



## The Role of a Project Management Office (PMO) In Ensuring Human Resource (HR) Sustainable Operations



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p-ISSN: 2521-2974

e-ISSN: 2707-0093

L-ISSN: 2521-2974

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**Citation:** Mari, D. A., Raza, A., & Lahbar, G. M. (2023). The Role of a Project Management Office (PMO) In Ensuring Human Resource (HR) Sustainable Operations. *Global Economics Review*, VIII (II), 162-171. [https://doi.org/10.31703/ger.2023\(VIII-II\).12](https://doi.org/10.31703/ger.2023(VIII-II).12)

**Abstract:** *The importance of having a coordination cell, such as a Project Management Office (PMO), within a project organization, cannot be overstated, especially as projects become more complex and involve multiple stakeholders. One crucial aspect of a PMO is its ability to incorporate the principles of sustainability within its process framework. By considering sustainability, the PMO ensures that project requirements are met in a way that minimizes the need for rework and promotes environmentally and socially responsible practices. This alignment with sustainability principles contributes to the long-term success and positive impact of projects. A well-established PMO plays a vital role in preventing project failures by addressing challenges. Scope creep refers to uncontrolled changes or additions to the project scope and a failure to meet project objectives. The PMO helps manage scope by establishing clear processes for scope change control and ensuring that changes are properly evaluated, approved, and incorporated into the project plan.*

**Key Words:** Project Management Office, Human Resources, Organization, Stakeholders, Sustainable Operations

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### JEL Classification:

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### Introduction

Organizations face ongoing challenges to innovate their processes and deliver unique products and services to stay competitive. As projects become more complex, there is a need for centralized coordination (Kazaz & Acikara, 2015). A well-structured project governance system supports strategic goals and customer satisfaction (Ichsan et al., 2023). The complexity of projects highlights the importance of integration, communication, and coordination. Sustainable project

management has emerged as organizations restructure their business models (Mothafar et al., 2022). The PMO and organizational practices must embrace sustainability concepts to meet project requirements and objectives effectively (Hossain et al., 2023). The role of the PMO in sustainable project management is gaining awareness as organizations seek to avoid liabilities associated with unsustainable practices (Atkinson, 1999).

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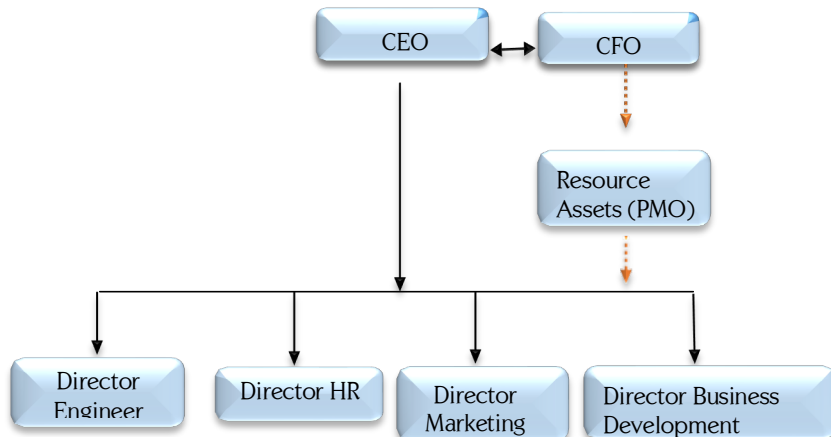
Project failures can result from inaccurate costing, poor scheduling, scope creep, and inappropriate project plan execution (Rahul & Rahul, 2023). Establishing a PMO can help mitigate risks, align with strategic goals, and maintain standards, policies, and methodologies for efficient project implementation (Meng, 2012). The PMO facilitates organizational adaptation to market trends and competition (Khokhar, Zia, et al., 2022). This research explores the liabilities, structure, and maturity level of a newly established PMO, as well as the challenges and necessities of its establishment (Huemann et al., 2007). The paper includes a literature review, a case study, an examination of PMO roles and responsibilities, a research methodology, data analysis, and concluding remarks (HOU et al., 2021).

