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THE ROLE AND BENEFITS OF THE PROJECT PORTFOLIO MANAGEMENT AND THEIR IMPACT ON ORGANIZATIONAL GROWTH AND PERFORMANCE

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Abstract

Project portfolio management holds the collection of several projects and programs within an organization. These are the centralized units of an organization that cater to the stakeholder demands through conducting specialized projects and tasks. In this study, the role and impact of project portfolio management are investigated. The study quantitatively analyses 278 portfolios and identified three separate patterns in a specified context like project portfolio management. The outcomes of this study show a significant effect of project portfolio management on the performance of the organizations. It can be concluded from the study that a significant and effective project portfolio management is a strong component for a company to thrive in this competitive business environment.

Keywords*: Project management, project portfolio management, stakeholders, organizational performance.*

Introduction

Organizations today encounter problems in their environments, and they are developing. In our ever-changing environment, organizations need effective technique forms. An organization framework is a part of this technological process. The growing importance of project corporate finance has been attributed to the strong organization methodology implementation. Operational planning is constructing a broad equation into how a company will compete, what its ambitions (mission or aim) should be, and what methods would be anticipated to achieve these targets.

The current performance was developed by Robert Kaplan And David Norton (2001), and it includes four different viewpoints for energetically analyzing a technique. The coordinated administration of at minimum one asset to achieve organizational processes and goals is known as asset allocation. One of the main goals of combining asset management with organizational strategy is to create a well-balanced, actionable plan that will assist the company meets its objectives.

A portfolio is linked to its parts and initiatives. There is no way for senior executives to execute a strategic change without being deeply involved in managing projects. Regrettably, most authorities and strategic planners have still yet learned project management terminology. Organizations are transitioning from utilitarian to project-based organizations in terms of structure.

The bulk of organizational assets is employed in project activity in projectized organizations (or workgroups). Organizations on the web are a combination of helpful and projected. Almost all of these systems are present in various organizations at various levels. Within corporations, project offices have been formed that devote a substantial amount of effort to making project management more viable. Portfolio managers, according to Crawford (2012), have comparable roles. Despite the obvious links between, for example, project selection and managers' partnership, or strategies involve and operation places of business, according to Martinsuo (2012), this same conduct and organizational perspectives have obtained very little respect. They

will therefore explain a multitude of issues in achieving PPM (project investment management) success.

In their theoretical ramifications, Murphy and Smith (2010) stated that value-based top management, as well as concern for the methodology, is becoming particularly crucial in generally basic developments, whereas leadership style, as well as concern for individuals, is becoming particularly crucial on increasingly demanding developments. Kissi and al. (2013) investigated the role of portfolio administrators' leadership style on project success. Strong project management leadership style behavior was been shown to have a favorable and significant link with the construction project.When an organization is big and constantly undertaking several tasks, it is impossible for them to make effective use of their resources if all the tasks are carried out in isolation. They also co-ordinate tasks in groups to allow effective use of the resources. Today, if a company has more than one project, under a program or portfolio, they must deal with it.The distribution of undertakings within a program or portfolio is determined by the nature and design of the project. A strategic plan and portfolio control are two ways to manage programs and investments. For any of the following scenarios, the concepts must be fully understood. This blog article will also cover the administration of projects, initiatives, and portfolios. The Construction Project's four principles are a collection of such ideas.In other words, PPM means overseeing the process of turning the strategic goals into project objectives – and then concentrating on implementing the corresponding tasks in order to achieve those goals. PPM thus assists managers in executing their positions to prioritize and channel resources towards those initiatives that are anticipated to have the most effect on the achievement of strategic objectives.

Objectives of the study,

- To investigate the impact of project management strategies in achieving organizational goals.
- To identify the advantages of project portfolio management in organizations.

Literature review

Koh and Crawford (2012) analogous posts for investment firms have been proposed. Despite the clear links between, for example, implementation planning and manager engagement, or production culture and project offices, according to Martinsuo (2012), behavioral and organizational perspectives have gotten far too little focus, which could explain several of the hurdles in accomplishing PPM (project investment management) performance. Transformational leader and task issues are more necessary in relatively easy projects, according to Muller and Turner (2010), whereas leadership effectiveness including people-related worries are needed in tough initiatives. Kissi et al., (2013) investigated the inspirational motivation of investment managers in team effectiveness. It was discovered that project portfolio managers' transactional and transformational behavior had a positive and significant link with project success.

