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THE ROLE OF PROGRAM MANAGEMENT OFFICE ON PROJECT SUCCESS: THE CASE OF ABYSSINIA BANK IT PROJECTS

By: Fanuel Belihu

A FINAL PROJECT WORK SUBMITTED TO ADDIS ABABA UNIVERSITY SCHOOL OF
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ADVISOR: BAHRAN ASRAT (PHD)

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*ADDISABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE DEPARTMENT OF PROJECT MANAGEMENT
GRADUATE STUDIES*

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Abyssinia Bank It Projects*

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JUNE, 2021

Statement of Declaration

I Fanuel Belihu, the undersigned, hereby declare that the work contained in this thesis entitled “*The Role of Program Management Office on Project Success: The Case of Abyssinia Bank It Projects*” is my original work and that I have not previously in its entirety or part submitted at any university for a degree.

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Statement of Certification

This is to Certify that the thesis prepared by *Fanuel Belihu*, entitled: “*The Role of Program Management Office on Project Success: The Case of Abyssinia Bank It Projects*” submitted in partial fulfillment of the requirements for the Degree of *Master of Arts in Project Management* complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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Acronym/Abbreviations

BOA - Bank of Abyssinia S.C

PMBOK - Project management Body of Knowledge

PMI. - Project Management Institute

PMO - Project / Program Management Office

PRINCE - Projects in Controlled Environment

APM - Association of Project Management

PRINCE - Projects in Controlled Environment

PMP - Project Management Professional

IPMA - International Project Management Association

PPM – Project and Program management

SPSS – Statistical package for social science

ABSTRACT

Several organizations including Ethiopian Banking Sector have accepted the importance of a project management office, to resolve the problem of managing new initiatives in an organization. The purpose of this study is to show the role of a program management office on project success using the IT projects of the Bank of Abyssinia (BOA) as a case study. The research was conducted on the PMO of BOA which is located in Addis Ababa. To achieve the research objective Explanatory research design and quantitative research method is used for this study. Data collected from 31 selected respondents (PMO's staff) through a questionnaire. Analysis was done based on the PMO involvement in facilitating knowledge areas of project management, tools, and techniques (Project management tools, Project management techniques, Project Resource Management, Project communication management, Project risk management, and Project Stakeholder management). The result showed that the Pearson correlation among PMO involvement and success is moderate to strong. correlation among the perceived value of a PMO on project success is strong. Regression analysis also showed that Project communication management has the highest significant impact. There was a 73.3 % change in project success attributed to the PMO of BOA. In general, PMO has a moderate to strong effect on Project success. Although the findings are valuable, the use of only one organization limits the study, it is concluded that the PMO of BOA has very good communication management and it has a gap on implementation of standardized tools and techniques, and risk management. Therefore, it is highly recommended to use Agile project management for IT projects of BOA and improve risk management. Finally for future studies, including more banks to reduce bias and add more different structure and role of PMO.

Key Words: Project, Project management office, Project success

CHAPTER ONE

INTRODUCTION

This chapter will include the introductory part of the research such as Background of the study, Background of the organization, statement of the problem, research question, research objectives, significance of the study, Scope of the study, limitation of the study, organization of the study and definition of key terms.

1.1. Background of The Study

Before discussing about project management office, terms like project and project management should be defined. Association for project management (APM) defined a project as a unique, transitory effort to reach a planned target that can be specified in terms of output, outcome, or benefits. Another similar definition is given by the Project Management Institute (2017) defined a “project as a temporary endeavor undertaken to create a unique product, service, or result with a well-defined time, scope and resources”. Association for project management (APM) defined Project Management as “the application of process, methods, skills, knowledge, and experience to achieve specific project objectives according to project acceptance criteria within agreed parameters”.

Study into project management, using disciplines like communications, strategic management, and organizational philosophy, has grown considerably since the beginning of the 1950s (Söderlund, 2011). Researchers recognized project management in the large socio-economic impacts of long-term survival programs by organizations as a significant expertise area for research (Bredillet, 2014).

Continuous progress in all aspects of a company’s operations is critical to its financial performance. Many managers are searching for organizational processes for managing new initiatives because successful initiatives can directly be converted into substantial growth and higher profits for a company. Project management is recognized to be the key enabler of business change and a vital contributor to future business success (Whitty and Maylor, 2009). Effective project management is one of the fields where organizations have historically struggled (Dawson et al, 2012). Many project management methodologies have been developed to address this issue,

and they have vastly improved over the last few decades. They use unique approaches to address the problems that could jeopardize the project's success.

Many factors contribute to the need for a Program management office (PMO), including the presence of several projects within a single organization that requires the sharing of scarce resources, instability in the external world and within the organization, the particular nature of each project, and disorder caused by a lack of cooperation among projects (Tjahjana et al., 2009).

Program management offices (PMO) is “a centralized unit within an organization or department that oversees and improves the management of projects” Gary and Larson (2006). The responsibilities of PMO can vary depending on the need of the organization. Santosus (2003) stating that, regardless of size and structure, the PMO serves the parent organization via project support and methodology to enable better resource management and enhanced project success rates.

According to (Aubry et al., 2007), identified one of the important function of Program management office which is the development of Project management competencies and Methodologies that leads to project success. Therefore, since the program management office is a single, central support structure, designed to provide assistance to change and delivery initiatives within an organization, the researcher considered Consistency of standardized tools and techniques and (Setiawan, 2009) which states that the five facilitating knowledge areas of project management which are Project Resource, Communication, Risk, Procurement and Stakeholder management. They are called facilitating areas because they are the process through which the project objectives are achieved. However, Project Procurement is omitted in this study because most of the time the bank outsources procurement in order to get better quality of the product or service needed for the project.

As a result, PMO provides project and business-oriented advantages that address many of the project management problems. The benefits, according to (Tjahjana et al., 2009), includes reducing the time and expense of setting up a project, having the opportunity to react rapidly to change, creating a means for reliably measuring project results, acting as a bridge between project staff and business personnel, and managing interdependencies within projects.

Project-based and non-project-based organizations (which carry out projects alongside their conventional activities) like Abyssinia bank which the researcher has chosen as a case study have developed PMOs since recognizing the benefits.

Even though the value of PMOs is mentioned in a vast array of literature, there is no general agreement on the contribution of the program management office towards project success among scholars, practitioners, and researchers. (Unger et al., 2012) claims that the roles and impact of PMOs in terms of value creation are unclear (Van Der Linde and Steyn, 2016). They even claim there is no empirical evidence that links PMOs in project management to increased project performance and organizational performance. Others mention that PMOs increase workload, bureaucracy, and project management methods, and results are unsatisfactory (Gustavo Oliveira Pinto, 2019). Many researchers argue PMOs have a positive effect on project success and organizational performance, to mention some of them (Hurt and Thomas, 2009), Specify that the development of standards and procedures for project management under PMO management may have advantages, including cost reduction, enhanced productivity, strategic coordination, more efficient human resource management, enhanced overall utilization of resources and strengthened decision-making in projects. (Anderson, 2010) claims the reason for the creation of a PMO is precisely that money, time, and energy spent on this tool will be saved by executing tasks efficiently, quicker, and less expensive across the whole organization.

1.1.1 Background of the Organization

“Bank of Abyssinia S.C (BOA) is a privately owned bank in Ethiopia, providing banking services to individuals, small to medium businesses, and large corporate clients. It was established in 1996 under the 1960 Ethiopian commercial code and the licensing and Supervision of Banking Business Proclamation No. 84/1994” (“Bank of Abyssinia | Grow Africa,” 2020.).

BOA started its operation with an authorized and paid-up capital of birr 50 million and birr 17.8 million respectively and with only 131 shareholders and 32 staff. In 25 years since its establishment. BOA has registered significant growth in many aspects of its operation (“Bank of Abyssinia | Grow Africa,” 2020.). Now the bank reached 3,332,985 customers, 6910 employees, 561 Branches, 2400 shareholders, and as of June 2020, the bank's total revenue reached 5.67 billion and its assets reached 56.89 billion (Annual Report, 2020).

From its inception to where it is now the bank uses a five-year strategic and transformation plan to accomplish its vision and mission. Now it is in the second year of its fifth five-year strategic and transformation plan. In this new plan, the bank has developed many projects with different priorities in different areas of its operation. To successfully implement these projects the bank established a Project management office for a centralized project control structure that enables the delivery of IT projects. The department provides a project management service through subject matter experts and analysts. While leading the projects, the office takes the implementation across all phases from analysis through to project closure.

