

The Balance between Project Performance and Stakeholders' Satisfaction in projects with the Support of Project Management Offices



Sanderson César Macêdo BARBALHO¹ and Rennê MARTINS²

¹Department of Production Engineering, Faculty of Technology, University of Brasília, Brazil

²Department of Law, Faculty of Law, University of Brasília, Brazil

Submission: March 06, 2019; **Published:** March 20, 2019

***Corresponding author:** Sanderson César Macêdo BARBALHO, Department of Production Engineering, University of Brasília, Brazil

Abstract

PMOs emerged as entities dedicated to support management in organizations which run large and/or complex projects. PMOs have been used in several companies and have a wide variety of roles. Our recent research shows some relations between PMO functions and project's performance in new product development (NPD) projects. Nevertheless, deepening our study we found some evidences that show a difficult relation among project's stakeholders and performance. We run two deep case studies about the relations between project performance and stakeholders' satisfaction. The first was done in a company that develops new products. The second in a public organization devoted to industry-university programs. Our results suggest that even in highly effective project management in terms of performance, stakeholders' satisfaction is more important than the risk of declining this own organizational performance. Therefore, managers must take a balance between projects' performance and stakeholder's satisfaction in form to avoid abrupt changes in project management structure and practice with the risk of declining project successes.

Keywords: Project management; Project management office; Project performance; Stakeholders' satisfaction

Introduction

PMOs emerged as entities dedicated to support management in organizations which run large and/or complex projects. PMOs have been used in several companies and have a wide variety of roles. Hobbs & Aubry [1] describe a study with 500 Canadian, American and Australian PMOs designed to analyze their functions and operations profile. From the 50's, when project management became a topic not only related to engineering practice, but also regarded as a scientific research theme, comprising the systematization of techniques and methods, the discussion evolved to an environment where project, programs and portfolios are dealt with jointly [2]. Analysis of the literature shows that the presence of certain factors, either in the organization or in PMO procedures, influences the success of the PMO and, therefore, the impacts of its activities within the company. These factors are:

- A. the results achieved from incorporating best practices in PM,
- B. the stakeholders' support and
- C. the existence of a professional dedicated to the implementation of PM practices, a champion.

Our recent research shows some relations between PMO functions and project's performance in new product development (NPD) projects [3-5]. Nevertheless, deepening our study we found some evidences that show a difficult relation among project's stakeholders and performance. This article highlights some findings and discussion about it.

Findings and Discussion

We run two deep case studies about the relations between project performance and stakeholders' satisfaction. The first was done in a company that develops new products. The second in a public organization devoted to industry-university programs. In both situations, a PMO was in charge of supporting major projects. We study the interactions of PMOs with project managers, project teams and functional managers, along with a performance improvement engine. We take a look of the main events representing transformations in the PMO structure and functions.

The main elements that allowed the authors to explain transitions through empirical data were the tensions that the PMO experienced to different PM stakeholders along the time. In both cases, the projects show performance improvement

throughout the duration of the research. However, in both cases some profound changes were forced to PMO structure, in spite of the risk of degrade project's performance. We find these results demonstrate the political image of organizations, characterized by pluralism, confrontation and conflict, which tend to disconnect people and can influence performance diseases [6-8]. Thus, it is possible to identify several conflicting goals, or interest groups, competing for priority. Because of these conflicts, the current PMO frame is broken and the organization achieves a new balance of power between the opposing sides, which leads to stability and to change.

