

PROJECT MANAGEMENT OFFICE AND PROJECT IMPLEMENTATION EFFICIENCY IN THE CONTEXT OF ORGANIZATIONAL ENTREPRENEURSHIP

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Purpose: The article aims to review the role of Project Management Office (PMO), in the context of organizational entrepreneurship, with a particular focus on its impact on effective project management. An assumption was made that PMOs contribute to business objective realization, improved competitiveness and fostered innovation in organizations.

Design/methodology/approach: The study employed the method of critical literature analysis, to present a theoretical approach to the analyzed problem.

Findings: The analysis shows that PMOs play a key role, covering such areas as method development and provision of standards, training and development of competencies, project performance monitoring and reporting, as well as selection and implementation of IT tools and software. PMOs serve to support project teams and ensure successful implementation of projects in organizations. Project Management Offices not only provide the necessary tools and resources, but also promote standards and best practices to improve the efficiency, quality and timeliness of ongoing projects.

Originality/value: The study highlights the rationale for creating Project Management Offices, which, in collecting and presenting data on various areas of their activities, should, inter alia, report on company successes and implementations, as well as on what projects the company should undertake. Knowledge of the most relevant and useful PMO functions can be useful in achieving and implementing effective projects.

Keywords: project management, Project Management Office, project portfolio.

Category of the paper: Literature review, general review.

1. Introduction

The role of project managers becomes particularly vital not only in companies operating in the IT industry, as effective management of technology and information technology projects entails knowledge of both the specifics of technical processes as well as the ability to work with

diverse teams of specialists. Project Manager is a key figure in project management, responsible for the planning, organization and supervision of project implementation. He/she is tasked not only with the coordination of teamwork, but also with risk management, progress monitoring and maintaining stakeholder communication.

According to the definition presented in project-management literature, a project is a temporary endeavor of a unique nature, with a specific purpose, carried out within an organization or consortium, or conducted by one or more individuals. A project consists of a sequence of unique, complex and interrelated tasks which must be completed in a specific order, with a specific deadline and in accordance with a set budget and requirements. It entails the commitment of significant but limited physical, human, financial and informational resources, delivered by a team of highly skilled implementers from various disciplines, relatively independently of repetitive activity. Projects are associated with a high level of technical, organizational and economic risk, and therefore necessitate special methods of preparation and implementation (Dziedziak, 2020; Klatka, 1973; PMI, A guide to the project, 2017; Wysocki, 2005; Pawlak, 2006).

According to M. Trotsky, based on a study by B.J. Madauss, comprehensively, the concept of a project can be defined as an undertaking of high complexity, specific as to the period of its execution - with a specific beginning and end - involving significant but limited resources (material, human, financial, information), carried out by a team of highly qualified implementers from various fields (interdisciplinary), relatively independently of repetitive activities, subject to high levels of technical, organizational and economic risk and, therefore, necessitating special methods of preparation and implementation (Trocki, 2013).

Project managers play a key and multifaceted role in the organizational structures of information technology (IT) companies. Their function is centered on effective planning, organization, monitoring and implementation of IT projects, which often determine the direction of organization development. Analysis of the issue from the perspective of project-management theory and practice enables a thorough understanding of the essence of project manager's role and its relevance within the specific context of the IT industry.

What should be noted, nevertheless, is that in an established project environment, the unit which not only standardizes project processes, but also facilitates the coordination and prioritization of activities is the PMO (Project Management Office).

Worth mentioning is that an organization's entrepreneurial spirit refers to its ability in effective project management, use of innovative approaches and flexible adaptation to the changing market environment. This means that the enterprise not only implements parallel projects, but also effectively coordinates them, takes initiatives, introduces innovations, and is able to optimally utilize the available resources. Entrepreneurship in this case also involves risk-taking and the pursuit of increased operational efficiency, which can be facilitated by a well-functioning Project Management Office (PMO).

2. Research methodology

The methodology employed in the article involved a review of the scientific literature on Project Management Offices. The analysis was carried out based on the publications available in such databases as the Scopus, Web of Science and Google Scholar, using relevant keywords and search criteria. Articles published between 2002 and 2024 have been factored in, with a focus on peer-reviewed works relevant to the topic under study. Publications of a popular science nature with incomplete data were excluded. The results of the review allowed for identification of major trends, research gaps and formulation of conclusions.

