PGCS PROJECT AND PROGRAM MANAGEMENT SYMPOSIUM
Better Management • Better Projects

A Model for Organizational Project Management and its Validation

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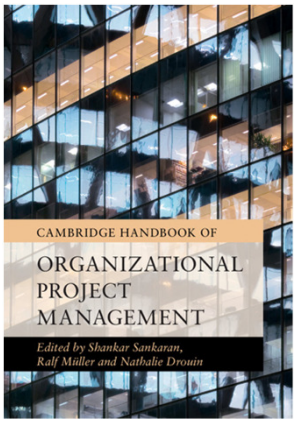
OPM Book



Cambridge Handbook of Organizational Project Management (2017)

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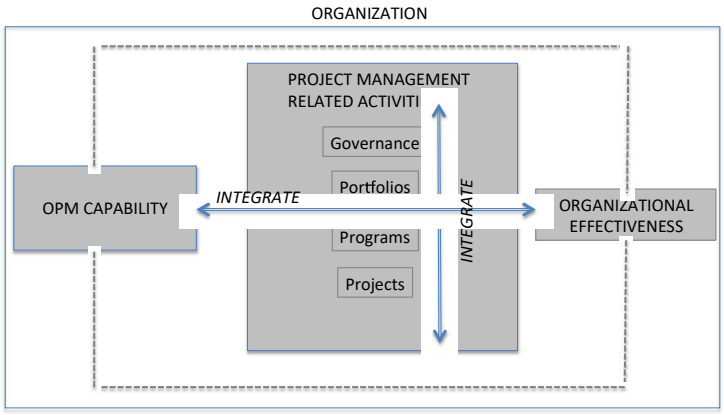
What is OPM?

Nature and Role: OPM is *an integrative capability* to foster and perform *horizontal and vertical integration* and *coordination* of the *project management related activities*, using the organizational resources for the purpose of *achieving organizational effectiveness*



OPM – Theory & Practice

OPM = the integration of all project related activities across the organizational hierarchy or network

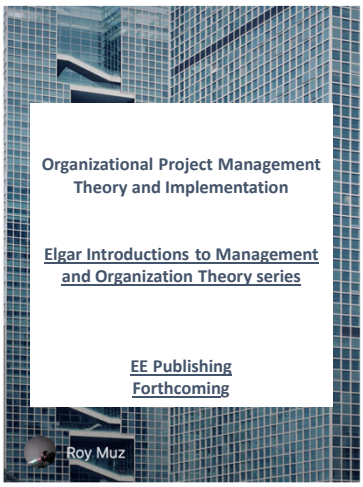
Theory

- Discourse on OPM is mostly reduced to project, program, and portfolio management only
- Rarely attempts are made to integrate contemporary views, such as for projectification, multi-project strategies, governance paradigms, governmentality, etc.

Practice

- No integrated understanding of OPM elements, and how to fine tune them for organizational efficiency
- Confusion about the anchoring of OPM elements in the organization
- No guideline for the design of OPM systems

OPM Book



Organizational Project Management Theory and Implementation (*forthcoming October 2019*)

Elgar Introductions to Management and Organization Theory series

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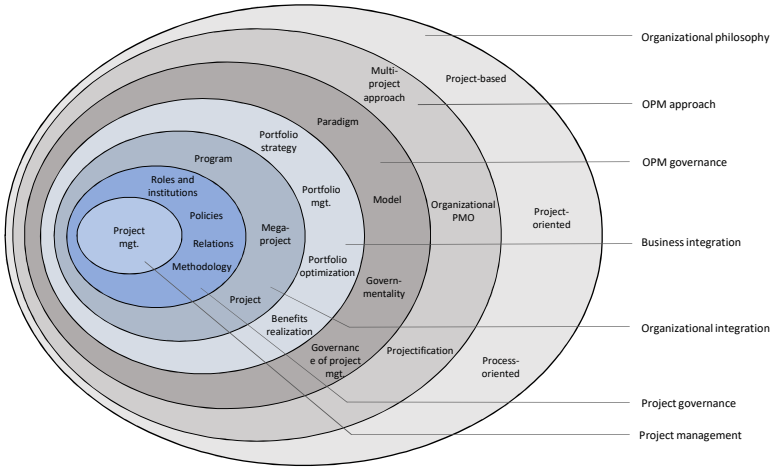
Development of an OPM Model

- A more integrative model for OPM
- For practitioners: Develop a method to design or adjust OPM designs contingent on an organization's circumstances
- For academics: Develop a model of yet isolated elements of OPM, allowing to further theorize on the role and functions of OPM