According to the internal portal of BOA, Program Management Office acts as an information hub for the programs and projects it supports. It adds value to projects through the knowledge, experience, and skills of its teams. The PMO has a key role to play in coordinating programs and project assurance activities. The major objectives and responsibilities of this office are to Enhance project success rate by enabling resource sharing, methodologies, and techniques across the enterprise. Establish enterprise standards for Project Management that improve communication and the leveraging of resources within the organization. Review existing problems in the bank, identify requirements, and propose a solution. Adapt adequate project management methodology, train key personnel in project management, provide proper budgeting and Risk management for

The structure of the Program Management Office is organized under Chief Information System (IS). It has two main divisions or work units. The Business Analysis and Project Management.

The Business Analysis: is mainly responsible for creating and maintaining the relationship between business needs and technology delivery, developing business requirements and related rules based on organizational needs through standard analysis techniques, identify initiatives by reviewing the bank IT strategy and roadmap. Prioritizing initiatives and multiple tasks based on business needs and requirements; Prepare terms of reference (TOR), RFP, and business documents for identified IT initiatives.

Project Management: is mainly responsible for managing projects/programs, Identifies required project team members, and constructs project teams. Leads project teams to direct, guide the successful delivery of programs and projects through the provision of support from initiation to the closure of enterprise-wide projects by ensuring projects are managed within scope, schedule,

budget, and quality. And also Managing project administration, vendor communication, and project issues and risks.

Currently, employing state-of-the-art banking technology, BOA has continuously been undertaking changes and improvements of its IT and operational systems. It has invested in different IT projects for system optimization and enhancements, security, systems availability, and resilience. This study focused on IT projects of BOA, studies the effect of the PMO on the projects.

1.2. Statement of The Problem

In Ethiopia, the banking sector has become very competitive nowadays. To survive in this complex environment, new projects are being developed to seek new methodologies which reduce cost, enhance their services, and can adapt to the rapid changing of market conditions. In this endeavor information technology projects is the driving force in changes taking place in the banking industry. It enables banks to enhance their market infrastructure, quality, reliability, and availability of their services and reaching places where their branches are distant and can't deliver their services through the traditional means (Leonancy Francis, 2015).

In the last 20 years, several researchers and practitioners have focused on the subject of information technology project performance (DeLone and McLean, 2016; Dwived et al., 2013). Organizations depend on information technology to achieve both market and development objectives. It-based projects assist businesses in delivering quality goods and services at the right time. Despite decades of study and a significant body of expertise the failure of IT projects are often too high (Dwived et al., 2013). According to the report of the Standish Group, which provides the global view of IT project statistics only 16.2% are successful while 52.7% over budget and late. The remaining 31.1% are failed IT projects. They also mentioned the top five indicators of poor performance of IT projects. First lack of user input, second Incomplete requirement, and Specification, third changing Requirement and Specification, fourth lack of executive support, and the last technical incompetence (Standish Group, 2018).

Another poor performance indicator is the inability to measure the performance of projects. PMO can be used to allow better use of capital, minimize project failures, and improve project completion rates, as well as restructure procedures, teams, and projects (Kutsch et al., 2015). But only a quarter of organizations always conduct reviews to identify lessons learned, according to

the latest (AXELOS-PPM-Benchmarking, 2019), while 23 percent do it “most of the time” and 28 percent do it “sometimes”.

The project management office (PMO) can resolve these issues by developing standards, processes, and methods of project management to enhance the project success rate. It measures the efficiency of projects enhances existing processes by recognizing vulnerable points and encouraging remedial actions. Furthermore, performance assessment will demonstrate a PMO’s usefulness to the rest of the organization, laying the groundwork for this project management-focused organizational unit.

There was no thesis on PMO's impact on IT projects in the banking industry in Ethiopia that has been conducted, to the best of the researcher's knowledge. The researcher saw this as a gap in literature will try to fill the gap. This study will try to show the effect or impact of a PMO on a project and organizational performance.

1.3. Research Question

The study tries to answer the following questions.

1. What is the PMO involvement in facilitating knowledge areas of project management, tools, and techniques?
2. What effect is the PMO perceived to have on the success of BOA’s IT projects?

1.4. Research objectives

1.4.1 General objectives

The general objective of the study is to show the value of a PMO in Abyssinia bank IT projects success.

1.4.2 Specific objectives

- To assess the role of PMO in facilitating knowledge areas of project management, tools, and techniques.
- To assess the perceived effect of PMO on the success of BOA’s IT projects

1.5 Significance of the study

The finding of this study is important for various reasons. First, this study could be used by other banks in Ethiopia to show the effect or value of project management offices on their project success and improve organizational performance. Second, since there is a conflicting idea about the importance of PMOs in project success and adding value to the organizations, this study will shed some light on the effect PMOs can have on their organizations. After evaluating the effect of PMO and possible recommendations are drawn to develop BOA's customized standard methodologies that can best serve their desired goal. The result from this study can be used by fellow researchers for further studies using more variables to reach a better outcome. Moreover, existing literature focus on construction-related researches, this study will add knowledge to the existing literature on PMO practices in the banking industry.

1.6 Scope of the study

Since PMO and Project success is a wide term, most scholars and Practitioners define and view it from different perspectives. This study focused on facilitating Project knowledge areas like tools, techniques, communication management, resource management, risk management, and stakeholder management affect overall project success. The study used a questionnaire to collect data and applied correlation and Regression analysis to show the cause-effect relationship of PMO and project success. PMO of Abyssinia is located at its head office in Addis Ababa. The scope of this study focused only on IT projects of BOA and those who participated in IT and IT-related projects.

1.7 limitations of the Study

The limitation of the research was the lack of relevant studies particularly on PMOs' success in the Ethiopian banking industry. Meeting the staff, Project teams, project managers, and PMO director due to their busy schedules and others like limited time, budget, and recent covid19 outbreak to facilitate the research.

1.8 Organization of the Study

This study is composed of five chapters. The first chapter is an introductory chapter that includes the background and purpose of the study and also mentions the scope and limitation of the study. The second chapter includes a review of related literature which contains theoretical and empirical

that is used as a framework and supportive information for the study. The third chapter will be the Research methodology which contains the source of data, techniques of sampling. Chapter four will be the Analysis and presentation of data gathered. The final chapter which is chapter five will include all findings followed by conclusions and appropriate recommendations.

1.9 Definition of Key terms

A project is an arrangement of tasks that must be completed to accomplish a certain result.

The program management office is a part of an organization established to assist project managers and teams throughout the organization in implementing PM knowledge, tools, and techniques.

Project Success is the achievement of project objectives within budget and on-time delivery.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

The increasing interest in company digital transformation to keep up their competing advantage and meet consumer requirements can be attributed to the increased importance of creative and technical solutions. The majority of those initiatives are carried out in projects, which is why project management is particularly attractive to IT projects concerning strategic growth in IT spending. IT can play a significant role in project management and these IT projects can deliver success and value. These IT projects now occupy almost every area of business (Varajão et al., 2009).

Project success is the key concern of Project Management. The success of a project has been generally described as a project that fulfills budgetary and scheduling objectives. But success also incorporates conveying benefits and fulfilling stakeholders', donors', and funders' expectations. (Rodolfo Siles, 2021).

The successful completion of a project depends on the successful execution of a variety of cross-related tasks. The complexity and uniqueness of a project are a challenge for project success. This challenge can lead to project failure if organizations are unable to systematically execute projects. One such system is the Project Management Office (PMO) (Ethiopia Tamene, 2017).

The idea for PMO began as early as 1805 in Britain established a project office for managing Agriculture. The United States may be traced back to the project office in 1905, to manage expenses and demonstrate transparency and accountability in a government audit. In 1950 up to the '80s, the project office began to emerge by assigning a group of project management professionals to achieve a specific goal on behalf of project sponsors and discussion started about software development. In the 1990s project offices started to take form as present PMOs, which organizations started to adopt project offices as project management initiatives. At this time benefits are fully understood which leads to the development of a set of standards for project management by the project management institute (Darling and Whitty, 2016).

This chapter discusses a review of the related literature relevant to the study. It includes theoretical review, empirical study, ethical consideration, conceptual framework.

2.2 Theoretical Review

To begin with, let's define what Project, Project management, Program management⁹. They are described as follows:

1.1.2 Project

A project is an array of tasks that must be completed to achieve the desired result (Kissflow Project, 2021). Organizations develop and finance projects that bring transition into daily business activities. For example, to update older IT systems a project may be set up to specify what is required then develop a solution, and then check the solution if it meets the user requirements. If it does fulfill the requirements the IT system will be delivered to the end-user which is continuously handled and maintained by technical and support staff (AXELOS, 2017).

1.1.3 Project Management

“Program management is characterized as the application of information, abilities, and standards to a program to attain program success and get benefits. (PMBOK, 2017). Project management is also defined as the planning and organization of a company’s resources towards a common organizational goal (LaBarre, 2021).

