

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

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DEPARTMENT OF PROJECT MANAGEMENT

AN ASSESSMENT OF PROJECT MANEGMENT OFFICE ROLE: CASE
STUDY IN DASHEN BANK

Research project submitted to school of Graduate studies of Addis Ababa
University in Partial fulfillment of the Requirements for Master Degree in Project
Management.

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CERTIFICATE

This is to certify that the thesis titled “An assessment of project management office role: case study in Dashen Banks”, submitted to Addis Ababa University, Department of Project Management for the award of master degree on project management and is a record of original research work carried out by Desalegne Sankale Salato, under my guidance and supervision.

Therefore, I hereby declare that no part of this thesis has been submitted to any other university or institution for the award of any degree or diploma.

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DECLARATION

This is to declare that I, Desalegne Sankale Salato, have undertaken this project research work on the topic entitled ‘An assessment of Project Management Office role: case study in Dashen Bank’ under the guidance and advice of my advisor Dr. Abdurezak M. and the thesis is original and has not been submitted for the award of any degree or diploma to any university or institutions.

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ABSTRACT

Organizations are facing competitive and globalized markets, as well as constant environmental changes that often require an organizational restructuring of the business models in order to boost performance. Project management practices can help to achieve strategic goals and increase value of projects in organizations. The Project Management Office (PMO) is an organizational structure created in order to promote and improve project management practice, by adopting appropriate methodologies to achieve high levels of efficiency and effectiveness. The main purpose of this research is to assess the type and roles of PMO in Dashen Bank. Since the importance of PMO is increasing in organizations, the results of this work are useful to provide guidance to organizations on implementing or restructuring their own PMO. To achieve the objectives of this research, a descriptive approach has been used in studying the existing Dashen Bank PMO roles and type. The data collection used questionnaires to whole 82 employees of PMO as a primary data sources and organizational documents and reports as secondary data sources. The collected data analyzed by the use of SPSS v20 and other different methods. The outcomes of this research show that in Dashen Bank out of 25 attributes categorized in to five main roles; Recruit, select, evaluate and determine salaries of project managers, Coordinate vendor/ contractor relationship management, and Manage one or more programs are scored disagreement which means these roles are not being performed in the PMO. The office is supportive, controlling and directive type as needed by the organization with good flexibility. The research recommended that PMO in Dashen bank needs significant improvement on recruiting and assigning staffs to its project management office and sentiment existing roles and type with little improvement to have more benefit from the concept of program/project management office. It also recommended that the PMO should be empowered more and improve in the area of employees recruitment ad vendor relationship in turn it might help to improve its roles and responsibilities, staffing appropriate employees and empowering this PMO in the organization and helping to achieve more projects performance enhancement.

Keywords: *Project Management Office, Roles of the PMO, PMO type*

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ABBREVIATION

PM - Project Management

PMO - Project Management Office

PPMO - Project Portfolio Management Office

PPM - Project Portfolio Management

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

Organizations are under increasing pressure from ever changing external environment, tough competition, information asymmetry and ever changing customer demand which demands constant innovation in products and services in order to obtain competitive advantage and meet the needs of customers. To win and remain in the competition and management's desire for efficiency and effectiveness, today's organizations adopt project management practices, which can be defined as the application of knowledge, skills, tools, and techniques to meet the requirements and objectives of the projects by implementing appropriate processes and methodologies, as part of their strategy and as a critical factor in the development of competitive advantages(Crawford, J. K., 2010).

As the number and complexity of projects in the organization has increased, the need for centralized project coordination functions has also grown. Good project governance for project management comprises the value system, responsibilities, processes, and policies that allow projects to achieve organizational objectives in the highest interests of all the stakeholders, internal and external, and the corporation itself(Müller, R., 2009). Many organizations implement projects that are not managed according to a formal project management methodology and instead apply ad-hoc processes with weak outcomes. Seeking to solve this problem and to ensure successful management and support of projects in their organizations, in recent years new structures have emerged in some organizations, like Project Management Office, in order to improve project execution and avoid wasting resources(Kerzner, 2009; Project Management Institute (PMI, 2008).

A Project Management Office (PMO) is “an organizational body or entity which are assigned various responsibilities related to the centralized 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”(PMI, 2013). Due to the importance of PMO in project management and strategic alignment with business, many models have been built around the typology and functions of PMOs.

Likewise, Dashen Bank is being one of leading company in financial industries which has been playing an important role in Ethiopian economy since its establishment in 1995. It has also clearly stated vision and mission. The vision deals with "providing continuously unparalleled banking services in Ethiopia like mount Dashen excels all other mountains in Ethiopia" and concerning its mission, it intended to "provide efficient and customer focused domestic and international banking services through the application of appropriate technology". It is known that the sector by itself highly prone to risks and tough competition and the bank needs strong and effective means to fulfill the broad vision in general and the interest of the stakeholders in particular(Dashen Bank 21st Annual report for the year 2017).

In line with this, the bank has run various interrelated but perplex projects. To gain a maximum return from the projects, it has required to establish effective PMO in order to manage projects successfully thereby help in achieving organizational objectives. Accordingly, the Bank has recently implemented PMO with the responsibility of managing different projects at director level to maximize the success of projects in helping to achieve overall organizational objectives. Therefore, the main goal of this paper is to assess the roles and types of PMO for enhancing the effectiveness of project portfolio management in Dashen Bank.

1.2. Background of the Organization

Dashen bank is a privately owned company established in 1995 with a capital of 50,000,000.00 birr. In accordance with “licensing and supervision of banking business proclamation no. 84/1994 “of the National Bank of Ethiopia to undertake commercial banking activities. The bank obtained its license from National bank of Ethiopia on 20 September, 1995 and started normal business activities on the first of January 1996. Presently, the bank has the paid up capital of more than ETB 2 billion and 4500 employees to operate through its head office in Addis Ababa and more than 354 area banks (branches) established within and outside of Addis Ababa out of which more than 20 Area Banks operating in the Bank’s own building (Dashen Bank 21st Annual report for the year 2017).

Dashen Bank provides different kind of commercial bank activities including consultancy service in the area of interest of customer. To meet the needs of the emerging private sector for quality and dependable domestic and international banking services. To expand and diversify

commercial banking services in response to the growing demands of customers. To contribute towards the economic and social development of the country and to operate profitably in a sustainable manner.

Major activities

- > To mobilize all types of deposits (savings, demand , time, Hybrid Account, Saving plus Account, Modified Youth Saving, Interest plus bonus, Student Account and Current Account Protection Scheme) and pay interest on interest bearing accounts.
- > To provide loans and advances to its customers, including long-term investment/ project financing.
- > To render domestic and international money transfer services.
- > To provide international banking services such as: Imports operations, Exports operations, Handles foreign currency transactions, Encashment of VISA and MASTER card and Maintain and operating non-resident account.

The overall structure of the organization revealed as president at the top with three vice-president and different directors, department and branches at the middle level and different experts at the frontline level. PMO is one of entity in Dashen Bank that established at director level to undertake decisive role in endeavor to attain maximum benefits from strategic projects. Such roles are overall planning, coordination, execution, resource management, monitoring and evaluation of modernization projects and change managements; develop the Bank's change Management strategy and leads enterprise wide change management programs; developing project strategy and business case in collaboration with other concerned work units or independently as deemed necessary; preparing, designing, developing and testing the project; facilitating trainings and providing transitional support after launching of the project, coordinates all resources and stakeholders and monitors the progress of projects with the intention of completing projects within the stipulated time frame and approved budget and sees to it that a post-implementation project review is always undertaken.

