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PERCEPTIONS & EXPECTATIONS OF THE ROLES & FUNCTIONS OF THE IT PROJECT MANAGEMENT OFFICE

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Abstract

The concept of the IT Project Management Office (PMO) appears to be rapidly growing in popularity and influence globally. This indicates considerable interest in the industry on the potential of the IT PMO, a central element of IT project management in organisations. Although established to ensure project success, the value of these IT PMOs is being questioned, putting them in a paradoxical situation. Prior research has uncovered a key factor behind this tension – the fact that IT PMOs play multiple roles in multiple organisational processes, and have to meet often competing demands and expectations from various stakeholders. Despite acknowledging the importance of these stakeholders’ expectations, there is little empirical research on these varying perceptions and expectations of the roles and functions of the IT PMO. This action research study will attempt to investigate the implications of congruence (or incongruence) between these differing stakeholder perceptions and expectations. This study also hopes to better equip IT PMO leaders by helping them gain shared understanding of their stakeholders’ perceptions and expectations, and support them in the development of strategies in order to better manage these perceptions and expectations.

Keywords: Project Management, Project Management Office, PMO, Information Systems Management, Stakeholder Perceptions and Expectations, PMO Value.
1 INTRODUCTION

The constant pressure for organisations to innovate, coupled with environmental volatility (Sauer et al. 2007), are driving many IT-enabled business transformation projects. Because IT projects have grown in “strategic and operational importance”, higher expectations are placed on these projects (Sauer and Reich 2009:185). Unfortunately, with such high and potentially conflicting expectations, many of these projects could fail if they are not managed effectively (Dai and Wells 2004; McKay et al. 2013). Hence the considerable interest on the potential of the IT Project Management Office (IT PMO). This is confirmed by a recent study that reports a 20-percent increase in the number of IT PMOs in the US in 2010 (from 43 percent in 2008) despite the global financial crisis (Computer Economics 2011).

Established as an integral component in an organization's project management, the PMO offers a higher chance of project success in the organisation by providing a focused environment for formal training and developing organisation-wide project capabilities such as project management methodologies and processes, project governance processes, project quality assurance, project knowledge management, etc. (Andersen et al. 2007). The IT PMO concept is, however, plagued with tensions and challenges. One prevailing concern with IT PMO managers is their struggle to deliver value to their organisations (McKay et al. 2013). Although formed with the aim of achieving project success, the value of the IT PMO is often questioned (Hobbs and Aubry 2007; ESI International 2012; McKay et al. 2013). This tension has motivated research on the value and performance of IT PMOs (Aubry et al. 2009; Hurt and Thomas 2009; Hobbs and Aubry 2010). Hobbs and Aubry (2010) suggested a key reason behind this tension: being integral to the organisation, the IT PMO plays multiple roles and is closely linked with multiple entities within the organisation, implying that the value of the IT PMO is dependent on the differing values and preferences of its stakeholders who represent the various entities within the organisation. This diversity of stakeholder perceptions and expectations could be behind the perceived lack of value of the IT PMO. Academics in project management have highlighted a new appreciation for the complexity of projects, arguing for a more pluralistic approach to tackle, for instance, the social and value-creation aspects of projects (Winter et al. 2006; Sauer and Reich 2009). Others (Cameron 1986; Sutherland and Smith 2011) also support the need for a pluralistic approach, instead of seeking a resolution between conflicting [stakeholder] demands. The competing values framework, empirically derived by Quinn and Rohrbaugh (1983), is therefore a fitting framework to understand the paradoxical nature of the tensions that the IT PMO leader faces, as it was designed “to help people graph their perceptions of the tensions that exist in their organisations” (Thompson et al. 1981:193).

This is an action research study which aims to both propose changes in a problematic situation and generate new knowledge and insights (McKay & Marshall 2001). The research interest involves investigating the implications of congruence in stakeholder perceptions and expectations of the role and functions of the IT PMO. This research also aims to help the IT PMO team develop a shared understanding of its stakeholders’ perceptions and expectations in order to address the tension that the IT PMO faces in justifying its value in its organisation.

2 LITERATURE REVIEW

2.1 PMO roles, functions and tensions

The Project Management Institute (2008:11) defines the PMO as “an organisational body or entity assigned various responsibilities related to the centralised and coordinated management of those projects under its domain. The responsibilities of the PMO can range from providing project management support functions to actually being responsible for the direct management of a project”. This may be a rather broad definition, but it effectively encompasses the various functions of IT PMOs (Aubry et al. 2007). Taking off from a broad set of functions developed from literature and
previous research work, Hobbs and Aubry (2007; 2010) conducted an empirical study to comprehensively identify a total of 27 roles and functions of the PMO, categorised into five main groups: (1) monitoring, controlling, and reporting project performance; (2) developing project management competencies and methodologies, and promoting project management; (3) multi-project management, including prioritising, coordinating and resource allocation; (4) strategic management and planning; and (5) organisational learning, including post-implementation reviews, project audits, and managing lessons-learned databases. Although these 27 functions are considered to be important to most IT PMOs, Hobbs and Aubry (2010) have qualified that not necessarily all are adopted by every IT PMO.