According to PMI, there five process groups and 10 Knowledgeable areas. The process is a way of converting inputs into outputs using validated tools and techniques which can help progress from start to finish. The five process groups are:

1. **Initiation Process Groups**: those processes that are performed to define a new project by acquiring authorization to start.
2. **Planning Process Group**: procedures that establish the collection of activities to achieve the project objectives and establish scope.
3. **Executing Process Group**: those processes to full fill the task identified in the previous step.
4. **Monitoring and Controlling Process Group**: those processes performed to track, audit, and control the advances and performance of a project.

5. **Closing Process Group**: those activities carried out to finalize and close the project formally.

The ten Knowledgeable areas, each consists of a set of process inputs, tools, techniques, and outputs. Together these processes fulfill valid project management functions and drive Project success (Setiawan, 2009).

1. **Project Integration Management**: guarantees appropriate coordination between different elements of a project.

Core Knowledge areas of Project Management: these are the process which leads to specific project objectives.

2. **Project Scope Management**: the process ensures that the project incorporates all the work required.
3. **Project Schedule Management**: the process that ensures the completion of a project within the specified time.
4. **Project Cost Management**: the process that ensures the completion of a project within the authorized budget.
5. **Project Quality Management**: the process that ensures projects deliver their intended result and benefit.

Facilitating Knowledge areas of Project Management: these are the process through which the project objectives are achieved.

6. **Project Resource Management**: the process that ensures the accessibility of assets required for the completion of a project.
7. **Project Communication Management**: the process that ensures convenient, suitable planning, gathering, and distribution of information relevant to the projects.
8. **Project Risk Management**: the process that deals with recognizing, analyzing, and reacting to a potential risk that may impact the project.
9. **Project Procurement Management**: the process that is required to acquire goods and services outside the project team.
10. **Project Stakeholder Management**: the process that distinguishes involved parties that affect the project or are affected by the project and develop a plan on how to incorporate it within project decision.

Table 2.1 Ten Knowledge Areas and Five process group

NO	Knowledge areas	Project Management Process Groups				
		Initiating	Planning	Executing	Monitoring and Controlling	Closing
1	Project Integration Management	Develop Project Charter	Develop Project Management Plan	Direct and Manage Project Work Manage Project Knowledge	Monitor and Control Project Work	Close Project or Phase
2	Project Scope Management		Plan Scope Management, Collect Requirements Define Scope and Create WBS		Validate Scope Control Scope	
3	Project Schedule Management		Plan Schedule Management, Define Activities Sequence Activities, Estimate Activity Resource Estimate Activity Duration and Develop Schedule		Control Schedule	
4	Project Cost Management		Plan Cost Management, Estimate Cost Determine Budget		Control Cost	
5	Project Quality Management		Plan Quality Management	Perform Quality Assurance	Control Quality	
6	Project Resource Management		Plan Resource Management Estimate Activity Resource	Acquire Resource Develop team Manage Team	Control resource	
7	Project Communication Management		Plan Communications Management	Manage Communications	Control Communications	
8	Project Risk Management		Risk Management Planning Risk Identification Qualitative Risk Analysis Quantitative Risk Analysis Risk Response Planning		Risk Monitoring and Control	
9	Project Procurement Management		Plan Procurement Management	Conduct Procurement	Control Procurements	Close Procurements
10	Project Stakeholder Management	Identify Stakeholders	Plan Stakeholder Management	Manage Stakeholder Engagement	Control Stakeholder Engagement	Administrative Closure

Source: PMBOK, (2017)

1.1.4 Programme Management

Association for Project Management (APM) defined Programme Management as coordinated project management and corporate activity to bring a positive transformation.

1.1.4.1 Program Management office

According to PMI, a Project management office (PMO) is a structure with an organization that standardizes management procedures and makes assets, approaches, techniques, instruments, and strategies available for sharing. Other authors also provide similar definitions, PMO is referred by several names such as Project office, project support office, Project management office, etc.

“PMO is the organizational entity with full-time personnel to provide a focal point for the discipline of project management” (Rad and Levin, 2002).

Aubry et al. (2007) prefer to define a project management office as a “dynamic entity to solve to solve specific issues within a dynamic organization”.

All of the above definitions suggest that PMO is a part of an organization that manages projects and ensure their successful completion.

1.1.4.1.1 Types of PMO

According to the Project Management Body of Knowledge (PMBOK, 2017), classified PMO based on authority and control. These type of PMOs are

- ❖ **Supportive:** provide project consultation by providing models, best practices, preparation, information, and lessons learned from previous projects. The PMO has a limited level of control.
- ❖ **Controlling:** By using different methods, assists, and require compliance. it has a modest level of control. compliance may include the adoption of project management methodologies, use of specific templates, and adherence to governance frameworks.
- ❖ **Directive:** assume command of the projects by overseeing them directly. The PMO appoints project managers and reports to them. The PMO has a high level of control over the project.

There is also another classification of PMOs based on their role in the business-level context (Ankit Rastogi, 2018).

- ❖ **Enterprise PMO**: it has a permanent position for an enterprise that involves strategic planning, project selection and prioritization, and also review project, portfolio, and budget plan. They report to the CEO.
- ❖ **Division PMO**: also has a permanent role for each division, region, or portfolio which is responsible for the master plan and project portfolio management. They report to the division manager or enterprise PMO.
- ❖ **Business Unit PMO**: it has a permanent function with a position for each business unit that is responsible for the Mater plan and project program management. They report to Division Manager.
- ❖ **Project PMO**: it has a temporary role with one project for each major project. They are entrusted with project initiation, planning, execution, monitoring, controlling, and closing. They report to the business unit PMO.
- ❖ **Project Office**: similar to Project PMO responsibilities but it is assigned to a specific project for preparing and monitoring documentation based on Project manager instruction.
- ❖ **Project Support Office**: it has mostly a temporary role that is responsible for giving support to project initiation, planning, execution, monitoring, controlling, and closing. They report to project managers or the Business unit PMO.
- ❖ **Project Management Center for Excellence (PMCOE)**: It has a permanent function which deals with establishing, documenting, and promoting project business management practices while supporting tools, templates, and training.

Before forming one, organizations must consider each type of PMO. Amongst other factors, the correct form of project management office depends on the scale and scope of the organization, the interdependence of tasks between business divisions, the availability of resources, and the expertise of project managers and project teams (Crawford, 2011). However, all PMOs Perform the same job independently of the kind and have the underlying objective of improving project efficiency (Ethiopia Tamene, 2017).

1.1.4.1.2 Functions of PMO

While the roles and resources of a PMO can vary depending on the size and goals of the organization, the list of functions that a PMO can have and execute is as follows (Salameh, 2014)

- ❖ **Standards, Methodologies, and Processes**: This function involves defining project management methodologies, measurements, process development, and progress.
- ❖ **Project/Program Delivery Management**: Project resource management, project schedule, expense, or scope management, project risk management, stakeholder management, communications, and project integration are all functions that fall within this category.
- ❖ **Portfolio Management**: includes project prioritization, strategic alignment, portfolio monitoring, resource management allocation based on project prioritization and organizational goals, incentives, and opportunity analysis, risk management, and benefits recognition monitoring and reporting.
- ❖ **Talent Management**: This function is concerned with certifications, qualifications, and credentials, as well as career paths and growth, capability and skills development, and certifications, qualifications, and credentials.
- ❖ **Governance and Performance Management**: are associated with performance monitoring, problem escalation, knowledge dissemination, benchmarks, and key performance indicators, compliance, financial management, and PMO performance management within an organization.
- ❖ **Organizational Change Management**: Customer and stakeholder satisfaction, resistance management, readiness evaluation, stakeholder management, and communications are all addressed through this function.
- ❖ **Administration and Support**: centered on the provisioning, deployment, and support of tools. Also, the PMO will assist with proof of concepts, procurement, contracting, and execution by providing consultancy and IT/information systems support (Salameh, 2014).
- ❖ **Knowledge Management**: This function is used to define knowledge-management policies, handle intellectual property and collateral, learn from mistakes, manage information, and collaborate.
- ❖ **Strategic Planning**: confirms corporate priorities, defines business goals and aligns them to policies, conducts environmental scanning, and conducts opportunity analysis

1.1.5 Facilitating Knowledge areas, tools, and techniques

It is known PMBOK established ten knowledgeable areas with five process groups. Despite the fact they are presented as independent parts, in practice, they are monotonous, connected, and overlap each other (Ibrahim and Yong, 2019). Therefore, for this study, the researcher selected tools and techniques that facilitate the five process groups and four of the knowledgeable areas (communication, resource, risk, and stakeholders) that are more relevant to the PMO of BOA.

Tools of Project management are instruments that project manager uses to assist team or in individuals in organizing workflow and planning.