1.3. Statement of Problem

Project management plays a key role in contemporary company management operating in virtually in all commercial or non-commercial activities. A study of the World Bank (Bredillet et al., 2008) reports that 21% of the global Gross Domestic Product is related to capital operations which originate from project-based activities. When too many projects are to be managed simultaneously by an organization while resources are scarce, the project portfolio requires finding the precise balance of organizational resources. Accordingly, the ever enlarging and widening of the activities of projects paved the way for emerging of PMOs as a single department or unit for coordinating and managing multi-projects for a better gain.

Some scholars argued that the PMO has a significant role to play in developing organizational project management maturity (Hill, M. 2004). In passing, (John, P. 2013) suggested that the effort and money spent in implementing PMOs has made a big difference in the level of success achieved in executing projects and programs. Having strong and efficient PMO enables the Organizations: to reduce the risk of projects failing to deliver to time, cost and quality targets; to increase the success of projects and programs in delivering the business value expected; to make more efficient use of project resources by using a “shared service”, and to make more effective use of scarce skills and resources across projects and programs.

In spite of the fact that there is a worldwide consensus in principle among scholars, academicians and practitioners on the broad range of functions of PMOs for the success of the organization in general and for developing key new project management competence (Hurt, M. and Thomas, J. 2009); Aubry, et.al.(2010)), in particular, there is little insight into what PMOs actually contribute for the organization when looking it from the organizations’ management perspective. Research findings (Stanleigh M, 2006) showed that many organizations shut downed PMOs within a short period of time once it was established either because of lack of awareness on the role and nature of PMOs for the success of the organization or improper utilization of PMOs.

Accordingly, Dashen bank is also considering the establishment of PMOs as an important step for further growth of the Bank, though establishing PMO by itself might not bring the required benefit as it supposed to contribute for the success of the projects in particular and the overall success of the bank, in general. Thus, assessing the role and types of the PMO is imperative to

take possible remedial actions, if there is wrong performing in PMOs. Moreover, it is new concept to our country and in my best of knowledge, I couldn't get any empirical study on the topic. So, this research is intended to assess the application of the role and types of PMO concept as a tool to enhance the organization's program/projects performance and to optimize intended strategic objectives of Dashen Bank.

1.4. Research Questions

The main question of this research is what are the major roles and functions of program/project management office in Dashen Bank in applying important project management office's concepts in the organization program/project management?

Specifically the study seeks to answer the following research questions after collecting and analyzing the data. What actual roles and functions PMO has in the bank? Does the PMO provide support or coordinate managers in success of different projects? Has the organization chosen the proper type and structure of project management office?

1.5. Objective of the Study

The general objective of the study is to assess the role and type of PMO for enhancing the effectiveness of project portfolio management and the applicability of PMO roles in Dashen Bank. The specific objectives of this research are to try: To identify the PMO's roles and functions in organization, To identify the PMO types in this organization, To forward possible recommendation regarding gaps facing PMO in Dashen Bank.

1.6. Significance of Study

This research has a contribution to find a better role of PMO in Dashen bank to achieve its objectives. Organizations that are currently considering implementing a PMO, or redesigning an existing one, may here find information leading to a better definition of the PMO types to adopt in their organization. It also provides a clear picture of current state and define future state; identifies the gaps and provides a roadmap for organization change; and motivates individuals to grow and develop current skills and educate the organization on best practices.

1.7. Organization of the Research

This research is organized in to five separate chapters. The first chapter is an introductory part covering discussions on background of the study, background of organization, research problem, objective of the study, significance of the research, limitations of the study, definition of terms and organization of the research. The second chapter briefly viewed literature relevant to the study which includes theory and empirical evidence related to the research topic. The third chapter discussed about the research design and methodology which was applied in the study. In the fourth chapter findings are presented and interpreted. The last chapter includes summary of the findings, conclusions, and recommendations.

1.8 Scope of the Study

The study covers one of project management knowledge area that is called project management office, particularly focusing on assessing PMO roles and its type in Dashen Bank. The scope of the study is delimited to only the roles of PMO undertaking and the type PMO looks in Dashen Bank. Hence the descriptive analysis of the data is based only on the existing employees of PMO in Dashen Bank.

1.9. Limitation of the Study

The study had some limitations that was not explored all the existing information. Since it was focused on assessing the gap of existing PMO, thus there were not sufficient background information about the subject matter that can highly support the study because project management is newly emerged business filed for the world relative to others and also for our country. Furthermore, some sampled respondents for interview selected in the sample couldn't give their perception. So, as long as PMOs is concerned there by affect consistency of the data. Since the study needed sufficient data to attained its objective and it needed some amount of fund to collect and analyzed the data. Thus, the lack of finance and time and fear of respondents to respond questioner and interview genuinely due to secure reasons were other expected constraints to conduct this research.

1.10. Definition of the Terms

A Project Management Office is “an organizational body or entity who are assigned various responsibilities related to the centralized and coordinated management of those projects under its domain.

PMO Roles represent all formal and informal activities and practices in which the PMO directly or indirectly is engaged with projects.

PMO Type represents what service PMO provides in defining standard project-management methodologies and processes, project program delivery, and administration support in a given organization.

CHAPTER TWO

2. LITERATURE REVIEW

2.1. Theoretical Literature

The genesis of project portfolio management integrates knowledge from two main strands of theory: contemporary project management and financial investment theory. In this line, some principles and methods originating from investment portfolio management have been adopted within the field of IT projects (de Reyck et al., 2005) and projects for new products development (Cooper et al., 2001). Still, there is a lack of consensus about the terminology in project portfolio management – concepts like "multi-project environment", "program management", and "project portfolio management" are under discussion in the specialized literature (Elonen, S. and Arto, K.A. 2003). Portfolio management was treated as a collection of projects managed by a company – a process related to decision making about project selection, prioritization, and exclusion from the portfolio (de Reyck et al., 2005). Thiry, M. (2006) considers the project portfolio management as a process of resource analysis and allocation within the organization directed to achievement of organizational goals and thus maximizing the stakeholders' value.

Some authors have identified managerial problems which could be resolved by the practice of project portfolio management. Core managerial problems relate to the lack of connection between organizational strategy and project selection process resulting in misbalanced portfolios exhausting too much organizational resources. Other problems originate from the scarcity of resources and, in the same time, lack of priorities in decision making, insufficient data, information overflow, improper competencies, unsatisfactory commitment, unclear roles and responsibilities of project team members, and last but not least – irrational or authoritative decision making (Elonen, S. and Arto, K.A 2003). Kendall, G. I. & Rollins, s. c. (2003) consider the lack of interconnection between project management and strategic planning. Project managers focus much more on the issues of scarce resources and related conflicts as well as on hindered multitask operations. They rarely pay attention to the strategic dimensions of prioritization and the resulting effective resource allocation.

Among the new insights in project management the concept of Project Management Office emerges as an effective solution for many problems in contemporary project portfolio

management. Its conceptual definition is still under discussion and because of this, it is used interchangeable with other terms such as "project office", "program office", "project-oriented organization", "project based organization", etc. Ward (2000) defines "project office" as an organizational unit founded in order to manage a one or a series of projects and governed by a project/program manager. This definition is extended to Project Management Office /PMO/ by precisely assigning the following functions: to assist project managers, project teams, and different management levels in dealing with strategic organizational issues when implementing project management principles, practices, tools, and techniques (Ward, L. 2000). By introducing a PMO, a project oriented organization adopts an overall strategy termed by the concept of "management by projects".