The research papers have been identified as relevant to the role and establishment of

Project Management Offices (PMOs) (Gann & Salter, 2002). Building Value Through Sustainable Project Management Offices Purpose: To establish sustainable project management practices through investing in PMOs. According to (Yumei Hou, 2020) "The Role of Project Management Office in the Multi-Project Environment" Purpose: Highlights the role of PMO as a facilitator in a multi-project environment. By (Yusuf et al., 2004) "A Framework to Establish A Project Management Office" Purpose: Proposes a framework based on PMO best practices to prevent common pitfalls leading to PMO failure. According to (Khokhar, Hou, et al., 2020) "Using Project Management Office (PMO) to Improve Project Management Abilities" Purpose: Investigates the implementation and functionality of a PMO in a business setting as shown in Figure 1.

**Figure 1**

*Project Management Office (PMO) to Improve Project Management Abilities Duties*



"Building Value Through Sustainable Project Management Offices" by (Khokhar et al., n.d.): This paper focuses on establishing sustainable project management practices by investing in Project Management Offices (PMOs) (Laufer & Tucker, 1987). It explores the concept of sustainability in project management and discusses how PMOs can contribute to creating value within organizations through

the adoption of sustainable practices (Ershadi et al., 2023).

"The Role of Project Management Office in the Multi-Project Environment" by (Khokhar, Devi, et al., 2022): This paper highlights the role of PMOs as facilitators in a multi-project environment. It examines the challenges faced by organizations managing multiple projects and explores how PMOs can effectively

coordinate and support project teams to ensure successful project outcomes (Glenn & Gordon, 2001).

"A Framework to Establish A Project Management Office" by (Begum Siddiqui et al., 2023): This paper proposes a framework based on PMO best practices to prevent common pitfalls that can lead to PMO failure. It provides guidelines and recommendations for establishing a PMO within organizations, emphasizing the importance of aligning the PMO's structure and functions with the organization's strategic objectives.

### Literature Review

ABC Housing Society, initially established on a 100-acre land, has emerged as the largest and most prestigious residential estate in the country. With a strong commitment to providing residents with an exceptional standard of living, the Society has developed a world-class environment with well-guarded communities and quality amenities (Hussain et al., 2013). Through effective planning, visionary leadership, and innovative practices, ABC Housing Society has positioned itself as the preferred housing provider in the country. The Society currently spans over 9,000 acres and serves a community of 85,000 members (Irshad et al., 2019). To ensure the seamless functioning of the Society, a well-managed and governed administration oversees the operations.

This administration is responsible for providing residents with the best educational, recreational, cultural, and civic facilities within an aesthetically pleasing environment (Engwall & Jerbrant, 2003). The Society boasts an extensive network of roads spanning 455 km, a water supply covering 603 km, and a sewerage system spanning 444 km. ABC Housing Society undertakes all construction projects through the appointment of project managers (Khokhar, Iqbal, et al., 2020). The Society follows the guidance and direction of its administrators to formulate future plans and facilitate development (Javed & Liu, 2019). The primary objective of the Society is to

contribute to the development of the housing sector in Pakistan by introducing model housing schemes. These schemes are established on land acquired from the federal/provincial government or private sectors to make optimal use of valuable land resources (Kardinal Jusuf et al., 2023).

The Society's Governing Body convenes at least once a year to review progress, establish policy guidelines, and approve the budget (Aghajani et al., 2023). During a recent meeting, the members assessed the hiring and selection process for project managers and the procurement setup, which were managed by the administrative officer. The session revealed several areas for improvement, including the absence of employee training and improvement sessions, as well as project managers handling multiple projects simultaneously (Hailiang et al., 2023). Furthermore, delays were observed in the development projects, primarily due to inadequate planning, undefined strategic goals, delays in financial approvals, the late realization of prioritized projects, insufficient project control, limited understanding of resource capacity, and the absence of a centralized unit for planning, execution, and procurement. In light of these findings, the Board concluded that the establishment of a Project Management Office (PMO) within ABC Housing Society is necessary to address project uncertainties and enhance the success rate of projects.

The responsibilities which a PMO is desired to perform are decided by its parent organization. Every organization is unique in its business and has its own problem that requires different solutions as a response, which define the functioning capacity of its PMO. A single size does not fit all situations, so there is always required a unique remedy to the problems that arise. However, much research has analyzed some basic areas which a PMO is required to undertake from its initial tasking. The illustration below in Figure 2 projects the major areas of PMO responsibilities:

**Figure 2**

Graphical representation of potential PMO responsibilities



## Methodology

A project management methodology refers to a set of processes, practices, and guidelines that define how projects are planned, executed, monitored, and controlled within an organization. It provides a structured approach to managing projects and ensures consistency in project management practices across the organization. Common project management methodologies include Waterfall, Agile, Scrum, Lean, and PRINCE2, among others. The choice of methodology depends on factors such as project complexity, requirements, team dynamics, and organizational culture.

**Standards:** Standards in project management provide a set of best practices and guidelines for managing projects effectively. These standards help ensure that projects are executed in a consistent and standardized manner, leading to improved project outcomes. Examples of project management standards include the Project Management Institute's (PMI) Project Management Body of Knowledge (PMBOK), ISO 21500:2012 on project management, and

PRINCE2 (Projects IN Controlled Environments) methodology (Hou et al., 2023). These standards cover various aspects of project management, including project initiation, planning, execution, monitoring, and closure.

**Tooling:** Project management tools are software applications or platforms designed to assist project managers and teams in planning, organizing, and managing projects. These tools provide features such as task management, scheduling, resource allocation, collaboration, document sharing, and reporting. Project management tools can range from simple task trackers and to-do lists to comprehensive software suites that encompass various project management functions. Examples of popular project management tools include Microsoft Project, Jira, Asana, Trello, Basecamp, and Monday.com (Khaskhelly et al., 2022). The choice of project management tool depends on the specific needs and requirements of the project and the organization's preferences (Hou et al., 2022).

In order to gather data and insights regarding the establishment of a Project

Management Office (PMO), a survey was conducted. The survey aimed to identify the liabilities and determine the structure and level of the PMO, as well as the needs and challenges associated with its establishment. The survey was designed using a pre-designed questionnaire and targeted different entities involved in the construction industry as shown in the figure below; -

During the survey, it became apparent that there was a lack of knowledge and understanding regarding the functionality and complexity of PMOs. This limited knowledge may be attributed to the relatively low amount of research conducted in this domain. The questionnaire consisted of 11 questions that covered areas such as the structure, level, and authority of the PMO, the role of organizations in establishing the office, and the problems and liabilities associated with PMOs.

The respondents to the survey were executives holding senior positions within the construction industry. The data obtained from the questionnaire was analyzed, compiled, and evaluated to derive meaningful insights and descriptions. Additionally, the study also involved a review and deliberation of relevant research papers published over the past 12 years. These research papers were accessed online through open-source platforms such as Research Gate and Academia.

The purpose of this study is to enhance the understanding of organizations regarding the true potential of PMOs in meeting strategic objectives through the implementation of sustainable project frameworks. By combining the findings from the survey and the analysis of published research papers, the study aims to provide valuable insights and contribute to the knowledge base in this field.

The study is based on the findings analyzed from the already published relevant literature and conducting a questionnaire survey. Below is the list of questions that were asked during the survey:

- What are the common factors or challenges that lead organizations to establish a Project Management Office (PMO)?

- What are the responsibilities and obligations that a PMO should fulfil?
- How should the PMO be structured in terms of size, authority level, and personnel composition?
- What role does the Project Manager play in introducing new methodologies or approaches?
- Which approach to PMO implementation (formal, agile, hybrid) is more effective for different types of construction projects?
- What strategies can Project Managers employ to effectively address the transformative nature of construction businesses?
- What are the key criteria to consider when deciding whether to insource or outsource PMO functions?
- What is the relationship between the size of the PMO team and its organizational scope?
- How can PMOs leverage their communication capabilities to facilitate cross-functional collaboration?
- How can functional boundaries be established between the PMO and other organizational units to minimize disruptions?
- What are the most effective strategies that PMOs use to foster a project management culture within an organization?

## Results and Discussion

During the implementation of a Project Management Office (PMO), various challenges may arise, including budget constraints, staff reluctance to accept the PMO's authority, and resistance to adopting new practices. However, the PMO's role is crucial in achieving organizational goals and delivering projects within set timelines.

- To address these challenges, the PMO should create tangible goals that align with the organization's vision and ensure that all targets are met according to the established plan. The office should provide guidance in the form of templates, standardized processes,

education, and methodologies to support project teams and improve project management practices.

- The level and structure of the PMO can vary depending on the organization's business nature and size. It is often recommended to start with a support-level PMO when introducing a PMO to gradually establish its presence and demonstrate value (Khokhar, 2019).
- To stay updated with project management-related innovations and developments, the PMO should actively seek opportunities to gather innovative ideas for the organization. This can be done by attending trade shows, professional conferences, and events focused on project management.
- Creating a culture that supports and actively improves project management processes is crucial for the growth and success of the organization. The PMO plays a critical role in developing this culture by promoting communication and providing training on project management techniques, methodologies, and best practices.
- The Enterprise PMO model, which acts as the owner of the project management methodology, is often considered effective. This type of PMO operates as a centre of excellence, providing the organization with a framework to support project teams in overall project management and fostering sustainable management processes. The Enterprise PMO ensures that projects are aligned with the organization's vision, mission, and strategic business plans, promoting coherence and alignment throughout the project portfolio.

To achieve sustainable project management, the PMO must work in tandem with organizational practices, integrating sustainability concepts into all aspects of project execution. This contributes to the achievement of strategic goals, enhances project performance, and promotes the overall success of the organization. However, the sustainability of the PMO is an ongoing process. The PMO must continuously adapt

and innovate to address new challenges and opportunities as the external environment and project complexities evolve. Staying informed about emerging trends and attending industry events allows the PMO to introduce cutting-edge practices that support sustainable project management.

In conclusion, a sustainable PMO ensures the successful delivery of projects and contributes to the overall sustainability and growth of the organization. By focusing on long-term objectives, maintaining high standards, and aligning with the organization's vision, the PMO becomes a driving force for excellence in project management and sets the stage for sustainable success. Establishing a PMO requires careful consideration of its responsibilities, structure, and maturity level. Learning from past projects, collecting feedback, and continuously refining the PMO's practices and processes are crucial steps in its establishment. Ultimately, a well-designed and properly implemented PMO serves as a coordination cell within a project organization, enhancing integration, communication, and alignment with strategic objectives. By incorporating sustainability principles and effectively addressing challenges such as scope creep, the PMO helps prevent project failures and promotes successful project outcomes (Ahmed et al., 2022).

By establishing and enforcing these best practices, the PMO ensures consistency and efficiency in project management across the organization. Furthermore, as the owner of the project management methodology, the PMO follows the 'Enterprise PMO' model, connecting projects with the organization's vision, mission, and strategic business plans. This fosters alignment and coherence throughout the project portfolio.

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## Conclusion

To achieve strategic goals, organizations must establish a Project Management Office (PMO) and adopt sustainable practices in their processes. This approach ensures that project requirements and objectives are met while minimizing rework and maximizing quality

outcomes. The PMO is responsible for maintaining standards, policies, templates, procedures, and sustainable methodologies, enabling efficient project implementation. The parent office determines the PMO's responsibilities, aligning them with the organization's strategic objectives and vision. In many cases, the PMO acts as the owner of the project management methodology, following the 'Enterprise PMO' model. This model connects projects with the organization's vision, mission, and strategic business plans, ensuring coherence and

alignment throughout the project portfolio. The sustainability of a PMO is vital for an organization's long-term success and growth. By integrating sustainable practices into its processes, the PMO can meet project requirements and objectives effectively while minimizing rework and maximizing quality outcomes. The PMO plays a crucial role in maintaining standards, policies, templates, procedures, and sustainable methodologies, streamlining project implementation, and fostering economies of replication.

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