

The Effect of Project Management Office Role in the Delivery of Technology Projects in Mobile Communication Companies in Kenya

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Abstract

This article investigates the effect of Project Management Office role in the delivery of technology projects in mobile communication companies in Kenya. The population consisted of the four key mobile communication companies in Kenya namely Safaricom limited, Airtel, Orange and Yu Mobile. The target population of 59 comprised of all the key staff members directly involved in project implementation and decision making. A sample size of 51 was drawn using stratified random sampling method. The research instrument was a questionnaire. Data was analyzed using both descriptive statistics and inferential statistics. The survey findings indicated a significant association between the level of PMO involvement in strategic planning and the project success rate. The study recommends executive support, use of best practice and funding for PMOs in order for them to offer value in terms of project delivery and achieve a sustained competitive advantage.

Key words: Project Management Office, Project success rate, Mobile communication companies in Kenya.

1. Introduction

Globally the 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 the PMO can range from providing project management support functions to actually being responsible for the direct management of a project. The projects supported or administered by the PMO may not be related, other than being managed together. The specific form, function and structure of a PMO is dependent upon the needs of the organization that supports it (PMI, 2008, p.41).

PMOs are a relatively recent phenomenon which only started to gain popularity in the mid 1990s (Dai & Wells, 2004, p.526). This growth in popularity has been identified as recognition by organizations that their strategies and initiatives are essentially achieved via projects and as such project management is a critical competence which should be developed (Hurt & Thomas, 2009, p.55). A PMO is fast becoming the global project management standard for those enterprises that perform a significant amount of project work activities, along with their associated project management methods and tools in order to do so repeatedly and consistently in a successful manner.

The well-known concept of a Project Manager managing I.T. and Technology project in relative isolation is no longer a viable option for organisations that are running numerous projects simultaneously. Due to the enormous costs and risks involved in many of these projects, there needs to be a means to ensure success. This has led to the establishment of the concept of a Project Management Office (PMO), an autonomous business unit that is responsible for managing all projects within an organization. The need for a Project Management Office (PMO) to effectively manage multiple projects is becoming more and more accepted worldwide. One powerful approach for improving project results is the introduction of a central project management entity, a so called PMO (Yetton, 2007).

Organizationally, a PMO can be found in a centralized or decentralized placed manner. As a centralized organization, it operates with full control over all project activities across the entire corporation regardless of physical location or business function.

As a decentralized organization it can be found in certain operation units or physical locations where significant project activities occur and not in others where they do not. It can exist with either full-time staffed personnel, part-time personnel or some combination of both (Richard, 2012).

The role of a PMO within a project or programme environment is dependent on two key factors. Firstly the range of services provided by the PMO which can be interpreted as the number of services, the sophistication of the services or to whom they are provided. These services should reflect whether the PMO is seen mainly as a means of improving operational performance in terms of project delivery or whether its role is more strategic to improve project decision-making and governance. Secondly the degree of involvement of the PMO in supply-side activities to improve the management of resources on authorized projects, or demand-side activities, including involvement in identifying investment benefits, portfolio management and prioritization decisions. The relative position of a PMO along these dimensions will have a profound impact on the influence that it can have on the success of projects and programmes within an organization and, as a result, the value that it can deliver. Every organization has its own set of challenges in managing its projects and programmes (Cranfield University, 2012).

Ensuring that your PMO is properly structured is essential. The stakes are high and failure is not an option. Positioning the PMO in organization properly with a clearly defined role and the right level of empowerment to match the scope and breadth of the programs to be managed can ensure maximum business value. Ultimately the right model will depend not only on your company's organizational structure, its line of business, size, and geographical reach but also on the type of program being implemented, whether intended to implement new distinct capabilities or simply required to keep the lights on (Donald .D. et al..2012).

There is therefore much debate within the academic community as to what, if any, benefit the PMO actually delivers to business and what factors influence the delivery of this value.

The key mobile communication companies in Kenya have setup project offices to undertake their technology driven projects, which are typically capital intensive, high risk due to the changing technological environment and with limited time to market due to stiff competition. This is geared towards achieving competitive advantage through timely release of innovative and value added products in very volatile growing market. Despite this, pertinent questions are being raised by the respective top executives of these mobile communication companies on the existence of PMOs and their value contribution to the overall success of the company. PMOs are therefore under constant threat of disbandment once viewed as unnecessary financial burden or additional bureaucratic layer. On the other hand projects are continuously failing due to lack of adopting PMOs. There is therefore an urgent need for management to evaluate the value of their respective PMOs in detail before disbanding an otherwise worthwhile office. In view of the above the following study was undertaken to determine the effect of PMO role in the delivery of technology projects in mobile communication companies in Kenya.