Yin, K.R. (2009)Each financial analyst has comparable responsibilities, according to the report: company's strategic planning, assuring project timelines, budget, and capacity, monitoring risk, i.e. pre evaluations, mentoring, problem resolution, and internal process optimization. The activities leadership team is in charge of overseeing, controlling, and monitoring the daily finances. Operations expand to support day-to-day processes and to fulfill the company's technical and operational objectives. When projects are carried out in accordance with the organization's policies, they may aid in the achievement of corporate objectives. Projects should be guided and directed by the Organizational Mission. The lead engineer or financial consultant is always the one who notices any parallels or potential inconsistencies between organizational goals as well as objectives of this project and informs the supervisor. Companies are built on the idea of obtaining a specified market value via a business activity. The whole worth of a company is referred to as its value to the company. The fair value may be estimated for the short, intermediate, or long term. Program, process, and methodologies are critical for bridging between strategic planning and the achievement of positive economic value. To optimise project or program objectives, needs, expenditures, timelines, opportunities, capital, and hazards, asset

management links components (products, operations, or activities) with the organizational strategy, organized into assets or sub-portfolios.

Patanakul and Shenhar (2011) emphasize the necessity of effective product development. Rather than focusing mostly on technical parts of their projects, program managers should learn how to handle the financial implications of our endeavors and ensure the feasibility of its planning processes simply concentrate on achieving the conventional targets of time , budget and results.

Project Management Institute (2013)observed that given the obvious ties between, for example , project selection and the engagement of managers,Behavioral and organizational perspectives have gotten far too little treatment when it comes to project inventories and project headquarters, and they might well underlie some of the obstacles in attaining PPM (projects portfolio management) effectiveness.

Hrm, according to Huemann (2010), must evolve from an administrator function in a project-oriented company to develop a proactive business partner that supports project-based management. As part of the business portfolio and project management program, human resource management includes roles and obligations, organizational maps, management strategy for employees.When projects are carried out in accordance with the organization's policies, they may aid in the achievement of corporate objectives. Projects should be guided and directed by the Organizational Mission. The lead engineer or financial consultant is always the one who notices any parallels or potential inconsistencies between organizational goals as well as objectives of this project and informs the supervisor. Companies are built on the idea of obtaining a specified market value via a business activity. The whole worth of a company is referred to as its value to the company. Fair value may be estimated for the short, intermediate, or long term. Program, process, and methodologies are critical for bridging between strategic planning and the achievement of positive economic value. To optimise project or program objectives, needs, expenditures, timelines, opportunities, capital, and hazards, asset management links components (products, operations, or activities) with the organizational strategy, organized into assets or sub-portfolios.

P Chandra's (2008) "Study of investment and fund management" research aims to make investors a knowledgeable practitioner. The research addresses important methods and concepts in the systematic and rational management of investments. Together with the spreadsheets it has useful knowledge and procedures. Investors view approaches as Fundamental approaches, psychological approaches, and diverse academic approach. Patience, patience, versatility, and decisiveness are essential attributes in the opposite way of thought. The investment is a gamble for potential gains of existing income or other capital. Investment is distinct from betting as well as gambling.

B.Raju and K.M Rao(2011) researched risk management performance assessment of selected Indian Mutual Funds. Moreover, the mutual fund industry began with UTI in 1964, but the market was opened to the private sector from 1993 onwards. This offered an important as well as safe investment avenue that gained popularity in the portfolio of risk-adverse investors. However, the returns from this investment mode remained a topic of discussion. These two researchers are studying the mutual fund performance systematically for 20 mutual fund schemes. These mutual fund schemes were related to the banking sector, the index funds for the FMCG sector and the funds for the infrastructure sector. During January 2008 through Dec 2010, they used monthly NAV info. They contrasted the returns of different mutual fund schemes with stock market index benchmarks. The performance of selected mutual fund schemes was measured by the use of six performance measures.

