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# Does Published Theory Add Value to the Project Management Office (PMO)?

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- Overview
- The Project Management Office (definition)
- Research Background + Aims of the Research
- PMO Concepts
- Perceived Value and Problems of the PMO (in the literature)
- Value and Problems of the PMO (in Practice)
- Conclusion

- Presentation of findings of research conducted in 2007.
- Aim was to examine the strength of the alignment of PMO theory with practice in Australia.
- 241 project managers responded to an anonymous questionnaire.
- The balance of the evidence was that PMOs in practice were not as simple to implement as the published theory might suggest.
- Assessment of PMO value in practice seems to give rise to more negative perceptions than positive reinforcements.
- Strong reliance on theory is likely to lead to some disappointment.
- The realised value of a PMO does not appear to be a consequence of published theory.



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# The Project Management Office

- A PMO is an organisational entity that provides services in core and supporting areas during the planning and execution of a project.
- The typical PMO performs the following broad groups of tasks:
  - Project Planning (estimation of scale, time and resources)
  - Project Scheduling (setting of milestones and KPIs)
  - Risk Analysis (analysis, prioritisation and mitigation strategies)
  - Project Tracking (monitoring against defined baselines)

- Published perspectives of theorists describe a range of functions.
- What has happened in practice when these theories have been applied?
- Does the theory correlate fully with implemented practice?
- Journal articles tend to describe positive values – is this bona fide or bias?
- Is the PMO a 'band wagon' for a quick fix?

# Aims of the Research

- Is the realised value of a project management office a consequence of published theory or a product of sound application of management initiatives?
- The research was designed to determine the extent the theory has contributed to the successful project management office systems.
- The value of this research is in the determination of the degree of reliance that could or should be placed on published literature.
- To what extent should the literature influence a decision as to what form a PMO should take, or whether to implement a PMO at all?



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# PMO Concepts

- Dedicated sub-organisation developed to support the project manager.
- Organisations willing to rearrange to maximise the benefits of project management through formal structures.
- The project office absorbs day-to-day project coordination, leaving the project managers to focus on their business objectives.
- The PMO has a role in aligning project portfolios with strategic intent.
- Incompatible goals: PMOs offer simple support functions to relatively high status in organisational hierarchy.

- Which of the theories bears the strongest alignment to practice?
- What has happened in practice when these theories have been applied?
- A review of case studies in industry journals fails to demonstrate whether the theory correlates fully with practice in Australia.
- Research provides insights to practitioners or organisations that are considering implementing a PMO in their project management practice.



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# Perceived Value and Problems of the PMO

