

MIDOCEAN UNIVERSITY

College of management

Master of project management



Research title

**Role of a Project Management Office (PMO) in Improving Project
Success Factors in Saudi Arabia**

Prepared by

M.Diaa Aldin Almari

Supervision of

Dr. Afaisal Abdalrahim

Dr. Fayez Jarad

2025

Introduction:

Projects often encounter significant challenges, with uncertainty being a key factor complicating the establishment of well-defined and stable requirements. In Saudi Arabia, where the government has allocated substantial budgets for large-scale, high-profile projects, there is a noticeable scarcity of research on the role of Project Management Offices (PMOs) and their impact on project success factors. This study aims to examine the necessity of PMOs in projectized organizations, identifying their contributions to enhancing project governance and performance. Additionally, it explores the critical success factors (CSFs) across various project types, determining which are most essential for effective implementation. Furthermore, the research critically evaluates the concept of project success, analyzing the key components that project managers in Saudi Arabia perceive as the most influential in achieving successful project outcomes.

Public construction projects serve as fundamental instruments for nations and organizations, transforming strategic visions and goals into tangible outcomes. The overall performance of these projects reflects a country's efficiency in executing development initiatives and achieving its long-term aspirations. In Saudi Arabia, challenges in project execution have become increasingly prevalent, leading to frequent delays and cost overruns, to the extent that project failures are now perceived as a recurring phenomenon. As a result, numerous seminars, conferences, and discussions have been organized to address these challenges and propose viable solutions. Government authorities regularly issue statements highlighting concerns over the status of public projects, emphasizing the need for improved project management practices. Given the growing reliance on projects and programs as mechanisms for achieving strategic objectives, enhancing project governance and execution is crucial for national development.

The increasing complexity of managing a large number of projects has prompted many organizations to enhance control, coordination, and, in some cases, rationalization by establishing Project or Program Management Offices (PMOs) (Singh et al., 2009; Artto et al., 2011; Martins & Martins, 2012). As noted by Andersen et al. (2007, p. 98), a common function of PMOs is to facilitate “systematic coordination and unified handling of key project-related tasks,” ultimately improving project success rates. Research indicates a growing trend in the establishment of PMOs across various organizations, reflecting their rising importance in optimizing project governance and execution (Hobbs & Aubry, 2007; Hobbs et al., 2008; Spelta & Albertin, 2012).

This suggests that many organizations recognize PMOs as effective mechanisms for managing the increasing scale and complexity of projects (Aubry et al., 2008; Aubry & Hobbs, 2011). However, some organizations remain skeptical about their benefits (Hoffman, 2003; Hurt & Thomas, 2009; O’Leary & Williams, 2008). While previous studies have identified a broad range of PMO activities (Desouza & Evaristo, 2006; Hobbs & Aubry, 2007), they have not thoroughly examined the impact

of PMO involvement on project success. This research aims to bridge this gap by analyzing the role of PMOs, their contributions to project management practices, and the extent to which they enhance project outcomes. Notably, some studies indicate that up to 70% of PMOs in certain sectors were dismantled within two to three years due to their inability to demonstrate value (Stanleigh, 2006), while others emphasize the continuous evolution of PMO structures (Aubry et al., 2010a, b). Understanding the influence of PMO participation at the practice level is essential for assessing their effectiveness and long-term sustainability.

Problem Statement:

There is a significant gap in research regarding the impact of Project Management Offices (PMOs) on the construction sector in Saudi Arabia. The existing literature lacks comprehensive studies that examine the influence of PMOs on the overall organizational performance and their interaction with key factors within the organization. A deeper investigation is required to assess the effectiveness of PMOs in enhancing project success, optimizing resource management, and aligning with strategic objectives in the Saudi construction industry.

Importance of the Study:

The construction sector plays a vital role in the economic growth and infrastructure development of Saudi Arabia, particularly in the context of Vision 2030. However, project delays, cost overruns, and inefficiencies remain persistent challenges. The establishment of Project Management Offices (PMOs) has been globally recognized as a strategic solution for improving project success rates, yet their role and effectiveness in the Saudi construction industry remain underexplored.

This study is significant as it aims to bridge the research gap by providing empirical evidence on the impact of PMOs on project performance, governance, and efficiency in Saudi organizations. By analyzing the differences between organizations with and without PMOs, this research will offer valuable insights into how PMOs contribute to project success and the critical variables influencing their effectiveness.

Furthermore, the study will identify the challenges associated with PMO implementation in Saudi Arabia, offering practical recommendations to organizations seeking to optimize their project management frameworks. The findings will assist industry leaders, policymakers, and project managers in making informed decisions regarding PMO adoption, ensuring better alignment with strategic goals and enhanced resource management. Ultimately, this research will contribute to the advancement of project management practices in the Saudi construction sector, fostering greater efficiency, accountability, and long-term sustainability.

Objectives:

Examine the Role of PMOs in Project Success by:

- Analyze the impact of PMO implementation on project success factors within Saudi organizations.
- Compare the performance of organizations with and without established PMOs.

Identify Key Benefits of PMO Implementation by:

- Evaluate the advantages of establishing a PMO in enhancing project governance, coordination, and efficiency.

Assess Critical Variables Affecting Project Success by:

- Investigate how project managers, organizational structures, and PMOs influence project outcomes.

Research Questions :

1. How do organizations with a PMO differ from those without in terms of project success?
2. How do project managers, organizations, and PMOs impact project outcomes?
3. What challenges do Saudi organizations face when establishing a PMO?
4. What are the key factors that contribute to successful projects?

