver outcomes (McElroy 1996, Grün 2004, Atkinson, Crawford et al. 2006, Sanderson 2012). A second reason, possibly because of this history, is that the research communities in these fields work from different worldviews or “frames” when they study organizations -- with the former [governance] tending to favour a “structural frame” which privileges policies and procedures, whereas the latter [leadership] tends to use a “human resource frame” which privileges people and their interrelationships (Waldman, Putnam et al. 2019).

Over the last two decades, the use of paradox as a useful lens for examining complex organisational issues has become prevalent. For example, Waldman, Putnam et al. (2019) claim that a paradox lens offers a new way of thinking and responding to organisational phenomena, unleashing new solutions and the ability to navigate cognitive complexity. Paradoxes, defined as tensions that are contradictory, interdependent, and persistent (Schad, Lewis et al. 2016), can shed light on complex situations at different organisational levels: individual, team, and leadership. Teams, for example, ‘grapple with tensions between individual and collective accomplishments, specialization and coordination, and meeting creativity and efficiency goals’ (Waldman, Putnam et al. 2019). Researchers have been using a paradox lens with phenomena that have been dichotomous (either/or) and reframing them to consider them as “and/both” to reveal opportunities, increase performance, and confront conflict in a constructive manner (Waldman, Putnam et al. 2019, Smith and Lewis 2022).

It is timely to use a paradox lens on project governance and project leadership for several reasons.

First, the track record for project performance has been intractably poor for decades (Varajao, Magalhaes et al. 2022). Governance and leadership play a critical role in project success, but it is less clear what that role should be and how the roles of governance and leadership should be differentiated (Kiselev, Winter et al. 2020, Szatmari, Deichmann et al. 2020, Fareed, Su et al. 2023).

Second, community expectations of project outcomes have changed considerably in the last two decades. In the wake of projects that have precipitated significant loss to the community, for example, the destruction of significant archaeological heritage in an Australian mining project (Oliveri, Porter et al. 2024), delivering on time, scope, and budget is no longer considered the only criteria for project success. Increasingly, projects are expected to reconcile these criteria with paradoxical outcomes that include justice, sustainability, and resilience (Sankaran, Müller et al. 2020). Similarly, project leaders and governors are expected not just to deliver projects successfully, but to do so in a way that is ethical and responsible (Pasian and Williams 2023).

Third, our notions of both governance and leadership are changing. Governance is increasingly seen as a social system, not just a function of structures and processes (Cikaliuk, Erakovic et al. 2023). Project governance has traditionally inherited the framing of corporate governance, with a focus on transaction cost economics (Turner and Keegan 2000), agency and stewardship theory (Ahola 2023), and shareholder and stakeholder orientation-based theories (Müller 2023). Recently, multilevel theories (Biesenthal and Wilden 2014), network theories (Kujala, Aaltonen et al. 2021), the importance of culture (Sankaran 2023), and meta-governance frameworks for interorganizational projects (Müller, Alix-Séguin et al. 2024) are emerging. These green shoots are revealing relational aspects of project governance practice, although structural and procedural methods are still the basis for governing major projects (Klakegg and Volden 2016).

Similarly, the emphasis on leadership is changing from vertical models of leadership and solo, transformational “super-heroes” to a more distributed, socialized, and collective form of leadership. This is particularly the case in the project domain, where these socialized forms of leadership are considered necessary for leading projects in an uncertain and complex environment (Lindgren and Packendorff 2009, Müller, Drouin et al. 2021, Whyte, Naderpajouh et al. 2022). In addition, leadership attributes such as authenticity (Drouin, van Marrewijk et al. 2021) and servant leadership (Nauman, Bhatti et al. 2022) contribute to more effective collaboration. As project management has started adopting agile methodologies, research reports that servant leadership is effective in agile projects to foster collaboration.

Finally, project leadership and project governance provide different perspectives on the same project topics. Just one example of this is the importance of project culture. Establishing the right project culture has also been emphasized by project management researchers in the leadership of mega-projects (Van Marrewijk 2007, Müller, Drouin et al. 2021) and in governance (Müller and Lecoivre 2014, Pinto 2014, Turner 2020). Recent work carried out by one of the authors also shows that project boards could create an environment for establishing an appropriate project culture to deliver better outcomes.

This provides the motivation for the authors to propose a study to understand how project governance and project leadership can collaborate to affect a productive project culture. Paradox theory provides a theoretical lens for this study to examine the roles of the project board that governs a project and the project leader who leads a project.

The gap that this research wants to address is how and why project governance boards and project leaders need to work together in major projects towards a sustainable, resilient, and just future using a paradox lens.

Research Methodology and Approach

Through the collaborative environment of EPOC 2025, we would like to engage with project management and organizational studies researchers to investigate the paradoxical roles of project governance and project leadership. We invite them to work together with us to develop a paper to be submitted to the EPOC journal.

As this is a contemporary phenomenon that needs to be studied in its own environment, an interpretivist paradigm is suitable for this study. An interpretivist paradigm follows a relativist ontology where multiple perspectives can be examined. The epistemology for this study is subjectivism, as we need to understand the social interpretation of reality in a project by the project board and the project leader.

A qualitative methodology is proposed using narratives to carry out this study. The setting for the study is a megaproject or large infrastructure project that is of interest to the EPOC community. The sample selected for collecting narratives will be a purposeful sample of relevant board members (board chairs and project sponsors) and project leaders from different countries. It is anticipated that the sample could be selected from Australia, India, and the UK based on the affiliations of the authors, but researchers from other countries could join from members attending the EPOC 2025 conference.

The data collection will be through interviews, but the informants will be encouraged to tell stories based on the questions posed during the interviews. A narrative analysis approach

(Clandinin 2022, Maitlis 2012) will be used to analyse the data. The qualitative data software NVIVO will be used to analyse the data collected to develop themes.

This abstract aligns with theme 6 of EPOC 2025 - Governance in Project and Program-Specific Organizations:

Our proposed research questions to start a conversation at the conference are:

How do project governance and project leadership processes interplay within strategic and institutional contexts? Specifically, what is similar and what is different between the two roles?

What can be done about a more collaborative engagement between project governance and project leadership processes? To what extent should and can these remain separate?

What are the implications for project outcomes if project leaders and project governors collaborate? Do major projects that exhibit uncertainty and emergence deliver better performance through collaboration between the two?

What can project leadership and project governance researchers learn from each other?

Our proposed approach is to interview project board members and project leaders from major projects in Australia, India, and the UK to understand how and when they can work together in different regulatory contexts.

Implications

The practical implications of this research are:

Potential for improving project performance by adapting a both/and approach to project leadership and governance.

Clarity in the roles of project governance and leadership—where collaboration can be helpful and where they need to remain separate.

The theoretical implications are:

Inform the project leadership and project governance researcher communities of how they can learn from each other.

Inform the broader context of corporate governance and leadership.

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