

A new framework for understanding organisational project management through the PMO

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Abstract

This paper presents a theoretical contribution to the study of organisational project management and of the project management office (PMO). The PMO should no longer be considered an isolated island within an organisation. It is our premise that the PMO is part of a network of complex relations that links strategy, projects and structures and thus is a point of entry into the organisation to study the foundations of organisational project management. We argue that the study of such complex relationships within an organisation should turn away from the traditional positivist approach to a new conceptual framework. The proposed theoretical framework draws from three complementary fields – innovation, sociology and organisational theory – to form an innovative understanding of the PMO and organisational project management.

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Keywords: PMO; Organisational project management; Innovation; Organisation theory

1. Introduction

Innovation plays an important role in the place project management now has in organisations. Growth of a firm is associated with its capacity to constantly renew its product portfolio. At the same time, there is economic pressure to reduce the *time to market*. Both lead to a rise in the number of projects undertaken simultaneously within firms and consequently to the complexity of managing them [1]. Innovative forms of organising are emerging [2] and not surprisingly we see quite a few concepts related to multi-project management emerging within the project management literature: programme and portfolio management [3,4], project-based or project-oriented organisation [5,6] and project management office [7].

The PMI and the IPMA have confirmed the expansion of the field of project management beyond a focus on the management of projects to embrace the management of programs, portfolios and organisations that achieve their strategic objectives through projects, programs, and portfolios or “organisational project management”. The goal of organisational project management is not just to deliver projects on time, on budget and in conformity with technical and quality specifications. The goal is to create value for the business.

A review of the literature does not provide a clear conceptualization or definition of organisational project management. What we observe globally is that the current project management literature is lacking two elements: theoretical foundations and valid, verified empirical models. The two are related. The current literature presents a major professional tendency aimed at short-term results. Though several models exist, the majority of them have yet to undergo a solid empirical validation process. These elements lead to the need for research that is aimed at understanding organisational project management structures

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and the dynamics through which project management contributes to organisational performance.

We will review the current literature on related concepts. We will then attempt to define the concept of organisational project management and the place the PMO has in it. Finally, we will propose a basic framework that will support the exploration of organisational project management using the PMO as the gateway into the organisation. As suggested by Van de Ven in *Engaged Scholarship*, “the critical task is to adopt and use the models, theories, and research methods that are appropriate for the research problem and question being address” [8, p. 7]. Our framework is bold as it draws from three theoretical fields: innovation theory, sociology and organisational theory. Using innovation theories, we build on the concepts of social innovation systems and co-evolution theory, taking into account the history and context of the PMO at the organisational level and at the micro-level. The network structure approach and actor network theory (ANT) are from the field of sociology. Both will be used to depict the PMO as a network, the former in its structural aspect, and the latter in examining the relationships among the actors involved. The conceptualisation of organisational performance and of the value of the PMO is drawn from the competing values model that allows for the coexistence of a plurality of perspectives to evaluate organisational performance. Together these concepts open up new avenues for the study of organisational project management. We think that this approach offers a new perspective contributing to the revitalization of the field of project management.

The model presented in this paper is being used as the theoretical basis of an empirical investigation of organisational project management [9]. The research question of the current empirical work is “How to understand the PMO and its contribution to organisational performance?” This empirical work focuses on organisations that do projects for themselves rather than for external customers. These organisations have implemented PMOs as part of their strategy for managing projects and for dealing with the issues relative to organisational project management. The study of organisational project management is facilitated in these organisations because project management activities tend to be concentrated and more easily visible in organisations that have implemented PMOs. The discussion that follows and the theoretical model are relevant, however, in other contexts.

2. Literature review

The literature review is intended to provide an understanding of the founding fields on which the conceptual framework is based, and to identify its limitations as far as providing satisfactory answers to current issues. Five fields are discussed in the next sections: strategic alignment, programme and portfolio management, project-based organisation, PMO and organisational performance.

2.1. Strategic alignment: a need that becomes a function

The issue of alignment is associated with the need to join together portfolios of disparate, proliferating projects into an efficient, coherent whole [5]. This need for strategic alignment becomes a function within the organisation. Organisations must adapt their strategic processes in order to face changes in their environment and they must adjust themselves quickly [9]. Project management at the strategic level (including programme and project portfolio) is considered a means to implement corporate strategy. The translation of strategy into programs and projects is recognised as a core process [11]. However, these authors recognise that project strategy management is not sufficiently explored in the business and project literature. Other recent empirical research shows that not all organisations succeed in the linkage between projects and strategy [12]. It seems as if a paradox exists between, on the one hand, the organisational desirability of linking strategy and projects, and on the other, the concrete actions that organisations take to achieve them [10].

A second facet of strategic alignment bears on the synergy created by the management of the relations between projects. In other words, the performance related to the management of the whole goes beyond the sum of the performance of the individual projects. The identification of benefits related to the management of these relations can be found in the specific literature related to the platform approach [1] and to programmes and project portfolios [10,13,14]. For the moment, these benefits may well be wishful thinking since they have not yet been verified by solid empirical research.

A third facet focuses on preparation for the future and rarely appears in a specific way in the strategic project management literature. The future is envisioned from an operational viewpoint rather than strategically, for example, in relation to the evolution towards project management maturity [15] and the development of resource competencies in project management [16].

The current literature provides models for the link between corporate strategy and projects. Some empirical results confirm the role of project management in facilitating the implementation of corporate strategy. However, the literature related to business and project management lacks empirical studies to describe in detail the processes of strategy translation from the corporate level down to the execution of the project. In summary, the current project management literature only partially covers the breadth of strategic alignment.

2.2. Programme and portfolio management

It is not surprising to note some confusion in the definition of new concepts, as is the case in most of the existing studies of programme and project portfolios. The confusion in this literature stems from a semantic gap between the meanings given to the concepts of programme and

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