Techniques of Project management mean adopting an approach in which all activities of a project changed into a consistent set of tasks. All project management techniques are not the same, though. Organizations have to select a technique that best suits a project that they undertaking. To mention some of the techniques, traditional project management techniques like a waterfall which applies a direct approach that flows linearly and works best on projects that do not need iteration throughout the lifecycle of the project meaning going back to change let say budget or scope is impossible. The other agile project management technique like scrum which unlike the previous it is not linear more flexible or in this case iterative and relies on collaboration and teamwork that works best for software development projects. Other mythologies are also available like a change in management approach and program review techniques

As the Project management knowledge area are described in the above section Project resource management, Project communication management, Project risk management, and project stakeholder management. These areas mostly are the reasons why PMO's are needed for organizations. As the project number increases, they are highly impacted which affects project success.

1.1.6 Perceived PMO effect on Project Success

Organizations invest significant resources to set up and run PMO. Therefore, it is expected that they will deliver project success and bring value to the organization. Several studies have found the advantages of using a PMO. Brad Egeland is a well-known project management consultant and author. He claims that there are six factors in a PMO's success (Brad Egeland, 2020.). Strong, dedicated leadership, Experienced Personnel, Executive Backing, High visibility, Process, Policies, and Templates defined and Authority to take action.

According to Pontes, (2020), the perceived effect of PMO on project success is determined by delivering value for the investment, consistently evaluating PMO results, increasing success rate understanding organizational values.

1.1.7 Relationship between facilitating PM Knowledge areas, tools and techniques, and Project success

Several factors affect project success. This study focuses on some of the project management knowledge areas that drive project success. PMBOK, (2017) illustrates those knowledgeable areas have a positive relationship with the success of projects.

Ibrahim and Yong, (2019), stated that knowledgeable areas have a significant relationship with project success while simultaneously interreacting with each other. Other studies like Chou et al., (2013) stated the effective use of PMBOK tools, techniques, and skills improve the chance of project success significantly. The author confirms the above statement by conducting a survey on three countries among project management professionals and comparing their responses.

2.3 Review of Empirical Studies

Nowadays most large organizations have implemented PMO with several goals in mind. According to the PMI survey, the global survey professionals who provide project-related services within a global organization, 80% of successful projects have PMO (PMI Pulse of The Profession, 2018). According to (Kwak, 2000) Scholars and practitioners will gain a greater understanding and trust in applying PMO in the ever-increasing project-driven market environment by demonstrating the connection between PMO efficacy and project performance

According to (Unger et al., 2012), quantitative analysis of PPMo's in 278 Portfolios with their distinctive roles, states that a project Portfolio management office (PPMO) has a significant positive effect on PPMOs in coordinating and controlling roles on performances.

According to (Leonancy Francis, 2015) Summarizes how IT projects are transforming Tanzania's banking sector and demonstrates how powerful PMO is to successful IT project execution. And states that an effective PMO is critical to the success of IT projects.

According to (Amna Alblooshi, 2018) states that there is a favorable association between PMO establishment and enhancement of Project success. Despite the lack of quantifiable link, he used a well-established PMO to determine the relationship of PMO and Project success and established different suggestions on how to measure success level and factors according to PMO's function in the organization.

According to (Daniela Pereira Pontes, 2020) emphasize the study on understanding the perceived contribution and impact of IT PMO on the performance, Project management, and their alignment with organizational strategy by summarizing the IT PMO benefit and drawbacks. Based on his analysis PMO's do increase the success rate of a project.

In Ethiopia, there is a small literature on PMOs' influence on a bank's project and bank performance. The closest the researcher found is (Biruk Dage Borga, 2020) uses quantitative data analysis to summarize Abyssinia bank's PMO practices. The findings from this study indicate Project management practices are at a good level with little effort the bank can improve its practices.

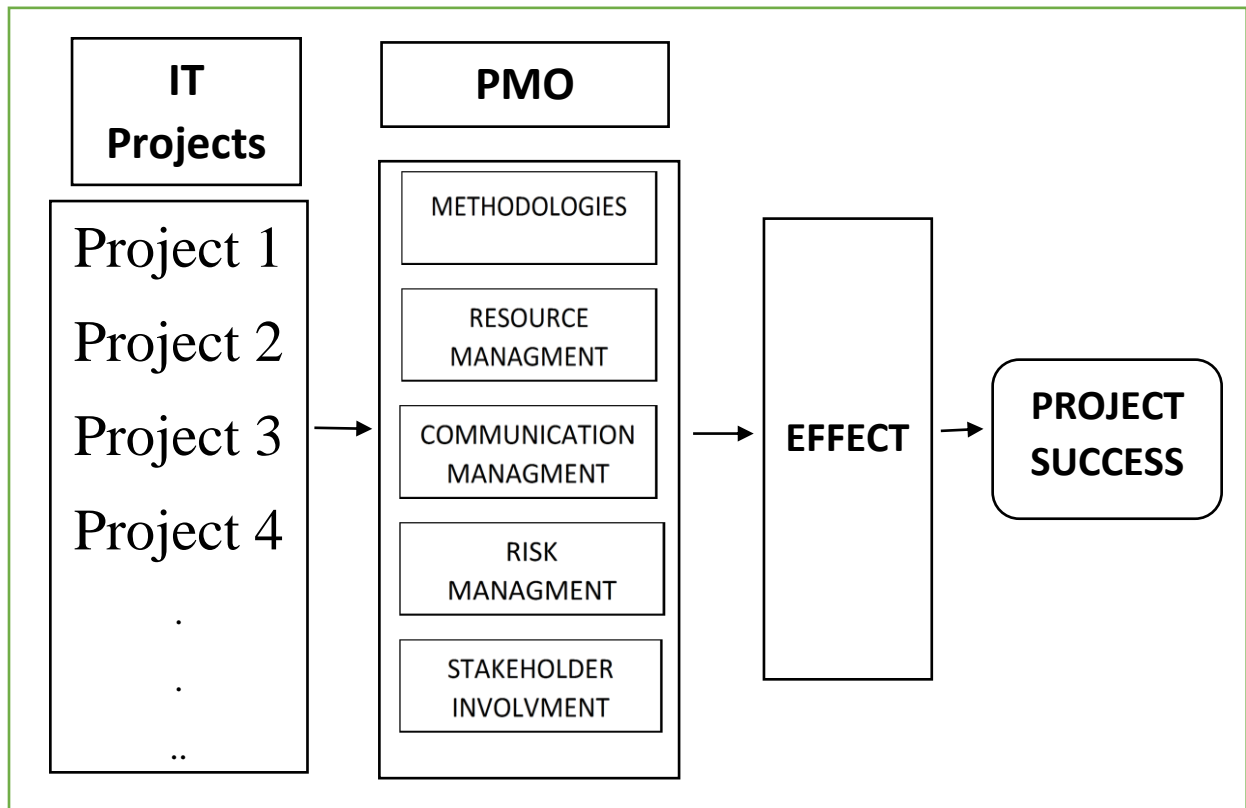
Another researcher (Samuel Nigatu, 2019) also uses quantitative analysis to measure Project manager competency level (Skill, Knowledge, and Attitude) and how that affects project success

using Ethiopian airlines group as a case study. The result indicates project manager competency has a strong effect on project success. From the three variables, Skill to have the highest impact on project success.

2.4 Conceptual Framework of The Study

Based on the theoretical and empirical literature on PMO and Project success a conceptual framework is developed for this research shown below in fig 2.1. PMO offers a Project standard Methodology that can increase the chance of successful implementation of any project. This methodology can help achieve project management maturity and reduces risk. It employs Resource management for managing any material and equipment needed for a project and also training programs that help individuals develop the necessary skills and knowledge to perform their duties effectively. This training help individuals improve their abilities and lead the team towards successful project management. PMO uses Communication management for providing effective systems for document handling, distribution of information, and performance report for relevant stakeholders. This helps the management to keep track of the status of the project in a way that shows the cost, time, and scope deviation. Since there is a high degree of failure for IT projects, PMO uses Risk Management to identify different risks that may have a potential impact on the project and provides appropriate responses towards attaining project success. Stakeholder engagement is essential for any project's success. This enables the managers and project teams to enhance the quality of the project and to not only complete the project but also attain the benefits after the completion of the project.

Fig. 2.1. Conceptual Framework



Source: Own

CHAPTER THREE

RESEARCH METHODOLOGIES

3.1. Introduction

In this chapter, the research methodology that will be used in this paper will be discussed in detail. It includes Research design, Description of study variable, Area and target population, Sampling techniques and methods, Source of data, Data collection method, Data analysis, Reliability and validity analysis, and Ethical consideration.

3.2. Research Design

Research design is a framework for planning research methods with which the researcher answers research questions, evaluate result and draw conclusions (Shona McCombes, 2019). As Dr. Sue Greener & Dr. Joe Martelli (2018) mentioned there is no one appropriate way for all researches, it all depends on many factors like the topic of the research, audience, time, ability access to information, etc.