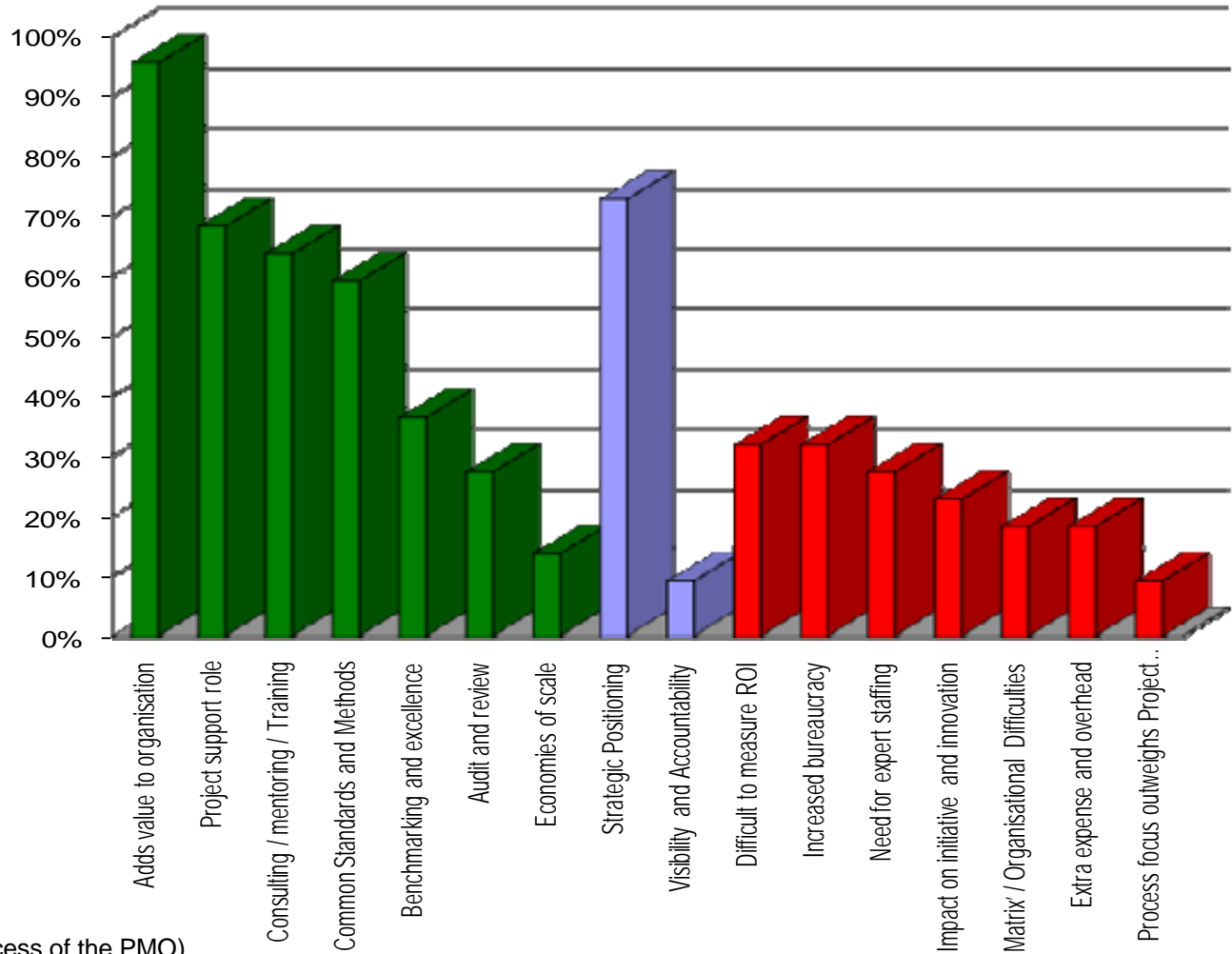
## Stage 1: Literature Review

- Literature review examined 22 publications and articles pertaining to the perceived and evidenced value of the project office.
- The writers are variously academics, consultants, interested observers, or real-world practitioners.
- Literature review used as means of establishing a foundation for assessment of take-up and influence of theory.
- Qualitative analysis identified 16 recurrent themes or critical factors.



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Agreed Frequency



■ **Positive Factors** (benefits of the PMO)

■ **Influence Factors** (determinant of success of the PMO)

■ **Negative Factors** (problems caused by the PMO)



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# Perceived Value and Problems of the PMO

## Findings of Literature Review

### **Positive Factors (benefits of the PMO):**

- Adds value to organisation (95%)
- Project support role (68%)
- Consulting / mentoring / training (64%)
- Common Standards and Methods (59%)
- Benchmarking and excellence (36%)
- Audit and review (27%)



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# Perceived Value and Problems of the PMO

## Findings of Literature Review

### **Influence Factors (determinant of success of the PMO):**

- Strategic Positioning (73%)

### **Negative Factors (problems caused by the PMO):**

- Difficult to measure ROI (32%)
- Increased bureaucracy (32%)
- Need for expert staffing (27%)



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# Perceived Value and Problems of the PMO

## Findings of Literature Review

- Apparent bias towards positive factors.
  - a propensity to espouse the virtues of the PMO over the problems?
- Implies that the benefits of the PMO outweigh the problems.
  - May be a lack of critical thinking and balanced reporting.
- 59% of the writers are industry consultants.
  - a vested interest in portraying the PMO in a positive light as a means to attract new business?
- The dominance of positive factors may lead to a conclusion that the implementation of a PMO offers a ready solution.



