

# The Importance of Project Management Office (PMO) Implementation in Governmental Organizations

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**Abstract**— This paper explores the importance of improving and implementation of a Project Management Office (PMO) in governmental organizations. The Project Management Office (PMO) is an evolving organizational structure that contributes to the development of both project and organizational performances, and project management maturity. Like worldwide, the PMO implementation represents a serious challenge for governmental organizations because of several factors. To explore the importance of the PMO, the challenges, and therefore the different aspects of PMO implementation, the researcher adopted a qualitative approach supported conducting a questionnaire survey and set of interviews with PMO managers and experts who have implemented or are a part of a team who is in charge of implementing and operating PMO. The results of the research have shown that this implementation goes through some generic steps, and therefore the roles and functions assigned to the PMO are generally identified within the host organizations. One of the most important factors which influence the PMO implementation is that the top management support, seen through the organizational positioning and decision-making authority granted to the PMO. Moreover, the organizational culture and therefore the degree of openness to innovations are determining factors too. Overall, the most challenges in PMO implementation remain change management and therefore the maintenance of ongoing support over time.

**Keywords**- Project Management Office (PMO); Organizational performance; Project management maturity; Organizational culture; Change management

## 1. INTRODUCTION

THE purpose of this research involves an exploration of the importance and value of a PMO in the governmental organization, and guidelines to assist medium to large organizations in the implementation thereof. Problems continue to prevail in medium to large organizations when there is a conspicuous absence of a PMO.

The governmental organizations recognize that "strengthening program and project management is critical to the successful achievement of Government priorities, the management of public finances and the delivery of public services. Project management facilitates the identification of priorities and the effective allocation of resources, monitoring of progress, and delivery of results. Many of the Governmental Organisations have set up PMOs with the objective to support project and program management.

Many authors (Kwak & Dai, 2000), (Harold Kerzner, 2003), (Hurt & Thomas, 2009) and (Hubbard et al., 2015) have described the various ways the Project Management Office (PMO)

can contribute to organizational value. The Project Management Office (PMO) can help improve the better alignment of projects and programs with strategic objectives, improve efficiencies through repeatable processes, knowledge management, improved organizational risk management, resource competency development, and improved project performance (scope, time, cost, quality). The contribution to organizational value is derived from the functions of the Project Management Office (PMO) and how well it serves its stakeholders (customers). (X. C. Dai, 2002), (Hill, 2004), (Hobbs & Aubry, 2007) and the Project Management Institute 2013 all describe 6 different important functions that the PMO provides. The most extensive list of functions was identified by Hobbs and Aubrey (2007) who identified 5 main groups of functions (27 individual functions) which include: "Monitoring and Controlling Project Performance"; "Development of Project Management Competencies and Methodologies"; "Multi-Project Management"; "Strategic Management" (Hobbs & Aubry, 2007, p. 83-86).

The functions of the Project Management Office (PMO) vary in its level of complexity and sophistication (maturity). Various

maturity models describe the functions and processes in a hierarchical fashion. Typically, it ranges from basic to least sophisticated to optimized processes. It is the mature PMOs that provide the most organizational value it that the functions and related processes are optimized. This approach works best in the guidance of fellow researchers. In this, the authors continuously receive or ask inputs from their fellows. It enriches the information pool of your paper with expert comments or upgradations. And the researcher feels confident about their work and takes a jump to start the paper writing.

While the PMO can add value through adopting operational and tactical functions, the most organizational value is achieved through its strategic functions (Gartner & Folkedal, 2018). When setting up a PMO, industry and academic research suggests that when setting up a PMO strategic consideration should be given to scale up the PMO to an enterprise-level PMO as it has oversight of all the projects in an organization, as oppose to less sophisticated PMOs (i.e. Project Office, Program Office). The enterprise PMO has more influence than PMOs responsible for one of a few projects (J Kent Crawford, 2010). An enterprise PMO has a higher level of strategic orientation and helps management ensuring the right projects are done right, creating a visible performance of all enterprise projects, and helping to identify organizational risks. Industry research suggests, "Effective EPMOs have broad enterprise-wide responsibility and help direct strategy and focus on value delivery. Organizations that align their EPMO to strategy report 27 percent more projects completed successfully and 42 percent fewer projects with scope creep" (Project Management Institute, 2016).

The PMO provides project managers the leverage to interact across the entire spectrum of an organization; they do not operate in a 'silo' or within a specific functional department. Project managers are exposed to emerging trends in various industries and can utilize the exposure and knowledge gathered to further enhance the value that the PMO can bring to the organization (Hurt & Thomas, 2009); (Hobbs et al., 2008).

## 2. LITERATURE REVIEW

This section discusses the literature that was reviewed to address the primary research question posed in this study, namely how organizations can derive value based on the implementation of a PMO. The researcher further researched to answer the sub-research questions as listed in Section 1.9 and below. By answering these sub-research questions, the researcher tried to provide guidelines for organizations to gain value from the implementation of a PMO as a practical contribution of this study.

Section 2 begins with the various definitions of a PMO, a high-level overview of project management's role within an organization, followed by the need for a PMO in an organization. The researcher also presents literature about the research primary or main research question and sub-research questions, namely:

1. P/MRQ: What is The Importance of Project Management Office (PMO) Implementation in Governmental

Organizations?

2. SRQ-1: What are the major challenges that governmental organizations face in implementing a PMO office?
3. SRQ-2: What is the value of the implementation of the PMO office add to governmental organizations?
4. SRQ-3: How should a PMO be strategically aligned with the organization's objectives?

In conclusion, the researcher summarizes the findings presented in this literature review.