In a business or non-profit organization PMO emerges as a department or special team constituted within the organization which introduces and maintains standards related to project portfolio management. PMO emphasizes on standardization of project work throughout the various projects executed by the organization, and moreover, PMO supports project managers and teams to adopt professional standards of project management (PMI, 2008). PMO acts as a formal unit with centralized control and coordination which typically links top management to project management within the organizational structure (Singh et al., 2009).

Introducing such an organizational entity like PMO is often a hard task because of the specifics of each organization – each PMO needs to be unique in order to reflect the features of the organizational strategy and culture. As stated by Valle et al. (2008), PMO acts as a center of intelligence and coordination which links the strategic organizational goals to the expected project results by the mechanisms of project portfolio management. PMO roles and responsibilities extend from delivering support functions to project managers to taking the obligations for the direct management of one or more projects.

PMOs have proved to operate effectively in respect of one major target of project portfolio management, namely, to appraise and prioritize the projects in order to boost their inputs to the achievement of the organizational goals. Furthermore, the function of PMO to narrowly monitor the performance of the projects ensures that they would be effectively completed. This way the utilization of a PMO provides additional value to the general utility of project management, more specifically, the precise operating and tracking multiple projects, coordinating their cumulative

interactions when utilizing organizational resources (table 2.1). Portfolio management through PMO shows also specific divergence from the traditional project management, e.g. focusing on the strategic issues of organizational vision and development as well as critical success factors supporting the long-term targets of the organization (SEI, 2011).

Table 1. Key differentiators of project portfolio management versus traditional project management

Characteristics	Project Portfolio Management	Project Management
Scope	Select projects with scope that supports organizational goals	Control and manage scope against project specific requirements
Time	Monitor all project timelines against short- and long-term goals	Manage tasks due dates and dependencies to ensure project delivery
Resources	Monitor and manage resource utilization across the portfolio	Utilize provided resources effectively and efficiently
Tools	Dashboards, resource leveling, PPM Applications	Project plans, budget spread sheets, project Charters
Impact On Change	Measure change across the entire organization to foster user acceptance	Manage change within the purview of individual project to control scope
Industry Evolution	Measure and evaluate future state against industry and portfolio	N/A

Source: SEI (2011), p.2.

In general, the literature on PMO focuses predominantly on a range of professional issues and technical implementation aspects. The majority of the sources treat mainly three topics: justification for introducing PMO as an organizational innovation; PMO roles and functions; particular steps for its introduction. The emergence of PMO is related to the expansion of the project based activities and the sophistication of the projects in the business world which brought in some degree of centralization (Marsh, D. 2000). Nonetheless, the reality of project management implementation is substantially diverse. Numerous distinctive functions have been identified where PMOs were found to have a core responsibility regarding some specific

functions. Some authors indicate that PMO was found to have a main role in personnel management within project oriented organizations (Huemann et al., 2007) as well as tighter connection to the control functions (Huemann, M. & Anbari, F. 2007).

2.1.1. Definition of PMO

Various definitions of PMO and its implementation have been presented. The Project Management Institute (2013) defined the PMO as “a management structure that standardizes the project-related governance processes and facilitates the sharing of resources, methodologies, tools, and techniques” (p.10), and they stated that its responsibilities vary from providing project management support to having real responsibilities for managing projects directly. While others have defined it as “an organizational entity established to assist project managers, teams and various management levels on strategic matters and functional entities throughout the organization in implementing project management principles, practices, methodologies, tools and techniques”.

On the other hand PMO is “the department or group that defines and maintains the standards of process, generally related to project management, within the organization. The PMO strives to standardize and introduce economies of repetition in the execution of projects. The office is also the source of documentation, guidance and metrics on the practice of project management and execution” (Pole to Pole Communications).

The terminologies used to indicate the PMO vary between organizations based on its roles and maturity as it is called Project Office for low mature PMOs and Project Management Office for standard PMOs, and Program/ Portfolio Management Office or Enterprise Project Office for high level PMOs (pm solutions 2011). The pm solutions 2012 has mentioned that there are new terminologies used for the PMO as Strategy Management Office or the Planning and Innovation Office. However the global known name for this business unit is Project Management Office. As Project Management Solutions (2011) has mentioned that PMO is now seen as change agents within some organizations and that it is taking a higher role from being not only divisional to be enterprise PMO. Accordingly, the PMO can be for a specific project or program, or for some departments such as Information Technology, or it

can be at the organizational level, while in big size organizations, there can be multiple PMOs at different level within organization (Duggal, J.S. 2007).

The PMO can have centralized or decentralized modes, and each of them have their own advantages and disadvantages and can be suitable according to the purpose of the PMO Shamur, G.L. (2009).

Advantages: Improve project standardization in the organization, Improve the reporting for upper management and Improve professionalism of project managers

Disadvantages: It move too slowly when it came to small in house projects, Not get full cooperation from the functional mangers and Limited sometimes by its own standards

As stated above, the basic unit to operate effectively the management of organizational project portfolio is the project management office. It is necessary to note that overall maintenance of a PMO provides an innovative tool for centralized management of the portfolio of projects executed by the organization. For the purposes of the present study, a basic definition of PMO provided by the Project Management Institute (2011) is accepted: "An organizing body or agency assigned by multiple responsibilities associated to centralized and coordinated management of projects". From my point of view, PMO's responsibilities can range from providing support for the management of projects to functions related to direct management of projects.

2.1.2. Types of PMO

Authors classified PMOs in different ways, some as broad functional groups (Dai, C.X. & Wells, W.G. 2004; Hill, G.M. 2004; Hobbs, B. & Aubry, M. 2007) whereas others attributed its importance to the role it plays developing organizational project-management maturity (Hill, G.M. 2004). PMI (2013) claimed that based on the degree of control and the effect on projects, PMOs may occur in organizations in different types:

- ❖ **Supportive:**-PMOs provide a consultative role to projects by supplying templates, best practices, training, access to information and lessons learned from other projects. This type of PMO serves as a project repository. The degree of control provided by the PMO is low.

- ❖ **Controlling:** - PMOs provide support and require compliance through various means. Compliance may involve adopting project management frameworks or methodologies, using specific templates, forms and tools, or conformance to governance. The degree of control provided by the PMO is moderate.
- ❖ **Directive:** - PMOs take control of the projects by directly managing the projects. The degree of control provided by the PMO is high.

On the other hand Kerzner, H. (2009) also classify PMO type in to three which are commonly used in companies;

- **Functional PMO:** This type of PMO is utilized in one functional area or division of an organization, such as information systems. The major responsibility of this type of PMO is to manage a critical resource pool, that is, resource management. The PMO may or may not actually manage projects.
- **Customer Group PMO:** This type of PMO is for better customer management and customer communications. Common customers or projects are clustered together for better management and customer relations. Multiple customer group PMOs can exist at the same time and may end up functioning as a temporary organization. In effect, this act likes a company within a company. This type of PMO will have a permanent project manager assigned and managing projects.
- **Corporate (or Strategic) PMO:** This type of PMO services the entire company and focuses on corporate and strategic issues rather than functional issues. If this type of PMO does management projects, it is for cost reduction efforts.(p,958).

Dinsmore (1999), cited in Hobbs, B. & Aubry, M. (2010) was one of the first researchers who sorted the PMOs into four types, one type of them for the single-project entity and three types for the multi-projects entities, since then, many other researchers sorted the PMOs into three or four types ‘Single-project Entities’ as explained by Dinsmore (1999), Crawford, J.K. (2002), and Garfein, S.J. (2005), cited in Hobbs, B. and Aubry, M. 2010) is the simplest shape of the project management office which consists of a project team who are dedicated to run and manage a single project by focusing on scheduling and reporting the progress of this single

project's activities. Crawford, J.K. (2002) called the single-project PMO as 'Level 1: Project controls Office' that has a main task of supporting and managing a single project by focusing on and controlling the project's plan, schedule and monitoring and controlling reports. In this level the PMO doesn't see any other project and doesn't involve or participate in these other projects' management processes.

