

The Influence of Project Management Offices (PMOs) on Strategic Planning in the Saudi Private Sector

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2021206354

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Lecture No.2021206354



Agenda

	Agenda Item	Suggested Time
1	Opening & Introduction	2 min
2	Background and Research Context	3 min
3	Problem and research gap	4 min
4	Research aim, questions, objectives and hypotheses	5 min
5	Theoretical foundation and conceptual framework	4 min
6	Research methodology, population, sample and instrument	5 min
7	Data Analysis & Key Findings	10 min
8	Validity, reliability and data analysis	7 min
9	Respondent profile and descriptive findings	4 min
10	Hypothesis testing and statistical evidence	4 min
11	Limitations & Future Research	2 min
12	Closing Remarks & Q&A	5 min



Research Background and Context

- Organizations increasingly rely on projects to translate strategic objectives into measurable outcomes.
- Project Management Offices (PMOs) play a central role in project governance, portfolio management, resource allocation, and strategic alignment.
- Effective PMOs can bridge the gap between organizational strategy and project execution.
- The importance of strategic alignment becomes more significant in the context of Saudi Vision 2030.
- Rapid technological, organizational, and market changes require PMOs to become more agile, innovative, and data-driven.

PMOs are no longer merely administrative/project-support functions; they can serve as strategic mechanisms for translating organizational strategy into executable projects and measurable outcomes.



Research Problem

- **Strategic Alignment Gap**

Difficulty in ensuring that project portfolios remain aligned with evolving strategic priorities.

- **Performance & KPI Gap**

Limited ability to clearly evaluate how projects contribute to strategic targets and organizational KPIs.

- **Innovation & Agility Gap**

Traditional PMO practices may not adequately support innovation, flexibility, and rapid adaptation.

- **Integration & Governance Gap**

Fragmented project, change, risk, and service-management practices may reduce transparency, coordination, and organizational visibility.

The core research problem is to understand how PMOs can enhance strategic alignment, translate projects into strategic value, and support innovation and flexibility within Saudi organizations.

Research Context

Saudi private-sector organizations increasingly rely on project-based execution to translate strategic priorities into operational outcomes.

Research Problem

The strategic role, governance, engagement and maturity of PMOs may vary substantially across organizations.

Research Purpose

Empirically examine associations between PMO-related practices and strategic/project outcomes.

Quantitative evidence is used to assess whether observed differences in outcomes are associated with PMO practices, PMO engagement and innovation culture.

The study is non-experimental; therefore, results should be interpreted as relationships/associations rather than proof of causality.

Research Gap

What Previous Studies Missed

How This Study Addresses the Gap

Contextual Gap

Limited empirical evidence on the strategic role of PMOs in the **Saudi private sector**, particularly project-based and construction organizations.

Provides **Saudi-specific empirical evidence** based on **363 valid respondents**.

Integrative Gap

PMO practices, stakeholder engagement, and innovation are often examined **independently** rather than as an integrated framework.

Examines **PMO Practices, PMO Engagement, and Innovation Culture** within one integrated framework.

Strategic Outcome & Measurement Gap

Previous research largely focuses on **project success/performance**, with less emphasis on strategic targets, KPIs, and organizational performance.

Links PMO practices and engagement to **portfolio alignment, strategic-target achievement, KPIs, and organizational performance**.

Innovation & Practice Gap

Limited evidence on how **innovation culture and agile practices** interact with PMO capabilities; PMO presence does not necessarily indicate equivalent governance maturity or strategic integration.

Empirically tests the relationships between **innovation culture, PMO capabilities, and strategic execution** through **nine hypothesized relationships**.

The study develops and empirically tests an integrated framework explaining how PMO practices, PMO engagement, and innovation culture contribute to strategic planning, strategic-target achievement, and organizational performance in the Saudi private sector

Main Research Question

How do Project Management Offices (PMOs) contribute to the successful implementation of an organization's strategic plan, particularly in the context of long-term visions such as Saudi Vision 2030?