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# Perceived Value and Problems of the PMO

## Findings of Literature Review

- Dinsmore (2002) identifies 16 issues that reinforce the need to consider the project office strategy with diligence.
  - PMOs can hinder project manager initiative, diffuse responsibility, stimulate bureaucracy, and tendency to become process focussed rather than project focussed.
  - Question as to whether the Project Office is ‘just a fad’.
- Mullaly (2005) queries whether the PMO is ‘the latest silver bullet’.
  - Cautions that implementing a PMO as a solution without first identifying the problem would not necessarily bring about any real improvement.



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# Value and Problems of the PMO in Practice

## Stage 2: Anonymous Questionnaire Survey

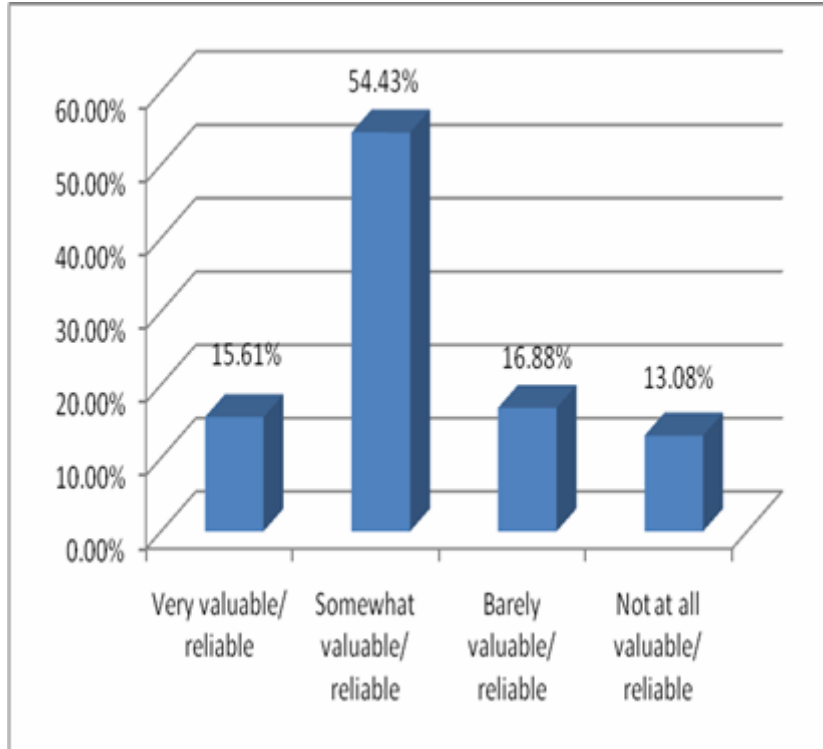
- Standard set of questions developed to facilitate evaluation and comparison of data.
- Voluntary participation through on-line questionnaire.
- 241 Responses were received.
- Provided a broad base of evidence that the collective experience of real-world practitioners is not clearly aligned with the messages of the general published theory.
- The variation in scope and context across a wide range of industries demonstrates that a simplistic formula or a one-size-fits-all approach is unlikely to find a foundation of support in Australia.