Researchers (Desouza and Evaristo 2006; Aubry et al. 2010) claim that the rapid growth of IT PMOs in organisations worldwide (Computer Economics 2011) arises from the need for better management of IT projects. This is in light of the increasing numbers and complexity of such projects as well as the high rates of project failures. Nevertheless, although these IT PMOs are set up to ensure the success of projects, it is ironic that the future of IT PMOs seems to be uncertain. Many IT PMOs do not survive beyond two years (Hobbs and Aubry 2007), possibly as a result of the tensions and challenges that plague these IT PMOs (McKay, Marshall et al. 2013). These tensions are inherently contradictory, for example the choice between emphasising standardisation or being flexible and responsive to business demands (Hurt and Thomas 2009; Pellegrinelli and Garagna 2009). One very pressing concern with IT PMO leaders that has surfaced in empirical studies, however, is their struggle to deliver value to their organisations (Hobbs and Aubry 2007; McKay et al. 2013). Only a narrow majority of IT PMOs are being valued by their organisations, while others struggle to demonstrate value, with yet others being disbanded altogether (Hobbs and Aubry 2007). Recent global surveys on PMOs verify this, with more than 50 percent of the total number of respondents claiming that the value of their PMO has been questioned (ESI International 2011; 2012). McKay et al. (2013) recently revealed, through exploratory interviews, that although IT PMO teams may be performing the exact PMO functions they were setup to do, the leaders [of these IT PMOs] still struggle to justify the value of their IT PMOs. While the added value of the IT PMO to individual projects can be ascertained through metrics such as ‘being on time’ and ‘keeping within budget’, determining the actual value delivered by the IT PMO could be very difficult (McKay et al. 2013).

This perceived lack of value of the IT PMO could stem from the diversity of perceptions and expectations of the various stakeholders in the organisation. The value perceived by the IT PMO leader might not necessarily be aligned with the various stakeholders (Hobbs and Aubry 2010). Stakeholders are defined as “individuals or groups who will be impacted by, or can influence the success or failure of an organisation’s activities” (Walker et al. 2008:73). Since the role of the IT PMO dictates that the IT PMO team must interact with its stakeholders within the organisation, it is therefore critical for the IT PMO team to effectively manage its relationships with these stakeholders.

2.2 Understanding stakeholder perceptions and expectations

The stakeholders of the IT PMO may have different cultures and values to that of the IT PMO itself, as they belong to various parts within the organisation, and may have a direct and significant influence over the organisation’s projects and the IT PMO. Delivering services to a broad range of stakeholders with differing needs and expectations is challenging. The concept of ‘expectations’ conveys “the desires and wants” of the recipients of a service (Parasuraman et al. 1988:17), while ‘perceptions’ refers to the actual perceived delivery of the service. Quality of service and satisfaction both stem from the comparison between the expectations of the recipients and their perceptions of the service (Parasuraman et al. 1985; Pitt et al. 1995; Spreng and Mackoy 1996; Kettinger and Lee 1997). Combining these with recent empirical work demonstrating the strong correlation between the concept of ‘fit’ and the construct of ‘value’ in project management (Mullaly and Thomas 2009), this would imply that if the stakeholder’s perceptions of service delivery of the IT PMO is in congruence with their expectations, the IT PMO may then be perceived [by that stakeholder] as delivering value. To achieve this, the IT PMO team needs to first develop a shared understanding of the perceptions and expectations of the stakeholder. Shared understanding refers to “mutual knowledge, mutual beliefs, and mutual assumptions” (Clark and Brennan 1991; Mulder et al. 2002). Only then would the
IT PMO team be in a better position to articulate strategies and actions to address any incongruence in these perceptions and expectations.

