Government Project Management Offices Struggle to Prove Their Value

by Jeannette Cabanis-Brewin

The project management office (PMO) provides one of the primary organization design strategies for improving not only project and program delivery, but efficiency and accountability. Search the Internet for "government PMO" and the majority of hits are about initiatives to improve project and program management in government … the governments of Britain, Canada, India, Ireland, Bangladesh, and Pakistan, to be specific. The U.S.-based reader might wonder: What's going on with project management in our own agencies?

A recently released PM Solutions study, *The State of the PMO 2014*, provides some surprising clues. Of the 432 organizations participating in the survey, 75 percent are in the North American region, yet just 6 percent identified themselves as "public administration" entities.

In February 2012, *Government Technology* magazine reported that 54 percent of the U.S. IT policy- and decision makers polled said their agency or department had a PMO; this is low compared to the private sector, where more than 80 percent of companies report using the PMO structure. What are some of the special challenges of public-sector PMOs?

Governing Project Management

PMOs in government add value in a number of ways. The study reported that in 2013, the PMO had contributed to a:

- 23 percent decrease in the number of failed projects
- 35 percent improvement in the number of projects delivered under budget
- 20 percent improvement in productivity.

Yet public-sector PMOs lag behind private-sector firms in the amount of hands-on project and program execution they report. Just 39 percent report engaging in project or program execution, compared to 69 percent of PMOs overall; only 6 percent actively manage stakeholders, compared to 47 percent overall. While 40 percent of PMOs report performing organizational change management, only 17 percent of government entities offer this capability.

A lack of focus on organizational change management—particularly in a sector where sweeping changes come through on a regular basis—may be one reason that more government PMOs have image problems. Government PMOs are three times more likely to face the threat of closure than PMOs in other industries.

Perhaps because of this threat, more public-sector PMOs say they are focused on demonstrating value than their counterparts in other industries: 61 percent say that this is their top priority in the coming year.

Words of Advice: Train, Train, Train

Government PMOs seeking to improve the value they offer can look at one aspect of *The State of the PMO* findings. The research evaluates participants in two ways: First, they are asked to score themselves against a five-level capability model. Then, they are asked to score how well their overall organization does on eight measures of performance, from financial success to customer satisfaction.

PMOs that score high on capability, and companies that score well on performance measures, go hand in hand. The defining feature of these PMOs seems to be an intense focus on training: 70 percent of PMOs in high-performing organizations have a training program in place.

By comparison, only 33 percent of the public-sector PMOs have training programs in place. They are less likely to offer training at every skill level, from project management basics to leadership; less likely to measure the competency of project managers; and less likely to have a career path in place (see figure).

How important is professional development to improving project and program results? In its 2010 study of program management best practices in government, the Project Management Institute found that intangible success factors, such as communication and

Project Management Training, by Industry

	Finance	Information	Manufactur-ing	Pro. Svcs	Health	Public Admin
Percentage of PMOs involved in evaluating the project management competency of project managers	67%	73%	65%	82%	66%	50%
Percentage of PMOs with an established career path for project management resources in place	46%	65%	51%	57%	51%	24%
Percentage of PMOs with a project management training program in place	54%	63%	46%	68%	37%	33%
Percentage of PMOs offering the following types of project management training						
• PM basic	86%	80%	100%	74%	93%	68%
• Advanced PM skill development	54%	60%	48%	53%	50%	33%
• PMP preparation	43%	52%	29%	53%	43%	33%
• PM software and tool training	75%	64%	52%	59%	86%	68%
• PM certificate or degree program	39%	12%	19%	27%	0%	17%
• Leadership training	57%	60%	57%	59%	29%	17%
• Business alignment training	43%	36%	38%	57%	29%	50%
Number of days of training PMO staff members receives per year (median)	8ds	10ds	9ds	8ds	6ds	5ds

Source: The State of the PMO 2014

stakeholder management, were the differentiators. One defense-related agency reported reducing costs 20 to 30 percent by using trained program managers.

These findings are echoed in the training statistics in *The State of the PMO 2014*. PMOs in high-performing organizations are more likely to evaluate project manager competency (80 percent do so, compared to 50 percent of public-sector PMOs). They also are more likely to offer leadership training (66 percent versus 17 percent of public-sector PMOs).

One More Word: Change

A single data point in the study may say more about the challenges that face government PMOs than any other: While 58 percent of PMOs in high-performing companies practice organizational change management (OCM),

less than a third as many public sector PMOs do so. With this area of project management practice gaining traction as a key success factor, managing change may be one area where government PMOs can quickly add value to their organizations, particularly where large programs and cross-functional projects are concerned.

"Without OCM, the probability of failure lies somewhere between 50 and 75 percent," says Allen Young, account executive with PM Solutions.

Jeannette Cabanis-Brewin is editor-in-chief of the research function serving the management consulting firm PM Solutions and its training division, PM College. She is co-author or co-editor of more than 20 project management books, including The AMA Handbook of Project Management *(AMACOM 2014). Contact her at jcabanis-brewin@ pmsolutions.com.*