

The three roles of a project portfolio management office: Their impact on portfolio management execution and success

Barbara Natalie Unger ^{a,*}, Hans Georg Gemünden ^a, Monique Aubry ^b

^a Technische Universität Berlin, Chair for Technology and Innovation Management, Straße des 17. Juni 135, Sekr. H71, 10623 Berlin, Germany

^b Université du Québec à Montréal, School of Business and Management, P.O. Box 8888 Downtown Station, Montreal, Quebec, Canada H3C 3P8

Received 27 July 2011; received in revised form 29 November 2011; accepted 26 January 2012

Abstract

Project portfolio management offices (PPMOs) are a subset of project management offices (PMOs) that handle collections of multiple single projects and programmes, i.e. portfolios. PPMOs are centralised organisational units that cater to the demands of various stakeholders by performing specialised tasks. They are initiated by their organisation's leadership in response to increasing management challenges originating from project portfolios. Although there has been considerable research on PMOs in general, not only a clear understanding of multi-project PMOs' activity patterns set in specific contexts like project portfolio management, but also both existence and mode of multi-project PMOs' contribution to successful performance are still lacking. By quantitatively analysing PPMOs in 278 portfolios, we identify three different activity patterns, which are interpreted as distinctive roles. We show a significant positive effect of PPMOs' coordinating and controlling roles on performance in terms of project portfolio management quality, which is a predictor of portfolio success.

© 2012 Elsevier Ltd. APM and IPMA. All rights reserved.

Keywords: Project management office; Project portfolio management office; Project portfolio management quality; Project portfolio performance; Project portfolio success; Empirical study

1. Introduction

Managing multiple sets of projects simultaneously is a challenge organisations have to master today in order to implement their strategic objectives (Arto and Dietrich, 2004; Dietrich and Lehtonen, 2005). Although the project management literature still focuses primarily on single projects, research in the last 5 years has increasingly acknowledged that multi-project issues have become critical for all organisations regardless of delivering projects to external or internal customers. Multi-project PMOs have emerged within these multi-project management environments as a major device to develop competence in project management, manage single project performance and coordinate multiple projects and actors. Project

portfolios that include multiple unrelated single projects and/or various programmes are focus of this study.

Recently, studies have furthered general knowledge on PMOs, including their description (Hobbs and Aubry, 2007) and their relationship to context and transition (Aubry et al., 2010a, 2010b). Other studies have addressed PMOs' part in organisational change (Pellegrinelli and Garagna, 2009) or as a value-realising function (Hurt and Thomas, 2009). Hobbs and Aubry (2007) show that PMOs' organisational characteristics and mandates vary significantly, highlighting the existence of a wide and diverse range of PMOs. These authors explain, "The organizational reality surrounding PMOs is complex and varied ... organizations establish a great variety of PMOs to deal with their reality" (p. 85). To provide a clearer picture of the mandates of multi-project PMOs, these findings suggest that PMOs should be differentiated based on comparable realities such as project portfolios. In this paper, we consider project portfolio management offices (PPMOs), which are multi-project PMOs dedicated to project portfolio management

* Corresponding author. Tel.: +49 30 314 29534; fax: +49 30 314 26089.

E-mail addresses: barbara.unger@tim.tu-berlin.de (B.N. Unger),
hans.gemuenden@tim.tu-berlin.de (H.G. Gemünden),
aubry.monique@uqam.ca (M. Aubry).

(PPM). Operative PMOs that only handle a single project or one programme are disregarded.

Pellegrinelli and Garagna (2009) confirm that “*multi-project PMOs are organizations’ responses to their needs and environments — unique structural arrangements designed to fulfil a specific purpose*” (p. 651). Continuing this notion of purpose specificity, we follow the task-oriented paradigm of organisational design and organisational theory, which states that tasks and sub-tasks should follow the requirements of the organisation (Burton et al., 2011; Mackenzie, 1986). Therefore, we posit that the *task environment* is critical for identifying and defining the appropriate tasks to be undertaken by PPMOs and for detailing the activities that enforce the objectives of these tasks. A major feature of the task environment of a PPMO is its organisation’s first-tier senior management, who are typically the owners of all the firm’s project portfolios. Fundamentally, the tasks of PPMOs may be derived from these key stakeholders’ requirements and their need to delegate management obligations.