The article aims to review the role of Project Management Office (PMO) in the context of organizational entrepreneurship, with a particular focus on its impact on effective project management. The premise was that PMOs contribute to the achievement of business goals, improve competitiveness and foster innovation in organizations.

3. Project Management Office (PMO) in light of the literature on the subject

Effective project management is largely contingent on an appropriate project team structure and a multi-team structure. Organization of a team structure within a project poses a challenge for many companies, but businesses can benefit from proven approaches and organizational methods. A well-designed team structure allows for more effective collaboration, faster decision-making and better management of resources, which consequently contributes to the success of implemented projects.

Much like organizational structures, these structures most commonly entail a certain mix of structures. This is because (Katzenach, Smith, 2001) members of the teams vary in competence, projects vary in type, organizations differ in their habits, and various requirements arise. Therefore, for the team structure applied in an enterprise to be effective, knowledge of the models is essential, along with the ability to creatively adapt them. When multiple projects are implemented in an enterprise, a dedicated unit ensuring consistency and efficiency is crucial.

Project Management Office (PMO) fulfills this role, serving as the structure responsible for defining, implementing and maintaining the standards and best practices of project management.

PMOs are established either permanently or for a designated period of time. They seek to standardize and introduce repeatability in project execution, to enable much simpler and more efficient project implementation. They are also involved in assisting the project team members assigned to given project portfolios. PMOs also serve as central hubs for project documentation, consulting and success metrics (Wysocki, 2018).

The genesis of PMOs (Project Management Offices) can be traced back to the period from the 1950s to the 1990s, when units of this type were focused primarily on the management of programs - multi-year, complex projects of high financial value, often financed by government funds. Accordingly, a more appropriate term for such structures at the time would have been Program Management Office.

The characteristics of PMOs at that time differed from contemporary standards, especially in terms of organization. The key problem those units were faced with was overstaffing, which led to reduced efficiency and generated high costs of maintenance. Such an organizational model, although enabling coordination of extensive programs, was characterized by limited flexibility, which became an obstacle in the dynamically changing environment.

In the years that followed, with the development of project management methodology, PMOs evolved into smaller, more agile units focused on executing shorter and more goal-differentiated projects. These structures thereby adapted to the new business requirements, moving from program management support offices to multi-task centers of competence for projects and project portfolios.

Most PMOs were established between the mid-1990s and 2000. New definitions of PMO and its implementations also began to emerge. Enterprises at the time were also implementing a much larger number of projects, which presented a new problem of reporting on project progress. It was during this period when the concept of Project Management Office (PMO) as an organizational unit emerged to standardize project-related procedures and select those most relevant to the business needs of organizations (Salamah, Alnaji, 2014).

Present-day companies have been introducing project management more widely, in view of the benefits and the orderliness of project-related processes, documentation and activities. According to Harold Kerzner, Project Management Offices have evolved into integral elements in the hierarchy of numerous companies (Kerzner, 2005). For a PMO to bring positive results, however, strategic planning is required, defining clearly the structure and competencies affecting a given Office's ability to achieve its potential (Kerzner, 2005).

Introduced into the structures of organizations Project Management Offices often face enormous demands as to how they should operate. PMOs are assumed (Spalek, 2012) to create, implement and enforce standards, produce comprehensive reports, build knowledge bases, prioritize projects, manage resources (including human resources), manage budgets, resolve conflicts and handle all other project-management issues.

Offices which fail to efficiently manage the above areas and thereby fail to increase the percentage of projects completed on time, with a set budget and a defined scope of work to be carried out, end up being shut down (Spalek, 2012). According to the Association of Project Management, more than 50% of PMOs get shut down within the first three years of functioning (VanHoeck, 2016). It can therefore be concluded that proper introduction and continued operation of a project management office, despite its suitability in the area of project management, is not an easy endeavor.

