Reimagining Project Management for a New Era

The Governance Trap: Why More Oversight Creates Less Value[1]

Antonio Nieto-Rodriguez[2]

For years, organizations have focused on closing what I called in the first article of this series, the Implementation Gap—the distance between strategy and execution.

They invested in project management offices. They adopted Agile. They redesigned operating models. They improved portfolio management. They trained project leaders and transformation executives. Entire industries emerged to help organizations execute strategy more effectively.

Yet despite all these efforts, a stubborn problem remains.

Projects still move too slowly.

Transformations still lose momentum.

Strategic initiatives still get trapped somewhere between approval and action.

The more I work with executive teams, the more convinced I become that the next frontier is not execution.

It is decision-making.

Or more specifically, the growing distance between recognizing that a decision is needed and actually making it.

I call this the **Decision Gap**.

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And in many organizations, it is becoming the largest hidden obstacle to strategy execution.

A few months ago, I was working with the executive committee of a large European organization undergoing a major transformation. During the discussion, I asked a simple question:

How long does it take this company to make a significant project decision?

Nobody knew.

Several weeks later, after some analysis, the answer emerged.

Ninety-seven days.

The number surprised everyone in the room. Yet what fascinated me most was not the figure itself. It was the fact that nobody had ever measured it before.

The organization monitored budgets with extraordinary precision. It tracked schedules, resources, risks, milestones, and benefits. Hundreds of pages of reports circulated every month through governance forums.

Yet nobody tracked the speed of decision-making.

This is becoming one of the great blind spots of modern management.

Because projects do not move at the speed of plans.

They move at the speed of decisions.

And strategy rarely fails because organizations lack ideas.

It fails because decisions arrive too late.

When Governance Becomes the Bottleneck

Governance was never supposed to be the problem.

Its original purpose was straightforward. Governance existed to create clarity, accountability, alignment, and effective decision-making. At its best, governance helps organizations allocate resources, manage risk, and maintain strategic focus.

But somewhere along the way, many governance systems evolved into something very different.

Today, in organization after organization, I see executive teams struggling with a similar paradox. They want greater agility, faster execution, and more innovation. At the same time, they continue adding governance layers that make all three objectives harder to achieve.

Every project failure triggers a familiar response. A new committee is created. An additional review is introduced. Approval thresholds become more restrictive. Reporting requirements increase. Business cases become more detailed.

The logic behind these decisions is understandable. Leaders want visibility. They want control. They want fewer surprises.

Yet every governance layer solves a problem locally while creating complexity globally.

Individually, each intervention appears reasonable.

Collectively, they create something else entirely.

Complexity.

Delay.

Organizational friction.

Over the last twenty years, I have observed this pattern in banks, pharmaceutical companies, government agencies, energy firms, and technology organizations. The sectors differ. The symptoms remain remarkably similar.

Executive teams complain about speed while simultaneously expanding the mechanisms that slow it down.

This is the governance trap.

The pursuit of control gradually undermines the very outcomes that governance was designed to support.

The Rise of Governance Debt

Many readers will be familiar with the concept of technical debt.

When software teams choose shortcuts, complexity accumulates. Initially the impact is small. Over time, however, the system becomes harder to modify, more expensive to maintain, and slower to evolve.

Organizations create something similar.

I call it **governance debt**.

Governance debt accumulates every time an approval layer is added without removing another. Every time a committee survives long after its original purpose disappears. Every time reporting requirements increase without improving decisions. Every time information is requested simply because it was requested before.

Like technical debt, governance debt compounds. The first additional approval layer seems harmless. The second is justified by a previous failure. The third emerges from an audit recommendation.

None of these decisions appears problematic in isolation.

The cumulative effect is the issue.

Eventually project teams spend more time preparing for governance than advancing delivery. PMOs become reporting factories. Sponsors attend steering committees but struggle to remove obstacles. Leaders review information continuously while making fewer meaningful decisions.

One transformation executive recently described the situation perfectly:

"We have become extremely good at reviewing progress and surprisingly bad at accelerating it."

That observation captures the challenge. Most organizations measure project costs. Very few measure the cost of waiting.

Yet in today's environment, waiting may be one of the most expensive activities in the enterprise.

Four Signs Your Organization Has a Decision Gap

How do you know when governance is helping execution and when it is slowing it down?

Look for four warning signs.

1. Everything Is Strategic

In many organizations, prioritization has become politically difficult. As a result, leaders avoid making trade-offs. Every initiative becomes strategic. Every project becomes urgent. Every sponsor argues for additional resources.

The portfolio expands while organizational capacity remains fixed.

When everything is important, decision-making inevitably slows because leaders are trying to optimize too many priorities simultaneously.

2. Escalation Becomes the Default

Healthy organizations push decisions toward expertise. Unhealthy organizations push decisions upward. Teams become reluctant to act. Sponsors become overloaded.

Executives become bottlenecks.

Instead of accelerating execution, the hierarchy becomes part of the critical path.

3. Governance Produces Information Rather Than Decisions

I often ask executive teams a simple question:

What percentage of your governance meetings result in a meaningful decision?

The answers are usually revealing.

Many governance forums spend most of their time reviewing information and very little time deciding what to do with it.

The meeting becomes the output.

Decision-making becomes secondary.

4. Projects Rarely Stop

One of the strongest indicators of governance weakness is an inability to stop.

Organizations launch projects enthusiastically.

They struggle to end them.