To conduct this study, the researcher chose a casual/explanatory study to assess the effect of the program management office on Abyssinia IT projects. An explanatory method of research enables the researcher to identify the cause-and-effect relationship between a PMO and the success of a project. To show this cause-and-effect relationship the researcher adopted a case study (with survey tools) structure because of its flexibility to include both the context and problem of the research in to picture. YIN (1984:23) cited by Zainal, (2007) defines the case study research method as “an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon are not evident; and which multiple sources of evidence are used”. The case study method enables to include data collection and analysis through instruments such as interviews, observation, questioners and secondary data within context, integrates qualitative and quantitative data analysis, and the ability to capture the complexity of the real-life situation so that the phenomenon can be studied in great depth ((Martelli and Greener, n.d.)).

For data collection, the researcher used quantitative data, which provides the cause-and-effect relationship of PMO and Project success with a clear and complete understanding of a research problem. It enables the researcher to collect data and analyze using quantitative data and explain the result using qualitative research.

The case study of BOA IT projects is chosen as a result of one of the major private banks in Ethiopia that has established PMO to manage various projects within the bank which includes selection, execution, and monitoring control. The researcher would not go by without acknowledging some of the shortcomings of the case study methods such as biased views and very little basis for scientific generalization.

3.3. Description of study variables

For every study, there are two variables dependent and independent variable. Independent variable is the variable that is not affected by other variables under study whereas the dependent variable is a variable that is affected by the independent variables. These are the independent variables of this study:

Project tools are instruments that project manager uses to assist team or in individuals in organizing workflow and planning.

Project Techniques: means adopting an approach in which all activities of a project changed into a consistent set of tasks.

Project Resource Management: the process that ensures the accessibility of assets required for the completion of a project.

Project Communication Management: the process that ensures convenient, suitable planning, gathering, and distribution of information relevant to the projects.

Project Risk Management: the process that deals with recognizing, analyzing, and reacting to potential risks that may impact the project.

Project Stakeholder Management: the process that distinguishes involved parties that affect the project or are affected by the project and develop a plan on how to incorporate it within project decision.

The dependent variable of this study is the perceived effect of PMO on project success, which means this variable is expected to change as a result of the above independent variable.

3.4. Description study area and target population

The study is conducted on BOA IT projects (Head office) located in Addis Ababa. BOA is chosen as a result of one of the major private banks in Ethiopia and recently they have executed and implemented different IT projects to enhance their services. For this study, the target population of the study is all 34 PMO staff under IT projects are selected and the study used census since the number of the targeted population is very small and it enables the researcher to have a higher level of statistical confidence about the result generated.

3.5. Data collection

To achieve the objective of this study, the researcher used both primary and secondary data sources to collect relevant and reliable data. A questionnaire is used as a primary data source to answer research objectives #1 and #2 mentioned in chapter 1. Which is administered to all of the targeted population.

3.6. Data analysis

The data obtained from the questionnaire was analyzed using quantitative analysis techniques. The analysis was done using SPSS. SPSS stands for statistical package for social science, is selected because it is easy to understand and available for the researcher. Descriptive statistic was used to summarize the response. The descriptive method applies to mean, standard deviation, frequency, and percentage to present the data in a meaning full and understandable for all concerned parties. To show the relationship of two variables and show cause and effect relation between two or more variables correlation and multiple regression analysis using OLS (Ordinary Least Square) model provide by SPSS software.

- A. Correlation Analysis is a measure of the degree of relationship between two variables. Pearson's Coefficient of Correlation is usually applied to measure association. The computed relationship (r) is in between 1 and -1, if the value of ' r ' is positive then it has a positive correlation, if the value of ' r ' is negative then it has a negative correlation when the value of ' r ' is zero then there is no relationship between the variables considered.
- B. Multiple regression (OLS): is also one of the most commonly used tools for determining if there is a cause-and-effect relationship between dependent and independent variables.

3.7. Reliability and validity analysis

To ensure data reliability and validity, for qualitative analysis Validity will be achieved by validity will be achieved through face validity and will use a standardized questionnaire that is adopted by the Project management body of knowledge guide and also using SPSS. For quantitative analysis the researcher conducted the Cronbach alpha' model and presented it as follows:

Table 3.1 Reliability Statistics of each variable

		Reliability Statistics	
	Code	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items
Project Management techniques	PMTE	0.868	0.895
Project Management tools	PMTO	0.701	0.718
Project Resource Management	PREM	0.856	0.884
Project Communication Management	PCM	0.939	0.941
Project Risk Management	PRIM	0.937	0.941
Project Stakeholder Management	PSM	0.890	0.892
All variables		.956	.956

Source: Own Survey, 2021

3.8. Ethical consideration

To address ethical issues the researcher will ask for consent to answer the questionnaire delivered to each respondent. The privacy and confidentiality of the data produced will be protected and will be used only for academic research purposes. Furthermore, the researcher will avoid any interference with respondents except for clarification of the questions.

CHAPTER FOUR

RESULT AND DISSCUSION

Introduction

To answer research questions and meet the objectives of the study stated in chapter one, to analyze if the PMO of BOA has a positive effect on IT projects. This chapter deals with the analysis and interpretation of data collected using a questionnaire. Accordingly, this chapter starts with discussing the findings of tools, techniques, resource management, communication management, risk management, stakeholder management and continues to discuss how these factors affect the IT project success of BOA. Major findings from the questionnaire are summarized and presented using tables and graphs to facilitate easy understanding.

4.1 Response rate

Out of 34 questionnaires distributed, 31 responses were collected. The remaining three did not respond and unavailable at the time of collection. This makes the response rate 91.1%. According to (Fincham, 2008), Expectations for survey response rates have increased. For most survey research, a response rate of at least 60% is expected.; Therefore, the response rate is sufficient for analysis and interpretation. The questionnaire was developed using the five Likert scale rankings namely: Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree. The data collection was carried out using SPSS statistical procedure.

4.2 Demographic Data

Below are the Gender and Age group, educational level, and work experience of the respondents of the survey.

Table 4.1 Summary of demographic data

		Count	Column N %
Gender	MALE	22	70.97%
	FEMALE	9	29.03%
Age Group	25-30	27	87.10%
	31-35	4	12.90%
	36-40	0	0.00%

	41-45	0	0.00%
	Above 45	0	0.00%
Education Level	HIGH SCHOOL	0	0.00%
	BA DEGREE	21	67.74%
	MASTERS	10	32.26%
	DOCTORAL	0	0.00%
Experience	Below 5 YEARS	21	67.70%
	5-10 YEARS	7	22.60%
	11-15 YEARS	3	9.70%
	Above 15 YEARS	0	0.00%

Source: Own Survey, 2021

4.2.1 Gender and Age Group of respondents

As shown in Table 4.1 above, the majority of the respondents are male, which are 22 in number (71%) of the total respondents and the remaining 9 (29%) are females. This shows females are very low in number than males in the Project management office of BOA. Furthermore, most of the Male and Female respondents fall in the category of age between 25-30, which is 20 in male and 7 in female and makes about 87.10% of the total respondents. This shows that almost all of the staff are young which is advantageous for the organization in this fast-changing banking environment since these staffs are more adaptive to change, capable of handling pressure, and in coming up with innovative solutions.

4.2.2 Educational background

As shown in Table 4.1 above, 21 of the respondents have Bachelor’s degree (67.7%) and 10 of respondents have a Master’s degree (32.3%). This shows that all of the respondents have the adequate educational background to answer the questionnaire provided.

4.2.3 Experience

As shown in Table 4.1 above, the majority of the respondents fall in the category of below 5 years (67.7%, N=21). Also, 7 respondents have experience of 5 to 10 years (22.6%) and 3 respondents are with the experienced group of 11 to 15 years (9.7%). Therefore, this shows 77.4% of the staff worked less than 10 years in BOA; which is a younger age group and will work for the bank for a longer period.

4.3 Descriptive Analysis of facilitating project knowledge areas, tools, and techniques

Table (4.2), shows the mean value for facilitating project knowledge areas, tools, and techniques areas ranging between “3.565 to 3.927” with a standard deviation ranging between “0.568 to 0.664”. This shows there is a moderate agreement among respondents about the Presence of PMO. The average mean value is 3.75 with a standard deviation of 0.629. Project communication management has the highest mean value, indicating PMO of the bank has very good communication management that leads to IT project success with little significance of deviation from the mean. The lowest mean values like project management tools and techniques and risk management imply there is a weakness in the management of those variables if not implemented properly these variables will negatively affect project success.

