

Empowering project portfolio managers: How management involvement impacts project portfolio management performance

Daniel Jonas *

Technische Universität Berlin, Chair for Technology and Innovation Management, Straße des 17. Juni 135, 10623 Berlin, Germany

Received 14 March 2010; received in revised form 13 July 2010; accepted 13 July 2010

Abstract

Along with the increasing diffusion of project portfolio management a new managerial role evolves: the project portfolio manager. This new role is supposed to be pivotal in planning and controlling complex project landscapes more effectively and more efficiently, in implementing project portfolio management practices as a management innovation, and in coping with traditional conflicts between line and project managers in matrix organizations. However, by empowering project portfolio managers and giving their role more clarity and significance, the complex power balance between senior managers, line managers, and project managers also has to change. These changes are assumed to lead to new tensions between traditional key players and the new role which will reduce the overall project portfolio performance. This paper uses the new role of the project portfolio manager and its interplay with line and senior management to explain how management involvement can positively and negatively impact project portfolio success at the same time. It therefore offers practitioners an initial point for designing organizational governance structures and job descriptions to increase the portfolio management performance while implementing or reconfiguring the formal role definition of involved managers. For scholars this article paves the way for an empirical study on the impact of power re-distribution in project (portfolio) management.

© 2010 Elsevier Ltd. and IPMA. All rights reserved.

Keywords: Project portfolio management; Project portfolio manager; Senior management involvement; Roles and responsibilities; Role significance and role clarity

1. Introduction

With a strongly increasing share of companies' spending for project-organized undertakings, the generally expected advantage in controllability for single projects comes along with a loss of transparency and hence effectiveness of the overall project landscape (Elonen and Arto, 2003). Thus, a structured and proactive management of the project landscape gets increasingly important. Good project portfolio management (PPM) is becoming a key competence for companies handling numerous projects simultaneously (Killen et al., 2008; Martinsuo and Lehtonen, 2007). A project portfolio is seen as a group of projects

that compete for scarce resources and are conducted under the sponsorship or management of a particular organization (Archer and Ghasemzadeh, 1999; Dye and Pennypacker, 2002). Existing approaches focus on describing *what* project portfolio management comprises, or should comprise. They address the processes, tasks, tools and instruments of PPM. This is of course a necessary clarification, but is by far not sufficient. Without analyzing *who* is responsible for the newly arising issues and how the key actors should cooperate and cope with their tensions, project portfolio management can neither be understood nor be implemented successfully. The present article focuses on the roles that are employed in project portfolio management. In doing so, it focuses on the new role of the project portfolio manager and how this new role changes existing ones, and how the new actor cooperates with the traditional roles. This leads to the following research questions: How does the new role of the project portfolio manager have to look like? With whom do portfolio managers have to collaborate? And how should the interplay between these

* Tel.: +49 30 314 26731.

E-mail address: daniel.jonas@tim.tu-berlin.de.

URL: <http://www.tim.tu-berlin.de>.

participating management roles look like for a most effective and efficient portfolio management?

As promising and as necessary these new developments are, they will not remain without tensions between the actors (Arvidsson, 2009). A similar situation presented itself decades ago, when the gaining importance of the project manager led to new role conflicts in organizations. At that time, there was a mismatch between a project manager's (high) accountability and his (low) authority. But instead of just claiming for more influence and power for the project leader, one must rather analyze how this might affect the other management roles towards a sustainable increase of the overall management system performance. Hence, only if the overall system performance benefits from it, is it also worth to empower the project portfolio manager. I therefore see the role of the project portfolio manager in the interplay with its associated management roles and the aim of this study will be to think this scenario through to its logical conclusions. Thus, I aim for theory-based propositions to explain the impact of the interplay among the most important management roles in project portfolio management on the overall management system success.