Research Hypothesis:

1. There is a statistically relationship between project characteristics and PMO's effectiveness according to (Obstacles of establishing PMO, Understanding PMO roles, Motivations for establishing a PMO and reasons of project failure)
2. There is statistically relationship between project characteristics and PMO's effectiveness according to Obstacles of establishing PMO.
3. There is statistically relationship between project characteristics and PMO's effectiveness according to Understanding PMO roles.
4. There is statistically relationship between project characteristics and PMO's effectiveness according to Motivations for establishing a PMO
5. There is statistically relationship between project characteristics and PMO's effectiveness according to Reasons of Project failure.

Literature Review:

Following World War II, project management emerged as a formalized organizational practice aimed at facilitating large-scale infrastructure and technological advancements (Hodgson & Cicmil, 2006). Its development was significantly influenced by major initiatives such as the Manhattan Project in the 1940s and the U.S. Navy's Polaris program in the late 1950s (Morris, 1997). During the 1960s and 1970s, criticisms of traditional managerial approaches prompted a shift toward strengthening the theoretical foundations of project management, particularly within organizational management research and project-based structural frameworks (Packendorff, 1995). The discipline continued to evolve through the 1980s and 1990s, with increased emphasis on operational research and strategic management. Over time, various definitions of projects and project management have emerged, reflecting the discipline's expanding scope and application across industries.

The Project Management Institute (PMI) provides one of the most widely recognized definitions of a project, emphasizing its temporary nature and its objective of delivering a specific product or service within a defined timeframe (PMI, 2017). Marnewick (2018) further conceptualizes a project as a temporary organizational entity operating within a larger, permanent organization. Kerzner (2004) defines project management as the structured process of planning, directing, and allocating resources to achieve predefined project objectives. Additionally, PMI (2000) describes project management as the systematic coordination of activities, ensuring the effective application of knowledge, methodologies, and techniques to meet or exceed project goals.

Few project managers are involved throughout the entire life cycle of a project. However, a comprehensive understanding of earlier and later project phases is often essential for informed decision-making. The project life cycle typically consists of four stages: the Conceptual Stage, where project feasibility and objectives are defined; the Implementation Stage, involving execution and resource allocation; the Operational Stage, where the project is utilized; and finally, the Stage of Abandonment or closure. To effectively manage a project, it is crucial to first establish a clear understanding of what constitutes a project and its management. While scholars widely acknowledge the significance of projects and project management, ongoing discourse continues to refine these definitions.

Theoretical Framework

Project Management Maturity Models (PMMM): The study references maturity models such as the Project Management Maturity Model (PMMM) and Organizational Project Management Maturity Model (OPM3), which provide a structured approach for evaluating an organization's project management capabilities. These models help assess the effectiveness of PMO implementation in improving governance, coordination, and efficiency.

Contingency Theory: This theory suggests that there is no one-size-fits-all approach to project management, and the success of a PMO depends on factors such as organizational structure, industry type, and project complexity. The study examines how different organizational characteristics influence the role and success of PMOs.

Research methodology :

This study employed a mixed-methods approach to explore the role of Project Management Office (PMO) implementation in enhancing project success factors within Saudi organizations. The research focused on several categories of PMO implementation challenges, including project characteristics and performance, reasons for project failure, motivations for establishing a PMO, roles of the PMO, and obstacles to PMO implementation. These categories served as the dependent variables in the study. The independent variables included nationality, age group, education level, fluency in English, original field of study, and years of experience in project management. Data for both dependent and independent variables were collected through a structured questionnaire.

Study Limitations

Data Collection Method: The study relies on a structured questionnaire as the primary data collection tool. While questionnaires effectively gather large amounts of data, they may not fully capture in-depth qualitative insights from participants. Additionally, self-reported data can be subject to biases such as social desirability bias and response inaccuracies.

Sample Representation: The sample population consists of professionals with varying levels of experience, education, and project management exposure. However, there may be an uneven distribution of responses among different demographics, which could influence the study's conclusions. The reliance on voluntary participation may also result in selection bias, potentially affecting the representativeness of the findings.

References:

Andersen, B., Henriksen, B., & Aarseth, W. (2007). Benchmarking of project management office establishment: Extracting best practices. *Journal of management in engineering*, 23(2), 97-104.

Artto, K., Kulvik, I., Poskela, J., & Turkulainen, V. (2011). The integrative role of the project management office in the front end of innovation. *International Journal of Project Management*, 29(4), 408-421.

Aubry, M., & Hobbs, B. (2010, April). The Project Management Office (PMO): a quest for understanding. Project Management Institute.

Aubry, M., Hobbs, B., & Thuillier, D. (2007). A new framework for understanding organisational project management through the PMO. *International journal of project management*, 25(4), 328-336.

Aubry, M., Hobbs, B., & Thuillier, D. (2007). A new framework for understanding organisational project management through the PMO. *International journal of project management*, 25(4), 328-336.

Desouza, K. C., & Evaristo, J. R. (2006). Project management offices: A case of knowledge-based archetypes. *International journal of information management*, 26(5), 414-423.

Hobbs, B., Aubry, M., & Thuillier, D. (2008). The project management office as an organisational innovation. *International journal of project management*, 26(5), 547-555.

Hurt, M., & Thomas, J. L. (2009). Building value through sustainable project management offices. *Project Management Journal*, 40(1), 55-72.

Linehan, C. & Kavanagh, D. (2006) From Project Ontologies to Communities of Virtue, in Hodgson, D. & Cicmil, S. (eds.) Making Projects Critical. United Kingdom: Palgrave, pp. 51 – 67.

Singh, R., Keil, M., & Kasi, V. (2009). Identifying and overcoming the challenges of implementing a project management office. *European journal of information systems*, 18(5), 409-427.

Spelta, A. G., & Albertin, A. L. (2012). Project management offices in the IT Area: A context–discriminant model for their establishment. *Information Systems Management*, 29(1), 40-54.