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Research methodology

Research design and Data collection method

A cross-industry sample of companies includingGermany, Finland,Austria, South Korea,Canada,and Switzerland participated in this study. Project management scholars from the respective nations collected data in their native countries to ensure a high percentage of involvement and responses in this transnational survey. Every survey took the same general approach: companies were invited via mail, with broad information about the study and an opportunity to express their interest in a particular area. Questionnaires transcribed from German into the target nations' tongues were verified twice with regional academics and practitioners before being delivered to the approved informants. The project portfolio of an organization's business division was the subject of this investigation. We only accepted firms with portfolio management of at least 20 projects maintained in parallel as research participants to ensure a relevant assessment of PPM techniques. The primary source was the project portfolio coordinator. This individual is usually in charge of strategic portfolio management and undertakes conceptual and advising actions to define portfolio procedures. As a result, the portfolio coordinator had been a portfolio management expert who followed protocols, methodologies, and processes. Project manager, director of multi-project management department, divisional manager, or department are some of the common jobs held by coordinators. Despite the fact that project portfolio coordinators were thought to be the definitive source for the variables of the study, the main informant approach chosen runs the risk of biases based on the common variance (Podsakof et al., 2003). To eliminate systematic bias, we promised the informants anonymity and told them that there were no right or incorrect responses in the questionnaire's introduction. For every enrolling portfolio, the acceptability of the authorized coordinator was checked via a quick interview. A total of 278 entirely completed questionnaires were obtained for additional research. Information and communication techniques (22 percent), manufacturing (21 percent), financial sectors (14 percent), health industry and pharma industry (9 percent), services (9 percent), consumer products (6 percent),

and other industries were represented in the sample (19 percent). There were 40 percent of these enterprises (or business units) with fewer than 500 people, 27 percent with 600 to 2500 workers, and 33 percent with more than 2500 workers.

Measures

Based on previous research on PPM and related topics, we used multi-item measuring scales for this investigation. The respondents are asked to rate each item from "strongly disagree" to "strongly agree" on a Likert-type scale. Research on multi-project management influenced the development of PPM standards and portfolio performance. As perDammer and Gemünden (2007) and Jonas et al. (2011), PPM excellence model includes three dimensions: source credibility, allocation quality, and cooperation quality. We looked at four different aspects of portfolio success to gauge the average single project's rate of success. Construct validity was demonstrated as specified: all measures had substantial loading values, and Cronbach's alpha values were found to be satisfactory. Factor analysis was used to determine the roles of PPMOs. This method of producing PMO roles is appropriate statistically since it reduces the complexity to logical categories. This is advantageous since these groupings are strongly connected inside the grouping and are distinct from the rest of the categories. As a result, each one of these component groups specifies a possible role that the PPMOA can play. For PMOs, Hobs and Aubry (2007) used a similar strategy to create five basic groups of tasks.

Result and discussion

According to the findings here, the three PPMO positions reflect the diverse stakeholder needs and organizational work-sharing patterns for PPMO activity. To sum up, these findings are valuable since the assumed but diffused overall performance consequences of PPMO can be divided into effects relating to these unique and observable roles. This is why the three different PPMO responsibilities are used to measure the impact of PPMOs on various aspects of portfolio management implementation.

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	Coefficient of Regression	Std. error	Bita	T	Significance	R^2	R^2 (Adjusted)	F
Model 1: PM Corporation quality						0.02	0.01	3.48
Coordinator of PMCQ	0.109	0.056	0.120	1.918	0.054			
Controller of PMCQ	0.051	0.051	0.065	0.993	0.319			
Supporter of PMCQ	0.048	0.044	0.068	1.093	0.272			
Model 2: PM Information quality						0.13	0.12	16.82
Coordinator of PMIQ	0.084	0.054	0.091	0.553	0.119			
Controller of PMIQ	0.247	0.049	0.305	4.898	0			
Supporter of PMIQ	0.066	0.042	0.090	1.542	0.122			
Model 3: PM Allocation quality						0.05	0.04	7.60
Coordinator of PMAQ	0.235	0.054	0.263	4.252	0			
Controller of PMAQ	0.019	0.049	0.025	0.410	0.679			
Supporter of PMAQ	0.003	0.042	0.005	0.116	0.904			

Table 1: Regression test results

The impact of the three PPMO responsibilities on PPM quality was studied using regression analysis. Models 1–3 investigate the impacts of different PPMO roles on the three PPM characteristics. The basic idea is that the quality of PPM has a significant impact on portfolio

performance. Model 1 examines the effect of the three PPMO roles on the quality of collaboration. On the level of cooperation, the job of coordinator has an obvious favorable effect (beta = 0.122, pb0.1). The other roles, on the other hand, don't show much of a connection. Model 2 shows the effect on the quality of information. Only the regulating role (beta = 0.307, pb0.01) has a statistically significant and positive association with quality of information. Model 3 illustrates the effect on allocation quality. Another substantial effect of the coordination role on allocating quality is found to be beta = 0.265, pb0.01. The other functions, on the other hand, don't appear to have much of an effect on the quality of resource allocation.