This research will study the differing and possibly competing stakeholder perceptions and expectations of the roles and functions of the IT PMO. It will look for congruence or incongruence between these and those held by members of the IT PMO team itself, with the aim of developing a shared understanding of these stakeholder expectations for the IT PMO team. This research intends to use the competing values framework (Quinn and Rohrbaugh 1981; 1983) to assist in the study because it offers the ability to chart and compare the conflicting stakeholder expectations to uncover the nature and extent of congruence (or incongruence) between these expectations and the IT PMO leaders’ perceptions. Having been applied in the study of paradoxes and pluralism (Cameron 1986; Quinn 1988; Aubry et al. 2011), the framework would be appropriate for this study. Quinn and Rohrbaugh (1981; 1983) empirically developed the competing values framework based on their interpretation of organisational effectiveness, and visually created the framework (see Figure 1) with two main axes and four quadrants representing the competing values in the organisational literature:

1. Human relations (HR), concerning employee well-being;
2. Open systems (OS), to keep up with the changing external environment;
3. Rational goal (RG), to maintain competitiveness; and
4. Internal process (IP), for organisation and structure. Described as “visually and cognitively comprehensive” (Thompson 1993:102), the graphical representation of this framework gives people a better sense of data, making it easier to perceive relationships, make comparisons, and identify patterns (Cameron et al. 2006).

To summarise the review of the literature, this proposal first discussed the importance of the concept of IT PMOs to the success of projects in organisations, and highlighted the pressing tension of IT PMO leaders having to justify the value of their IT PMOs to their organisations (Hobbs and Aubry 2007; McKay et al. 2013) despite delivering on the core IT PMO functions with which they have been tasked (McKay et al. 2013). It also introduced the potential key to these tensions – the importance of understanding and managing the expectations of the various IT PMO stakeholders (Hobbs and Aubry 2010; Bourne 2011) who have significant influence over the IT PMOs. Combining the concept of expectations and perceptions, service quality, and satisfaction (Parasuraman et al. 1985; Spreng and Mackoy 1996; Kettinger and Lee 1997) with empirical evidence linking the concept of fit to organisational value (Mullaly and Thomas 2009), it will be interesting to find out whether the IT PMO is perceived to be delivering value if there is congruence between key stakeholders’ expectations and perceptions of the roles and functions of the IT PMO with those of the IT PMO team. The competing values framework is a robust instrument to help understand the various stakeholder perceptions and expectations, and thereafter help IT PMO leaders develop a shared understanding of
these perceptions and expectations. This is the first time the competing values framework is used in
the study of perceptions and expectations.

3 RESEARCH OBJECTIVES AND RESEARCH QUESTIONS

The two objectives of this research are:

- To understand the implications of congruence (or incongruence) of the key stakeholders’
  ‘expectations’ and ‘perceptions’ of the roles and functions of the IT PMO with those of
  members of the IT PMO team itself.
- To study the perceived effectiveness of the overall engagement process in assisting the IT
  PMO team to be empowered in developing strategies to better manage the ‘expectations’
  and ‘perceptions’ of its stakeholders.

(‘Expectations’ as operationalised in this study refer to what participants feel the IT PMO should be
doing, while ‘perceptions’ refer to what participants think the IT PMO is currently doing.)

Therefore, the research questions to assist me in achieving the above objectives of this research are:

RQ1. What are the areas of congruence (or incongruence) of the key stakeholders’
  expectations and perceptions of the roles and functions of the IT PMO with those held by
  the IT PMO team?

RQ2. What are the implications of RQ1 to the IT PMO’s perceived delivery of value to the
  organisation?

RQ3. How effective is the overall engagement process perceived to be in helping the IT PMO
  team members develop a shared understanding of their key stakeholders’ expectations and
  perceptions?

RQ4. How does the overall engagement process impact the learning of the IT PMO team
  members and the development of strategies, to address incongruence?

(Data for analysis to answer research questions RQ1 and RQ2 will be based on interviews with and
questionnaires from the IT PMO team and its key stakeholders, while research question RQ3 will be
analysed with data from all interviews and questionnaires. Data gathered from the feedback
interviews with and questionnaire from the workshop participants will be used to answer research
question RQ4. In addition, since this is an action research study, the researcher’s observations and
reflections will also be included in the analysis.)

4 RESEARCH METHODOLOGY

Researchers have recently begun acknowledging the value of ‘mixed-method’ research (Creswell
2010; Greene and Hall 2010; Teddlie and Tashakkori 2010a; 2010b). This research will be adopting
this approach, subscribing to what Teddlie and Tashakkori (2010:8-9) described as “methodological
eclecticism” and “paradigm pluralism”. With this approach, the researcher is allowed to choose and
combine the appropriate methods – qualitative, quantitative, and mixed, in order to effectively study a
phenomenon of interest. The research will employ a qualitative approach in studying the various
perceptions and expectations of the PMO team and its stakeholders, through interviews, as well as
quantitative elements, through the use of the competing values framework and questionnaires. Hence,
this inter-mixing of qualitative and quantitative methods in researching practical solutions to a real-
world problem, points towards the adoption of a ‘pragmatic’ stance (Greene and Hall 2010) in mixed-
method research.
Although the main aim of conducting research is to both advance knowledge and enlighten practice (Simon 1967), much research has unfortunately not been “grounded in reality”, thereby widening the gap between theory and practice (Van de Ven 2007:5). To bridge this gap, Van de Ven (2007:265) recommends “engaged scholarship”, which encourages a more participative approach in gathering the different views of participants. It is argued that it will produce more “penetrating and insightful” knowledge. In this research, action research will be employed. The researcher enters a real-world situation with the aim to both improve it and acquire knowledge, actively involving oneself in the investigation (Checkland and Holwell 1998). Action research aims “to contribute both to the practical concerns of people in an immediate problematic situation and to the goals of social science by joint collaboration within a mutually acceptable ethical framework” (Rapoport 1970:499).

