

Project management offices in transition

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Abstract

This paper presents empirical results from a research on Project Management Offices (PMO) in transition. While PMOs are now a prominent feature of organizational project management, the underlying logic that leads to their implementation or renewal is still not understood. This research adopted a process view of PMOs in transition. Descriptive data from 17 case studies was primarily obtained through interviews and analyzed using qualitative text analysis methods. Thirty-five factors of change have been grouped in six categories forming a typology of drivers of PMO change. In addition, three patterns of PMO change are presented. The major contribution of this research is to gain a better understanding of the dynamic evolution of PMOs. For researchers, these findings contribute to the project management theoretical development within the field of organizational change. For practitioners, it challenges the paradigm of considering the PMO change as a sign of failure.

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1. Introduction

Project management has come to play a central role in the management of organizations in almost all fields of human activity. Bredillet et al. (2008) report from World Bank data that 21% of the world's gross domestic product (GDP) is gross capital formation, which is tightly related to project activities. This is also reflected within organizations where a greater portion of their activities is organized by projects. Over the last decade, many organizations have implemented one or more Project Management Offices (PMOs) as part of organizational project management attributing a variety of both operational and strategic roles to their PMOs (Dai and Wells, 2004). While PMOs are now a prominent feature of organizational project management, the underlying logic that leads to their implementation or renewal is still not understood. The results of a survey of 500 PMOs documented the great variety and lack of consensus on the value of PMOs, the structure of

PMOs and the functions included in their mandates (Hobbs and Aubry, 2007).

People responsible for establishing or managing a PMO have a great variety of options to choose from with respect to both the organizational structures to put in place and the functions to include within the mandate of the PMO. In addition, executives ask for value from these structures and PMO managers are often hard pressed to show value for money. The current state of knowledge of PMOs and how they contribute to value creation provides PMO managers with very few resources. The practitioner community is looking, therefore, for standards or at least guidelines to help them and their executives to be more successful in establishing and managing PMOs. On the other hand, the research project management community is looking for recognition of its theoretical base within the larger management research community. An international effort has been made recently to formalize theoretical knowledge in the field of project management (Andersen, 2006; Bredillet, 2007; Turner, 2006).

Many consultants and some researchers have written on PMOs in recent years. The focus of the vast majority of this work has been on identifying the characteristics of PMOs and a limited number of variables that would drive the choice of configurations of new or existing PMOs. The implicit underlying assumptions in

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the current literature are that there are a limited number of variations of PMOs and that PMOs are relatively stable structural entities.

At least three independent surveys have shown that the average age of PMOs is approximately two years (Hobbs and Aubry, 2007; Interthink, 2002; Stanleigh, 2005). This has not changed in recent years. The authors know of no research results that are inconsistent with these observations. PMOs are, therefore, often not stable structures but temporary arrangements with a rather short life expectancy.

The 17 case studies conducted in this research illustrate the temporary nature of PMOs. This case study work also revealed that significant changes in PMOs can be associated with the organization's internal or external environment. The case study results indicate that focusing on the organizational change process surrounding the implementation or the transformation of a PMO, rather than focusing on the characteristics of the PMO as a static organizational entity can be a fruitful approach. The pertinence of this process approach to better understand PMOs has been validated recently during executive workshops that have been held in Europe, USA, Australia and Canada.

In light of the current organizational context described above, the high level objective of this research is to understand the forces that are driving the frequent reconfigurations of PMOs. More specifically, this research intends to answer these questions:

- Why do PMOs change? What are the drivers?
- How does the change happen? Is there a dynamic change process?
- What is changing? What are the characteristics or functions that are changing?
- Is there any pattern of change?

Results from this research should contribute to building the theoretical foundations of project management more specifically in the Governance school of thought (Bredillet, 2008). It should also provide guidance to project management practitioners and upper management in the implementation, remodeling and management of PMOs.

The article is structured as follows. The first section draws an overall portrait of the current literature in relation with the research objective. The second section proposes a conceptual model to explore the process of PMO transformation. Methodology is presented in Section 3 followed by empirical results that are delivered in Section 4. Finally, discussion and conclusion provide insights into PMO transformations and also identify limits of this research as well as new paths for future research.

2. Literature review

The present investigation employs a rather broad definition of the PMO in order to capture the variety of form and function (Project Management Institute, 2008a, p. 435). It highlights that PMOs are organizational entities and that their mandates vary significantly from one organization to the next. However, the

present study makes a distinction between the multi-project PMO and the single-project PMO or “project office,” which has responsibility for the management of one large project. The scope of the present investigation includes only PMOs with mandates that cover many projects or “multi-project PMOs.” For the purposes of this investigation, it is not necessary that the organizational unity be called a PMO.

Treatment of the PMO is relatively plentiful in the professional literature (Benko and McFarlan, 2003; Bridges and Crawford, 2001; Crawford, 2002; Dinsmore, 1999; Duggal, 2001; Kendall and Rollins, 2003), but limited in the scientific literature. These texts deal principally with three themes: the justification of the PMO's existence, its roles and functions, and steps for its implementation.

The emergence of and the need for the PMO are associated with the increasing number and complexity of projects throughout the business world which led to a certain form of centralization (Marsh, 2000). However, the reality of PMOs is highly divergent. Nearly 75 unique functions have been identified (Crawford, 2004), some traditional some innovative (Duggal, 2001). PMOs are envisioned by some authors as playing an active role in specific functions. Huemann and Anbari (2007) pointed out that PMOs should be more involved in audit functions particularly in the learning from audits and Huemann et al. (2007) identified the PMO as a key actor in human resources management in project-oriented organizations.

The descriptions of PMOs in the literature are often summarized in typologies comprised of a small number of models. The most common types of PMOs described in the literature proposed three or four models. The Gartner Research Group's 2000 study (cited in Kendall and Rollins, 2003) proposed one of the most influential typologies of PMOs. The Gartner Group typology is comprised of three types of PMOs: (1) project repository, (2) coach, and (3) enterprise.

Some of the typologies identify the single-project entity of “project office,” which is outside the scope of the present study. Each of the typologies proposes two, three, or four multi-project PMOs, organized in an ascending hierarchy. The progression of PMO is intended to follow an incremental path from a low level to a high level model. Some authors proposed a maturity model specific for PMO (Kendall and Rollins, 2003) where the same assumption of progression is taken for granted. The Organizational Project Management Maturity Model (OPM3) from Project Management Institute (2008b) is also based upon this assumption. The reality from our case studies doesn't support a regular progression towards a better PMO.

From the direct participation of seven senior managers from large organizations in a PMO forum, Pellegrinelli and Garagna (2009, p.653) propose a conceptualization of PMOs through a process of emptying itself. “The process can be conceived as a transfer of value from the PMO to the rest of the organization.” To be successful, the PMO became a change agent for the implementation of project management culture through methods, standards and tools. After this has been accomplished, the PMO could be unable to justify its survival. At that point, project management is embedded in the organization's routines and processes.

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