From a task delivery perspective that considers all participating personnel who contribute and collaborate in managing project portfolios (Gemünden et al., 2008), the *project portfolio manager* is a prominent participant (Blomquist and Müller, 2006; Jonas, 2010). In this vein Jonas (2010) proposes multi-project PMOs to take up being project portfolio manager “*as a central coordination unit that supports the senior management with its specialized knowledge about project portfolio practices*” (p. 823). Jonas (2010) contributes the attributes of role clarity and role significance to provide a *formal role definition* for the project portfolio manager. The present paper builds on this conceptual work, which fundamentally grasps what project portfolio managers are and how others perceive them, to characterise the day-to-day practise of PPMOs as project portfolio managers.

PPMOs’ operational roles are based on the management demands of first-tier senior managers, which are linked to the typical PPM phases to determine the activity patterns that comprise PPMOs’ involvement in PPM. We consider the *activity patterns* and actual contributions of PPMOs when performing assigned tasks (*role taking*), rather than their formally stated roles (*role making*), to outline the configuration of PPMOs in practice. Formal role statements often raise expectations that PPMOs cannot fulfil with their limited power and resources. Furthermore, these roles are formulated purposefully as generic statements because a more precise formulation would not reach consensus due to the high potential for conflict among the expectations of the stakeholder groups of a PMO. By examining activity patterns, which are translations of the required tasks into everyday work, while each pattern makes up a role, we clarify the action of PPMOs when managing project portfolios. Thus, we refrain from listing every individual task performed and use a higher level of abstraction to understand roles as dimensions of social behaviour (Morrison, 1994; Webster and Wong, 2008).

Research on roles in the governance of project management and PMOs is not new, but this research has been extremely sparse and varied. First, Turner and Keegan (2001) proposed two roles, the “broker” and the “steward”, when discussing

governance mechanisms in project-based organisations, confirming two separate activity patterns in interface and resource management, respectively. Second, Blomquist and Müller (2006) identified the role of middle managers in programme and portfolio management. Third, Hobbs and Aubry (2007) provided a fundamental understanding of the roles of PMOs through a framework that grouped five sets of tasks, potentially forming five general PMO roles. Recently, interest in the roles of PMOs has intensified, with Hobbs and Aubry (2011) and Müller et al. (2011) proposing typologies of PMOs. In general, however, the understanding of PMOs’ roles and the impact of these roles on value contribution and creation remains unclear. Thus, the acceptance, existence and legitimacy of PMOs remain at stake (Pellegrinelli and Garagna, 2009).

Acknowledging that PMOs have a low life expectancy of four years, on average (Hobbs and Aubry, 2007), Pellegrinelli and Garagna (2009) illustrate the effects of changes in an organisation on PMOs: “*The PMO can be the battle ground between empowerments and control, between people and processes, and between political factions*” (p. 652). This observation suggests that the closure of PMOs may be a case of collateral damage rather than a natural death due to a lack of purpose or unnecessary activities. Thus, with the existence of PMOs in question, Pellegrinelli and Garagna (2009) point out the need for PMOs to battle for altered organisational needs and their stakeholders’ changing preferences by acting as “*the fulcrum between forces for centralisation — the tendency for decision and policy making, executive powers and resources allocation to reside in a dedicated (line of) business unit or corporate function — and decentralisation — the tendency for decision and policy making, executive powers and resources allocation to be devolved throughout the organisation to individuals or operating unit*” (p. 652). Thus, in an attempt to outlive fads and fashion manoeuvres and to justify and sustain the existence of multi-project PMOs, Pellegrinelli and Garagna (2009) recommend that multi-project PMOs be re-shaped as an organisational construct, allowing PMOs to become agents, rather than reactionaries. In this paper, we respond to this call and conceptualise a PPMO that is in charge and operationally manages project portfolios to produce a clear value proposition. Hence, we identify the performance contribution of individual PPMOs’ roles. We aim to extend the findings of a quantitative study in which the engagement of project portfolio managers, who are often the heads of PPMOs, has been shown to have a significant positive impact on the execution quality and success of PPM (Jonas et al., 2011a). Ultimately, these results should establish the fundamental legitimacy of PPMOs.

In showing the positive performance impact of PPMOs, we substantially extend the existing research. Previous attempts to provide evidence for a performance increase as a result of PMOs’ involvement in project management or in overall organisational performance offered little empirical validation. Quantitative research on the impact of PMOs on single project management has failed to show a relationship between PMOs’ involvement and improved performance (Dai and Wells, 2004; Kwak and Dai, 2000). In a qualitative study of 65 organisations, Thomas and Mullaly (2008) showed the near

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