Sub-Questions

1. How can PMOs ensure that project portfolios are aligned with organizational strategic objectives?
2. How can PMOs evaluate the influence of projects on strategic targets and Key Performance Indicators (KPIs)?
3. How can PMOs foster a culture of innovation and flexibility?

PMOs are no longer merely administrative/project-support functions; they can serve as strategic mechanisms for translating organizational strategy into executable projects and measurable outcomes.



Main Objective

To examine the role of PMOs in aligning project portfolios with organizational strategic objectives, evaluating project contributions to strategic targets and KPIs, and fostering innovation and flexibility.

Specific Objectives

1. Strategic Alignment

Examine the mechanisms PMOs use to align project portfolios with strategic objectives.

2. Strategic Performance

Evaluate how PMOs assess project contributions to strategic targets and KPIs.

3. Innovation & Flexibility

Examine how PMOs contribute to an organizational culture that supports innovation and adaptability.

4. Organizational Performance

Assess the relationship between PMO effectiveness, strategic planning, and organizational performance.

To examine the influence of PMO practices, PMO engagement, and innovation culture on project portfolio alignment with strategic objectives, achievement of strategic targets and KPIs, and organizational performance in the Saudi private sector.

The empirical focus is relationship-based and non-experimental.

The study seeks evidence that can inform PMO governance and strategic execution practices.

Research Variables and Hypotheses

Independent Variables

- PMO Practices
- PMO Engagement
- Innovation Culture



Strategic Planning



Strategic Targets & KPIs



Organizational Performance

H1: PMO Practices → Strategic Planning

H2: PMO Engagement → Strategic Planning

H3: Innovation Culture → Strategic Planning

H4: PMO Practices → Organizational Performance

H5: PMO Engagement → Organizational Performance

H6: Innovation Culture → Organizational Performance

Conceptual Framework



9 hypothesized relationships

Study Variables

PMO Practices

Portfolio prioritization; strategic framework utilization

PMO Engagement

Stakeholder involvement; communication; strategic participation

Innovation Culture

Agile orientation; innovation; continuous improvement

Portfolio Alignment

Projects correspond to strategic priorities

Strategic Targets & KPIs

Achievement of predefined strategic targets and indicators

Organizational Performance

Cost, schedule, quality and overall project success

PMO Practices and Strategic Alignment Literature indicates that effective PMO practices support:

- Portfolio prioritization
- Strategic project selection
- Resource allocation
- Governance and standardization
- Performance monitoring
- Strategic alignment

Key Evidence

Sandhu (2024)

- PMOs contribute to strategic-plan implementation through communication, performance monitoring, organizational learning, and methodology development.

Orlandi (2020)

- PPM supports alignment between project portfolios and organizational strategic objectives.

Ko (2019)

- PMO efficiency is positively associated with strategic alignment and portfolio-management maturity.

Almatari (2022)

- PMO functions influence project outcomes and customer satisfaction in Saudi Arabia.

PMO practices provide the structural mechanism through which organizational strategy is translated into prioritized project portfolios.



PMO Engagement: Stakeholder Involvement & Communication

Literature highlights:

Stakeholder Involvement

- Early identification
- Engagement planning
- Decision participation
- Continuous monitoring
- Relationship management

Communication

- Information sharing
- Transparency
- Feedback mechanisms
- Cross-functional coordination

Key Evidence

Jr. (2022)

- PMOs strengthen the positive effect of stakeholder management on project outcomes.

Mukakarisa (2024)

- Stakeholder engagement during planning, implementation, and monitoring significantly improves project performance.

Jaldesa (2024)

- Stakeholder identification, planning, and engagement management positively influence project success.

Sandhu (2024)

- Communication is among the important PMO roles supporting strategic-plan implementation.

Effective PMO engagement strengthens coordination between stakeholders, projects, and strategic priorities.



Innovation Culture: Agile Methodologies & Innovation Programs

Literature highlights:

- Agile methodologies
- Organizational flexibility
- Empowered teams
- Experimentation
- Innovation programs
- Leadership support
- Continuous learning

Key Evidence

Khan (2025)

- Agile project management mediates the relationship between knowledge management and innovation performance.

