Illuminating the role of the project owner

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The Norwegian Centre of Project Management has established a research and development project to gain a better understanding of the role of the project owner and contribute to more professional project owners in the future. The paper reports some early results.

The project has conducted two empirical studies: a questionnaire survey among project management professionals and a series of in-depth interviews with very experienced project owners and managers. The survey paints a picture of the present project owners as rather weak and not fulfilling the role as prescribed by theory. The interviews introduce a different view, showing a rather satisfactory performance by the project owners.

The paper proposes several propositions for further studies, focusing on investigating the effects of experiences, training, project work standards, and socialisation for creating better project owners. The paper further illuminates which areas of the role of the project owner are of importance in order to improve their performance.

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The challenge: Better project owners

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 & Yasin (1998) and El-Sabaa (2001)). There has been less focus on what is required of the project owners. Many project managers complain that the lack of competence of the project owners has a negative effect on project results. This paper focuses on the role of the project owner.

We deliberately use the term project owner. Some use the term project sponsor and see the two as synonyms. Project Management Institute 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. As we will discuss below, the role of the project owner is extended to cover many tasks beyond providing financial support for the project.

The Norwegian Centre of Project Management has, in response to requests from its members, taken on the challenge of making project owners more conscious of their tasks. This paper reports some early results from the work. We present two empirical studies (a quantitative survey and a round of qualitative interviews). The purpose of the studies is to gain a better understanding of how the project owners are handling their tasks and identify their challenges – in order to create better project owners.

Our empirical studies cover how the project owner is living up to the expected performance in the following areas:
- The desirable attributes of the project owner
- The relationship between the project owner and the project manager
- The project owner and the assumptions of agency theory

The two first areas are easily understood: it is important to see first how the project owners behave and second how they interact with the project managers. The third area needs some explanation. One of the important tasks of the project owner is to control the progress of the project. Agency theory has been proposed to give the theoretical underpinning for the control

function (Andersen, 2008; Turner & Müller, 2004), and therefore it will be interesting to see if the project owners behave as agency theory predicts.

Research design

Data about the factual situation of Norwegian project owners are collected in two ways, through survey and interviews.

It is our intention that the survey results should be representative of Norwegian projects. The survey is based on a convenience sample. It was conducted among students 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 organisations. The enterprises all have several projects, and the 'students' are familiar with the way project management is executed in their own enterprises. We consider that the responses represent a good cross-section of Norwegian projects.

As the base organisation of the respondents could have several projects running at the same time, they were asked to think of a specific project and the 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 ensured that the responses were based on concrete observations and not loose thoughts.

The survey had 77 respondents. 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.

In-depth interviews were carried out with eleven project owners and fourteen project managers from six enterprises in Norway. The enterprises were chosen because they had extensive experience with projects, more than the 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 were 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 average situation of Norwegian projects, whereas the interviews should reveal how some of the most experienced professionals are doing it and where they still see room for improvement. By this research design we are able to compare the general situation with what might be a more desirable situation.

The desirable attributes of the project owner

The first part of the investigation deals with the desirable attributes of the project owner. We take as the starting-point the findings of Helm & Remington (2005). They are the result of 28 interviews of project managers which were conducted to investigate their views on desirable attributes of project owners.

The article emphasises that in studies of project ownership one has to focus on both behaviour and structure. Often in project management literature there is too much focus on structure, and more attention should be paid to behaviour. The authors of this article say (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 & Remington (2005) are summarised in nine desirable attributes. It is important that the project owner has:

1. Appropriate seniority and power within the organisation.
2. Political knowledge of the organisation and political savvy.
3. Ability and willingness to make connections between project and organisation.
4. Courage and willingness to battle with others in the organisation on behalf of the project.
5. Ability to motivate the team to deliver the vision and provide ad hoc support to the project team.
6. Willingness to partner the project manager and project team.
7. Excellent communication skills.
8. Personal compatibility with other key players.
9. Ability and willingness to provide objectivity and challenge the project manager.

The role of the project owner can be divided into two parts (Crawford et al., 2008). One being the representative of the base organization, defining its needs and securing that it supplies the project with necessary resources and decisions (this may be classified as an external role seen from the perspective of the project). The other role is to be a supporting person for the project manager and the project team (this may be called the internal role). The list above covers both the external role (items 1, 2, and 3) and the internal role (items 5 and 6). Communication skills (item 7) and personality compatibility (item 8) are important in execution of both the external and internal roles.