The onion model



Organizational Project Management (OPM) onion © Müller, Sankaran & Drouin, 2018

Elements identified

Element names	
Project-based organization	Portfolio management
Project-oriented organization	Portfolio optimization
Process-oriented organization	Benefits realization
Multi-project strategy	Program
Strategic/organizational PMO	Megaproject
Projectification	Project
Governance paradigm	Project management methodology
Governance model	Policy
Governmentality	Contracts
Governance of project management	Steering Group/Committee
Portfolio strategy	Project management

Organizational philosophy: Process-oriented (functional) organizations

- Typical for stable markets
- Typically structured by functional lines
- Work is done in permanent organizational entities
- Beneficial for mass-production of known products with known processes
- Key task is optimization of production system by reducing costs
- Economies are scale-based
- Projects are few and undertaken to optimize production

Hobday, 2000

Organizational philosophy: Project-oriented organizations

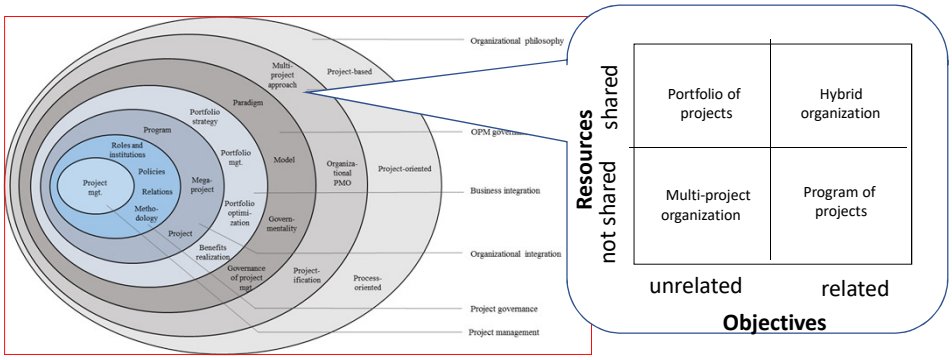
- Typical for dynamic markets
- Management decides to run the business by projects
- Use temporary organizations as a strategic choice for value delivery for clients (projects and programs are applied as temporary organizations)
- Project management quality is assured by a PMO
- Strategic alignment of the project portfolio is performed by a Project Portfolio Group, etc..

 Gareis & Huemann 2007

Organizational philosophy: Project-based organizations

- PBO carries out contract projects for their external customers
- Project-based is bottom-up – the work that is done is required to be done through projects
- Project is the primary unit for production
- Requires specific monitoring and control systems per project

OPM Approach: Multi-project



Multi-project strategy: Organizations accept any project they can get; resources not necessary shared; objectives not necessary aligned across projects.
Program strategy: Organizations prefer projects that contribute to higher level of objectives (program objectives); resources cannot be shared across projects;
Portfolio strategy: Organizations prefer projects that use their existing employees; resources are shared; project objectives might vary
Hybrid strategy: Organizations balance the program and portfolio strategies to maximize utilisation of resources and accomplish higher level of objectives

OPM Approach:PMO types

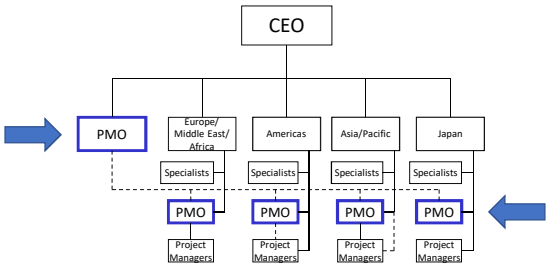
Tactical & Strategic PMO

Strategic PMO

Aim: improve project management effectiveness

Tasks:

- Methodology development
- Policy and standards
- Portfolio management
- Global reporting
- Building global project management culture



Tactical PMO

Aim: improve project management efficiency

Tasks:

- Training and support
- Audit and review
- Steering Committee
- Regional Reporting
- Building local project management culture

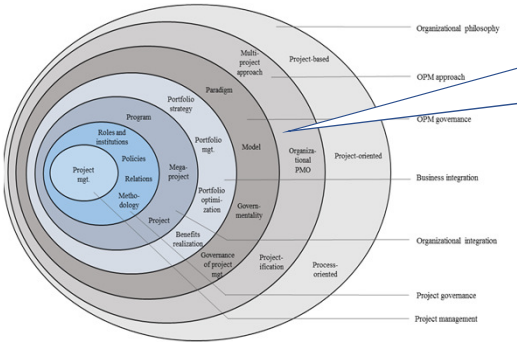
Müller 2009

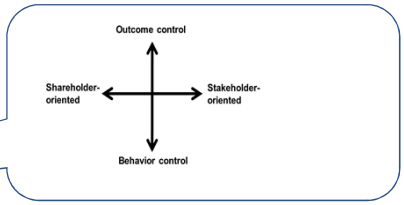
OPM Approach: Projectification

- Dimensions:
  - **The importance of project management** in the organization
  - **The existence of a career system** for project managers including training and certification programs for project managers
  - **Projects as the principle form of exchange** in business relationships
  - **A project mindset and culture by the employees**: when talking about their work, do employees refer to the projects they work in or the company they work for?

