



## Exploring the dynamics of project management office and portfolio management co-evolution: A routine lens

Christophe Bredillet <sup>a,\*</sup>, Stephane Tywoniak <sup>b</sup>, Mahshid Tootoonchy <sup>c</sup>

<sup>a</sup> Université du Québec à Trois-Rivières, Trois-Rivières, Québec, Canada

<sup>b</sup> University of Ottawa, Ottawa, Canada

<sup>c</sup> Queensland University of Technology, Brisbane, Australia

Received 9 December 2016; received in revised form 28 April 2017; accepted 30 April 2017

### Abstract

This paper addresses a recurrent topic of organizational project management (OPM) research: Project Management Offices (PMOs) are perceived to be instrumental in implementing strategy through portfolios of projects, but empirical evidence also shows that PMOs are often short-lived and their value is hard to quantify. We argue that an explanation may lie in the processes of co-evolution that PMOs undergo over time in interaction with organizational capabilities and context. We adopt an innovative research frame in the context of OPM research, using process theories of change and routines as a lens to investigate the co-evolution of PMO and Portfolio Management. A conceptual framework is suggested and we use an empirical case study to test and refine it. We discuss the theoretical implications of the findings and highlight the contributions made in supporting, adding, articulating and contrasting extant literature. We conclude the paper underlining paths for further researches.

© 2017 Elsevier Ltd, APM and IPMA. All rights reserved.

*Keywords:* PMO; PfM; Organizational capability; Co-evolution; Routines; Process theories of change; Dynamic equilibrium; Eigen behavior

### 1. Executive summary

Project management offices (PMOs) are an organizational innovation initiated to assist project-based organizations better manage and coordinate portfolios of projects. However, research to date has found it difficult to reliably measure the value created by PMOs, which have been widely observed to be unstable, changing or closing rapidly. Some general factors of influence have been identified, but no stable patterns have been found.

This paper argues that our understanding of PMO evolution would be improved by taking into consideration the broader organizational context. We propose that the analytical lens of organizational routines provides an innovative approach to map the

processes of interaction between the PMO and the organization, and document patterns of change. As routines are decomposed into their performative (actions undertaken), ostensive (rationales invoked) and artefact (material instantiation) elements, this lens enables to capture micro-foundations of change.

We establish our conceptual process model in three steps: portfolio management (PfM) is conceptualized as a collection of routines forming an organizational capability; PMO is conceptualized as an organizational meta-artefact, an organizational sub-system designed to provide a solution to a type of problem (in this case PfM); the relationships between the PMO, PfM and the broader organization are then mapped onto a process model of routine (re-)creation.

We use Proteus, a case study of a project-based organization to test, refine, and validate our process model. Data collection used interviews, observations, and documents. The analysis of empirical data revealed a more intricate pattern of influence between PMO, PfM and the organizational context than anticipated, leading to revise our process model.

\* Corresponding author at: Université du Québec à Trois-Rivières, 3351, boul. des Forges, C.P. 500, Trois-Rivières, Room: 3223, Albert-Tessier, Québec G9A 5H7, Canada.

E-mail address: [christophe.bredillet@uqtr.ca](mailto:christophe.bredillet@uqtr.ca) (C. Bredillet).

The research leads to formulate six propositions, two conceptual (P1, 4) and four theoretical (P2, 3, 5, 6), related to patterns of change in PMOs:

- P1: The PMO, as an organizational sub-system, can be conceptualized as a meta-artefact;
- P2: Changes of artefact element of PMO routines impact PfM through influencing the artefact element of PfM routine.
- P3: Changes in the performative element of PMO routines impact PfM through influencing the performative element of PfM routine.
- P4: PfM, as an organizational capability, can be conceptualized as a collection of routines;
- P5: Changes in the ostensive elements of PfM routines impact the PMO through influencing the ostensive or performative elements of PMO routines.
- P6: Changes in the performative elements of PfM routines impact the PMO through influencing the ostensive or performative elements of PMO routines.