### 2.1. PMO Definition – What Is the Project Management Office

The definition of the PMO has evolved over time, with earlier examples being discussed in the context of the functions that it provides. The evolution of the PMO definition perhaps can be justified in that it is rather a new phenomenon, and only became prominent or an area of major discussion in the 1990s (C. X. Dai & Wells, 2004). As noted by (Hobbs & Aubry, 2007), the definition of the PMO varied greatly throughout the literature.

Early researchers described the PMO as a group of people who has the authority to work in the interest of a project (Cleland & Kerzner, 1985). The PMO can be further described in the organizational context as a unit with access to resources to support project management (Frame J., 1994).

(H Kerzner, 2001), also describes the PMO in an organizational context and argues that it has a role to play in the development of organizational processes, including benchmarking "to gain information to help you improve your own performance" (H Kerzner, 2001, p. 97).

According to Desouza and Evaristo (2006) "A universal definition of a PMO is not possible, because developing a PMO that works for an organization is an exercise in both customization and sustained effort" (Desouza, K. C., & Evaristo, 2006, p. 415). The image of the PMO in literature contrasts significantly with what is observed in the industry in terms of the structure, roles, and perceived value (Hobbs & Aubry, 2007).

The lack of consensus in the industry and formal description in literature has caused great confusion, resulting in various conflicting opinions" (Hobbs & Aubry, 2007). Desouza and Evaristo (2006) further explain that PMOs can also vary in its "size, structure, and accountability (Desouza, K. C., & Evaristo, 2006, p. 415).

PMOs are "dynamic organizational entities", which are frequently transitioning "from charter and structure to the next" (Aubry et al., 2010, p. 1). In recent research, (Monteiro et al., 2016) identified as many as 47 types of PMOs.

There are countless definitions and descriptions of what the PMO is in the literature, however, according to Pinto, et al., (2010), most of the prominent researchers in this area generally agree that "it is the area in which certain activities (also called functions) relating to project management are centered, and its objective is to help the organization achieve better results

through projects" (Pinto et al., 2010, p. 4).

The leading professional body for project management professionals, the Project Management Institute (PMI) provides the following definition of the PMO:

"A project management office (PMO) is a management structure that standardizes the project-related governance processes and supports the sharing of resources, methodologies, tools, and techniques. The responsibilities of the PMO can range from providing project management support functions to actually being responsible for direct management of one or more projects" (Project Management Institute, 2013, p.11).

### 2.2. PMO Types

There has been great effort to find a standard method to typify the various types of PMOs (Harold Kerzner, 2003; Hill, 2004; Levatec, 2007; Desouza, K. C., & Evaristo, 2006; Gartner Research Group, 2008; J.K. Crawford, 2011; Project Management Institute, 2013).

According to (Monteiro et al., 2016) there are as many as 47 types of PMOs, of which 25 of the models were unique. The models varied considerably because of "structures, roles, functions, and descriptions" (Monteiro et al., 2016, p. 27).

Table 1: below compares the various types of PMOs described by various authors in the literature.

Author	Types of PMO
(Kerzner, 2003)	<ul style="list-style-type: none"> <li>• Functional Project Office</li> <li>• Customer Groups Project Office</li> <li>• Corporate Project Office</li> </ul>
(Hill, 2004)	<ul style="list-style-type: none"> <li>• Project Office</li> <li>• Basic PMO Standard PMO Advanced PMO</li> <li>• Project Management Centre of Excellence</li> </ul>
(Desouza & Evaristo, 2006)	<ul style="list-style-type: none"> <li>• Supporter</li> <li>• Information Manager</li> <li>• Knowledge Manager PMO</li> <li>• Coach PMO</li> </ul>
(Levatec, 2007)	<ul style="list-style-type: none"> <li>• Consulting PMO</li> <li>• Knowledge PMO</li> <li>• Standard PMO</li> </ul>
(Gartner Research Group, 2008)	<ul style="list-style-type: none"> <li>• Project Support Office</li> <li>• Project Management Office</li> <li>• Project Portfolio, Centre of Excellence Federated PMO Programme</li> <li>• Offices Enterprise Programme Management Office</li> </ul>

Author	Types of PMO
(Crawford, 2011)	<ul style="list-style-type: none"> <li>• The Project Control Office</li> <li>• Business Unit PMO</li> <li>• Strategic PMO</li> </ul>
(Project Management Institute, 2013)	<ul style="list-style-type: none"> <li>• Project Office</li> <li>• Departmental / Business Unit PMO Project Support Office</li> <li>• Enterprise PMO</li> <li>• Project Management Centre of Excellence</li> </ul>
(Bolles & Hubbard, 2015)	<ul style="list-style-type: none"> <li>• Project Management Centre of Excellence (Methodology)</li> <li>• Project Support Organization (Administrative) Project Office (Operational)</li> <li>• Business Unit PMO (Operational)</li> <li>• Division PMO (Tactical)</li> <li>• Enterprise PMO (Strategic)</li> </ul>

### 2.3. Value of a PMO

The need for a PMO results from an increase in the number of complex and demanding projects being undertaken across the business world (Aubry, Monique Hobbs et al., 2010). Furthermore, the challenges described in Section 2.3, combined with a lack of coordination between parties concerned, have motivated organizations to establish a Project Management Centre of Excellence (PMCoE) or PMO (Bolles, 2002).

PMOs are becoming especially prevalent in industries that handle high-risk, high-cost projects. These include Information Technology (IT), telecoms, defense, and aerospace industries (Desouza, K. C., & Evaristo, 2006). However, some industries have reservations about the establishment of a PMO, for example, the building and construction industries, where serious questions remain about the value that can be added to these areas, especially in terms of project performance and outcomes (Engwall & Jerbrant, 2003).