Our data indicate that transitions happen in the form of changes in PMO functions and are linked to stakeholder satisfaction. As stated before, PMO outcomes did not directly influence the presence of change. As projects were successful, good results and performance began to generate tensions among stakeholders regarding expected growth in the company hierarchy and the status of "being helpful" for performance. In both cases, the conflicts mentioned occurred in higher hierarchical, that levels near to the company's senior management. They manifested themselves through disputes among managers seeking to benefit from the project results, through new staff, new roles, and more status or better salaries. In summary, good results generated tensions between the PMO and the actors involved in the projects. In addition, even under a performance-improving engine, satisfying all stakeholders appears to be more important to senior managers, and consequently they change dramatically the PMO structure and functions. Theoretical implications and future research

The cases we are researching have shown that stakeholders' dissatisfaction drives more in project management structuration than the economic results of projects. In both cases, external environment was not characterized by intense competition. The first was a unique supplier for Brazilian Government in some defense and aerospace products, and the other was in a public university, which in Brazilian culture is not strongly determined by economic results they provide. These contexts can really influence the results we observed. Nevertheless, the contribution of our research is to shed light on the process by which even in highly effective project management in terms of performance, stakeholders' satisfaction is more important than the risk of declining this own organizational performance. Therefore, our results suggest that it has a balance between projects' performance and stakeholder's satisfaction in contexts similar of our case studies. A contingency perspective must be taken into account to handle this found, because previous research has detected that changes are driven by performance improvements' requirements [8,9]. Consequently, new research protocols must be implemented to study different kinds of organizations and projects.

From the case, it is possible to see that since the projects are developed by a great number of employees, involving many areas of the company, all of these actors should be graced with the project results, not only the managers of the project or PMO. Although the financial data were not analyzed, the PMO incorporated a great number of roles, promoting empowerment of this area and its leader. The dissatisfaction of some stakeholders implied on transitions, all of them reducing ranges of PMO practice. Despite the necessity of an additional study to understand if this resentment has economic origins, one can never repeat enough that all actors involved in projects must feel recognized for their efforts.

Finally, civil engineering is one of the most important fields of project management as a practice and study. Research can be carried out in form to test if in different contexts of new buildings, new infrastructure projects or even projects running for actualization of old structures, what is the relation between the performance of projects and its results, and the satisfaction of different stakeholders. Mainly internal stakeholders must be investigated, because they are more aware of project's outcomes in terms of benefits coming from projects to their staffs, teams and project or PMO managers.

References

1. Hobbs B, Aubry M (2007) A multi-phase research program investigating project management offices (PMOs): the results of phase 1. *Project Management Journal* 38(1): 74-86.
2. Garel G (2013) A history of project management models: From pre-models to the standard models. *Int J Proj Manag* 31: 663-669.
3. Barbalho SCM, Carvalho VG, Silva GL, Toledo JC (2016) Analyzing the impact of the functions of Project Management Offices on triple constraints performance of new product projects. *Product Management & Development* 14(2): 85-94.
4. Barbalho SCM, Silva GL, Toledo JC (2017) The impact analysis of functions of Project Management Office on performance of triple constraint of new-product development projects. *Dirección y Organización* 61: 19-31.
5. Carvalho VG, Barbalho SCM, Toledo JC, Silva GL (2018) Benefits Management as a Path for Project Management Offices Contribute to Programs and Influence on Project Performance. *Business and Management Studies* 4: 20-29.
6. Morgan G (2007) *Images of organization*. SAGE Publications Inc, Thousand Oaks, CA, p.520.
7. Van de Ven A, Poole M (1995) Explaining development and change in organizations. *The Academy of Management Review*, 20(3): 510-540.
8. Mintzberg H, Lampel JB, Quinn JB (2003) *The Strategy Process: Concepts, Context, Cases*. (4th edn), Prentice Hall, USA, p. 489.
9. Aubry M (2015) Project Management Office Transformations: direct and moderating effects that enhance performance and maturity. *Project Management Journal* 46(5): 19-45.



This work is licensed under Creative Commons Attribution 4.0 License
DOI: [10.19080/CERJ.2019.07.555719](https://doi.org/10.19080/CERJ.2019.07.555719)

**Your next submission with Juniper Publishers
will reach you the below assets**

- Quality Editorial service
- Swift Peer Review
- Reprints availability
- E-prints Service
- Manuscript Podcast for convenient understanding
- Global attainment for your research
- Manuscript accessibility in different formats

(Pdf, E-pub, Full Text, Audio)

- Unceasing customer service

Track the below URL for one-step submission

<https://juniperpublishers.com/online-submission.php>