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# Value and Problems of the PMO in Practice

## Influence on the decision to implement a PMO



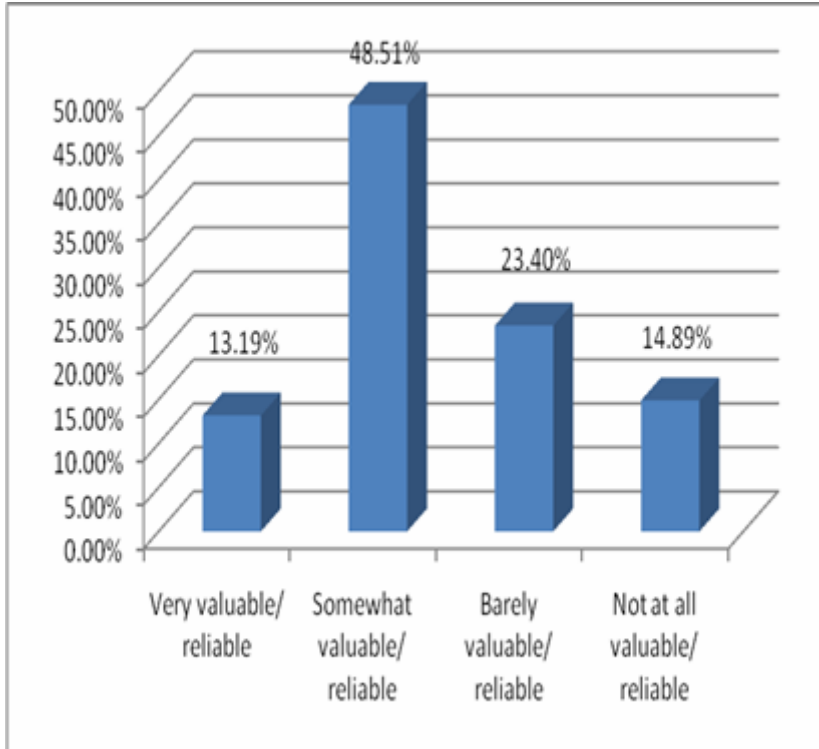
- Almost 70% considered that published theory had a moderate to strong influence on the decision to implement a PMO in their organisation.
- However, the weight of the evidence was that there is less than 16% likelihood that the value of the theory would prove very valuable or reliable.



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# Value and Problems of the PMO in Practice

## Reliability of theory when determining organisational position



- 85.1% of respondents indicated that the theory had been reliable and valuable to some extent when determining the initial organisational position.
- However, 81% reported that the organisational position of the PMO had evolved beyond published theory – initial value was found to fall short of organisational requirements.



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# Value and Problems of the PMO in Practice

## Results of the Anonymous Questionnaire Survey

- Regarding the value of the PMO in practice, the evidence showed that:
  - PMOs in practice were not as simple to implement as published theory might suggest.
  - Assessment of perceived value is difficult to undertake, whether for logistic or cultural reasons.
  - Assessment of PMO value seems to give rise to more negative perceptions than positive reinforcements.



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# Value and Problems of the PMO in Practice

## Results of the Anonymous Questionnaire Survey

- The degree of value offered by the PMO appears to correlate with the degree of planning and strategic thinking present at the birth of the initiative.
- Notwithstanding that when implemented with due diligence a PMO stands a good chance of returning value to the organisation, it remains a constant challenge for the PMO to continue adding value to the organisation.



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# Value and Problems of the PMO in Practice