Table 4.2 Description of facilitating project knowledge areas, tools, and techniques

PMO’s Project knowledge areas	Code	Min	Max	Mean	Std. Deviation
Project Management techniques	PMTE	2	5	3.565	.642
Project Management tools	PMTO	2	5	3.688	.660
Project Resource Management	PREM	3	5	3.887	.594
Project Communication Management	PCM	3	5	3.927	.568
Project Risk Management	PEIM	2	4	3.557	.664
Project Stakeholder Management	PSM	3	5	3.851	.646
Average				3.746	0.629

Source: Own Survey, 2021

4.5.1 Project Management techniques

Table (4.3), shows that the respondents have an agreement with the given set of statements under Project management techniques with the mean value ranging between “3.32 to 3.65” and standard deviation ranging between “0.486 to 1.137”. The average mean value and the average standard deviation are 3.44 & 0.804 respectively. The agile project management approach has the highest mean value, indicating PMO of the bank applied adaptive project framework techniques, which are frequently used for software development projects. It has many advantages like promoting collaborative working, enables client user engagement, and allows decisions to be tested and

rejected early towards realizing benefits on each process than at the end. On the other hand, some of the respondents answer disagree on the given set of statements under their departments on Project management techniques used and others responded Neutral indicating the bank needs to have a standard project management technique that applies to all divisions of the PMO. Therefore, this indicates there are different techniques used across different IT projects which will affect project success negatively.

Table 4.3 Project Management techniques

	Mean	Std. Deviation
Traditional Project Management approaches like a waterfall, PERT techniques used	3.35	.486
Agile Project management approach like scrum, extreme programming, adaptive project framework techniques used	3.65	.709
Change management approaches like event chain, extreme project management techniques used	3.42	.886
Other methodologies like Program evaluation review techniques, PMBOK method applied	3.32	1.137
Average	3.44	0.804

Source: Own Survey, 2021

4.5.2 Project Management tools

Table (4.4), shows that the mean value ranging between “3.74 to 4.19” and standard deviation ranging between “0.605 to 0.910”. The average mean value and the average standard deviation are 3.99 & 0.73 respectively. The result shows that the respondents agree with the given set of statements under Project management tools. Respondents gave a positive perception for Frequent and effective communication and Schedules ahead and clarify or confirm the time with team members. But, using software tools to facilitate workflow and planning responded less indicating, as the project number increases, they need to use software to plan and organize workflow.

Table 4.4 Project Management tools

	Mean	Std. Deviation
The PMO uses tools like MS Project, JIRA for Organizing workflow and Planning	3.74	0.682
The PMO has Frequent and effective communication.	4.03	0.605
The PMO Schedules ahead and clarifies or confirm the time with team members	4.19	0.910
Average	3.99	0.73

Source: Own Survey, 2021

4.5.3 Project Resource Management

Table (4.5), shows the mean value for Project Resource Management is ranging between “3.81 to 4.10” with a standard deviation ranging between “0.601 to 0.946”. The average mean value and Standard deviation are 3.89 & 0.799. This shows that the respondents agree with the given set of statements under Project Resource Management. Training provided to project team members has the highest mean, indicating PMO of the bank gives regular training to its project teams hence; enhancing their skills, enhancing teamwork capabilities, and ensuring projects lead to a better PMO performance and successful completion of projects.

Table 4.5 Project Resource Management

	Mean	Std. Deviation
There is awareness about the importance of Project Resource management in the PMO and project management team?	3.81	.946
Planning for acquisition and management of resources like materials, equipment, license, etc. is done	3.81	.601
Skill requirement, roles, and responsibilities defined for all project positions	3.84	.860
Training (formal/informal) provided to project team members	4.10	.790
Average	3.89	.799

Source: Own Survey, 2021

4.5.4 Project Communication Management

Table (4.6) shows the mean value for PMO Practices variables are ranging between “3.65 to 4.16” with a standard deviation ranging between “0.735 to 0.870”. This shows that the respondents have a positive perception of all of the statements under Project Communication Management. The average mean value is 3.867 with a standard deviation of 0.797. Even though the result for a standard format for preparation of project report has a relatively lower response, the overall result indicated that PMO staff agree on key points of Project Communication Management and use their knowledge to improve the PMO and achieve Project success.

Table 4.6 Project Communication Management

	Mean	Std. Deviation
There is awareness about the importance of project communication management in the PMO and Project Management team	4.06	.854
Project Communication requirement analysis performed in your project	4.16	.779
Plan/strategy prepared to address identified communication needs	3.97	.836
Projects have a system/procedure for handling project documents	3.84	.735
Projects have a system for collecting and distributing information.	4.03	.752
Performance reports prepared and provided to relevant stakeholders	3.81	.749
Projects have a standard format for the preparation of project reports	3.65	.839
Project manager share lessons learned with project members	3.90	.870
Average	3.867	.797

Source: Own Survey, 2021

4.5.5 Project Risk Management

Table (4.7) shows the mean value for PMO Practices variables ranging between “3.32 to 3.74” with a standard deviation ranging between “0.773 to 1.025”. This shows there is a moderate agreement among respondents on the set of statements under Project Risk Management. The average mean value is 3.56 with a standard deviation of 0.869. The result indicated that there is less response on key points of Project Risk Management. Even though there is a positive perception on identification, monitoring, control, and documentation of risks faced on the project They responded less on performed risk management and detailed risk response plan. A way of mitigating

risks is essential because it has a direct impact on project success. They need to develop a risk response and manage it properly and formally.

Table 4.7 Project Risk Management

	Mean	Std. Deviation
There is awareness about the importance of project risk management in the PMO management and project management team?	3.52	.851
Risk management performed formally in your project?	3.55	.961
There is an effort to identify and document risks in your project	3.74	.773
Identified risks are analyzed to determine their potential impact	3.61	.844
Detailed risk response plan prepared for risks that warrant action/attention	3.42	1.025
Risk response plan and strategy continuously updated?	3.32	.791
Risk monitoring and control performed in your project	3.74	.815
Average	3.563	.869

Source: Own Survey, 2021

4.5.6 Project Stakeholder Management

Table (4.8) shows the mean value for Project Stakeholder Management ranging between “3.74 to 3.90” with a standard deviation ranging between “0.746 to 0.855”. This shows there is a moderate agreement among respondents on the set of statements under Project Stakeholder Management. The average mean value is 3.75 with a standard deviation of 0.629. The result indicated that Project there is a positive perception of key points of Project Stakeholder Management. But relatively there is a low number of responses on stakeholder analysis. They need to identify stakeholders involved in the projects which are an important element for the quality of project success.

Table 4.8 Project Stakeholder Management

	Mean	Std. Deviation
There is awareness about the importance of stakeholder management in the PMO and project management team	3.81	.792
Stakeholders’ analysis done for your project	3.74	.855
Stakeholder management plan prepared	3.94	.814

There is a continuous effort in communicating and working with stakeholders to influence their expectation, address their concern and resolve issues	3.90	.746
A strategy developed for managing each key stakeholder's expectation	3.87	.806
Average	3.852	.802

Source: Own Survey, 2021

4.4 The perceived effect of a PMO on Project success

Table (4.9) shows the mean value for the Perceived effect of PMO on Project success ranging between “3.65 to 4.16” with a standard deviation ranging between “4.10 to 4.16”. This shows that the respondents have a positive perception in all of the statements under the Perceived effect of a PMO on Project success. The average mean value is 4.136 with a standard deviation of 0.721. The result indicated that PMO staff agree on key points of Project Perceived value of a PMO on Project success and use their knowledge to improve the result of the Project.

Table 4.9 Perceived effect of a PMO on Project success

	Mean	Std. Deviation
The use of PMO is delivering value for investment	4.16	.820
The organization consistently evaluate the PMO results	4.16	.779
The PMO structure understands the organization values	4.10	.651
The use of PMO increases project success rate	4.10	.539
The use of PMO has achieved satisfactory results for the organization	4.16	.820
Average	4.136	0.721

Source: Own Survey, 2021

4.5 Relationship between facilitating project knowledge areas, tools and techniques, and Project success

The main objective of the study is to assess the effect of PMO on Project success. To achieve this, coefficient of correlation and regression analysis has been used and the results are as follows.

4.5.1 Karl Pearson's Coefficient of Correlation

Pearson's Coefficient of Correlation is the most commonly used method for measuring the degree of relationship between two variables (C.R. Kothari, 2004). Accordingly, it was computed to

identify the relationship between dependent and independent variables. The computed relationship (r) is in between 1 and -1, if the value of 'r' is positive then it has a positive correlation, if the value of 'r' is negative then it has a negative correlation when the value of 'r' is zero then there is no relationship between the variables considered. To facilitate the interpretation and ease of understanding of the relationship of the computed variables an interpretation guide below Table 4.10 developed by Schober et al. (2018) has been used for the following sections.