While the 'Multi-project PMOs Entities' were defined and categorized by Dinsmore, P.C. (1999) and England, R.L. Graham, R.J. & Dinsmore, P.C. (2003) into the following three (3) categories:

Project Support Office (PSO): in this category, the project management office main duty is to support the organization's various projects by providing some of the project administration, controlling and monitoring services such as planning, scheduling, tracking, documentation, project auditing ...etc.

Project Management Center of Excellence (PMCOE): in this category, the project management office main duty is to seek the project management processes excellence in all over the organization's projects by providing much more focused services related to methodologies and competences rather than providing management support to the projects. The PMCOE is concerned more to provide services such as project management training, standardization of the project management processes, project consultation, management skills enhancement, best practice identification, portfolio reporting, prioritizing the organization projects ...etc.

Program Management Office (PMO): in this category, the project management office is responsible for much higher and broader responsibilities, besides the responsibilities of the PMCOE it is assumed to allocate the projects resources, recruiting projects' team, ensure the project alignment with business strategies, coordinating and managing the projects managers.

The 'Multi-project PMOs Entities' were categorized by Crawford, J.K. (2002) into two categories of Level 2 and Level 3:

In Level 2 or the 'Business Unit Project Office', the project management office main task is to integrate between various projects, small and short-term to major and long-term projects, those

running within a department (or a division) while still supporting single projects. It was claimed that in this level “an organization can, for the first time, integrate resources effectively, because it’s at the organizational level that resource control begins to play a much higher-value role in the payback of a project management system” (Crawford, J.K. 2002, p. 4). PMO in level 2 is the entity that facilitates an early determination of where and when the resources’ shortages may occur along the projects and how to overcome this shortage by hiring or outsourcing the required additional resources.

In Level 3 or the ‘Strategic Project Office’, the PMO main task is to apply the project management procedures, resources administration, projects ordering, and systems thinking through the whole organization. Crawford, J.K. (2002) claimed that at this high level (the corporate level), the PMO may be considered as a source for the project management standards, processes, and methodologies that improve the performance of single projects in the whole organization while preventing the resources allocation conflict, giving tools to manage the organization projects as individual projects or related portfolios, and playing the role of a single source of giving the top management the whole picture of the projects status.

Therefore, Crawford, J.K. (2002) added that the project management office is the entity which is designed to integrate the project management within the organization more than be a group of persons. At this level, the organization capabilities of managing its projects can be promoted to a higher level and “given the appropriate governance, it can improve communication, establish an enterprise standard for project management and help reduce the disastrous effect of failed development projects on enterprise effectiveness and productivity” (Gartner Group 2000, cited in Crawford, J.K. 2002, p. 5).

2.1.3. Roles and functions of PMOs

A Project Management Office or PMO is a specific department within an organization that is responsible for maintaining the standards of project management within that organization. The role of project management office (PMO) in organizations vary based on the type of organization and projects that needs to be implemented or delivered. Crawford, J.K (2002) highlighted that there are six main functions of the project management office, and they become more

complex as the project management office getting more strategic responsibilities. These six main functions are:

Project Support: by providing support to the projects managers in many items such as the project management documentation, change control process, being a project repository (by being a reference and providing all project plans, historical records and lesson learned), tracking & reporting, risk management, projects' resources repository, and cost tracking.

Software Tools Support: by identifying the needs of the project management software and supporting software, integrating between this software, maintaining and monitoring its performance, and playing the role of a professional expert helpdesk for this software to help these software's users of the project managers or projects' team members.

Processes, Standards, and Methodologies: by developing, applying and maintaining the project management standards, processes and methodologies and playing the role of a central source of these standards and the professional party in implementing it throughout the organization's projects, and regularly update these documents by applying the best practice and lesson learned.

Training: by participating with the organization training department and expert training centers in preparing various project management courses for the project managers and the other team members in order to enhance their capabilities and achieve their maximum performance.

Consulting and Monitoring: by providing consultation to other departments (such as IT) who might want to manage their internal project themselves, also by providing consultation to project managers in case of any project difficulties they may face, and by performing regular monitoring and auditing on projects and provide support to the project team by in case of over budget or being behind the schedule to enhance the project performance.

Project Managers: by evaluating, coaching, and developing project managers through the directions of the manager or the director of the project management office who is having and managing a database of the project manager's capabilities and skills. The PMO manager and the

PMO are also the responsible party of assigning the project managers for their best matching new projects based on their database.

While the PMI (2013) stated that the function of the PMO depends on its organization requirements, and continued in identifying some primary functions of the PMOs by stating that: A primary function of the PMO is to support project managers in a variety of ways which may include, but not limited to: Managing shared resources across all projects administrated by the PMO; Identifying and developing project management methodology, best practices, and standards; Coaching, monitoring, training, and oversight [of project managers]; Monitoring Compliance with project management standards, policies, procedures, and templates via project audits; Developing and managing project policies, procedures, templates, and other shared documentation (organizational process assets); and Coordinate communication across projects. (p. 11).

Artto et al. (2011) also did an intensive literature review in order to trying to identify all the possible roles and functions of the PMO and the accountabilities that a PMO can implement to satisfy the requirements of the organization. In their review of several researchers work, Artto et al. (2011) categorized the PMO's roles and functions into five distinctive categories:

1. Managing Practices: This PMO tasks' category is managing the development of the organization's project management procedures, tools, systems, forms ...etc. It integrates the incessant development of the project management processes in the organization.

2. Providing Administrative Support: In this tasks' category, the PMO has the accountability of doing part of the project managers' duties to gain the advantage of the accumulated skills and saving or to decrease the load on the project managers by providing support in executing, facilitating, reporting, tracking, and coordinating some tasks that should be done by the project managers.

3. Monitoring and Controlling Projects: Artto et al. considered this category tasks as vital tasks of the PMO as it includes collecting various reports, doing the projects' audits, performing the project evaluations when project closed or completed, and allocating the projects' resources.

4. Training and Consulting: This category deals with improving the project management culture in the organization by providing advising, consultation, mentoring and training for the organization's teams who handle the project management.

5. Evaluating, Analyzing and Choosing Projects: This category includes all of the portfolio management processes and methods such as Coordinate between projects, Participate in strategic planning, Manage one or more portfolio, Identify, select and prioritize new projects, Manage one or more programs, Evaluate project definition and planning, Conduct cost/benefit analysis of projects, Supervise funding submissions, Assess competency, capability and maturity, and Provide project start-up assistance.

2.1.4 PMO's Resources

According to Brewer , et al., (2013), the PMO may consist of many resources depending on the functions performed and the level of PMO created (whose title will vary between organizations):

Chief project officer: - Owns project management for the enterprise, business unit, or department. Expert and mentor in all areas of project management.

Project manager: - Directs and coordinates project activities.

Project planner: - Handles consolidating and managing of project plans, including schedule development, budgeting and resources.

Project librarian: - Maintains a repository of project knowledge (records, standards, methods and lessons learned).

Best practice expert: - Develops and maintains project management methodology and processes.

Process improvement manager: - Prepares and executes process quality assurance plans. Documents and maintains project process and standards.

