



Integration and governance of multiple project management offices (PMOs) at large organizations

Tamara Tsaturyan^a, Ralf Müller^{b,*}

^a *PM Concepts AB, Sjöbogatan 10, 21228 Malmö, Sweden*

^b *BI Norwegian Business School, Dpt of Leadership & Organizational Behaviour, Nydalsveien 37, 0442 Oslo, Norway*

Received 3 May 2014; received in revised form 29 December 2014; accepted 5 January 2015

Available online 22 January 2015

Abstract

This paper addresses governance of PMOs as an integration of loosely-coupled multiple governance units in large project-based organizations. A four-dimensional framework of PMO governance, consisting of structural, procedural, relational and regulative dimensions, is conceptually developed. This concept is qualitatively tested through a case study at a large European bank, which uses a network of four different project management offices (PMOs). The analysis explores the formal and informal aspects of their integration. Results suggest a predominance of relational and regulative dimensions for integration of multiple-PMO governance structures, and propose variables for observation and analysis of integration efforts in PMO governance. Implications include increased understanding of networked governance of PMOs, as well as the development of associated governance dimensions.

© 2015 Elsevier Ltd. APM and IPMA. All rights reserved.

Keywords: PMO governance; Integration; Project management offices (PMOs); Formal and informal network

1. Introduction

Projects have become widespread organizational structures nowadays, establishing new forms of organizations, namely project-based organizations. The myriad of the industries utilizing project work has sailed away from traditional project-based industries, such as construction and IT, towards heavy manufacturing, financial services, insurance and public services. Governance of those new types of organizations is in need of structures and institutions, such as project steering committees, program and portfolio management (Müller, 2009). In 2004 Dai and Wells (2004) pointed out that a new model for more-effective operations in project-driven organizations is required in order to address the emerging organizational changes. Eight years later Aubry et al. (2012) showed how network structures of PMOs emerged and pervade large industries.

The need for those specific mechanisms of governance is explained by the loosely-coupled nature of project-based organizations and significant power decentralization, which creates complications for the alignment between projects, project governance systems, functional departments and the organizational context. Lawrence and Lorsch (1967) found that effective organizations solve those problems by balancing it with an appropriate amount of integration. In this sense, integration appears as a relevant element for designing governance mechanisms for project-based organizations. One integrative effort in organizational project governance is the establishment and incorporation of a new entity into the governance system, that is, the PMO (Hobbs et al., 2008), which may appear either alone in an organization or as multiple PMOs, entitled with different project governance tasks, scope of activities and authorities (Müller et al., 2013).

Existing literature on PMO integration into organizations reflects mainly the existing functional understanding of PMOs, capitalizing on formalized and standardized tools and software applications (Cicmil and Hudgson, 2006; Turner, 1999).

* Corresponding author.

E-mail addresses: tamara.tsaturyan@gmail.com (T. Tsaturyan), ralf.muller@bi.no (R. Müller).

Moreover, most of the PMO studies are single-PMO studies, whereas there is an emerging trend of establishing *several PMOs* within larger organizations, at various levels of the organizational hierarchy. This raises questions about the distribution of control and resources among these multiple PMOs, as well as complications in project decision-making processes (Müller, 2009). In addition, other organizational units sharing similar project governance tasks within the organization often coexist along with PMOs, some of them include functional departments and the top management (Müller, 2009). This often causes a significant tension in the power balance between those entities (Aubry et al., 2006).

Moreover, there is empirical evidence that multiple PMOs in an organization are not isolated or completely autonomous units, but instead there are growing interdependencies between them (Aubry et al., 2011). In general there is very little academic research exploring the *mode of linkages* among the multiple PMOs in order to understand the governance needs and peculiarities of those environments (Hobbs et al., 2008). Hence, taking into consideration that there is a gap of knowledge about the integration of multiple networked PMOs within project-based organizations, this paper aims to explore and identify the dimensions of integration of PMOs in project-based organizations. Building on classical denominators for governance systems in organizational theory this study includes functional dimensions, such as structures and processes, but also interactional and relational, as well as political, moral, and value-based dimensions. Hence, it explores the relational and regulative aspects in particular context to understand the integration in PMO governance from different perspectives.

Aligned with the aim of the paper, the following research question is addressed:

What are the relevant dimensions of integration for PMO governance in large project-based organizations?

In the context of this research question, we also ask:

What are the relevant constructs/variables for governing such integration?

An exploratory, qualitative case study was conducted for an in-depth exploration at a large European bank.

The paper continues with a review of relevant literature to build a conceptual framework for the assessment of the case. The subsequent *Methodology* section describes the research philosophy and process. The analysis of the case is done next, followed by the results presented in the *Summary and conclusions* section.

2. Theoretical framework

2.1. PMO governance and involved complexity

There have been many evidenced issues in the governance of project-based organizations. Problems such as misalignment of corporate and project governance efforts (Aubry et al., 2006; Lakemond and Berggren, 2006), retaining the corporate goal

alignment (Williams, 2009), managing knowledge, organizational learning and political tensions (Aramo-Immonen and Vanharata, 2009; Turner, 1999; Williams and Samset, 2010) have been constantly discussed in the academic literature. Given the relentlessly changing need of the organization, turbulent organizational environment and the temporary embedded loosely-coupled nature of project-based organizations (Lakemond and Berggren, 2006), it may not be relevant to see organizational governance through the lenses of governance theories such as Transaction Cost Economics, Agency Theory, or Organizational Ecology, which assume organizations as (nearly) static entities (Brown and Eisenhardt, 1997). As Weick (1995) points out: “As we move from which is rational, to which is open, we concurrently move from structures, processes and environments that are less ambiguous, to those that are more so” (p. 70). Taking this perspective, Aubry et al. (2012) suggest studying multiple-PMO settings from the network governance perspectives. The authors argue that “PMO networks develop” in order to balance effectively and efficiently the changing needs for project management governance (Aubry et al., 2012, p. 15). “The net result is that there is considerable autonomous action that unfolds independent of formal structure requirements and in response to a variety of signals” as claimed by Weick (1995, p. 134). Accordingly, Provan and Kenis (2008) identify networks as “essentially cooperative endeavors” where autonomous entities simultaneously act in a goal-directed manner (p. 231). This definition is aligned with the above-mentioned concept of loosely-coupled systems (Aldrich and Whetten, 1981), which highlights that organizational units responsible for the performance of a certain range of functions, should be linked in such way, which ensures successful survival of the system and shows a unity of purpose. Additionally, Rank (2008) identifies formal type of links, such as “explicit, impersonal and functionality specific relationships among the organizational units and actors” (p. 147), and Informal ties. The latter are defined as voluntarily cooperative linkages between the actors, not determined by the organization’s formal structure (Rank, 2008). Given this, the *nature and form of those linkages* will potentially be major determinants and mechanisms for PMO networking, which will capture both flexibility (Aubry et al., 2006) and a solid staging of structures and processes (Williams, 2009) for governance.

2.2. Integration in PMO governance

Integration is a common and widely used mechanism for organizational management (Scott et al., 1981), whereas its consideration in PMO governance is rarely discussed in the context of project-based organizations. However, PMOs themselves are integrative units within organizations (Macheridis and Knutsson, 2008).

There are different approaches of understanding the concept of integration: for example, as a structure (Macheridis and Knutsson, 2008), or as a process of technical and social integration (Kirsilä et al., 2007) or as a combination of elements and their interactions (Westra and Rodgers, 1991). More precisely, Macheridis and Knutsson (2008) discuss structural, process and strategic aspects in an organizational context and present

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