Bryde (2008) confirms that project ownership can be classed in terms of external focused client-representing activities and internal focused supporting/championing activities. His research confirms that the role of the project owner consists of a role with external focus, representing the base organisation 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, seems also 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 list above.

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.

The results of our survey are shown in Table 1 and the interviews in Table 2.

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

Table 1 reveals some common 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 personalities (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 organisation	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 organisation and political savvy	All agree	All agree
3. Ability and willingness to make connections between project and organisation	All agree	Most agree, some few say that the willingness is not always present
4. Courage and willingness to battle with others in the organisation on behalf of the project	They are willing to fight if the project/fight is worth it	They accept that the project owners must prioritise their efforts
5. Ability to motivate the team to deliver the vision and provide ad hoc support to the	All agree, but some add that they could probably do more than they	The ability is there, but the project owners do not always do it (and maybe

project team	actually do	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 organisational 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 getting better.

All project owners and managers agree that the project owners have good understanding of how the base organisation works. In this sense we have the right project owners.

All project owners confirm their ability and willingness to create contacts between the project and relevant members of the base organisation. The project owners state that they are focused on interaction between the project and the base to 'sell' the project to the base organisation 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 organisation, but they add that this is also a matter of prioritising 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 organisation. The project managers understand the base organisation 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 in this. Some of the interviewees say that they have potential for more than they are doing (confirming 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 organisation 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 emphasise 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 the project owner has a communication problem. It is easy to see that there is potential for bettering 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 organisation 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 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.

The relationship between project owner and project manager

Our empirical investigations also focused more specifically on the relationship 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, Tesch, Manolis, & Heitkamp (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, prioritising 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
- the expectations of the project manager's performance are defined.

Item 3 deals with start-up. Halman & 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. 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 have to look more closely at the results. First, we turn to the question of who contributed the most to the project mandate.

A small majority of the survey respondents says 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 change, 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 who sets the requirements.

We find the same kind of process for defining success criteria for the project as we do 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 the three aspects of the project triangle: time, cost and quality.

The survey shows that most of the respondents feel that it is the project manager that is 'burning' for the project to succeed. The interviews give a somewhat different view. About half of the project owners say they are the ones most engaged. The project managers actually confirm this as half of them say they are the most engaged.

A project manager says this 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 they have 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 shows 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 say that the project owner arranges for the project to receive its resources. The majority of the interviewed project owners say that 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 of them says: 'It should be a team effort, but often it is a fight'.

In summary, we may say that the survey shows the project manager as the leading person in most tasks. The interviews partly confirm this, but stress 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; same thing with budgets.

The project owner and the assumptions of agency theory

Project management deals with the relationship between two organisations (Andersen, 2008). The base organisation sets up a temporary organisation 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 organisation as the principal and the project as the agent. The base organisation will usually appoint a project owner, who then takes on the role as the representative for the principal. The project will be headed by the project manager, who will represent 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 organisation. The project owner has established the project for this specific purpose. He wants to see certain changes to the base organisation and has engaged the project manager to help him bring about these changes and create better results for the base organisation. 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 the project manager may have conflicting values or preferences)

2. Available knowledge (the project owner and the project manager do not have the same knowledge; we say that the situation is characterised by asymmetry between the two parties)

3. Attitude to risk (the project owner and the project manager may have different risk aversions, i.e. they dislike differently exposure to risks).

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

Turner & 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. Socialisation: have activities to form common preferences taken 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. Socialisation (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 the project manager by taking on his assignment 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 prioritise 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 emphasise to a larger extent that problems may arise when the two parties see the way forward differently. They are especially worried that 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 organisation 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 organisation 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 they and find it useful to talk with them to get another perspective 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. We see that most of the interviewees are more 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 the 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 socialisation 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 information imbalance prevails, but that it is accepted by the parties and no explicit actions are in place to overcome this imbalance.

Conclusions and further work

Our empirical studies have illuminated the role of the project owner. We have seen that the two studies have given somewhat different pictures of the situation.

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 overemphasised 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 very clearly to indicate that the experienced companies and professionals are doing better than the average.

This is not a very surprising conclusion, but the challenge for further work is to find out which aspects are the most important in fostering the best project owners. Our interviews have shown that experienced people are doing a better job as project owners. They are working for companies which have institutionalised training by establishing their own project schools and also implemented project work standards. The successful projects also reported socialisation activities as part of project work. These aspects should be studied further.

The behavior 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. Project governance coexists with the corporate governance framework (Müller, 2009). 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.

The research project initiated by the Norwegian Centre of Project Management will investigate these aspects further in its continuing work.

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