According to S. Spalek, PMO failures are caused by inadequate assignment of competencies and establishment of authority. The obvious predicament in such a case is the lack of added value generated by the PMO. Proper investment in and planning of a PMO is therefore crucial in effective project management (Spalek, Bodych, 2012).

The expectations regarding the quality of a PMO's performance should be closely linked with the assigned qualifications, its resources and hierarchy within the company, with a balance between of authority and competence with expectations. According to the author, a simple rule of thumb is involved here - the more a company requires of a PMO, the more control and leeway it must delegate to the Office (Spelek, Bodych, 2012).

4. The functions and position of Project Management Office in an organization

The literature is full of various descriptions, and functions to be performed by Project Management Offices, which continually evolve. Studies indicate that PMOs greatly facilitate project work, acting as a sort of liaison between project managers and top management. According to B. Hobbs, once the functions have been systematized, currently as many as 27 areas can be identified in which PMOs become directly involved. Nevertheless, new PMO functions should be introduced carefully, as offices which from the outset are assigned a large number of functions are frequently prone to failure (Rad, Levin, 2002).

One of the key PMO functions is to run the organization's project management system and provide project teams with clear project execution rules and guidelines. Furthermore, PMOs act as facilitators in project process standardization, which ensures consistency and efficiency of activities across all projects within an organization. By this, PMOs can ensure the use of the same methodology and tools by all departments and project teams in an organization. As such, PMOs support project managers in their operational work. Worth noting is that consistent standards across all projects in an organization greatly facilitate work, and represent the first step toward high project-management maturity, which in turn constitutes one of the most important factors in project success (Hill, 2007).

The basic processes the standards and methods must cover are: collaborative development of project management processes; development, monitoring and improvement of standards; selection of portfolio projects; development of a work breakdown structure; project network diagramming; maintenance of a library of tools and processes; drafting of bidding process documentation; risk assessment; project status reporting; scope change management; documentation and handling of project change requests (Wysocki, 2018). What must be factored in, however, is that over-standardization can be disadvantageous, and the principles and procedures mandated to cover every conceivable situation and project type may prove

somewhat cost-prohibitive. The number of resources needed to establish these rules and procedures would be enormous, and still they would certainly be far from ideal, as they would span an overly broad area (Kerzner, 2005).

One important function of PMOs entails implementation of training policies and acting as the main project-management knowledge centers, responsible for continuous development of project teams' competencies. PMOs can hold kick-off meetings for new projects and, if needed, offer specialized training in project management and the use of relevant software.

Project Management Office staff are project management specialists with both practical experience and solid theoretical knowledge. They are thus able to provide valuable information and support to project team members as well as program, portfolio and project managers, improving the quality of project implementation in organizations. In the context of PMOs, the training function often serves as a key factor behind employee development in the area of project management. A Project Management Office can significantly improve the efficiency of project management, especially where numerous projects are carried out by managers lacking adequate project-management training.

Certification programs such as Project Management Professional or PRINCE2 can be of helpful value; nevertheless, a PMO's knowledge base is company-specific in terms of experience, and this type of knowledge should be passed on (<http://pmoflashmob.org>, 2014).

Project progress monitoring and the subsequent reporting are frequently part of the core functions of a PMO. Most Offices are established at least partly in response to management's pursuit of uniform and reliable monitoring and reporting. There are many solutions PMOs can employ, which should first and foremost meet company management's satisfaction. Modern technologies and metrics also ensure high levels of project status monitoring, and PMOs opt solutions most suited to ongoing projects. What is of importance, however, is that project managers and project team members are not made to feel controlled by the Office.

The centralization of information, and its reporting to management, is intended to enable appropriate and timely decisions by project managers, to ensure project effectiveness. PMO reports can include a wide range of information, such as analysis of project progress, current status of implementation, assessment of risks and problems, resource utilization, as well as lessons learned and recommendations for future actions. They can also include a summary of key project performance indicators, financial statements, and assessments of compliance with the organization's strategic goals (<http://www.saviom.com>, 2020). Project Management Offices should strive to maximize the efficiency of projects, and thus their role should involve introduction of modern IT solutions. The matching of adequate IT tools to the type of enterprise and projects is crucial, thus it requires considerable time and attention on the part of PMOs (Wysocki, 2018).