Checkland (1991) suggests that the action researcher identifies relevant research themes guided by an explicit framework of ideas (F). The researcher then selects an appropriate real-world problem situation as the area of interest (A). And, by employing an appropriate methodology (M), initiate actions to bring about improvements to problem situation. Reflections on the changes in A based on F and M will lead to learning about F and/or M, and/or A, thus generating new understanding and knowledge (Checkland 1991). McKay and Marshall (2001) further extended Checkland’s (1991) F, M and A frameworks by re-conceptualising action research as being composed of two separate but interconnected and interacting cycles: one “representing and focused on the problem solving interest in action research”, and the other “representing and focused upon the research interest in action research” (McKay and Marshall 2001:57). This thus encourages a more explicit process of learning and reflection in action research. The action research framework requires that articulation of research intentions, hence using the adapted framework above, the elements representing this action research study will be as follows:

**Figure 2. Action Research study based on McKay and Marshall’s (2001) revised Action Research Framework**

5 RESEARCH DESIGN

Research design provides the overall plan of the researcher implementation of the project (Creswell 2009). It discusses the key operational aspects, with Figure 3 illustrating the roadmap of the proposed research:

As illustrated in Figure 3, this research will involve conducting two action research studies on organisations with internal IT PMOs that have been in operation for at least a year. The learning from the first action research study will be applied to refine the approach in the second study. The following data collection and analysis activities will be performed for each study:

- **Interviews.** Largely unstructured interviews will be conducted with the stakeholders of the IT PMO, to elicit their perceptions and expectations of the role and functions of the IT PMO. Suggested stakeholder participants include executive managers, business or functional managers, project managers, as well as IT PMO leaders and teams. Data from the unstructured interviews (which do not limit the participants’ responses) will complement the accompanying questionnaire, allowing the capture of subjective views of the participants, and analysed for themes using content analysis (Weber 1990; Krippendorff 2004).
• **Questionnaire.** Developed based on the core PMO functions established by Hobbs and Aubry (2007; 2010) and the competing values framework (Quinn and Rohrbaugh 1983), a five-point Likert-scale questionnaire will be administered to each participant, following the interview sessions, in order to avoid influencing the participant. The data from the questionnaire will be used to graphically plot profile diagrams and analysed for congruence in the different perceptions and expectations.

• **PMO workshop.** The insights obtained from the interviews and the questionnaire analyses will be presented during a workshop session with the IT PMO leader and team members. A research team will present the findings and facilitate in the articulation of strategies amongst workshop participants to address incongruence, such as developing a ‘communications strategy’ or appointing a ‘relationship manager’, etc.

• **Feedback interview and feedback questionnaire.** Following the workshop, a semi-structured interview will be conducted with the IT PMO leader to gather his/her perceptions on how helpful the workshop and the findings were in helping the IT PMO team develop strategies to better manage its stakeholders. A short feedback questionnaire will be also given to the rest of the attendees to elicit their perceptions of the effectiveness of the workshop. This is to triangulate the data from the feedback interview with the IT PMO leader.

The outcomes of the first action research study will determine if changes are necessary (Checkland 1991; McKay and Marshall 2001) to review and refine the interview and workshop protocols, questionnaires, and the analysis process for the second study.

### 6 CONTRIBUTION

Although IT PMOs are established to ensure the success of IT projects within their organisations, many today still struggle to prove their value within their organisations (ESI International 2012; McKay et al. 2013). In the academic literature, there is hardly any empirical research on the performance metrics of IT PMOs (McKay et al. 2013), thus compelling the need for investigation and development of such metrics. Hence, this research will address what is believed to be the key to perceived value of the IT PMO – the expectations and perceptions of its important stakeholders (Hobbs and Aubry 2010; Bourne 2011). The contribution of this research study is the development of a framework, based on the concepts of service quality (Parasuraman et al. 1985; Spreng and Mackoy 1996; Kettinger and Lee 1997) and competing values (Quinn and Rohrbaugh 1981; 1983), to assist the IT PMO team in establishing a shared understanding of its stakeholders’ expectations and perceptions, and therefore, empower the IT PMO to demonstrate its organisational value.
References