Moreno (2024)

- Agile practices improve flexibility, collaboration, transparency, accountability, and adaptability in construction projects.

S. Porkodi (2023)

- Agile leadership is strongly associated with organizational performance, effectiveness, trust, and innovation.

Sergeeva (2020)

- PMOs can contribute to developing organizational innovation capabilities.

An innovation-oriented PMO enables organizations to respond to uncertainty while maintaining strategic direction and project discipline

Quantitative

Methodology

Descriptive– Correlational

Design

Deductive

Approach

Survey

Instrument

363

Valid cases

Literature Review



Conceptual Framework



Questionnaire Development



Data Collection



363 Valid Responses



SPSS Analysis



Hypothesis Testing



Findings & Conclusions

Population and Sampling

Population

Saudi private-sector organizations with established or developing PMO functions.

Target Professionals

PMO directors/staff, project managers, strategic planners and senior/executive management.

Final Sample

363 valid responses used in the empirical analysis.

The original methodology describes stratified sampling across organizational/industry characteristics.

For the final thesis, the actual sampling frame and selection procedure should be stated precisely and consistently with what was implemented.

Comparative Analysis of Previous Studies

Comparative Analysis of Previous Studies

Research Stream	Main Finding	Limitation
PMO Practices	Support strategic alignment and portfolio performance	Limited Saudi private-sector evidence
Stakeholder Engagement	Improves project outcomes	Limited integration with strategic planning
Communication	Enhances coordination and project performance	Limited KPI-focused empirical evidence
Agile & Innovation	Improves flexibility and innovation	Mostly IT/emerging-market contexts
PMO & Organizational Performance	PMO capabilities influence project outcomes	Limited integrated models

The literature provides strong evidence for individual relationships, but limited evidence on their integrated effect within the Saudi private-sector context.

Discussion of Findings

PMO Practices

Governance, prioritization and standardized practices are associated with portfolio, strategic-target and performance outcomes.

PMO Engagement

Strategic participation, stakeholder involvement and communication are associated with stronger reported outcomes.

Innovation Culture

Adaptive and improvement-oriented practices are associated with the three study outcomes.

The descriptive variation suggests that PMO effectiveness may differ across organizational contexts.

The results support the view of PMOs as potentially strategic governance capabilities, while avoiding a causal interpretation.

Discussion: Governance and Strategic Alignment

Formal governance can clarify PMO roles, reporting relationships and decision rights.

Strategic participation allows project information and implementation constraints to inform planning decisions.

Portfolio prioritization can connect project selection with strategic objectives and resource allocation.

Variation in role clarity, autonomy and executive support indicates that PMO presence alone may not guarantee strategic integration.

The findings therefore emphasize PMO maturity and organizational empowerment as important contextual considerations.

Discussion: Decision Support and Standardization

PMO reporting can provide structured project information for executive decision-making.

Standardized methodologies facilitate consistency, comparability and organizational learning across projects.

Integrated project data systems can strengthen visibility and support forecasting.

Lower descriptive scores for role clarity and management reliance on PMO reports point to areas where strategic integration can be strengthened.

The evidence is consistent with a model in which PMO capability supports strategy execution through governance and information mechanisms.

Conclusions of the Study

PMO-related capabilities are significantly associated with strategic and organizational outcomes in the surveyed Saudi private-sector sample.

PMO governance, strategic alignment, decision support and standardized methodologies emerge as important dimensions of PMO strategic value.

PMO engagement is consistently associated with portfolio alignment, strategic targets/KPIs and organizational performance.

Innovation culture is also significantly associated with all three outcomes.

The strategic value of a PMO appears to depend not simply on its existence, but on how it is governed, empowered and integrated into organizational decision-making.

Practical Recommendations

Establish formal PMO governance frameworks defining authority, responsibilities and reporting relationships.