According to Cranfield University School of Management (2013), approximately 70% of organizations currently have a semblance of a PMO in existence. However, these PMOs experience varying degrees of success. Organizations are incentivized to maintain a PMO for numerous reasons: to reduce the risk of project failure and increase the chances of business success; to ensure maximum return on investment; to make efficient use of resources; and to utilize resources effectively across a range of projects and programs (Project Management Institute, 2013). In addition, PMOs enable organizations to monitor performance, serve as a source of training and knowledge, and provide a standard of governance against which to manage projects (Salameh, 2014).

From a business standpoint, executives determine the need for a PMO based on the value that this entity can offer executives in terms of achieving targets on which they are measured. According to (Kendall & Rollins, 2003), executives will embrace the implementation of a PMO if it is capable of delivering the following:

- Ensuring the successful completion of a greater number of projects.
- Ensuring that projects are successfully completed in a shorter period.
- Contributing to the bottom line of the organization.
- Assisting executives in meeting their objectives.

According to (Wells, 1999) if the Project Management Office is used effectively there can be a great organizational value such as: "Predictable and repeatable use of project management tools and techniques", "Growing staff professionalism in project management", "Standardization and portability of tools and techniques", "Facilitation of use of project management is becoming a core competency", "Improvements in organizational design and performance", "More productive and skillful project teams", "Profitability improvements", "External recognition for overall organizational performance" (Wells, 1999; cited in (Kwak & Dai, 2000, p. 3))

H Kerzner, (2001) who has been researching project management for several decades found that "Good project management methodologies allow work to be accomplished in less time, a lower cost, with fewer resources, and without any sacrifice in quality" (H Kerzner, 2001, p. 7).

Desouza, K. C., & Evaristo, (2006) describes the PMO as having a role as a knowledge manager suggesting that "A well-implemented PMO can resolve the most challenging project management issues by capturing and transferring knowledge, maximizing the power of cross-functional teams, regulating the demand of integrated technologies, and providing ownership and accountability for key efforts. Moreover, it can fully assess the impact and risk of change and provide projects with guidance on best practices and standards" (Desouza, K. C., & Evaristo, 2006, p. 415).

More recent studies by (Hurt & Thomas, 2009), had similar outcomes and found that organizations that implemented a PMO experienced both tangible and non-tangible benefits very quickly. The tangible benefits related to projects being on time within budget-related metrics. The organizations that participated experienced cost savings in time, fewer write-offs and rework, increased revenue, greater market share, and increased competitiveness. With regard to the intangible benefits, the benefits were associated with better strategic alignment and attainment, improved resource management, improved regulatory compliance, improved decision-making. The perception and value for project management within the organization were indicated as high to significant as a result of the various accomplishments (Hurt & Thomas, 2009).

According to Levatec, (2007), the PMO value is generated through:

- Establishing, maintaining, and maturing a set of policies and procedures to govern project processes within the organization,
- Executing activities associated with knowledge acquisition and dissemination for the benefit of project practitioners (including providing training as well as project knowledge bases and other relevant knowledge artifacts)
- Assisting with or directly managing the execution of projects as required in order to provide "expert guidance" on project management practices and project delivery.

In an explorative study of PMOs, (Arto et al., 2011) identified further additional benefits of the PMO, which relates to knowledge, in that managements boards have full visibility and a better understanding of the projects and project portfolio and associated risks or issues that may need to be addressed. Another benefit that the "PMO gives is that it connects project decisions as part of the logical and interrelated entity" (Arto et al., 2011, p. nd).

Hubbard et al., (2015) in order for the PMO to demonstrate its worth their various business actions required:

- Select, prioritize, and initiate only projects supporting strategic initiatives and business objectives.
- Direct the distribution of enterprise funds and resources, while assuring those funds and resources are effectively applied across the enterprise to only those projects that support strategic initiatives and business objectives, thereby giving those projects, from the very start, the best opportunity to succeed.
- Assess multiple categories of risk, including technical, project delivery, and operational risk. Prioritize and document identified risks and develop control strategies for higher-level risks.
- Identify and document non-performing projects and cancel each non-performing project, or place the project work on hold.
- Identify and document changes in business strategy, budgeted funds available, or requirements and establish the associated effects on projects-in-progress. Then reprioritize or place on hold affected projects.
- Develop and then measure PMO selected key performance indicators for each strategic initiative, each business objective, each project-portfolio, each project-program, and each project of any significance.
- Report upon, and take corrective action as necessary for, each PMO selected key performance indicator.
- Formally and routinely, communicate the measured value and identified benefits to the enterprise's executive management
- Develop and maintain PMO support of, and support

for, operations organizations and also foster inter-organizational collaboration.

## 2.4. Functions of the PMO

The aim of a PMO is to provide ongoing support and ensure the success of projects and programs in an organization. The underlying key to the success of the PMO is to ensure proper alignment with the organization's goals, strategies, and objectives (Project Management Institute, 2013; Harold Kerzner, 2009).

Organizations need to clearly define the functions and roles of their PMOs. According to Reddy, S. K., & Priyadarshini, (2016), PMOs can take responsibility for various functions, including the maintenance of a centralized set of standard processes and procedures with which to government programs and projects; and the establishment of a centralized set of project management tools and support services. The PMO also ensures that proper project management standards, risk management, and governance frameworks are adhered to. It serves as a central repository for knowledge, resources, and project management tools (Reddy, S. K., & Priyadarshini, 2016).

According to the (Project Management Institute, 2013), PMOs can take on various functions based not only on the type and scope of the organization but on the type and scope of the PMO itself. Table 2 presents the key roles and functions that a PMO can perform, as identified by (Salamah & Alnaji, 2014).