Resource manager: - Works with human resource in providing job descriptions, roles and responsibilities, and how to measure performance against those roles and responsibilities.

Communication controller:- Handles external and internal communications related to projects within the PMO.

Change control expert: - Is responsible for organizational change management, developing and maintaining issue resolution and change control processes.

Executive administration: - Provides secretarial support and performs back-office tasks.

Technology service: - Manages and coordinates technology issues, maintains central software configuration management for teams on all projects, and supports and maintains the PMO software, data base and all other technical needs.

2.2 Empirical Literature

Organizations nowadays are allocating resources to projects to ensure that projects are managed and controlled efficiently and successfully, however recent researches have shown that around 90% of the projects have a problem in satisfying cost, time, and quality limits (Standish Group 1995), while others have mentioned around 69% of projects failures are due to inappropriate implementation of project management methodologies (Santodus, M. 2003).

According to PM solution' bench mark study the number of organization implementing some type of PMO is growing rapidly (see www.pmsolutions.com/research). On the "state of the PMO 2012," report PMOs decreased failed projects by 30%, delivered 25% of projects under budget and 19% ahead of schedule, and saved companies an average of \$411,000 per project.

The survey consisted of 554 high-level project management personnel from all size organizations in various industries. Of the organizations surveyed, 85% have a PMO in place, demonstrating a steady growth from 48% in 2000, 77% in 2006, and 84% in 2010. The reasons for this growth are many, including improved success rates, improved return on investment (ROI), and new government-mandated reporting requirements (for example, those contained in the Sarbanes-Oxley Act, which requires companies to report investments, such as large information technology (IT) projects, that may affect an organization's performance, for example the implementation and deployment of an ERP software project) (Brewer, et al., 2013).

In 1994, the Standish Group found that only 16% of projects were successful in time, budget, and technical specifications (Crawford, J.K. 2001). In follow-up research in 1998, the group observed an increase in the success rate of projects from 16% to 26%. Among reasons offered for the improved success rate was the enhanced use of project management and standard project procedures as a consequence of the implementation of the PMO.

According to the State of the PMO 2010 survey, 84% of organizations are currently implementing PMOs in their organizations, a jump of 36% from the year 2000 (PMI, 2012). Organizations with PMOs report more projects completed on time, in budget, and meeting business goals. According to PMI's (2011), Pulse of the Profession Survey (PMI, 2012), PMOs help reduce the number of failed projects, delivering projects on or under budget, improving productivity, delivering projects on or ahead of schedule, and increasing cost saving. Furthermore, PMOs add value by monitoring project-performance governance, providing training, and setting or defining standards (PMI, 2004). As companies realize their strategies are being achieved through projects and therefore it's critical to have a way to manage these projects, PMOs have gained popularity (Hurt, M. & Thomas, J.L. 2009, p. 55). Furthermore, PMOs coordinate multiple projects across an organization, act as mentors or centers of best practices, and improve project-management capabilities in an organization (Hobbs, B. & Aubry, M. 2007).

Such researches and others gave the PMO and its roles more focus as it became a vital business unit in organizations with variation in its maturity between organizations depending on many factors (Aubry et al 2010).

2.3. Benefits of PMO

Earlier research into PMOs suggested that there was no correlation between having a PMO and project success, in terms of meeting time, cost and quality (TCQ) project estimates. But that research and ours shows that having a PMO increases the adoption of standard project management practices and methodologies (John, P. 2013).

Our study of nearly 150 organizations, of which 70% had PMOs, showed that, overall, those organizations with PMOs did not have higher project success rates, but somewhat counter intuitively, they had lower levels of management satisfaction with the level of project

performance and value delivered. This may be due to how long the PMO has been in place –it may be new and set up because of dissatisfaction with current project performance, or it may be that the management of organizations with PMOs have more information about poor project performance leading to decreased satisfaction(John, P. 2013).

According to John, P. (2013), PMOs were involved in a wide range of activities in all the survey organizations, but in the most successful 25% they were involved in those that our research showed had the most effect on delivering the project benefits, whereas in the least successful 50% the PMOs were very rarely involved in these activities. These were in order of importance:

- ✚ Post-implementation review of success in changes made and benefits realized
- ✚ Change and benefits implementation planning

In more successful organizations involvement of PMOs in the above activities also led to greater satisfaction with the following activities: Time, cost and quality reviews: Transfer of lessons learned to future projects and Identification of project benefits and the quality of business cases.

In the less successful organizations these activities were generally deemed to be done poorly, whether or not they had a PMO.

This suggests that PMOs contribute most to project success and management satisfaction when they are involved in the “downstream” project activities and the feedback or control loop following project completion. In this way the PMO plays a role in project governance by enabling the organization to learn from its experiences and develop its “recipe for success”, in project selection and delivery. In the less successful organizations the PMOs are rarely involved in the activities and so make a more limited contribution (John, P. 2013).

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

Introduction

In this chapter, the research design and methodology adopted when undertaking the research will be discussed and present in detail. Accordingly the research design, sampling techniques, tools of data collection, procedure of data collection and methods of data analysis will be briefly explained.

3.1. Research Design

According to Kothari (2004), the research design to be adopted depends on the nature of the study. The author has classified the research designs in to three broad categories. The first one is exploratory which is used in case of exploratory research studies, the main purpose of which is formulating a problem for more precise investigation. The second research design is experimental which is used in case of hypothesis testing research studies where in the researcher tests the hypotheses of causal relationship between variables. The third one is descriptive, which sets out to describe and to interpret what is. It looks at individuals, groups, institutions, methods and materials in order to describe, compare, contrast, classify, analyze and interpret the entities and the events that constitute the various fields of inquiry. It aims to describe the state of affairs as it exists. Since the objective of research is to assess and describe the existing state of affair, the descriptive research design was employed.

3.2. Sample Design

Sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample as well as number of items to be included in the sample. The sample design incorporates the type of universe or number of population, sampling unit, sampling frame and sample size (Kothari, 2004). Therefore, the population of the study is 82 PMO employees which are currently working in office including managers. But, 70 employees filled and returned the questionnaires with response rate of 85%. And the director of PMO only interviewed.

3.3. Sampling Techniques

Since the population selected for study is the total 82 employees currently exist in office, the census was used. As long as the whole population of PMO employees are included, there is no need for sampling selection.

3.4. Source of Data

There are two types of sources when collecting data; primary and secondary data sources (Arbnor and Bjerke, 1994) as cited in Olle Stromgren, (2007). Primary data consists of all the data collected throughout the study that directly can be related to the study purpose, both personally gathered as well as data from a third party that has been collected with equivalent purpose. Secondary data on the other hand, contains relevant data that has been collected for a different purpose, but from which the conclusion is valuable for the purpose.

Accordingly, throughout the study, the researcher used both primary and secondary data sources. Primary data, directly related to the purpose, was collected from PMO employees through an questionnaire and purposive interview regarding PMO roles and its type. Secondary data, indirectly relating to the purpose, was collected through a theoretical study comprised of; books, research thesis, articles, internet and annual reports.

3.5. Instruments of Data Collection

There is a tendency to divide research into qualitative and quantitative when approach to research has been considered as the criterion of classification. Qualitative research involves studies that do not attempt to quantify their results through statistical summary or analysis. Qualitative research seeks to describe various aspects about behavior and other factors studied in the social sciences and humanities. In qualitative research data are often in the form of descriptions, not numbers. On the other hand quantitative research is the systematic and scientific investigation of quantitative properties and phenomena and their relationships. The objective of quantitative research is to develop and employ mathematical models, theories and hypotheses pertaining to natural phenomena. The process of measurement is central to quantitative research because it provides the fundamental

connection between empirical observation and mathematical expression of an attribute (Abiy et al., 2009).