2. Methodology

The research design utilized both quantitative and qualitative approaches. The research instrument was a questionnaire. The population consisted of the four key mobile communication companies in Kenya namely Safaricom limited, Airtel, Orange and Yu Mobile. The target population was 59 technology division or department staff members who directly deal with project implementation. This comprised heads of departments/project sponsors, senior managers and project/program managers as listed in their respective organizational charts and company employee list. A sample size of 51 was drawn using stratified random sampling.

Analysis of the data was done using both descriptive statistics and inferential statistics through statistical package for social scientist (SPSS). Descriptive statistics utilized percentages and frequencies while inferential statistics utilized Pearson's Chi-Square test of association. Quantitative data was presented in graphs, charts, bar charts, cross tabulation while qualitative data was through frequency distribution tables.

3. Results and Discussion

The study had an objective of establishing whether the role of the PMO or Project office was operational or strategic. This was achieved by looking at the PMO or Project Office reporting line and the level of involvement in strategic planning.

3.1 Reporting Line

The researcher sought to find out from the respondents the reporting structure of their PMOs and Project offices in their respective organizations. The results obtained are tabulated in figure 1 below.

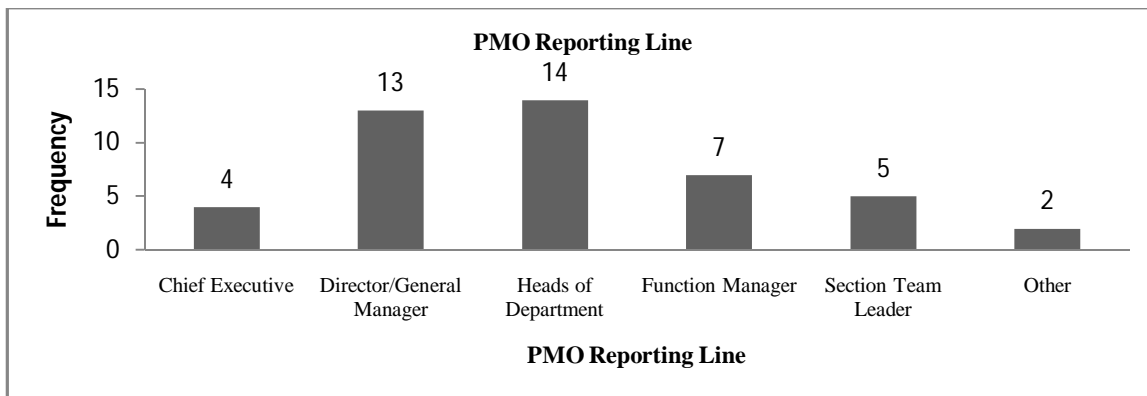


Figure1: PMO or Project office reporting line

Results from figure 1 above indicates that 14 out of 45 PMOs reported to heads of departments constituting a majority of 31%, 4 out of 45 reported to Chief Executives constituting 9%, 13 out of 45 reported to Directors/General Managers constituting 29%, 7 out of 45 reported to functional managers constituting 16%, 5 out of 45 reported to sectional team leaders constituting 11% and 2 out of 45 reported to support function within the organization constituting 4%. The above results indicate that majority of the PMOs or project offices report to either to heads of departments, directors or general managers.

Based on the reporting line of a PMO or project office, respondents were asked to state project success rate in terms of the percentage of projects completed on time in their organization. The results obtained are tabulated in table 1 below.

Table 1: PMO Reporting Level Versus Project Success

PMO Reporting level	Project success Rate			Row Total
	0-25%	26-75%	76-100%	
Low	2	5	2	9
Medium	2	8	10	20
High	3	5	8	16
Total	7	18	20	45

From Table 1 above, For Low level reporting PMOs or Project Offices, 2 reported 0-25% success rate, 5 reported a success rate of 26-50% and 2 reported a success rate of 76-100%. For Medium level reporting PMOs or Project Offices, 2 reported a 0-25% success rate, 8 reported a success rate of 26-50% and 10 reported a success rate of 76-100%. For High level reporting PMOs or Project Offices, 3 reported a 0-25% success rate, 5 reported a success rate of 26-50% and 8 reported a success rate of 76 to 100%. The above results indicate that PMOs or project offices that report at medium level of the organization have a higher project success rate.

3.2 Involvement in strategic planning

Respondents were asked about the level of involvement of project management in the overall strategic planning process of the organization. The results obtained are tabulated in figure 2 below.