Resources remain trapped in initiatives whose strategic logic disappeared months earlier.

These "zombie projects" consume attention, dilute focus, and prevent better opportunities from emerging.

The inability to stop is often a sign that governance has become procedural rather than strategic.

What the Best Organizations Do Differently

The organizations that excel at transformation do not necessarily have less governance.

They have different governance.

Consider Amazon's distinction between one-way-door and two-way-door decisions.

Some decisions are difficult to reverse.

Others are not.

Yet many organizations govern both categories in exactly the same way.

As a result, decisions that should take hours consume weeks. Decisions that should take weeks consume months.

The best organizations understand something fundamental:

Not every decision deserves the same governance.

Similarly, companies such as Haier have spent years pushing decision authority closer to teams and customers. Their objective was not less accountability. It was faster accountability.

The lesson is important.

Governance should not be measured by the number of controls it contains.

It should be measured by the quality and speed of the decisions it enables.

Three characteristics consistently appear in modern governance systems:

- Decision authority follows expertise rather than hierarchy.
- Governance meetings exist to make decisions, not review information.
- Value creation matters more than procedural compliance.

These organizations still manage risk.

They simply recognize that excessive caution is itself a risk.

Governance in the Project-Driven Organization

In previous articles, I argued that projects have become the primary mechanism through which organizations create future value.

If that is true, governance deserves to be viewed differently.

Not as an administrative necessity.

Not as a reporting process.

Not as a compliance exercise.

But as a strategic capability.

The purpose of governance is not to review projects.

The purpose of governance is to improve decisions.

That distinction changes everything.

Project-driven organizations ask different questions.

Instead of asking whether a project is following the process, they ask whether the project is creating value.

Instead of asking whether all documentation has been completed, they ask what decision is preventing progress.

Instead of focusing exclusively on oversight, they focus on enabling action.

The emphasis shifts from control to flow.

From reporting to decision-making.

From activity to outcomes.

Final Reflection: Strategy Moves at the Speed of Governance

For most of the twentieth century, competitive advantage came from scale. Organizations that could produce more, distribute more, and standardize more generally won.

In the digital era, information became the differentiator. Organizations invested heavily in data, analytics, and insight.

The next decade may be defined by something different.

Decision velocity.

The ability to recognize a changing reality and respond before competitors do.

This is why governance deserves renewed attention. Not because governance itself creates value, but because it determines how quickly value can be created. Every strategic initiative, every transformation program, and every innovation project ultimately depends on a series of decisions.

The organizations that shorten the distance between insight and action will consistently outperform those trapped in governance-heavy operating models.

We often say that projects are the vehicles through which strategy is executed.

That is true.

But projects themselves run on decisions.

And increasingly, the organizations that win will be those that have learned to decide, learn, and adapt faster than everyone else.

Because in the Project Economy, strategy moves at the speed of governance.

See you in July.

Disclaimer: ChatGPT was used to support editing and formatting. All substantive content is the author's original work.

About the Author

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Antonio Nieto-Rodriguez, PMI Fellow, is one of the **world's leading experts in Project Management and Strategy Implementation**. He is the author of the "*Harvard Business Review Project Management Handbook* " (HBR 2021) and is the **most published author on project management matters in Harvard Business Review**. His upcoming book, *Powered by Projects: Leading Your Organization in the Transformation Age*, will be published by Harvard Business Review Press in early 2026.

Antonio has brought Project Management to the center of executive leadership, positioning it as a critical capability for transformation in the next decade. He is the creator of influential concepts such as the **Project Economy®**, the **Hierarchy of Purpose®**, and the **Project-Driven Organization™**, which argue that *projects have become the operating system of modern organizations—and the language of future careers*.

His global impact on management and leadership has been recognized by Thinkers50, where he is **the only project management thinker included twice in a row** in the ranking of the world's most influential management thinkers. He is also the recipient of the prestigious **Thinkers50 Ideas Into Practice Award** and a member of the **Marshall Goldsmith 100 Coaches** community.

He was the global Chairman of the Project Management Institute in 2016 and has been recognized as a Fellow of PMI for his contribution to the project management profession. He led the creation of the Brightline Initiative, founded Projects & Co, and co-founded the Strategy Implementation Institute.

His work focuses on advising senior leaders on prioritizing and implementing strategic initiatives and leading transformational change.

Antonio is also the author of "Lead Successful Projects" (Penguin, 2019), "The Project Revolution" (LID, 2019). and "The Focused Organization" (Taylor & Francis, 2014), and has contributed to seven other books. A pioneer and leading authority in teaching and coaching senior executives the art and science of strategy execution and project management. Currently visiting professor at Duke CE, Instituto de Empresa, Solvay, Vlerick, Ecole des Ponts, and Skolkovo.

He is a much-in-demand speaker at events worldwide. Antonio has presented at more than 800 conferences around the world and is regularly ranked the best speaker. European Business Summit, Strategy Leaders Forum, Gartner Summit, TEDx, and EU Cohesion Policy Conference; are some of the events he has delivered inspirational keynotes.

He is former Sustainability Program Director and Head of Global Program Management Office at GlaxoSmithKline Vaccines. Previously he also served as Head of Project Portfolio Management at BNP Paribas Fortis and Head of Post-Merger Integration at Fortis Bank, leading the acquisition of ABN AMBRO, the largest in financial service history. He also worked for ten years at PricewaterhouseCoopers, becoming the global lead practitioner for project and change management.

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