Thus, the research was done by using quantitative data collected through structured and close-ended questionnaire and interview. The researcher used Likert scale that helps to measure a variable provided and adopted by the researcher and help the respondents to evaluate PMO roles and its type of a given organization. This measurement shows statement with which the respondents show the level of agreement or disagreement that is strongly agree= 5, “agree=4”, “neutral=3”, “disagree=2”, strongly disagree=1 points. Furthermore, semi-structured interview questionnaire was prepared and used to interview PMO's higher officials to further data.

3.6. Procedure of Data Collection

The researcher by himself distributed and collected questionnaires to/from the respondents. All employees working in PMOs gotten the questionnaire despite some respondents didn't return the questionnaire. Interview questions also conducted by the researcher himself.

3.7. Methods of Data Analysis

The data collected through the questionnaires were analyzed by summarizing and categorizing with the use of Microsoft office Excel 2007 and SPSS version 20, as well as descriptive statistics in the form of tabulation, percentage to summarize the result. Mostly the quantitative data served for producing descriptive statistics and descriptive statistics was employed to analyze.

3.8. Reliability and Validity of the Research

Before the analysis of the primary data that was collected through close ended questionnaires, analysis of the variables' reliability and validity of the constructs was verified. To ensure reliability of this research, the questionnaire was designed to measure the concepts in the theoretical model in a consistent manner. The validity of the research is concerned with the measurement of the data collection process implemented regarding the quality of the study. It outlines the evaluation of the quality of both the primary and secondary data used in the research.

To ensure that validity of this study, each question in the questionnaire was designed to represent the concepts that were used in the literature of the study. Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. In other words, validity is the extent to which differences found with a measuring instrument reflect true differences among those being tested, (C.R. Kothari, 2004). For this research, the Cronbach's alpha was expected to be 0.89 in average that implies higher reliability. In order to ensure the quality of the research design content and construct validity of the research was checked.

3.9. Research Ethics

In the context of research, according to Saunders, Lewis and Thornhill, (2001:130), “... *ethics refers to the appropriateness of your behavior in relation to the rights of those who become the subject of your work, or are affected by it*”.

The data was collected from those of willing sample respondents without any unethical behavior or forcefully action. The results or a report of the study used for academic purpose only and response of the participants is confidential and analyzed in aggregate without any change by the researcher. In addition, the researcher respects the work of previous investigations or study and cited appropriately those works that has been taken as a basis.

CHAPTER FOUR

ANALYSIS AND DISCUSSION

4.1. Introduction

In this study researcher used census research design techniques for collecting primary data through questionnaire. This is due to the study focused only on employees of project management office that are currently under operation on active projects including system upgrading project. There are 82 employees working in Dashen bank's PMO with various job position ranging from junior project officer to overall management level. The questionnaire were distributed to all 82 staffs but 70 questionnaires were filled and returned and leads the response rate to become 85%. And interview conducted with director of PMO.

4.2. Demographic Characteristics of Respondents

In this section the characteristics of respondents in terms of gender, age, educational level, work experiences, current position and certificate on project management were presented as follows in tables below.

As showed in the following table, 91.4% of the respondents are male and the remaining 8.6% are female. With regard to age distribution, 57.1% of respondents are young aged between 22 and 30 years followed by age between 31-40 years (35.8%). The rest 7.1% of respondents are age between 41-50 years. Looking into educational level, 71.4% of the total respondents are first degree holders followed by second degree holders (24.3%). And also, the remaining 4.3% are college diploma holder. From these information one can understand that majority of them are male and young with good level of education.

Asked about working experience of the respondent, majority of them (41.4%) have a service year below two years. Respondents having a service year of 6-10 years and 3-5 years account 21.4% and 20%, respectively. While, the remaining 17.1% of them have a service year of 11-15 years.

Regarding current position of respondent in PMO, 48.6% are junior project officers and 41.4% of the respondents are senior project officers. The other 7.1% are project manager and 2.9% of the respondents are on overall managerial position. It indicated that the composition of

employees with respect to Job category more or less includes more experienced and less experienced employees which paved the way for experience sharing among them for a better performance of the department (PMO).

Table 2. Demographic characteristics of respondents

S.no	Demographics Characteristics	Gender	Frequency	Percent
1	Gender	Male	64	91.4
		Female	6	8.6
2	Age	Age between 22-30 years	40	57.1
		Age between 31-40 years	25	35.8
		Age between 41-50 years	5	7.1
		Age above 50 years	0	0
3	Education Level	Diploma	3	4.3
		first degree	50	71.4
		second degree	17	24.3
4	Experience	0-2 years	29	41.4
		3-5 years	14	20
		6-10 years	15	21.4
		11-15 years	12	17.1
5	Current Position	Managerial	2	2.9
		project manager	5	7.1
		senior project officer	29	41.4
		junior project officer	34	48.6

Finally, respondents were asked whether they have certificate on PM through either by training or formal education. As can be seen in table 4.2, 51.4% of the respondent revealed that they have certified on project management through training while 5.7% of respondents have certificate on project management through formal education or are first degree and above holders. Thus, the finding suggested that more than 40% of the respondents have not certified on project management which in turn signified that considerable number of PMO activities have

undertaken by employees who have less knowledge about project management thereby adversely affect efficiency of various Project activities in PMO.

Table 3. Certificate on project management

Certificate	Frequency	Percent
BA and above	4	5.7
Training	36	51.4
No	30	42.9
Total	70	100.0

4.3. Discussion on Respondents' Perception on PMO Role

As mentioned by many scholars and academicians, PMO has undertaken various complex and comprehensive roles to get optimal return from many intertwined projects thereby to robust profit of the organization at large. Moreover, the role of PMO has increased over years due to the ever changing of customers demand, tough market competition, and many other factors. Therefore, establishing and implementing clear role of PMO is fundamental. It is supposed that PMO have at least five bold and clear functions in any organization as stated by (PMI, 2013). Accordingly, respondents were asked to state their perception in implementing and practicing of the five PMO roles in Dashen bank. The findings are presented as follows.

4.3.1. Providing Administrative support

One of the basic function of PMO is providing administrative support for different projects of the organization. In line with this, respondents were requested to reveal their perception on the issue. As can be seen in the following table, a higher agreement level¹ (78.6%) was scored on attribute 'report project status to upper management followed by attribute 'provide advice to upper management and developing a corporate resource capacity /utilization plan (75.7% each)'. Moreover, 55.7% of respondents agree on attribute 'conduct networking and environmental scanning'. On the other hand, more than 70% of respondents disagree on in exercising of

¹ Agreement level is the sum of agree and strongly agree.

coordinating of vendors/ contractors relationship and recruiting selecting, evaluating and determining activities in the bank.

Table 4. Providing Administrative support (%)

Dimensions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Clarification PM role and responsibility	-	7.1	37.1	31.4	24.3	3.7286	.91559
Developing a corporate resource capacity/utilization plan	-	-	24.3	52.9	22.9	3.9857	.69141
Report project status to upper management	-	-	21.4	38.6	40.0	4.1857	.76694
Conduct networking and environmental scanning	8.6	12.9	22.9	35.7	20.0	3.4571	1.20007
Provide advice to upper management	-	2.9	21.4	52.9	22.9	3.9571	.75057
Recruit, select, evaluate and determine salaries of PM	8.6	25.7	37.1	21.4	7.1	2.9286	1.05393
Coordinate vendor/ contractor relationship management.	12.9	14.3	51.4	7.1	14.3	2.9571	1.14760

4.3.2 Training and consulting

The other main activities of PMO is provision of training and consulting to upgrade the skill and capacity of employees for better performance achievement. In line with this, three indicators were implemented- develop competency in personal including training, provide mentoring for project manager and provision of consultations to trouble projects. The finding confirmed that above 70% of respondents perceived in practicing of training and consulting in PMOs. Especially, provision of mentoring for project managers agreed by 77.1% of participants (table 4.4) but Provision of consultations to troubled projects registered lowest agreement level (70%) compared to the remaining two attributes. To put in a nutshell, the bank's PMO is well in considering these roles efficiently.