The paper supports extant literature on the dynamic evolutionary nature of PMOs. It adds to the literature through the analytical lens of routines which enrich our conceptualisation of PMO and PfM (P1, P4), and through a conceptualisation of evolutionary change that makes room for unintended or unplanned evolutions in PMOs. It contrasts prior research in two ways: it suggests that focusing away from types of PMOs to look for types of change patterns between PMOs and organizational context may yield more valuable insights, and it suggests that a dynamic view of evolution – rather than a linear conceptualisation – may better capture the changes observed empirically.

Finally, the paper offers insights for practitioners. The process change model suggests that managerial interventions may trigger multiple changes, some of which may not be intended. It reinforces the value of managerial reflectiveness and the need for organizational learning and knowledge management to capitalize on beneficiary evolutions.

## 2. Introduction: understanding change in project management offices

This paper addresses a recurrent topic of organizational project management research: in principle, project management offices (PMOs) are perceived to be instrumental in implementing strategy through portfolios of projects, but empirical evidence also shows that PMOs are often short-lived and their value is hard to quantify. We argue that an explanation may lie in the processes of co-evolution that PMOs undergo over time in interaction with organizational capabilities and context.

### 2.1. PMOs as support to portfolio management

Projects are often considered as a means of leading strategic change (Ward and Daniel, 2012). Morris and Jamieson (2005) and Loch (2008) demonstrate that cascading business strategy down to projects is associated with better organizational

outcomes. When the number and scope of projects increase, managing scarce resources becomes more complex (Gustavsson and Jerbrant, 2012; Martinsuo and Lehtonen, 2007). portfolio management (PfM), “a dynamic decision process where a list of active projects is constantly updated and revised” (Müller et al., 2008, p. 28), helps executives to have a holistic project-oriented perspective (Jerbrant and Gustavsson, 2013; Sanchez et al., 2009). Former studies (Dietrich and Lehtonen, 2005; Shenhar et al., 2001) state that PfM is a building block of strategy implementation as it assists in translating strategic vision down to the project level. Prioritizing shared resources, reducing uncertainty and coordinating interfaces are mentioned to be goals of PfM (Martinsuo and Lehtonen, 2007; Müller et al., 2008).

Although PfM is supposed to help deliver the projects’ expected value (PMI, 2013b); managing portfolios of projects can be quite challenging. Resource balancing, prioritizing projects and poor information management are common challenges that portfolio managers face (Elonen and Arto, 2003). The complexity of managing portfolios of projects and the need for improved coordination and rationalization resulted in the establishment of project management offices (PMOs) (Arto et al., 2011; Singh et al., 2009). For the purposes of this paper, and following researchers such as Aubry et al. (2007), we adopt PMI’s definition of the PMO:

*“PMO refers to a project, program, or portfolio management office [...]. The PMO in an organization is the entity that defines and maintains the process standards generally related to project, program, or portfolio management. [...] It provides guidance on the practice of portfolio or program or project management within the organization. [...] Depending on the organizational structure, the PMO either functions on an enterprise-wide level, or as one of many departmental PMOs that manage projects from different departments or divisions within an organization. [...] The specific form, function, and structure of a PMO are dependent upon the needs of the organization and the stakeholders.” (PMI, 2013a, p. 16).*

PMOs aim to systematically coordinate project-related tasks (Andersen et al., 2007). Prior research has shown that an increasing number of organizations were establishing PMOs (Hobbs and Aubry, 2007, 2008) as PMOs were assumed to be an effective means of addressing the challenges of portfolio management (Aubry and Hobbs, 2011).

It follows that in order to better leading strategic change and strategy implementation, practitioners require a detailed understanding of the interactions between PMOs and PfM.

### 2.2. The dynamic nature of PMOs: well observed, not well understood

The main goal of a PMO is to improve the efficiency of project management (Stanleigh, 2006). Research demonstrates that PMOs have a positive influence on the success of PfM (Turner, 2014). However, despite the growing popularity of

Download English Version:

<https://daneshyari.com/en/article/6748076>

Download Persian Version:

<https://daneshyari.com/article/6748076>

[Daneshyari.com](https://daneshyari.com)