Table 2: Key roles and functions of a PMO – adapted from Salamah and Alnaji (2014)

Function	Description
Standards, Methodologies, and Processes	A PMO focuses on the standardisation of project management methodology, processes and procedures.
Project/Programme Delivery Management	A PMO provides the following services: project resource management; project schedule, cost and scope management; project risk management; stakeholder management; and communication management.
Portfolio Management	A PMO is responsible for portfolio management, which includes project prioritisation, strategic alignment and portfolio reporting. It also allocates resource management according to project prioritisation, which is aligned with the organisation's strategic prioritisation objectives.

Function	Description
Talent Management	A PMO supports training, career path development and capability, as well as skills development for resources within the PMO.
Governance	A PMO provides a governance framework for all projects and programmes within an organisation.
Administration and Support	The PMO provides an administration and support function that includes project management tool provisioning, and implementation support. It also engages in a consulting role for proof of concepts and contracting.
Knowledge Management	A PMO defines knowledge-management policies and manages intellectual collateral and property, lessons learned, content management, and collaboration.

## 2.5. Evolution of the PMO Framework

According to (Hill, 2004), the role and function of a PMO evolves in line with the PMO's level of maturity, and in line with the organisation's maturity in the domain of project management. A competency continuum can be used to demonstrate the five stages through which a PMO progresses as it achieves different levels of functional capability (Reddy, S. K., & Priyadarshini, 2016; Hill, 2004). The stages are identified as follows:

### 2.5.1. The Project Office

As a Project Office, the PMO oversees the project environment in terms of the execution and completion of programmes and projects under the leadership of a project manager (Reddy, S. K., & Priyadarshini, 2016; Hill, 2004). The role of Project Office is to ensure consistent applications of specified project management principles and practices.

Hill (2004) identifies the following project management activities that are the responsibility of the Project Office:

- **Application of modern project management principles and techniques:** The Project Office, under the leadership of the project manager, ensures the successful execution of projects and programmes, in line with project objectives. The Project Office also monitors all budget, schedule and resource constraints associated with projects and programmes. By monitoring these constraints, the Project Office is well-positioned to analyse and troubleshoot issues before they escalate.

- **Application of organisation-specific policies, standards and executive decisions in projects:** The Project Office is responsible for executing projects and programmes that are in line with the organisation's policies and procedures. It also ensures that business processes are implemented within the project management environment.
- **Facilitation of technical performance and project management methods:** The Project Office often oversees projects of a highly technical nature. As such, it is the Project Office's responsibility to ensure that project teams are able to execute projects that are technically complex, whilst functioning within the boundaries of the project management environment.
- **Provision of project and technical oversight:** The Project Office is responsible for the implementation of technical and non-technical methods and procedures that have been mandated by higher-stage PMOs in the organisation.

The Project Office serves as an implementer within the project management environment. It does not possess programme level authority and therefore has no impact on the organisation from a strategic perspective (Reddy, S. K., & Priyadarshini, 2016; Hill, 2004). However, for a Project Office to achieve optimal project oversight capability, (Hill, 2004) recommends that the Project Office examines its role in terms of the competency stages.

### 2.5.2. The Basic PMO

As the Project Office progresses along the competency continuum, it evolves into a Basic PMO (Reddy, S. K., & Priyadarshini, 2016; Hill, 2004). At this stage, the Basic PMO is capable of overseeing and controlling multiple projects simultaneously. The Basic PMO may also be referred to as the Programme Office in certain industries (Reddy, S. K., & Priyadarshini, 2016; Hill, 2004).

Within this stage, the Basic PMO functions as the highest centralised authority of project management. Organisations may also implement several Basic PMOs within the organisation, where each PMO functions under the leadership of its own programme manager. However, for each Basic PMO to achieve optimal capability, it should fall under the leadership of a designated programme manager (Hill, 2004).

The Basic PMO is staffed minimally, although it has the potential to change when given the appropriate resources and organisational support. With the appropriate resources and organisational support, the Basic PMO should be able to achieve maximum competence within a year (Hill, 2004).

Hill, (2004) identifies the following activities that the Basic PMO executes as part of its normal functions:

- Standardising of project management approaches across the organisation, including the implementation of common tools, methods and procedures.

- Execution of project reporting and analysis, and responding to project variations so as to achieve project objectives and evaluate project performance and project managers.
- Grounding project management as a recognised discipline within the organisation by providing standardised methodologies, frameworks, roles and responsibilities under the management of qualified project managers and project teams.

In the execution of the activities described above, the Basic PMO ensures that the project environment is realised as a professional discipline within the organisation (Reddy, S. K., & Priyadarshini, 2016; Hill, 2004).

### 2.5.3. The Standard PMO

At Stage 3 of the capability continuum, the Standard PMO provides an enhanced supportive function. Emphasis is placed on individual and project performance, and the PMO is now responsible for a range of areas, including the management of multiple projects and project managers (Reddy, S. K., & Priyadarshini, 2016; Hill, 2004).

According to Hill, (2004) and Reddy, S. K., & Priyadarshini, (2016), the Standard PMO can be developed as part of the natural evolution from a Basic PMO, where an organisation is seeking to enhance its existing project management capability. Optionally, the Standard PMO can be implemented as an organisation's initial effort to establish a project management office as a core business competency. In this regard, the Standard PMO will still include the basic functionality provided by a Basic PMO.

The Standard PMO operates with minimal staff. However, staffing needs can be addressed as the Standard PMO increases its functions and assumes more responsibility. With appropriate resources and executive support, a Standard PMO should achieve full maturity within three years (Reddy, S. K., & Priyadarshini, 2016; Hill, 2004).