Table 5. Training and Consulting (%)

Dimensions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard deviation
Develop competency in personnel, including training	-	1.4	22.9	50.0	25.7	4.0000	.74211
Provide mentoring for project managers	-	1.4	21.4	64.3	12.9	3.8857	.62654
Provide consultations to troubled projects.	-	-	30.0	55.7	14.3	3.8429	.65132

4.3.3 Managing Practice

The third basic function of PMO is managing practices which can be further explained by four attributes. The finding asserted that about 93% of respondents perceived that PMO manages archives of the project documentation properly. Moreover, 78.6% of them agreed on the attribute ‘develop and implement a standard methodology’ while 74.3% of participants believed in implementing and managing of risk database. Finally, PMOs effort to implement and manage database of lessons learned agreed by 64.3% of respondents. Hence, the overall perception of respondents implies the Bank’s PMO has undertaken good managing practice.

Table 6. Managing practices(%)

Dimension	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Develop and implement a standard methodology	1.4	-	20.0	57.1	21.4	3.9714	.74155
Manage archives of project documentation	-	-	7.1	62.9	30.0	4.2286	.56904
Implement and manage database of lessons learned	-	-	35.7	42.9	21.4	3.8571	.74767
Implement and manage risk	-	1.4	24.3	50.0	24.3	3.9714	.74155

4.3.4. Monitoring and Controlling

It focused on roles of PMO regarding resource utilization (allocation), auditing of projects and also managing of returns from the project. As the underneath table elaborates, five indicators were used to test the monitoring and controlling activities or roles of PMO. A higher agreement level (78.6%) was registered on indicator ‘conduct post-project reviews’ followed by indicator ‘monitor and control project performance (68.6%)’ and indicator ‘conduct project audit and allocate resources between projects (64.3% each)’. PMO effort to manage benefits relatively agreed by lower percentage of respondents (57.1%) compared to other attributes.

Table 7. Monitoring and Controlling (%)

Dimension	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Monitor and control project performance	-	8.6	22.9	44.3	24.3	3.8429	.89501
Manage benefits	7.1	-	35.7	35.7	21.4	3.6429	1.04999
Allocate resources between projects	-	-	35.7	50.0	14.3	3.7857	.67872
Conduct post-project reviews	-		21.4	64.3	14.3	3.9286	.59761
Conduct project audit	-	14.3	21.4	42.9	21.4	3.7143	.96523

4.3.5. Evaluating, Analyzing and Choosing Projects

The final core responsibility of PMO focused on evaluating and analyzing alternative projects and then selecting the best projects. Accordingly, six attributes were identified for a measurement. The data result, as can be seen in the following table, showed that 70% of participants perceived that PMO try to manage one or more portfolio and identify, select and prioritize new projects. About 61% of participants believe in participating of PMO in strategic planning. Besides, half percentage of respondents disagreed in well practicing of competency, capacity and maturity assessment in PMO. More than 67% of participants in the study highly disagree in PMO’s efficiency in managing one or more programs/projects which depicted weak capacity of PMO in managing of various multi-complex projects simultaneously.

Table 8. Evaluating, Analyzing and Choosing Projects

Dimension	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Coordinate between projects		12.9	31.4	50.0	5.7	3.4857	.79387
Participate in strategic planning	1.4	7.1	30.0	35.7	25.7	3.7714	.96566
Manage one or more portfolio	-	7.1	22.9	44.3	25.7	3.8857	.87713
Identify, select and prioritize new projects	-	1.4	28.6	57.1	12.9	3.8143	.66579
Manage one or more programs/project	-	4.3	52.9	38.6	4.3	3.4286	.64989
Assess competency, capability and maturity	-	7.1	42.9	31.4	18.6	3.6143	.87299

To upshot the preceding decisions, many participants in the study believed in exercising of roles relating to training and consulting, managing practices compared to the other roles of PMO in Dashen bank despite there is perception variation on individual attributes (indicators) within the five roles. Moreover, overall result revealed that attributes related to managing of archives of project documentation, reporting of project status to upper management and providing of advice to upper management registered a higher agreement level in comparison with other attributes, while attributes like coordinating vendors/contractors relationship management, recruiting, selecting, evaluating and determining salaries of project management and managing of one or more programs/projects agreed by least percentage of participants (below 50%) comparing to other attributes.

4.4. Types of Project Management Office

According to (PMI, 2013) Project Management Office generally categorized in to three types based on their functions. These are supportive, controlling and directive. Consequently, the respondents asked their opinion about PMO type of Dashen Bank to choose from mentioned types. As presented on the table below PMO type in Dashen Bank represent all the three type of PMO with different degree of agreement. Of the total respondents 56% agreed on supportive

type of PMO and the remaining agreed on controlling type with 34% and 10% on directive type of PMO exist in Dashen Bank. Hence, the data result showed the existence of a smoothly multi-type PMO in the bank. It also implies that PMO in Dashen Bank exercise high degree of supportive role and moderate degree of controlling with low degree of directive roles.

Table 9. Types of PMO

Types	Frequency	Percent
Supportive	39	56.0
Controlling	24	34.0
Directive	7	10.0

4.5 Analysis of Semi-Structured Interviews

The interview was conducted only with PMO director while other respondents didn't participate in the interview as some of them were unwilling and others haven't sufficient time for interview and thus, the analysis is done based on the director interview.

Accordingly questions regarding how long was PMO in operation and driving force for establishing the office. The director responded that the office was in operation in the past two years with intention of maximizing the benefits of project management practices in achieving overall objectives of organization.

Regarding the question 'what is the definition of the project management office (PMO), in your opinion what should be its roles and functions of PMO in your organization?' the response was similar to the definition of scholars of PMO on literature but the office is named as Program Management Office.

Regarding the number of projects, there are six different Project Streams under the domain of PMO: Retail Banking, Credit (Loans and Advances), HO & Finance, TIBS Stream (Trade Service), IFB (Interest Free Banking) Technical and Data Cleansing Streams.

Response related with PMO's structured is that the office consists of the program sponsor (the President of the Bank), co-sponsor (VP – Operations), the steering committee members, Director (PMO), the Project Managers, Stream leaders, different business owners and the project team. In addition, questions relating with whether PMO directly managing each project individually

or are providing help, support, project management standards, and other services to these projects' managers, the interviewee responded that PMO engaged in needs of the overall organization and/or it may also involves in managing a single or provides support to different projects.

Regarding questions 'What look like your organizational structures?' and 'what type of PMO can be your office?', The director of PMO responded that the office is structured at director level next to president and vice president. In line with this, the director also perceived that the type of project management office that exist in Dashen Bank is mostly supportive type but it also involve in controlling and directing one or more projects as needed by the overall management of the organization. Therefore, the type of PMO in Dashen Bank can be supportive, controlling or directive depending on the roles it is discharging.