Midler, 1995; Müller, Zhai, Wang & Shao, 2016

OPM Governance





Governmentality:
Authoritative: governors give clear direction
Liberal: governors use economic means to steer decision making
Neo-liberal: governors set value system to influence the self-governance of those they govern.

Governance paradigms
Conformist: shareholder orientation; strict behavior control of the project manager; keep project costs low
Flexible economist: shareholder orientation; control focus towards outcome; keep project costs low
Versatile Artist: stakeholder orientation; output control; focus on value creation;
Agile pragmatist: stakeholder orientation; control by process compliance; maximize the usability and business value of a project's product

Validation

Empirical

- Predominantly qualitative (interviews)
- First parts of quantitative (questionnaire) assessment developed and in use
- Case study in the public sector in Australia
- Case study in a megaproject in Canada
- 14 organizations in the Netherlands
- 6 organizations in China
- All elements were validated
- Identified implementation patterns and their determinants

Theoretical

- Integration with Resource-Based Theory,
- Integration with institutional theory
- Integration with systems theory
- Development of a governance theory that describes the internal functioning of the model (within and between layers)
- An OPM assessment tool for use by academics and practitioners
- Guidelines for organizational design of OPM systems

Assessment tools and early findings

Layer	Element	Assessment model reference	Question/reference	Results
Organizational philosophy	Project-based Project-oriented Process-oriented	(Turner & Keegan, 2001) (Gareis & Huemann, 2007) Dto.	Discussion of characteristics	3 organizations 3 organizations 8 organizations
OPM approach	Multi-project approach O-PMO Projectification	(Blomquist & Müller, 2006) (Müller et al., 2017) (Müller, Zhai, et al., 2017)	p.85-98 p. 54-58 p. 391	4 multi-project, 7 hybrid, 1 ptf, 1 pgm 5 organizations 6 low, 3 medium, 1 high
OPM governance	Paradigm Model Governmentality Governance of PM	(Müller & Lecoeuvre, 2014) (Müller, 2009) (Müller, Zhai, et al., 2017) (Müller, 2009)	p.1346-1357 p.23-28 p. 391 p.31-40	7 artist, 3 economist, 2 conform, 2 agile 1 company specific, all Steering Group 6 liberal, 2 neo-lib, 2 authoritarian 4 step 1, 4 step 1 plus parts of 2
Business integration	Portfolio strategy Portfolio management Portfolio optimization Benefits realization	(Kopmann et al., 2017) (Kopmann et al., 2017) (Cooper, Edgett & Kleinschmidt, 2004) (Bradley, 2014)	Discussion of characteristics	9 link to strategy, 1 link to resources, 1 no All – decision by management team 2 cost reduction, 2 business value 6 some form of benefits management
Organizational integration	Program Megaproject Project	(Turner & Müller, 2003) (Bent Flyvbjerg, 2014) (Turner & Müller, 2003)	Discussion of characteristics	8 programs 1 supplier for megaprojects All - projects
Project governance	Institutions and roles Policies Relations Methodology	(Müller et al., 2017) (Müller, 2009) (Turner, 2004) (Müller, 2009)	Discussion of characteristics	All- Steering groups 2 emphasize adherence to policies 1 customer contract (re-measurement) 9 predictive (PRINCE2), 2 agile
Project management	Project-life-cycle Risk and change management	(Mantel, Meredith, Shafer, & Sutton, 2008)	Discussion of characteristics	Wide range from loosely to strictly managed

Findings

Elements	Pattern 1	Pattern 2	Pattern 3	Pattern 4	Pattern 5	Pattern 6
Philosophy	ProcOO (8)		POO (6)		PBO (6)	
Approach	Hybrid		Hybrid		Hybrid	Multi-project
OPMO	Yes	No	Yes	No	Yes	Yes
Projectification	Low	Low	Low	Medium	High	High
Paradigm	All	All	VA/AP	AP	All	VA/CON
Model	Yes	No	Yes		Yes	No
Governmentality	All	All	All	All	All	Liberal
Gov of PM	Medium	Low	Medium		Low/High	Med/High
Portfolio	High/Med	High/Med	Med/High	Low	High	High
Benefits	Low/Med	Low/Med	High	Low	High	Low
Org integration	Program	Program	Program	Program	Program	Project
Institutions	SG		PMO/SG	SG	PMO/SG	PMO/SG
Methodology	Conv/Pred	Pred/none	Predictive	Emergent	Predictive	Pred/Conv

- 8 of the organizations were ProcOOs,
- 6 companies were project-oriented (POO)
- 6 were project-based organizations (PBO).