Hill, (2004) identifies various activities of a Standard PMO: it serves as a central hub for project management support; facilitates interaction between the business and project environments; ensures project management excellence; serves as a liaison between the project management environment and members of executive management; and it influences the resource allocation to projects.

### 2.5.4. The Advanced PMO

As the Standard PMO evolves, it transforms into an Advanced PMO that already possesses the basic PMO capabilities present in the project management environment. This evolutionary process takes place within two years of the establishment of the Standard PMO capability. The Advanced PMO serves to integrate common business practices and objectives with project management practices and objectives (Reddy, S. K., & Priyadarshini, 2016; Hill, 2004).

According to Hill, (2004), the Advanced PMO assumes the role

of an independent business unit that utilises its own funding in providing project management best practices, processes, principles and governance. The Advanced PMO collaborates with other business units in order to achieve project management and business best practices.

The Advanced PMO is staffed with highly qualified, skilled project resources who possess the necessary knowledge and business acumen to implement advanced solutions within the project management environment (Reddy, S. K., & Priyadarshini, 2016; Hill, 2004).

### 2.5.5. The Centre of Excellence

As it reaches full maturity, the Advanced PMO transforms into a separate entity known as the Centre of Excellence. This evolutionary process can be realised within two years of the Advanced PMO having reached full maturity. However, this entity can also be developed as an independent unit to provide strategic guidance and support to lower-level PMOs who report to the Centre of Excellence and are aligned with its business practices (Reddy, S. K., & Priyadarshini, 2016; Hill, 2004).

The Centre of Excellence operates under the leadership of a senior executive who reports to the organisation's chief executive officer (CEO). It is responsible for enterprise-wide project management operations and places a key focus on strategic business activities (Reddy, S. K., & Priyadarshini, 2016; Hill, 2004).

Hill, (2004) identifies several activities of the Centre of Excellence: it provides management guidance for enterprise-wide project management operations; serves as a representative of the project management environment across all business units; increases stakeholder awareness and relationships; and performs research on project management environment functions and business effectiveness.

Hill, (2004) argues that the PMO may be considered a business integration activity, where organisations need not evolve to Stage 5 of the continuum in order to achieve their organisational objectives.

### 2.6. Challenges Faced When Implementing PMOs

In theory, the main goal of a PMO is to provide guidance, management, governance and support to an organisation in the management of its projects and programmes (Aubry and Hobbs et al., 2010). Unfortunately, the vast majority of PMOs never achieve their desired objectives or they simply fail to deliver results (Reddy, S. K., & Priyadarshini, 2016). According to Reddy, S. K., & Priyadarshini, (2016) and Desouza, K. C., & Evaristo, (2006), more than 50% of PMOs fail within the first four years of inception. The core reason for this failure is an unclear definition of the PMO within the organisation, where its role and functions have not been clearly defined, or they have not been aligned with the organisation's objectives. Thus, a lack of direction and clear objectives is the major cause of PMO failure (Reddy, S. K., & Priyadarshini, 2016; Aubry and Hobbs et al., 2010).

Singh et al., (2009) identified a rigid organisational culture -

where stakeholders are resistant to the idea of change - as one of the key challenges facing organisations when implementing a PMO. This challenge is most often realised with the absence of a PMO champion who demonstrates the value that the PMO can offer the organisation as a means of obtaining buy-in from executives in the organisation. Such a champion is needed to drive the implementation process and obtain support from key stakeholders and leaders. Singh et al., (2009) state that organisations require the mind-set of their people to change and embrace an organisation that is centred around project management.

The absence of an experienced programme manager is also a challenge (Salamah & Alnaji, 2014; Singh et al., 2009). This individual is responsible for hiring qualified and experienced project managers and core team members as part of the PMO team. The programme manager understands the culture and dynamics of the organisation, which helps to reduce conflict and resistance to the implementation of the PMO.

Many organisations fail to implement a flexible change management strategy while they are in the process of implementing the PMO (Salamah & Alnaji, 2014; Singh et al., 2009). This is a key requirement to ensure continued buy-in and support from across the organisation.

Standardised processes and procedures should furthermore be introduced when implementing a PMO to ensure the consistent use of methodologies and tools (Salamah & Alnaji, 2014; Singh et al., 2009).

According to (Aubry and Hobbs et al., 2010), a key reason for PMO failure is the lack of its alignment with the organisation's strategic objectives. Organisations have to deal with various universal challenges when implementing strategic PMOs (Forrester, 2013). For instance, they experience resistance to organisational change, where project managers, executives and staff view the PMO as an unnecessary bureaucratic structure that only increases overhead costs (Forrester, 2013; Singh et al., 2009; Hobbs & Aubry, 2007). It is argued that a crucial obstacle to realising the potential of the PMO is an organisational mind-set that views the PMO as an added cost to, rather than as an investment in its projects (Englund, Graham, Dinsmore, 2003).

Another challenge is the inconsistent evaluation of project management expertise, due to an inadequate understanding on the part of organisational leaders of the function and demands of the project management discipline (Forrester, 2013). Organisations also fail to assess the capabilities of project managers within the PMO, where project managers lack a clear understanding of the role of each stakeholder within the project (Forrester, 2013). This results in unclear communication between the PMO and project stakeholders, which is detrimental to the execution and success of the project (Forrester, 2013; Hobbs & Aubry, 2007).

Finally, within the context of the management of a project in a PMO, different stakeholders, including technical, non-technical

and business management resources, have different levels of understanding of PMO terminologies (Forrester, 2013). For instance, the client and project resources each has a different understanding of the term ‘value’, which results in miscommunication between people in different project roles (Forrester, 2013).