Table 4.10 Correlation Result interpretation guide

Correlation Coefficient	Interpretation
0.00 – 0.10	Negligible Correlation
0.10 – 0.39	Weak Correlation
0.40 – 0.69	Moderate Correlation
0.70 – 0.89	Strong Correlation
0.90 – 1.00	Very strong Correlation

Source: (Schober et al., 2018)

Table 4.11 Pearson Correlation among all variables

		PMTE	PMTO	PREM	PCM	PRIM	PSM	PPE
PMTE	Pearson Correlation	1						
	Sig. (1-tailed)							
PMTO	Pearson Correlation	.691**	1					
	Sig. (1-tailed)	0.000						
PREM	Pearson Correlation	.853**	.770**	1				
	Sig. (1-tailed)	0.000	0.000					
PCM	Pearson Correlation	.751**	.767**	.899**	1			
	Sig. (1-tailed)	0.000	0.000	0.000				
PRIM	Pearson Correlation	.768**	.670**	.776**	.838**	1		
	Sig. (1-tailed)	0.000	0.000	0.000	0.000			
PSM	Pearson Correlation	.741**	.833**	.839**	.888**	.867**	1	
	Sig. (1-tailed)	0.000	0.000	0.000	0.000	0.000		
PPE	Pearson Correlation	.587**	.470**	.712**	.670**	.814**	.672**	1
	Sig. (1-tailed)	0.000	0.004	0.000	0.000	0.000	0.000	

Source: Own Survey, 2021

As shown in the table (4.11) above, which illustrates the relationship between facilitating knowledge areas of project management, tools and techniques, and the perceived PMO effect. According to the table it ranges between values ($r = 0.670, P < 0.01$) to ($r = 0.899, P < 0.01$). Based on Table (4.11) above, there is a moderate to strong correlation between independent variables. Also, the correlation between facilitating knowledge areas and Project success ranges from ($r = 0.470, P < 0.01$) to ($r = 0.814, P < 0.01$).

Although there is a positive relationship between facilitating project knowledge areas, tools, and techniques and project success, it does not show the cause-and-effect relationship between them. In addition to correlation analysis, the researcher used regression analysis to show the cause-and-effect relationship between dependent and independent variables.

4.2.1 Multiple Regression Analysis (OLS model Statistics)

Multiple Regression analysis is also one of the most commonly used tools for evaluating the association between two or more variables. This enables the researcher to determine the effect of an independent variable on the dependent variables which SPSS software refers to them as Predictor and Predicted respectively. The ultimate goal of this analysis is to provide a regression equation that best fits both variables.

Test of model fitness

Before starting multiple regression analysis, the researcher has conducted the model's fitness test. These tests are the Normality test and multicollinearity test. Both tests are explained below:

1. Normality Test

To conduct multiple regression the distribution of independent variables must be normal. If the graph presented shows a bell-like shape it is normally distributed. If the graph shows a skewed distribution to the right also known as positively skewed which means a high number of occurrences are on the negative side and a low number of occurrences on the left side, it is not normally distributed. If the graph shows a skewed distribution to the left also known as negatively skewed which means a high number of occurrences are on the right side and a low number of occurrences on the left side, it is not normally distributed. As figure 5.1 below shows histogram of regression standardized residual, PMO's Project Knowledge areas are normally distributed.

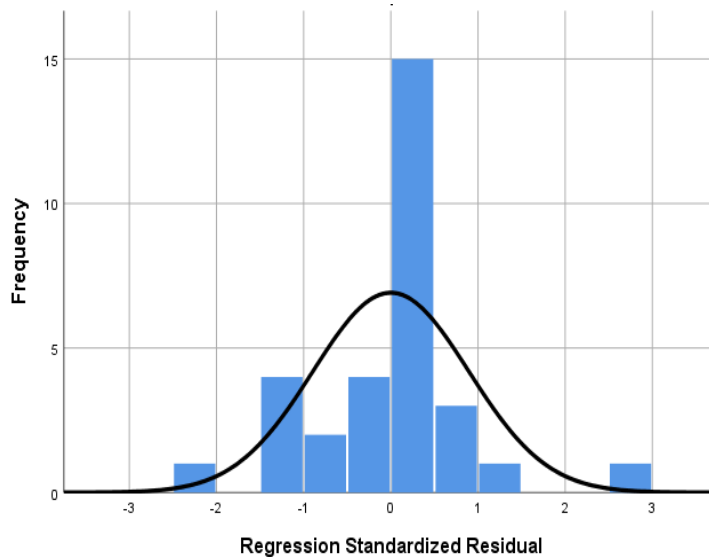


Fig. 4.1 Histogram

2. Multi-collinearity test

The multi-collinearity test refers to the circumstance in which independent variables in the multiple regression models are profoundly correlated. Based on the variance inflator factor (VIF), the researcher determined the multi-collinearity test. If the value of VIF is between 1 and 10 then there is no multi-collinearity but if the value of VIF is either less than 1 nor greater than 10 then there is a high multi-collinearity. As table 4.12 shows all the variables are between 1 and 10, therefore there is no multi-collinearity.

Table 4.12 Multicollinearity Statistics

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.916	.395		4.851	.000		
	PMTE	0.117	0.182	0.139	0.645	.000	.207	4.824
	PMTO	0.259	0.287	0.285	0.902	.000	.261	3.836
	PREM	0.469	0.164	0.470	2.867	.001	.110	9.072
	PCM	0.550	0.142	0.658	3.877	.001	.117	8.546

	PRIM	0.178	0.150	0.202	1.191	.000	.176	5.690
	PSM	0.294	0.288	0.317	1.022	.000	.109	9.168

a. Dependent Variable: PPE

Source: Own Survey, 2021

This study seeks to identify the effect of PMO on Project success and the impact it has on organizational performance. In the previous section, it is noted that all independent variables have moderate to strong correlations. Based on that, multiple regression analysis has been evaluated to know the effect on Project success and impact on organizational performance. The Adjusted R² value was used to show the percentage variable in the dependent variable explained by the independent variable.

Table 4.13 Result of Multiple Regression Analysis PMO's practices on Project success

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.887 ^a	0.787	0.733	0.30239	0.787	14.745	6	24	0.000
<i>a. Predictors: (Constant), PSM, PMTE, PMTO, PRIM, PCM, PREM</i>									

Source: Own Survey, 2021

Table (4.13) shown above, the Adjusted R² has a value of 0.733 indicating the independent variable can explain 73.3% of the variance on the dependent variable. Project success is explained by PMO's practices which reject the null hypothesis and accepts "PMO affects Project success". Moreover, the F-test shows the degree of freedom, which is at a 99% confidence level indicating there is no room for chances to explain any dependent variables.

Based on the analysis of regression above the model estimates indicates there was a 73.3 positive variation in project success as a result of changes in PMO. The remaining 21.3% are explained by other factors.

ANOVA

Table 4.13 ANOVA model fit

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.089	6	1.348	14.745	.000 ^b
	Residual	2.194	24	.091		
	Total	10.284	30			
<i>a. Dependent Variable: PPE</i>						
<i>b. Predictors: (Constant), PSM, PMTE, PMTO, PRIM, PCM, PREM</i>						

Source: Own Survey, 2021

The researcher used Analysis of Variance (ANOVA) to evaluate whether the overall regression model is fit or not. As the table (4.13) shown above indicates the value of R and R² is (F=14.745, P<0.01). This shows the regression model is statistically significant and the combination of independent variables significantly predicts the outcome variable.

Standard β coefficient

It expresses the degree of change in the dependent variable for every single deviation from the independent variable. This enables the researcher to rank independent variables based on their contribution to the dependent variable.

Table 4.14 Beta coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.834	.397		4.624	.000
	PMTE	0.117	0.182	0.139	0.645	.000
	PMTO	0.259	0.287	0.285	0.902	.000
	PREM	0.469	0.164	0.470	2.867	.001
	PCM	0.550	0.142	0.658	3.877	.001
	PRIM	0.178	0.150	0.202	1.191	.000
	PSM	0.294	0.288	0.317	1.022	.000

Source: Own Survey, 2021

Based on the table (4.14) above it is indicated that Project communication management takes a higher share in contributing to project success since it has the highest rate of standardized beta coefficient value of $\beta = 0.658$ followed by Project resource management $\beta = 0.470$, then Project communication management Project stakeholder management $\beta = 0.3.17$, then project management techniques $\beta = 0.285$, Project risk management $\beta = 0.285$, and finally Project management tools 0.139.

From the above result, it can be concluded that implementation of the facilitating knowledge areas of project management affects IT projects of BOA. It also indicated Project communication has the highest beta value because most of the respondents strongly agree with the given set of statements under Project communication Management and the fact that there is a small sample size. This indicates one variable change in Project communication Management results in a 0.658 change in project success. Even though this study beta value is relatively high, it supported by Ibrahim and Yong, (2019), which focused on the effect of Project knowledge areas on the success of academic research projects and conclude that project communication management was the most influential factor to the project success. Accordingly, the next highest is project resource management which indicates one variable change in Project resource Management results in a 0.470 change in project success. Project risk, tools, and techniques management have the least beta value, which indicates BOA's PMO needs to revise them.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

This chapter provides the summary of major findings, conclusions based on the findings, and finally, the appropriate recommendation was forwarded.