- ProcOOs and POOs prefer hybrid approaches to steer their multi-project business
- PBOs prefer both hybrid and multi-project approaches with OPMOs
- 13 / 20 organizations (65%) use an OPMO for the governance of their multi-project business
- OPMO-driven organizations prefer a hybrid approach in governing their project business (62%)

Findings

Elements	Pattern 1	Pattern 2	Pattern 3	Pattern 4	Pattern 5	Pattern 6
Philosophy	ProcOO		POO		PBO	
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OPMO	Yes	No	Yes	No	Yes	Yes
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Paradigm	All	All	VA/AP	AP	All	VA/CON
Model	Yes	No	Yes		Yes	No
Governmentality	All	All	All	All	All	Liberal
Gov of PM	Medium	Low	Medium		Low/High	Med/High
Portfolio	High/Med	High/Med	Med/High	Low	High	High
Benefits	Low/Med	Low/Med	High	Low	High	Low
Org integration	Program	Program	Program	Program	Program	Project
Institutions	SG		PMO/SG	SG	PMO/SG	PMO/SG
Methodology	Conv/Pred	Pred/none	Predictive	Emergent	Predictive	Pred/Conv

- Projectification increases from pattern 1 to pattern 6
- Governance paradigms vary across the patterns;
  - ProcOOs use all of the four possible paradigms (Conformist; Flexible economist; Versatile artist; Agile pragmatist)
  - POOs prefer stakeholder-oriented paradigms
  - PBOs adjust the paradigms to the project settings
- Governance models appears to be associated with OPMO (except pattern 6)

Findings

Elements	Pattern 1	Pattern 2	Pattern 3	Pattern 4	Pattern 5	Pattern 6
Philosophy	ProcOO		POO		PBO	
Approach	Hybrid		Hybrid		Hybrid	Multi-project
OPMO	Yes	No	Yes	No	Yes	Yes
Projectification	Low	Low	Low	Medium	High	High
Paradigm	All	All	VA/AP	AP	All	VA/CON
Model	Yes	No	Yes		Yes	No
Governmentality	All	All	All	All	All	Liberal
Gov of PM	Medium	Low	Medium		Low/High	Med/High
Portfolio	High/Med	High/Med	Med/High	Low	High	High
Benefits	Low/Med	Low/Med	High	Low	High	Low
Org integration	Program	Program	Program	Program	Program	Project
Institutions	SG		PMO/SG	SG	PMO/SG	PMO/SG
Methodology	Conv/Pred	Pred/none	Predictive	Emergent	Predictive	Pred/Conv

- All three governmentality approaches – authoritarian, liberal and neoliberal are used (exception pattern 6 / liberal)
- Governance of Project Management increases from ProcOOs to PBOs (high in PBOs and vary in others)
- The use of benefits management varies, and seems to be higher in organizations with hybrid approaches and OPMO.

Findings

Elements	Pattern 1	Pattern 2	Pattern 3	Pattern 4	Pattern 5	Pattern 6
Philosophy	ProcOO		POO		PBO	
Approach	Hybrid		Hybrid		Hybrid	Multi-project
OPMO	Yes	No	Yes	No	Yes	Yes
Projectification	Low	Low	Low	Medium	High	High
Paradigm	All	All	VA/AP	AP	All	VA/CON
Model	Yes	No	Yes		Yes	No
Governmentality	All	All	All	All	All	Liberal
Gov of PM	Medium	Low	Medium		Low/High	Med/High
Portfolio (3)	High/Med	High/Med	Med/High	Low	High	High
Benefits	Low/Med	Low/Med	High	Low	High	Low
Org integration	Program	Program	Program	Program	Program	Project
Institutions	SG		PMO/SG	SG	PMO/SG	PMO/SG
Methodology	Conv/Pred	Pred/none	Predictive	Emergent	Predictive	Pred/Conv

- OI: ProcOOs and POOs prefer program approaches
- PBOs use both project and program approaches to implement their business opportunities
- Steering Groups are paramount as project governance institutions and complemented by PMOs in POOs and PBOs
- Project management methodologies vary across the organizations with predictive methodologies (such as PRINCE2) (Pred) being popular across the

What Next?

- Case studies to find more patterns of OPM adoption from different sectors
- Review of literature on effect of technological disruption of Project Management affecting OPM
- Evaluate its impact on the current model and adjust model
- Develop a web-based diagnostics instrument for organizations to do a self-diagnosis
- Create a knowledge-base of OPM implementation to contribute further to theory and practice