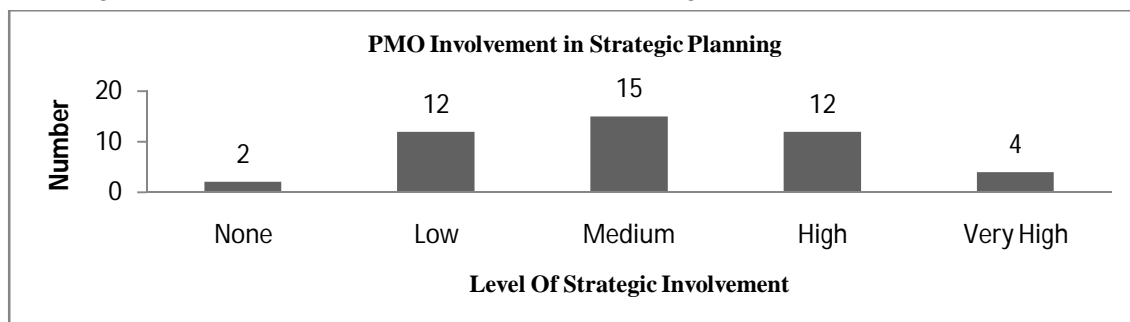


Figure 2: Level of strategic planning involvement

Results from figure 2 above indicate that 2 out of 45 PMOs or Project offices have no involvement at all in strategic planning thereby constituting 4%, 12 out of 45 have low involvement constituting 27%, 15 out of 45 have medium involvement constituting 33%, 12 out of 45 have high involvement constituting 27% and 4 out of 45 have very high involvement constituting 9%. These results therefore indicate that majority of the PMOs or project offices have a medium level of involvement in strategic planning.

Based on the level of involvement in strategic planning of the PMOs or project office, respondents were asked to state project success rate in terms of the percentage of projects completed on time in their organization. The results obtained are tabulated in table 2 below.

Table 2: Strategic Planning involvement Versus Project Success

Strategic involvement	Project Success Rate			Row Total
	0-25%	26-75%	76-100%	
Low	4	8	2	14
Medium	2	8	4	14
High	1	3	13	17
Total	7	19	19	45

Based on Table 2 above, for PMOs or Project offices that have low involvement in strategic planning, 4 reported a 0-25% success rate, 8 reported a success rate of 26-50% and 2 reported a success rate of 76-100%. For PMOs or Project offices that have medium involvement in strategic planning, 2 reported a 0-25% success rate, 8 reported a success rate of 26-50% and 4 reported a success rate of 76-100%. For PMOs or Project offices that have high involvement in strategic planning, 1 reported a 0-25% success rate, 3 reported a success rate of 26-50% and 13 reported a success rate of 76 to 100%. The above results indicate that PMOs or project offices that have a high involvement in strategic planning report a higher project success rate.

3.3 PMO role versus Project Success Rate

The study used Chi Square to test the hypothesis between the independent variables and the dependent variable. Cross tabulation was used to come up with the contingency tables. The cross tabulated data were then tested for goodness of fit to establish whether the observed values were significantly different from the expected values. The Chi square results based on the contingency tables is summarized in table 3 below.

Table 3: Chi Square Test of independence – Summary Table

	Pearson Chi-Square Value X^2	Degrees of freedom df	Probability Value p-value
PMO Role			
Level of reporting versus Project Success Rate	2.86	4	0.582
Strategic planning involvement Versus Project Success Rate	14.40	4	0.006

With reference to table 3 above, only the output from statistically significant findings was presented in the body of the discussion. For the Test of Association between Strategic planning and Project success rate, the hypothesis under consideration was; **H₀**: Project completion success rate and involvement in strategic planning are not related. From the Chi Square calculations contained in table 3 and at a 5% level of significance, involvement in Strategic Planning had a statistically significant association with the Project Success Rate ($X^2 = 14.40$, $df=4$, $p=0.006$). We therefore reject the null hypothesis and conclude that the association did not occur by chance but rather that involvement of project management team in strategic planning does affect the success of the project.

4. Conclusions

Findings from the study revealed that there was significant association between strategic planning and project success. Project completion within time is therefore affected by the level of involvement in strategic planning. This implies that this association did not occur by chance but rather that involvement of project management team in strategic planning does affect the success of the project. At a higher level of strategic involvement the Project management team is well aligned with the overall strategy of the business and hence can deliver more effectively and efficiently. This will result to more relevant projects that are aligned to business objective being undertaken and given the due priority needed.

5. Recommendations

Based on this study, the following recommendations can be made. PMOs are valuable institutions that every mobile communication company that delivers technology projects should adopt. They should therefore be properly staffed and setup with the correct level of authority and responsibility and in this case report at a higher level of management. This will ensure that the PMOs interests are represented at top management and equally enhance their level of influence and control in the organization. PMOs need adequate funding and hence it is suggested they receive sufficient budgets to run their activities and equally have funds allocated for their future growth in terms of training, certifications, tools and adoption of best practices. The mobile communication companies in Kenya need therefore to have PMOs that are able to measure their performance and hence justify their existence through tangible measureable deliverables when called upon to do so. This will be achieved by implementing PMOs that are in line with the corporate strategies and values of the respective firms.

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