Include PMO representatives in strategic planning and portfolio governance committees.

Standardize project management methodologies, templates, reporting and digital tools.

Develop strategic project selection and evaluation criteria linked to organizational objectives.

Strengthen integrated project information systems and executive dashboards.

Institutionalize risk management, lessons learned and cross-project knowledge sharing.

Provide continuous professional development in governance, portfolio management and strategic planning.

Link PMO and portfolio outcomes to executive KPIs and accountability mechanisms.

Practical Implementation Framework

Action	Responsible Party	Timeframe
Formal PMO governance framework	Board / CEO	3–6 months
Strategic planning integration	Executive Management	≤3 months
Standardized methodologies	PMO Director	6–12 months
Integrated PMIS	CIO / PMO	6–12 months
Strategic project scoring	Strategy / PMO	3–6 months
Executive sponsorship	CEO / Committee	0–3 months
Professional development	HR / PMO	Annual
Executive dashboards & reporting	PMO	≤6 months
PMO KPIs in executive evaluation	HR / Committee	6–9 months
Annual PMO maturity assessment	Internal Audit / PMO	Annual

Contribution of the Study

Theoretical Contribution

Connects PMO governance, engagement and innovation culture with strategic/project outcomes in one empirical framework.

Practical Contribution

Provides actionable areas for strengthening PMO authority, portfolio governance, information systems and strategic participation.

Saudi Context

Adds field evidence from Saudi private-sector professionals and identifies organizational maturity as an important contextual consideration.

The study contributes to understanding PMOs as strategic governance mechanisms rather than purely administrative support functions.

Relevance to the Saudi Private Sector and Vision 2030

Strategic transformation requires organizations to translate priorities into coordinated initiatives and measurable results.

PMO governance can provide a structured bridge between strategic priorities, portfolio choices and project execution.

Digital reporting and integrated project information can strengthen management visibility and responsiveness.

Standardized governance can support accountability, resource prioritization and cross-functional coordination.

The study therefore offers a practical perspective for organizations seeking stronger strategy execution within Saudi Arabia's transformation environment.

Limitations of the Study

Cross-sectional survey data captures perceptions at one point in time.

Self-reported measures may introduce perception and common-method bias.

Generalization should be limited to the population represented by the actual sampling process.

The primary inferential analysis uses chi-square, which supports association rather than causal inference.

Some contingency tables contain relatively low expected cell counts.

Construct overlap in the questionnaire should be addressed through explicit item-to-construct mapping and construct-level validity evidence.

Suggestions for Future Research

Compare PMO effectiveness across public and private sectors.

Examine PMO maturity and objective organizational performance measures.

Investigate AI, digital transformation and project analytics in PMO decision support.

Conduct longitudinal studies to observe PMO evolution over time.

Examine organizational culture and PMO leadership competencies.

Develop sector-specific models for construction, telecommunications, finance, healthcare and IT.

Use qualitative case studies to explain why PMO maturity varies across organizations.

Test multivariable and structural models where measurement quality and data support such analyses.

Final Conclusion

The study provides consistent empirical evidence of statistically significant associations between PMO-related factors and strategic/project outcomes in the surveyed Saudi private-sector organizations.

The central implication is that the strategic value of PMOs is closely linked to governance maturity, engagement, information quality, standardization and organizational empowerment.

The strongest final contribution is an integrated evidence-based perspective on PMOs as strategic governance capabilities in the Saudi context.

Thank You

Questions & Discussion

Published & Presenter

The Impact of Strategic Planning on Key Performance Indicators in the Saudi Private Sector in Light of Saudi Vision 2030

International Conference on Advanced Operations Management
(ICAOM-24)

<https://doi.org/10.26389/AJSRP.D300524>

“The influence of external factors on corporate strategy and strategies for adaptation in light of the global challenges.”

International Journal of Financial, Administrative, and Economic Sciences,
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<https://vsrp.co.uk/index.php/ijfaes/en/article/view/357>

“Creating and executing an effective strategy amid global challenges in Vision 2030”

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