There are three behavior patterns derived from organization and stakeholder requirements in this study's first research problem, which explores how PPMOs function. Empirically, these activity patterns are echoed by the positions of coordinator, controller, and supporter. It's interesting that this study only identifies three PPMO functions, despite the fact that PMO general work lists (Crawford, 2004) contain up to 74 distinct activities. Rather than being condensed, the to-do lists may appear cliched. However, the findings of Hobbs and Aubry (2007), in which a list of 27 generic PMO duties was condensed to five general roles of PMOs, are consistent with these outcomes. A unique sort of multi-project PMO, like the PPMO, has fewer roles than other conceivable PMOs, which is to be expected. As a result, we can consider the numbers of PPMOs as appropriate. Of the four, coordinator and controller were found to have the most substantial and favorable effects on portfolio management results. These findings support the value of a PPMO in ensuring the success of a project portfolio. The value debate in project management studies benefits from our contributions (Thomas and Mullaly, 2008). In order to maximize the return on an organization's investment, these PPMO positions are critical (compare, e.g., Hurt and Thomas, 2009). PPMOs' managed objects and portfolios contributed to this outcome. An organization's investment strategy is embodied by the sum of the projects in this collection (Dye and Pennypacker, 1999). The "useful" aspect of these professions is their ability to work together at various levels of project management. PPMOs have a similar function to steering boards in terms of developing and sustaining an organization's capability for multi-project management (Lechhler and Cohhen, 2009). As a result, the argument that PPMOs exist solely to keep up with

the latest trends is no longer true. PMOs would be introduced solely for the sake of being trendy, irrespective of their merits, from a "fashionable" perspective. By implementing only best practices that have already been proven to work elsewhere, an organization can get the recognition of the outside community as a leader in this field. Field-level isomorphism may exist. As a result of our findings, organizations seeking to create value now have concrete evidence of the conditions necessary to have an impact on PPM quality. However, it is worth noting that only the co-ordinating role exhibited the two hypothesized relationships with the quality of PPM (namely, cooperation and supply requirements), while the controlling function failed to inspire either of these qualities even though the controlling role was expected to positively affect these qualities indirectly. According to this gap, transparency, which is meant to be supplied by a controlling function, does not contribute actively to conflict resolution. In contrast, openness is necessary to improve the quality of cooperation, and it minimizes the reasons of conflict. It is possible that this indirect influence is not statistically significant enough to be accounted for. An alternative to limiting engagement is to exercise excessive control, which might prevent people from collaborating or teaming with one another. As the literature emphasizes that PMOs (almost always) provide support actions, this finding is a bit of a surprise (Powell and Young, 2004). The assisting role's focused on a single project might have already contributed to this outcome. Typical duties aid in the planning of individual projects, aid project managers, or even enhance management procedures by standardizing individual projects. Instead of directly enhancing PPM execution quality, PPMOs contribute to portfolio value creation, which improves the performance of a particular project. Accordingly, to test this hypothesis, we looked at single project success metrics and found that a supportive position has a favorable direct impact on the average success of the project. According to the findings of this study, the supporting role plays a significant and direct part in the average project's success. That the supporter function is important and has a direct consequence on portfolio success is our conclusion.

Conclusion

Academic research on multi-project PMOs and the functions and performances of PPMOs will benefit from these insights. In terms of theory, PPMOs' effect on growth and achievement is particularly relevant in this regard. PPMOs were first categorized into three unique roles, and their social behavior patterns were delineated. These tasks were simplified and combined into one comprehensive set at the multi-project managerial level by this study. As a result, the portfolio management paradigm of the PPMO as a unit of coordination, control, and support was developed. PPMOs' various duties at a multi-project managerial level are better understood because of the clarity of PPMOs' behavior. It has also been found that PPM quality can be predicted by two of these roles, the coordination and control roles. Because of the three responsibilities of PPMOs and their favorable impact on the quality of PPM and the success of portfolios, this research offered quantitative empirical proof that PMOs are critical to project success. A third finding showed that the coordinator's function had a dual effect on portfolio management, affecting both collaboration and resource management in a beneficial way. A scaled impact scale may be assumed in terms of the three responsibilities of PPMs. There is no direct correlation between a project's success and a project manager's position in the project. Consequently, these two jobs have a less impact than the co-ordinating function.

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