Table 3: Challenges facing a PMO (Salamah & Alnaji, 2014; Aubry and Hobbs, 2010)

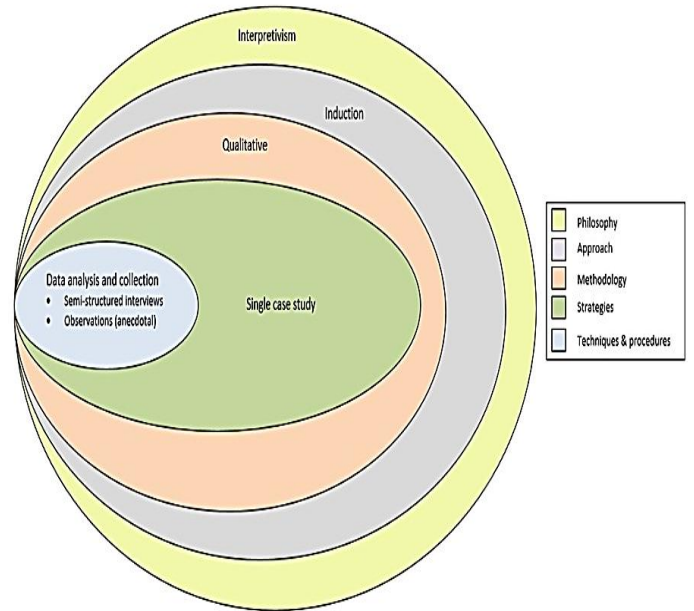
Challenge Facing a PMO	Description of Challenge
Undefined Project Methodology	Failure to implement a standardised project methodology that is well defined within the PMO. This leads to inconsistent management practices and control practices, inconsistencies in respect of project reporting, and the failure to meet the assigned target(s).
Failure to Track Resource Utilisation	PMOs fail to provide a metric-based analysis of resources, in terms of tracking actual time worked against planned time allocated. This increases the difficulty in planning resource capacity and ensuring that adequate resources are assigned to project tasks. Over- or under-utilisation of resources leads to missed deadlines, and to incorrect estimates of project schedules and costs.
Lack of Empowerment	PMOs are not given autonomy to make decisions. Decision making remains the purview of executive leadership within the organisation, and they view the PMO as a body to approve executive decisions, rather than as a business enabler.

Based on the research by Salamah & Alnaji, (2014) and Aubry and Hobbs, (2010), it is evident to the researcher that the challenges facing a PMO are numerous and varied. A central theme that emerges is a lack of understanding about the function of a PMO and the value that such a unit can bring to an organisation.

### 3. RESEARCH APPROACH

This section outlines the research approach and explains how the research study was conducted. It deals with the research philosophy, the research approach, the research strategy, the data collection methods, and data analysis.

Figure 1 illustrates the researcher’s applied research process, which involved each layer of the research onion.



It is obvious from Figure 1 that the research in hand was based on an interpretivist philosophy, which led to a qualitative design and the application of an inductive approach to theory development in a case study conducted in a medium to large organisation. This qualitative approach to research design enabled the researcher to make use of participants individual views to attach meaning to a phenomenon (Creswell, J.W. & Clark, 2017). In line with the qualitative approach, the researcher was able to use various methods of data collection, such as question/answer sessions, interviews, and observations (Creswell, J.W. & Clark, 2017).

### 4. RESEARCH FINDINGS

The researcher utilised semi-structured interviews and observations as the instruments for data collection in this research study.

#### 4.1. Results from Data Sources

This section deals with the results from interviews, observations and literature, in order to ensure that triangulation was applied correctly.

#### 4.2. Results from interviews

The results obtained from the interview process are based on the responses of the participants who had been selected from PMO managers PMO professionals and experts who have implemented or have been part of a team in charge of implementing and operating PMO.

##### 4.2.1. Results for sub-research question 1

SRQ-1: What are the major challenges that governmental organisations face in implementing a PMO office?



The interview question used to find an answer to the first sub-research question was as follows:

The researcher identified the theme “Challenges”, which related to the above interview question. Within this theme, the following indicators were identified:

- Change resistance
- Budget
- Resource management
- Organisational objectives
- Lack of specialized skills
- Lack of understanding the business

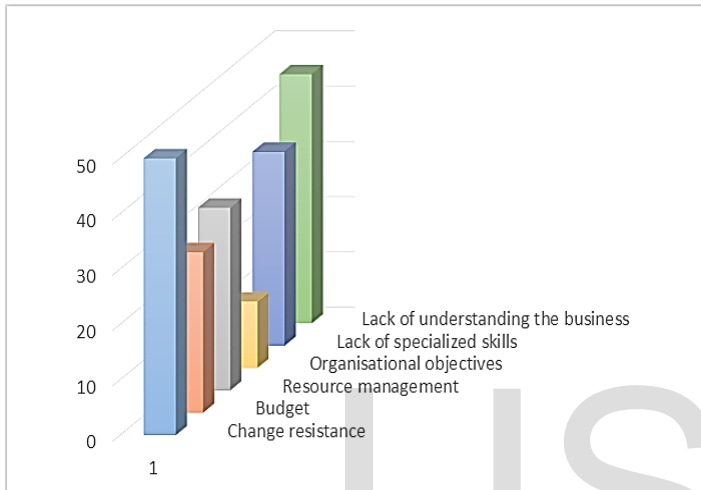


Figure 2: Interviewees responses to the within the theme “Challenges”

#### 4.2.1.1. Findings from the literature

Based on the results obtained from the interviews in relation to SRQ-1 (see Section 4.1.1.1), the literature discussed in section 2 was also applied to show contradiction of or support for these results.