## Results of the Anonymous Questionnaire Survey

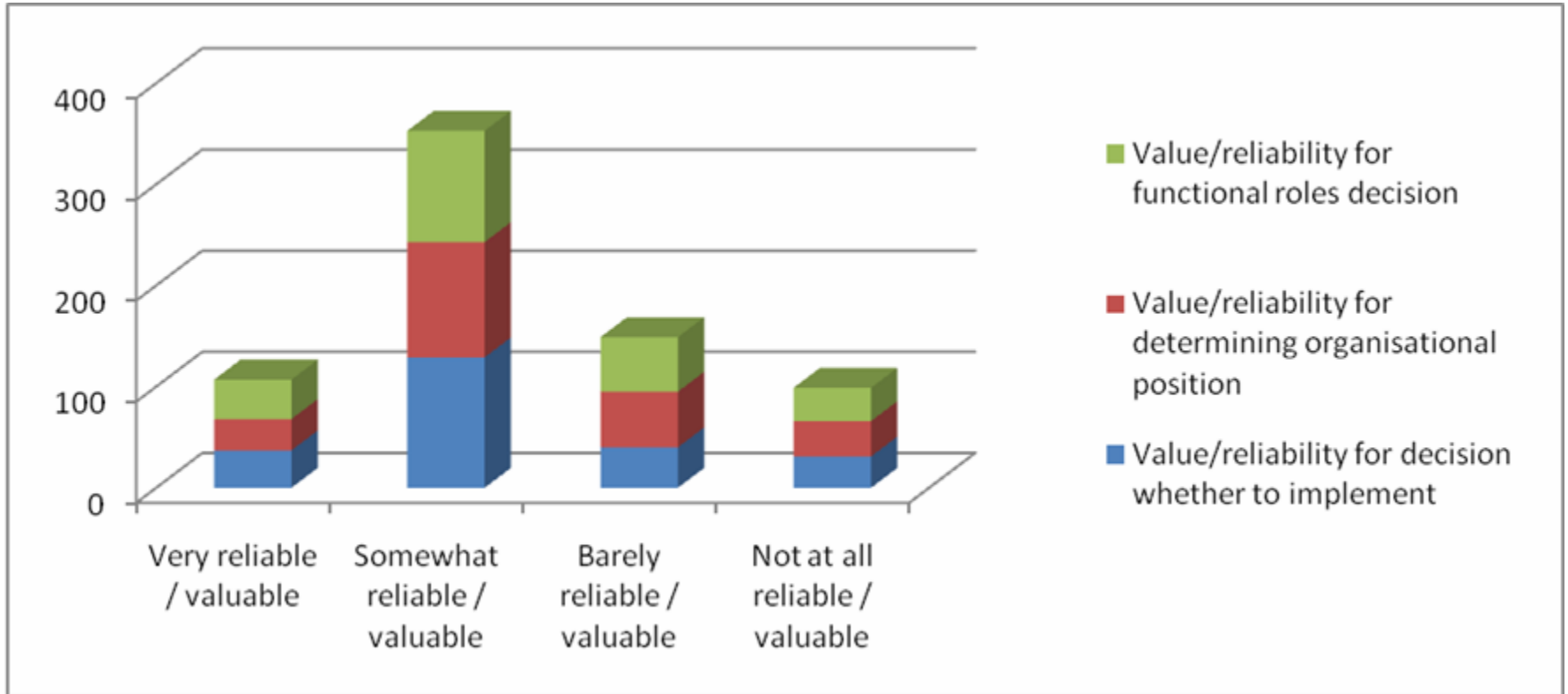
- Almost one hundred respondents to the anonymous questionnaire offered suggestions as to how value could be added to the PMO.
- Some of these ideas arise from hard-won lessons from experience.
- Others are from a virtual wish list of PMO personnel – lament that outcomes may have been better if more information was available at the time of implementation of the PMO.



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# Value and Problems of the PMO in Practice

## Cumulative Reliability/Value of Published Literature



# Conclusion

- Theorists' perspectives offer all scales of advice, from quick-fix remedies to doctoral dissertations.
- There is a general, but incomplete concordance between the factors most frequently discussed in the theory and those identified by practitioners as being value-affecting.
- Theory and practice align with importance of strategic positioning of the PMO as a determinant of value.
- A strong reliance on theory for modelling and implementing a PMO is likely to lead to some disappointment.
- The theory proves *somewhat* valuable or reliable, but more likely to be *barely* valuable/reliable than *very* valuable/reliable.

# Conclusion

- Organisational position and the functional roles performed by the PMO tends to evolve.
- The theory may have held some value and reliability at the time the PMO was implemented, however evolution of position and function tended to grow beyond the theory foundation.
- PMOs that have evolved beyond the original intent appear to continue to rely on theory on an ongoing basis.
- Project management offices in practice are not as simple to implement as published theory might suggest.
- Assessment of PMO value seems to give rise to more negative perceptions than positive reinforcements.