Under the current operating conditions of many organizations, the management of a project portfolio, entailing a collection of projects and programs involving investment decisions, is becoming a crucial task. The portfolio management function should only apply to mature

PMOs, and involve advising the management on whether the investment funds available are being spent in the best feasible manner.

In effect, mature PMOs become key elements in supporting the effectiveness of investment decisions and the achievement of business objectives.

One important aspect is the proper placement of the Office within the company's organizational structure, i.e., its position in relation to other parts of the organization. The positioning of a PMO, however, is determined by two factors: the level of competence, and the company type and size. It turns out that PMOs with greater scope of competence and set goals to be achieved should be positioned higher in corporate hierarchy. This is essential for Office effectiveness and realistic achievement of the goals established, as without proper competencies the achievement of goals could take a very long time or ultimately prove to be unfeasible. Therefore, PMOs situated directly at the boards of directors are not uncommon, indicating the strategic dimension of the project management function in such companies (Spalek, Bodych, 2012).

Project Management Offices happen, however, to be situated within the structure of a particular department, with focus on supporting the initiatives carried out by that unit (Ajam, 2023).

The phenomenon of outsourcing is also applicable to the operation of PMOs (Binder, 2007). In such a case, the Office operates outside the company, and the PMO's employees provide their support as a service to the company's projects that require assistance. This solution is used rarely, due to the limitations involved (Spalek, Bodych, 2012).

5. Research results

The analysis of the role Project Management Offices play in organizations shows that PMOs are instrumental in effective project management and organizational entrepreneurship support. The main conclusions drawn with respect the issues discussed are as follows:

1. The growing relevance of PMOs in organizations - PMOs are becoming an indispensable part of corporate organizational structure, especially in companies implementing numerous and complex projects. A well-designed Project Management Office significantly improves the efficiency of project management, supports process standardization and ensures consistency of ongoing activities.
2. The role of PMOs in enhancing competitiveness - PMOs contribute to the achievement of corporate strategic goals by improving project coordination, managing risks and implementing innovative solutions. This enables organizations to adapt more effectively to the changing market environment.

3. Process standardization is of key significance. One of the core PMO functions is to define and implement project management standards. This standardization not only contributes to efficient communication and resource management, but also enables effective implementation of projects, in accordance with the budget, time and scope assumed.
4. PMO placement within the organizational structure bears significance. A PMO's level of competence and responsibilities should be aligned with its position within the company's structure. PMOs with strategic roles and broad competencies should be positioned at a high management level, which affords them with adequate authority and influence over decisions critical to the organization.
5. PMO management challenges - despite its numerous benefits, effective PMO operation calls for proper planning, appropriate resource allocation and clearly defined competencies. A lack of adequate authority or an overload of functions can lead to PMO failure. Statistics, indicating a high rate of Project Management Office shutdowns, highlight the need for well thought out PMO implementation and management.
6. Innovation support and development of competencies - PMOs play an important role as centers of knowledge and competence development in the area of project management. The training, mentoring and knowledge transfer under PMOs foster the development of project teams and contribute to organizations' success in implementing innovative projects.
7. Technological and organizational alignment - an effective PMO entails implementation of appropriate IT tools, tailored to the company's needs and project specifics. Today's Project Management Offices must be flexible, in order to be responsive to the technological changes and dynamic market conditions.

6. Conclusion

Summing up the foregoing considerations, emphasis should be placed on the merits of establishing a Project Management Office (PMO), playing a key role in integrating and reporting data on various areas of an organization's operations, implementation successes and ongoing projects. In this context, PMOs should equally support the process of strategic decision-making, by identifying and recommending projects of the highest value potential for the company.

Knowledge of the key PMO functions and tools lays the foundation for effective project management, provided that these functions are implemented gradually, in a manner tailored to the specific needs of the organization. Crucially, the scope of a PMO should be aligned with the requirements of project teams, the expectations of executives and the strategic priorities of

the board. Proper alignment of a PMO's functions with an organization's requirements is a key determinant of its effectiveness and longevity within the enterprise structure.

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