- In Section 2.6, the literature highlighted the challenges that organizations face when implementing a PMO, where a lack of direction and clear objectives were identified as major causes of PMO failure (Reddy, S. K., & Priyadarshini, 2016; Aubry and Hobbs, 2010).
- Table 3 explains that the challenges faced by a PMO (as suggested by Salamah & Alnaji, (2014) and Aubry and Hobbs, (2010) include undefined project methodology, failure to track resources, and a lack or unavailability of skilled resources.
- (Forrester, 2013) identifies various challenges that exist universally in the implementation of PMOs. These include resistance to organizational change, where the PMO is considered an unnecessary bureaucratic structure that increases overhead costs (Forrester, 2013; Singh et al., 2009; Hobbs & Aubry, 2007).
- (Engwall & Jerbrant, 2003) argue that a major obstacle in attaining the true potential of a PMO is an organizational mind-set that views the PMO as a cost, and not as an investment in its projects.

The literature identified above demonstrates support for SRQ-1 in terms of the challenges experienced during the implementation of a PMO.

#### 4.2.2. Results for sub-research question 2

SRQ-2: What is the value of the implementation of the PMO office add to governmental organizations?

The interview questions that were used to address the second sub-research question covered issues such as the respondents’ views on the need for a PMO in the organization, and the value of the PMO in instances where a PMO was already in existence. Respondents were also asked their views on the functions and roles of a PMO, and how a PMO could be used to improve project performance.

The results of the interviews showed that the majority of participants identified a definite need for establishing a PMO in the organization.

Drawing on the results from the results, the researcher then identified the theme ‘Value’, which related to the five interview questions above. Four indicators were included in this theme:

- Standards and processes
- Efficiencies
- Knowledge and training
- Allocation of resources

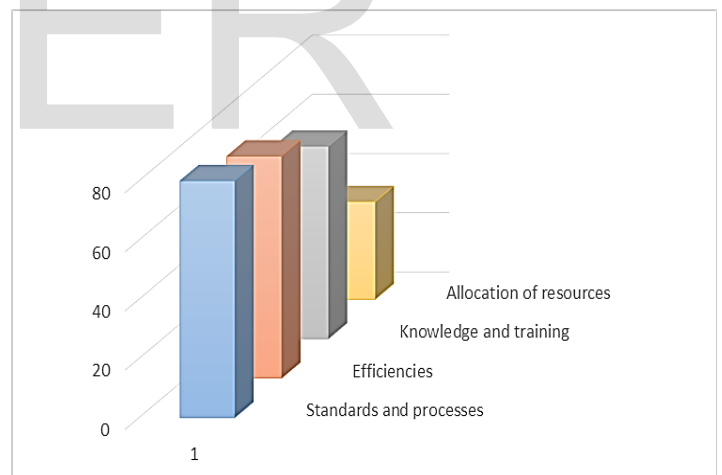


Figure 3: Interviewees responses to the indicators within the theme “Value”

#### 4.2.2.1. Findings from the literature

Based on the results obtained from the interviews in relation to SRQ-2 (see Section 4.1.2.1), the literature discussed in section 2 was also applied to show contradiction or support for these results.

- In Section 2.3, The need for a PMO results from an increase in the number of complex and demanding projects being undertaken across the business world (Aubry and Hobbs, 2010). Furthermore, the challenges described in Section 2.6, combined with a lack of coordination between parties concerned, have motivated

organizations to establish a Project Management Centre of Excellence (PMCoE) or PMO (Bolles, 2002)

- More recent studies by (Hurt & Thomas, 2009), had similar outcomes and found that organisations that implemented a PMO experienced both tangible and non-tangible benefits very quickly. The tangible benefits related to projects being on time within budget-related metrics. The organisations that participated experienced cost savings in time, fewer write-offs and rework, increased revenue, greater market-share, and increased competitiveness. With regards to intangible benefits, the benefits were associated with better strategic alignment and attainment, improved resource management, improved regulatory compliance, improved decision-making. The perception and value for project management within the organisation was indicated as high to significant as a result of the various accomplishments (Hurt & Thomas, 2009).
- As proposed by (Desouza, K. C., & Evaristo, 2006), the PMO can provide functions that are strategic, operational, or tactical. However, what industry research has identified is that it is strategic related functions has a long-term perception of value. It can be therefore understood why authors such as (Gartner & Folkedal, 2018), suggest a long-term strategic view should be considered when setting up a PMO: "PMO's long-term value, sustainability, and success are determined less by tactical or operational focus. Instead, the design and build of a PMO that is scalable to an Enterprise PMO level should inherently be strategic. Creating sustained value—and by extension, survival—is dependent on the PMOs ability to assess and deploy capability while simultaneously planning how to position, shape, and ultimately manage strategic growth" (Gartner & Folkedal, 2018, p. 75).

These literature findings further emphasize the value that a PMO holds for the organization in terms of the realization of improved cost and operational efficiencies, enhanced project quality and delivery, coupled with exceptional project management expertise (Reddy, S. K., & Priyadarshini, 2016).

#### 4.2.3. Results for sub-research question 3

SRQ-3: How should a PMO be strategically aligned with the organizational objectives?

