Governance model for integrating organizational project management (OPM) with corporate practices

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Abstract Governance is becoming more important for sustaining success and ensuring continuous delivery of business value to organizations. Most organizations are competing to deliver the highest level of service and attaining stakeholders’ satisfaction. Implementing sound organizational project management governance framework can enable the kind of visibility and control that are essential to successfully deliver the expected benefits from projects and portfolios.

The market survey conducted by the authors revealed that the current level of integration between organizational project management (OPM) and other relevant practices is not enough and there is a need to have a unified integrated model that links OPM with other governance components (practices/systems) such as strategy management, enterprise risk management, internal audit, Quality management, performance management, business excellence and lessons learned. The survey also concluded that there is a good opportunity for automating the model to achieve better visibility and effective resource usage.

Having proposed the model, it needed validation, which was done through implementing the model in organizations through automation projects. The implementation resulted in some changes in the model to achieve the required levels of accountability, responsibility, and transparency. These changes were incorporated into the model and were reflected in its modified version. Finally, the paper highlighted the recommended improvements that would enhance the future implementation of the model.

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Introduction and literature review

The lack of full integration of many practices and systems into one integrated model that enables successful delivery of the organization’s benefits is noticeable. This is reported although
organizations are implementing many systems and have several standardized practices to manage their projects, programs, and portfolios with different levels of maturity, and although some of them partially succeeded in having a governance model that covers some of their practices and systems.

As a general definition, governance is an oversight function that emphasizes fairness, accountability, transparency, and responsibility. Governance’s focus on stakeholders, creates connections between all organizational levels and makes organization more successful by establishing coordinated consistent mechanisms that link objectives to execution. Effective governance will add greater visibility and control into projects, programs and portfolios and enables a better decision support system.

Project management institute (PMI) various standards of project [1], program [2], portfolio [3] highlighted organizational governance model as function that project should be aligned with.

Rodenstedt [4] explained the need to have a governance system, and explained its structure and how to manage the interaction between a portfolio and its individual initiatives. He introduced the “Gate” concept when testing an initiative and taking the decision to continue with portfolio process or not. He also showed the different phases of the business case throughout the program management and the need to continuously updating the business case including the closing phase.

Hopkinson [5] developed a guide to governance of project management. His model consists of four components: portfolio direction, project sponsorship, project management, and reporting and eleven general principles to adopt.

Davis-Muffett and Kerr [6] highlighted the skills required to have a good governance structure which are putting the right process in place, getting the right people engaged, and marketing it to all stakeholders.

Crawford and Helm [7] tackled the value of project management governance in the public sector and handled the topic from the “public value management” perspective rather than traditional public management. They also set the expectations from governance which are accountability and transparency, control and compliance, managing the risks, consistency in delivery, ensuring the value for money, and stakeholder engagement.

Dinsmore [8] introduces the enterprise project governance and its relation with strategy, risk, portfolio, stakeholders and transformation. He offered three scenarios for the success of the project governance based on organizational scenarios.

Bodych [9] studied the governance of projects and portfolios with the corporate processes, competencies, culture and the role of the PMO in this system.

Many international standards have dealt with enterprise risk management “ERM” such as the 31000 standard of International organization for standardization “ISO” [10] and British Standard “BS” 31100. It elaborated the different categories of enterprise risk and showed that project/portfolio risks could be escalated to the enterprise level and introduced a framework for enterprise risk management.

Dubai government excellence program (DGEP) [11] has nine criteria for organizations to excel. Criterion no. 1 “strategy” of this program is linked with projects through project portfolios. One of many subsidiary awards of this program named “The most distinct technical project”. This award is not reflected or linked to the day-to-day management activities and to submit for this award, the organization should prepare many documents to fulfill the requirements.

The IAM “Institute of asset management” in his publication (anatomy of asset management) [12] introduced a conceptual model that considers all the aspects related to an asset (asset could be a result of a project) from its inception till disposal and passing by the design, execution, operation and maintenance stages. The value of this conceptual model is that it gives the overall picture and the full lifecycle of an asset, i.e. dealing with the asset from being just an idea and how it is created, operated, maintained, and disposed. This includes a full management of the project benefits. However, this conceptual model does not give any methodology for integrating all its components.

Problem statement and research methodology

The lack of integration across various organizational management practices has resulted in some symptoms as follows:

1. Complaints of duplication and loss of efforts across various practice areas and systems.
2. Most systems are operating in silos with no real benefits of running a one comprehensive system that links projects with other management systems.
3. Lack of integrated automation across practice areas.

As a result, the methodology adopted in this paper will be as follows:

- Conducting a survey across various types of organizations to investigate:
  - The management practices and systems that are currently adopted by this sample.
  - The automation level of these practices and systems.
  - The current availability of an integrated organizational governance model that can overcome the abovementioned symptoms.
  - How the organizations define the integration of their implemented systems.
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