3.1 Summary of Findings

The study targeted a total of 34 respondents, only 31 responded contributing a 91.1% response rate. Among the respondents, 22 are Male (71%) and 9 are Female (29%). The majority of the respondents are in the age group of 25-30 which makes 87% of the total respondents. The respondent's educational background shows that 67.7% of the total respondents have BA Degree and 32.3% have Master's degrees. As far as experience is concerned the majority of the respondents have less than ten years experience (77.4%) the remaining (25.81%) have 11-15 years of experience.

Descriptive analysis results show that there is significant involvement in facilitating knowledge areas of project management, tools, and techniques by the PMO of BOA and all variables have a significant effect on the project success of the organization. In general, there is a moderately high agreement among respondents in which the average mean value is 3.75 and standard deviation 0.629. to summarize the six variables:

Project techniques management result shows the agile project management approach has the highest mean value, indicating PMO of the bank applied adaptive project framework techniques, which are frequently used for software development projects. Project management tools also show moderate agreement with the given set of statements.

The Project Resource Management. shows that the respondents agree with the given set of statements Training provided to project team members have the highest mean, indicating PMO of the bank gives regular training to its project teams.

The project communication management result shows that the respondents agree on key points and use their knowledge to improve the PMO and achieve Project success.

Project risk management result shows that there is less response on key point Management. Even though there is a positive perception on identification, monitoring, control, and documentation of risks faced on the project They responded less on performed risk management and detailed risk response plan.

Project Stakeholder management result shows that there is a positive perception of key points but relatively there is a low number of responses on stakeholder analysis. They need to identify stakeholders involved in the projects which are an important element for the quality of project success.

Correlation analysis shows that there is a moderate to strong correlation on PMO involvement and Project success ranging from ($r = 0.470, P < 0.01$) to ($r = 0.814, P < 0.01$). on the other hand, Based on Multiple Regression analysis, the adjusted R^2 shows the independent variable can explain 73.3% of the variance on the dependent variable. And the standard coefficient (β), Project communication has the highest beta value ($\beta = 0.658$). This indicates one variable change in Project communication Management results in a 0.658 change in project success.

The result also shows that there is a high agreement on key points of the Perceived effect of a PMO on Project success in which the average mean value is 4.136 and the standard deviation 0.721. the adjusted R^2 also implies 73.3% project success results from PMO involvement in facilitating project knowledge areas, tools, and techniques.

3.2 Conclusions

As mentioned in the Introduction section PMO is critical for the success of a project in an organization, especially if the organization is managing multiple projects at the same time. Since the Project methodologies, communication, resource, stakeholder, and risk management are an essential part of a PMO, knowing and properly executing these factors are crucial for project success. The main objective of this study is to show the role of PMO in IT project success and fill the gap on BOA's PMO. Based on the major findings stated above the following conclusions are made.

In general, several studies view Project success from different aspects such as cost quality customer satisfaction, identified risk, etc. for this study, project success is taken from the role of PMO in Project tools and techniques, communication management, risk management, stakeholder management, and resource management.

The result from the analysis shows PMO involvement has a significant effect on the project success of BOA in both correlation and regression. Regarding PMO's methodology (tools and techniques) the result shows a moderate significant effect on project success.

Project management methodology is developed with their tools and techniques. This is identified as a major gap that the bank should immediately implement a standardized methodology, tools, and techniques across its projects to effectively manage and reach the desired goal.

According to (Shrivastava, N. K., 2012), Project risk management is the most effective way managers use to enhance the chance of success in a project. Moreover, if properly applied it reduces fear of failure and offers predictability. This also identified another major gap that the bank should immediately start a risk response plan and update regularly.

The importance of facilitating project knowledge areas, tools, and techniques on project success, the study showed project communication management rated the highest importance. Also, there is a moderate to strong relationship between PMO involvement and project success.

Finally, to conclude, the result shows PMO of BOA has a significant effect on project success. 73.3% of IT project success is attributed to PMO of BOA.

3.3 Recommendation

Based on the result and finding the following recommendation are drawn.:

- It is highly recommended BOA implement standardized tools and techniques that are specially designed for the bank considering project type and environmental context. This can be achieved by involving PMOs to apply consistent tools and techniques for project managers.
- The researcher also recommends preparing a risk response plan and manage it for a continuous update on which the chance of project failure depends. This can also solve by the PMO, which ensures a consistent risk management practice by developing a guideline, templates, and training as needed.
- Finally, it is also highly recommended to measure the performance of a project against plan regularly by using ROI and the like. In return Project managers and project teams can learn from past mistakes and improve PMO towards attaining best practice of project management.

3.4 Suggestion for further study

This study aims to evaluate the role of PMO on Project success. with this in mind, the researcher gathered some valuable results. However, there are some suggestions for future research

- The study is conducted on only one bank which makes it hard for generalization to a much larger construct. Thus, for future researches in the area, it is suggested to include more banks to properly recognize the role of PMO in the banking industry.
- This study is applicable for the Program management office with only support functions in the organization. For future studies, different structures and roles should be incorporated.

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Annex

Annex I Research Questionnaire

Research Questionnaire

Dear Sir/Madam,

I am a Project Management student at AAU researching *The Effect of PMO on a Project success: The case of Abyssinia Bank IT projects*. The purpose of this survey aims to assess the current PMO practice and the effect it has on Abyssinia bank's IT project success. The achievement of this study depends on your cooperation in filling out this questionnaire. The first part is the demographic of the respondents such as age, gender, work experience. The second part is composed of questions on some of the knowledgeable areas of Project Management. The third part is composed of questions on project success and the fourth part includes questions on the contribution of PMO on overall banks performance.

I thank you in advance for your time and response. You are NOT expected to write your Name. All the information you provide is strictly confidential and will be used for academic research only.

Sincerely,
 FANUEL BELIHU
 +251923608175

N.B: For Part I Please respond by choosing the appropriate answer using a tick (✓). For Part II, Please **Answer the questions based on your project management experience.**

(5 = Strongly Agree, 4= Agree, 3= neutral, 2= Disagree, 1= strongly Disagree)

PART I General question

1. Age Group

- 25-30
- 31-35
- 36-40
- 41-45
- Above 45

2. Gender Male Female

3. Education Level High School BA Degree Masters Doctoral

4. Experience Below 5 years 5 – 10 years 11-15 years Above 15

PART II Questions on some Project Management Knowledgeable areas and Practices.

	Project Management techniques	5	4	3	2	1
1	Traditional Project Management approaches like a waterfall, PERT techniques used					
2	Agile Project management approach like scrum, extreme programming, adaptive project framework techniques used					
3	Change management approaches like event chain, extreme project management techniques used					
4	Other methodologies like Program evaluation review techniques and the PMBOK method applied					

	Project Management tools	5	4	3	2	1
1	The PMO uses tools like MS Project, JIRA for Organizing workflow and Planning					
2	The PMO has Frequent and effective communication.					
Project Resource Management						
3	The PMO Schedules ahead and Clarifies or confirm the time with team members	5	4	3	2	1
1	There is awareness about the importance of Project Resource management in the PMO and project management team?					
2	There are planning for acquisition and management of resources like materials, equipment, license, etc.					
3	Skill requirement, roles, and responsibilities defined for all project positions?					
4	Training (formal/informal) provided to project team members?					
	Project Communication Management	5	4	3	2	1
1	There is awareness about the importance of project communication management in the PMO and Project Management team					
2	Project Communication requirement analysis performed in your project					
3	Plan/strategy prepared to address identified communication needs					
4	Projects have a system/procedure for handling project documents					
5	Projects have a system for collecting and distributing information.					
6	Performance reports prepared and provided to relevant stakeholders					
7	Projects have a standard format for preparation of project reports					
8	Project manager share lessons learned with project members					
	Project Risk Management	5	4	3	2	1
1	There is awareness about the importance of project risk management in the PMO management and project management team?					
2	Risk management performed formally in your project?					
3	There is an effort to identify and document risks in your project					
4	Identified risks are analyzed to determine their potential impact					
5	Detailed risk response plan prepared for risks that warrant action/attention					
6	Risk response plan and strategy continuously updated?					
7	Risk monitoring and control performed in your project					
	Project Stakeholder Management	5	4	3	2	1
1	There is awareness about the importance of stakeholder management in the PMO and project management team					
2	Stakeholders' analysis done for your project					
3	Stakeholder management plan prepared					
4	There is a continuous effort in communicating and working with stakeholders to influence their expectation, address their concern and resolve issues					
5	A strategy developed for managing each key stakeholder's expectation					

PART II Questions on the Perceived Value of a PMO on Project success

	PMO Perceived Value	5	4	3	2	1
1	The use of PMO is delivering value for investment					
2	The organization consistently evaluate the PMO results					
3	The PMO structure understands the organization values					
4	The use of PMO increases IT project success rate					
5	The use of PMO has been achieved satisfactory results for the organization					

Annex II: Organizational structure of BOA