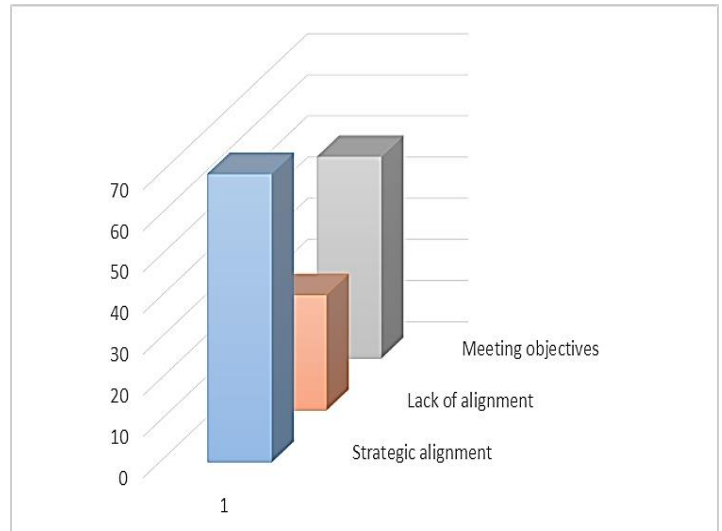
The interview question that was used to address the third sub-research question is presented as follows:

The researcher identified the theme "Alignment", which related to the above interview question. Within this theme, the following indicators were identified:

- Strategic alignment
- Lack of alignment
- Meeting objectives

Figure 4: Interviewees responses to the theme "Alignment"

#### 4.2.3.1. Findings from the literature



Based on the results obtained from the interviews in relation to SRQ-3 (see Section 4.4.4.1), the literature discussed in Chapter 2 was also applied to show contradiction or support for these results.

- The literature presented in Section 2.3 is indicative of the value proffered by a strategic PMO within an organization.
- A study by (Forrester, 2013) to determine the role that executive management played in their organizations' PMOs established that the role played by PMOs that had been aligned with executive management, correlated with the successful business outcomes of each organization.
- Rajegopal, S., Mcguin, P. & Waller, (2007) and Forrester, (2013) argue that the strategic PMO is one that is connected to the organization at executive level and plays an integral role in the planning and execution of organizational initiatives. This view is supported by (Caliste, 2013), who argues that the PMO plays a pivotal role in enabling the organization to achieve sustained business growth and gain a competitive advantage in the market.

The literature identified above demonstrates support for SRQ-3, in terms of a PMO being strategically aligned with the organizational objectives.

#### 4.2.4. Addressing the Primary Research Question

In order to address the primary research question – What is The Importance of Project Management Office (PMO) Implementation in Governmental Organizations? – Based on the findings in Sections 4.1 to 4.2.3.1, it is now possible to answer the main research question. The findings indicate that there is a strong justification of the importance and the value that can be derived through a PMO implementation.

### 5. RESEARCH OVERVIEW AND CONCLUSION

The previous sections in this study report all led up to this final

chapter, which aims to reflect on and provide conclusions to the problem that was specific to this research. The problem that was addressed involves guidelines to assist medium to large organizations in deriving value from the implementation of a PMO, and particularly within the organization of choice in the case study.

The introduction (Section 1) set the scene, sketched the background, and established the context and purpose of the research. The section further examined the researcher's perspective of this research and presented the primary and secondary questions as well as the research philosophy. Limitations of the study were also introduced.

The literature review (Section 2) presented the literature that was used to inform the researcher's standpoint and address the primary and secondary research questions posed in this study. The research aimed to determine how organizations could derive value through the creation of a PMO. Once the answer to this question was known, guidelines could be provided for organizations to gain value from the implementation of a PMO as another contribution of this research.

Section 3 provided the research approach to outline how the research was conducted.

The data analysis and collection in (Section 4) presented a summary of the data collected in the research.

This final Section now includes the conclusions derived from the research. In addition, the section will address the three sub-research questions that were used to answer the primary research question in this research.

## 5.1. Research Overview

The purpose of the research in hand involves an exploration of the importance and value of implementation of a PMO in governmental organizations, and guidelines to assist medium to large organizations in the implementation thereof, where a PMO is often conspicuously absent. The following research objectives were identified to answer this question:

- Determine the primary challenges facing a PMO office.
- Identify the stages of maturity in the implementation of a PMO, as well as the role and functions of a PMO as it evolves towards greater maturity and in line with the organization's maturity with regard to project management.
- Identify the specific medium to large organizations to be used for a case study to address the purpose of this research.
- Conduct the study research in the medium to large organization to ascertain what value can be derived through the creation of a PMO within this type of organization.
- Understand the challenges, limitations, and problems that organizations experience in implementing a PMO.

The primary research question was: What is the importance of the implementation of a PMO in the Governmental Organizations?

To fully explore this question, the following sub-research questions were identified:

- What, value (if any), will the implementation of the PMO office add to organizations?
- What are the primary challenges that organizations face in implementing a PMO office?
- Should a PMO be strategically aligned with the organizational objectives?

## 5.2. Conclusion

The intention of this research study was to investigate the importance of the implementation of a PMO and how the governmental organizations can derive value through the creation of a PMO. In this research, qualitative data was collected and analysed as a means of addressing this question. The research study demonstrated through the findings that emerged from literary investigations, interviews and observations, that great value can be derived through a PMO.

Furthermore, it is not possible to talk about effective project management without talking about clarity of strategy and objectives; The strategy is the road map that will take you from your current location "A" to your location, "B". As for the project, it is the boat in which you have to paddle with all the strength to implement the strategy, and the last and most important factor remains. It is the river in which you will paddle that appears in the form of institutional culture. Either this culture is shallow so that your boat collides with any protrusion on the surface of the earth, or it is deep and pours into the success of the project and not its opposite!

The importance of the Project Management Office lies in its ability to link projects to the strategy and isolate any project that it does not serve, in addition to setting priorities and studying the risks of the institution in its two parts: positive risks «opportunities» and negative risks «Threats».

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