In the following second section I conceptualize a success framework that is capable to capture project portfolio management performance as a whole. In contrast to earlier studies it uses a system of well-specified success criteria that are related to each other in a causal chain relationship. Ideally, the measures should therefore be taken at different points in time. I conceptualize the overall system success as consisting of the three dimensions: *process effectiveness*, *portfolio success* and *portfolio-related corporate success*. I further conceptually separate managerial tasks (What to do?) from the characteristics of the involved management roles (Who is doing it?) (Ritter and Gemuenden, 2003). This allows me to analyze the change of the distribution of influence and the appearance of role conflicts within the portfolio management system more precisely. In the third section I introduce a process-based understanding of project portfolio managerial tasks (What to do?) with four phases, which consist of those tasks that are related to *portfolio structuring*, *resource management*, *portfolio steering*, and *organizational learning and portfolio exploitation* (Blichfeldt and Eskerod, 2008a). These tasks are seen as directly value-creating and I hence argue that the portfolio management system success will be positively influenced by the extent to which these project portfolio management tasks are executed in an organization (Blomquist and Müller, 2006). This derived scheme will be used as the basis for the job specifications of the project portfolio management associated management roles. This becomes necessary as the implementation of the portfolio manager alone might be insufficient if it is not specified which particular managerial tasks the implementation aims for. The model furthermore provides a basis for clarity regarding the portfolio manager's work specifications, as there is still much diversity in terms of central coordination units for projects such as PMOs (Aubry et al., 2007, 2008, 2009). In the fourth section, derived from role theory (Biddle, 1986; Guirguis and Cheuning, 2005; Noble and Mokwa, 1999), I use the

attributes *role significance* and *role clarity* for the project portfolio manager's role to make assumptions about their impact on the extent of task execution and success (Who is doing it?). The characteristics of a role will influence which tasks are executed and to which extent and quality these tasks will be performed. Thus, there will be a direct effect of the portfolio manager's role on task execution and therefore an indirect effect on performance.

But as the portfolio manager's role should rather be considered in its management system context than isolatedly, in the fifth section I widen the perspective to include those management roles that I assume to have the greatest potential of being changed, causing conflicts, and influencing the management system: senior management and line management (Who else is doing it?). Furthermore, as their kind of involvement is fundamental for system success and to demonstrate their impact on the system, in section six I additionally define management involvement by three different types of activities: *empowerment*, *intervention*, and *encouragement*. Following upper echelons research (Carpenter et al., 2004; Gallén, 2009), I argue that senior management involvement in general can have positive and negative influence simultaneously (value-creating and value-destroying events). On the one hand, a strong, highly *empowered* portfolio manager is assumed to have positive influence on the extent of task execution. On the other hand, in critical situations, for example, 'power promoters' (Gemünden, 1985; Hauschildt and Kirchmann, 2001; Rost et al., 2007; Witte, 1977) can be helpful, but senior managers also tend to delay or prevent the abortion of a project they have initiated or strongly supported, even if there are clear indications that a continuation of the project induces more damage than value creation (Bonner et al., 2002; Ernst, 2002; Markham, 2000). Following this and derived from perceived procedural justice theory (Kang, 2007; Li et al., 2007; Zapata-Phelan et al., 2009), I assume that when managers bypass established rules and processes, this will lead to distrust and poor cooperation. These undesired relationship-based role conflicts (Jehn, 1997; Jehn and Mannix, 2001) are of a long-term nature and blamed for inflicting negative impact that is stronger and of higher longevity than the positive short-term effects from the spontaneous *intervention*. I separately conceptualize *encouragement* by top management also as a kind of management involvement to demonstrate and underline its importance for the system.

The overall underlying framework of this article is depicted in Fig. 1. Despite a number of direct effects demonstrated in empirical research (Belout and Gauvreau, 2004; Bonner et al., 2002; Swink, 2000, 2003), I assume the explanatory power of the model being maximized by conceptualizing indirect and moderating effects of management's role definitions and their involvement on the portfolio management system success, which will be derived in the following sections.

2. A framework for success

Although literature recognizes the elements that should constitute portfolio success (Cooper et al., 2001; Elonon and Arto, 2003), it remains difficult to capture the overall

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات