

## **The Role of the PMO in Advancing Project Managers' skills to Sustain Organizational Value**

**By Waffa Karkukly, PhD, PMP, ACP, CMP**

### **Abstract**

Project Management Offices (PMOs) have proved their importance and significance in organizations especially in project based organizations in terms of advancing project delivery and improving project management standardization. There are higher expectations of PMOs in terms of strategy execution through portfolio management and alignment with organizational change management. When speaking of PMO functions, project portfolio management is at the top of the list of PMO functions, then project delivery, followed by project methodology, project reporting, and finally in that long list project/ program managers (PMs) development. The (PMs) development function does not attract a prominent attention in the listing of PMOs functions as other functions do. Therefore, the aim of this paper is to first, highlight the role of the PMO in advancing (PMs) skills. Second, to list the benefits organizations achieve as a result on PMs' skills advancement.

### **Keywords**

Project Management, Project Manager, Program Manager, PMs, PMO, benefits, Sustainability

### **Introduction**

A project management office (PMO) is an organizational body or entity assigned various responsibilities related to the centralized and coordinated management of those projects under its domain. The responsibilities of a PMO can range from providing project management support functions to actually being responsible for the direct management of a project (PMI 2008).

PMOs existed initially as a means of collecting and distributing project management practices and project knowledge throughout an organization. While the success rate of Y2K transitions created the initial opportunity, many organizations continued with PMOs and extended their mandate and increased their activities to include analysis, communication, and decision-making support (Desouza and Evaristo 2006).

The project management office acts as the guardian of the project management intellectual property. Other organizations established PMOs initially to cut costs, but then they evolved into organizations to manage a single large project, provide guidance, methodologies, tools and techniques, and (most recently) become centers of excellence that manage groups of projects (Kerzner 2004).

The PMO is a critical organizational entity that adopts a variety of roles and structures but which should focus on adding value to an organization and its customers to achieve the desired organizational performance (Karkukly, 2011).

PM solutions report for 2014 identified top five PMO priorities and top five PMO challenges. The number one priority was implementing resource planning and forecasting, while one of the top five challenges was inadequate resource management and capacity (Pmsolutions/state-of-the-pmo-2014-research-report-final). The report provides the statistics of top priorities and top challenges, but does not suggest improvements that organizations need to embrace to achieve these priorities and address these challenges.

Overall views on project management resource inadequacy are not being discussed, nor the capacity planning. While organizations struggle to allocate staff and require processes for forecasting, they are overlooking the first step and that is the evaluation of their human resource (HR) assets (i.e. employees' skills). To achieve success in evaluating (PMs) skills, organizations need to look at various areas: project complexity in terms of size, money, scope complexity, etc. Resource competency levels, resource interest and progression and finally match the right skill to the right project. Just having extra resources to throw in on projects is not the solution. In some organizations, demand management and capacity planning show immaturity in managing project resources. While some resources are over allocated, others would be hardly allocated. The imbalance is due to the lack of assessment of number of projects to resources. Second, would be matching the right resource skill set to the right type of project.

Many PMOs are guilty of neglecting the PMs' development function and turning it into a pool of resources without paying attention to leveraging that function for organizational benefit. Some PMOs are guilty with one or more of the following: too many templates, no time allocated for training, too many departmental/ administrative meeting, working on the same type of projects, staff are stuck in their level and no progression. These PMOs need to take active steps towards improvement and plan to operate differently to focus on their people side.

### **The role of the PMO in advancing PMs' skills**

The (PMs) development function should be split into two clear functions: Training and development, and assessment and utilization.

The overall goal of training and development is to encourage continues development and improvement in the core skills and competencies of project managers and PMO staff to achieve a high performance, and a project management career path. PMO's role is to build a career path for project and program managers by defining the competence profiles at different levels. Further, determine how to use them to predict the performance of project and program managers in their annual appraisals.

The overall goal of the assessment and utilization is to staff projects with the right skill sets to position these project managers for success and ensure the training and development that they get allow them to get hands-on experience that matches their progression for a career path. PMO's role is to ensure as well full allocation and utilization, utilizing the right skill and allocating the resources appropriately to ensure supply and demand balance (i.e. not over-allocating some project managers, or under-allocating others).

In some organizations, project managers are contracted to work as consultants for specific projects, and they are expected to have the required industry standards and maybe the hiring organization's standards. Hence, investing in project manager training may not be required. For

those organizations that have full-time project managers on staff, investing in their project managers' professional development is a feature that is looked upon quite positively when project managers make career moves.

In some organizations, the PMO that is responsible for training, providing a career path, and bridging any skill gaps for all project staff, has the authority to perform these activities. When the PMO has the authority and the required funding to develop programs tailored to project managers' career paths, the PMO's level of authority correlates with how much of an influence it has over the education, mentoring, and guidance of project management within an organization.

### ***Developing PMO staff skills***

Full assessments of all PMO staff need to take place to determine the performance of each individual and skillset gaps across the same level and across various levels. To achieve this assessment, an organization needs to take an inventory of current staff skillsets (along with staff aspirations), looking for evidence of staff past performance and professional development and assess if the staff has been delivering as expected against the role expectations and relevant to the PMO roadmap requirements. Second, there needs to be validation whether the number of staff supporting the PMO is sufficient and whether the skillsets available are diverse enough to address the different types of projects.

The result of this assessment is rewarding performing staff and taking corrective action with those who are not performing. The assessment will result in defining the job family for project managers and PMO staff as well as highlighting the career path progression. Employee satisfaction is an area that requires frequent assessment. Neglecting to do so will risk staff turnover and the stability of the performing employees in the PMO.

### ***Sustaining PMO staff skills***

There are three parts to sustaining project managers' skills. This process starts after an assessment of a project manager's skillset takes place to understand the type of skill training, on-the-job training, and career path growth (karkukly, 2015).

The first part of an action plan allows project managers to train at the basic level (organization methodology and process). By starting all levels of manager training with the core basics, project managers become grounded with the required methods and procedures that their organization considers critical for the successful delivery of a project. Specialized training for the various levels of project management is essential to expand their skills, develop their knowledge, and keep them challenged for the next level of responsibility.

The second part of an action plan is to have a career path for the PMs to increase their competencies, which will help ensure they progress to more senior project management roles. This crucial step can be achieved through working with the HR business unit and the PMO to set the career levels, performance criteria, and so forth for all project managers.

The third part of an action plan provides diversity in their assignments and work on projects that vary in size, type, and complexity, sharpening their skills across subject areas and business

functions. This gives the PMO the opportunity to use the project managers' experience and skillset to the fullest extent.

### **Organizational benefits**

Organizations spend time and money on hiring, retaining and advancing PMs. Therefore, measuring benefits both financial and non-financial are crucial for organizations to remain aligned with their goals and objectives. There are three clear benefits and they are summarized into:

#### ***Financial benefits***

- Achieve cost savings through retention vs. hiring
- Obtain ROI of training and professional development
- Improving PMs' skills improve project delivery cost
- Saving on recruiting fees spent by organizations' hiring managers

#### ***Morale benefits***

- Improve retention and improve performance
- Create a positive culture encouraging new ideas and contribution
- Improve employee satisfaction rate and hence their productivity
- Inspire one another through positive, helping attitude

#### ***Organizational competitive advantage benefits***

- Become the employer of choice
- Sustain reputation in the hiring market
- Retain business and technology knowledge

### **Conclusions**

This paper summarizes the role of the PMO in advancing (PMs) skills and lists the benefits organizations achieve as a result on PMs' skills advancement.

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## About the Author



### **Waffa Karkukly, PhD**

Ontario, Canada



**Waffa Karkukly** is currently the President and Managing Director for the [www.globalpmosolutions.ca](http://www.globalpmosolutions.ca). During her career, she has been involved in managing technology and project management offices for fortune 100 as well as small size organizations. She is a strategist and change agent transforming organizations through alignment between strategy and operation and delivering through projects, programs and portfolios. Waffa is an author of two books, coach, and a frequent speaker and panelist at the various project events globally. Waffa has a BSC in Information Systems from DePaul University and an MIT from Northwestern University in the United States, and a PhD from SKEMA School of Business in France. She is a (PMP) and (ACP) by the Project Management Institute (PMI®), as well as a Change Management Practitioner (CMP). Waffa is dedicated to improving the understanding and standards of project management practices, especially in the value proposition of building and sustaining successful PMOs. Waffa Karkukly can be contacted at [info@globalpmosolutions.ca](mailto:info@globalpmosolutions.ca)