To upshot the preceding discussion, PMO in Dashen Bank has been established to solve contemporary project management problem like misconnection between organizational strategy and project selection process, scarce resource allocation, lack of empowerment in decision making and insufficient information for decision and maximize competitive advantages in overall business. This is the reason why most organizations have recently adapted PMO as their part of organizations according to scholars like (Kendall and Rollins, 2003, Elonen and Arto, 2003 and Ward, 2000).

Likewise in a Likert scale measure average response revealed that respondents agreed on that the roles of PMO in their organization were Clarification PM roles and responsibility, Developing a corporate or utilization plan, Report project status to upper management, Conduct networking and environmental scanning, Provide advice to upper management, Develop competency in personnel, including training, Provide mentoring for project managers, Provide consultations to troubled projects, Develop and implement a standard methodology, Manage archives of project documentation, Implement and manage database of lessons learned, Implement and manage risk database, Monitor and control project performance, Manage benefits, Allocate resources between projects, Conduct post-project reviews and Conduct project audit, Coordinate between projects, Participate in strategic planning, Manage one or more portfolio, Assess competency, capability and maturity and Identify, select and prioritize new projects. Which were the most frequently mentioned company's PMO roles and functions out

of 25 project management offices role and functions according to the literature like PMI, 2013 and Artto et al, 2011). On the other hand the response on Recruit, select, evaluate and determine salaries of project managers, Coordinate vendor/ contractor relationship management, and Manage one or more programs indicated neutral with no response of disagreement.

Respondents response in to the choice questions to what type of PMO is in your organization exist? (According to Project Management Institute 2013) in view of survey participants, the result indicated that 56% of respondents were categorized as supportive type and 34% of respondent to controlling with 10% to directive type. As the interview result reveals that their PMO role depends on the needs of organization with change occur to three different types of PMO. This agree with different scholars like Crawford, (2002) that stated PMO roles and function with its type differ from time to time and organization to organization.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1. Conclusion

The main aim of the study is to assess the roles and type of PMO in Dashen bank for enhancing the effectiveness of project portfolio management in the bank. In order to undertake the research structured questionnaires were distributed for 82 employees of the bank who are working in PMO and 85% of participants properly filled and returned the questionnaire. Majority of the respondents were male with aged between 22-30 years in the office. Moreover, many of them are first degree holder and junior project officer with service year less than two years. Furthermore, it was planned to interview three higher officials (by using judgmental approach) who are working in PMO though only director of PMO was interviewed.

The finding indicated that about 51% of respondents qualified in PM through training, while around 8% of them certified in project management (PM) through formal education. The remaining 41% participant revealed that they haven't certified in PM. Regarding the type of PMO in Dashen bank, respondents revealed in exercising of the three types of PMO (supporting type (56%), controlling (34%) and directive (10%)).

Concerning the roles of PMO in the bank, many participants in the study believed in exercising of roles relating to training and consulting, managing practices compared to the other roles of PMO despite there is perception variation on individual attributes (indicators) with in the five roles. Moreover, overall result revealed that attributes related to managing of archives of project documentation, reporting of project status to upper management and providing of advice to upper management registered a higher agreement level in comparison with other attributes, while attributes like coordinating vendors/contractors relationship management, recruiting, selecting, evaluating and determining salaries of project management and managing of one or more programs/projects agreed by least percentage of participants (below 50%) comparing to other attributes.

Interview of PMO director showed that PMO is in its infancy stage with two years of operation in which currently six projects are monitoring under its domain. The interviewee also pinpointed

the type of PMO in Dashen Bank is supportive, controlling or directive depending on the roles it is discharging.

5.2. Recommendation

Based on the finding, the following recommendation are forwarded:

- Efforts should be strengthened to improve employees' recruitment and assignment for PMO otherwise the office may go nowhere. Accordingly recruitment and selection should be based on their knowledge on PM and formal and informal training should be delivered for workers to upgrade their skill and knowledge concerning PM.
- The other recommendation that can be driven from this research is to give more freedom to the project management office and give empowerment these allow them to implement the suitable roles and functions that matches with their program/projects' sizes, types and needs and to make fast decisions about program/project that can help to mitigate risk and to protect from project failures.
- The office should be independent in coordinating vendors/contractors relationship management to have competent contractors that can work with the office.
- Recruiting, selecting, evaluating and determining salaries of project management to get potential candidates should also be left for PMO in Dashen Bank.
- Defining and communicating the PMOs' roles and functions across the organization would allow for optimizing the knowledge sharing, resources sharing/reallocation, experiences transfer across the projects' teams, specialized training programs, ...etc.

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APPENDIX

Addis Ababa University College of Commerce

Department of Project Management

Survey Questionnaire

Dear Respondents,

This questionnaire is designed to gather information about the "Assessment of Project Management Office(PMO) role and nature in Dashen Bank". All responses will be used only to conduct a study for the partial fulfillment of Master's Thesis in Project Management in Addis Ababa University College of Commerce and if needed, it will be as an input for your organization to improve performance. Your anonymity/ secrecy will be strictly maintained as I do not ask for your name here and will not be used for any other purpose. Besides, this survey should only take about 10 minutes of your time. I am grateful for your cooperation in advance!

N.B: Please put a (✓) mark to all your responses in the circle provided to each question (if necessary).

PART I: Demographic Information of Respondents

Q.1 Items Put (✓)

1.1 Gender: Male Female

1.2 Age: 22-30 Years 31-40 Years 41-50 Years 51 Years & Above

1.3 Educational level: Diploma First Degree Second Degree PHD and Above

1.4 Work Experience on project management:

0-2 Years 3-5 Years 6-10 Years 11-15 Years Above 15 Years

1.5 Current Position:

Managerial (overall) Project Manager Senior PM Officer junior PM officer

1.6 Certification on Project Management BA and Above Trainings No

Part II: PMOs' Roles and Functions Questions

INSTRUCTION: different type of project management office role and functions are given in the first column of following table and there are choices on next columns from "strongly disagree to strongly agree". Please tick (√) in the box that best reflects your answer in relation to the question, "What is the role of PMO in your organization?"

Q.2. Questions related to roles of PMO in your organization:

	Roles of PMO	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Clarification PM role and responsibility					
2	Developing a corporate resource capacity/utilization plan					
3	Develop and implement a standard methodology					
4	Manage archives of project documentation					
5	Implement and manage database of lessons learned					
6	Implement and manage risk database					
7	Report project status to upper management					
8	Conduct networking and environmental scanning					
9	Provide advice to upper management					
10	Recruit, select, evaluate and determine salaries of project managers					
11	Coordinate vendor/ contractor relationship management.					
12	Monitor and control project performance					
13	Manage benefits					
14	Allocate resources between projects					
15	Conduct post-project reviews					
16	Conduct project audit					
17	Develop competency in personnel, including training					
18	Provide mentoring for project managers					
19	Provide consultations to troubled projects.					
20	Coordinate between projects					
21	Participate in strategic planning					
22	Manage one or more portfolio					
23	Identify, select and prioritize new projects					

24	Manage one or more programs/project					
25	Assess competency, capability and maturity					

Part III: PMOs' Type Questions

INSTRUCTION: Here is one simple choices related to PMO type so please choose your appropriate answer only

Q.3 What type of PMO is there in your organization? (According to Project Management Institute 2013)

- a) Supportive (support in the form of on demand expertise, templates, best practices, access to information and expertise on other projects)
- b) Controlling (control in the activities, processes, procedures, documentation - not only provides support but request that it be used)
- c) Directive (beyond simple control, and actually takes over the projects by providing the PM experience and resources to manage the projects)
- d) Other _____

Thank you