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Exploring the project portfolio manager’s role: Between a data manager and a strategic advisor

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Abstract

Many companies adopt project portfolio management processes to manage multi-project environments effectively and efficiently. One of the key roles in this process is assigned to the project portfolio manager. This role is formally defined in various guidelines and standards of portfolio management. However, it is yet insufficiently addressed in the academic literature and the available empirical evidence is scant. This paper seeks to fill this gap. We develop an analytical model combining the company’s portfolio management maturity and the portfolio manager’s organisational embeddedness. The portfolio manager’s role and profile may vary – from an autonomous newcomer to a strongly embedded advisor. At one extreme, the role is limited to the data collection, and at another extreme, it is a strategic advisor to the senior management. This model is applied to analyse qualitatively six case-studies. We argue that the level of company’s maturity in portfolio management determines a specific profile of the portfolio manager that needs to fit within the organisational context. On the basis of our findings, we formulate practical managerial implications.

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1. Introduction

One of the most important organisational developments in recent years has been significant growth in project work across different sectors and industries. The term ‘projectification’ has been coined to name this development. Academic research confirms this development, and the project management literature is growing, highlighting the importance of effective and efficient project, programme and portfolio management practices to the long-term success and competitive advantage of organisations. Effective management of single projects is no longer sufficient; and the role of project portfolio management is becoming vital. Both academic and practitioner-oriented publications have addressed this subject. Global standards for portfolio management are developed, e.g. The Standard for Portfolio Management by the Project Management Institute (PMI). These publications tend to take a normative approach to portfolio management, i.e. how the practices should look like in an ideal world focusing on formalised processes in portfolio management, and discuss the ‘ideal’ competences the actors involved should possess.

One of the key actors in portfolio management is the portfolio manager, a (senior) executive responsible for the overall smooth running of portfolio management. The competences and skills this individual should possess are superior to those of project managers, as portfolio managers should take a ‘helicopter view’ over all running projects. While the literature has largely addressed the profiles of project managers, the portfolio manager’s role and profile remains an under-researched topic, with few exceptions such as Blomquist & Müller (2006). We aim to fill this gap in the literature. There is a need to generate empirical evidence and to discuss the role of the portfolio manager using a descriptive qualitative approach, in contrast to a prescriptive normative approach of project portfolio management guidelines. Hence, the objective of our paper is to critically analyse the roles, positions and profiles of portfolio managers in various organisational environments. We conduct a qualitative study and collect empirical data in several organisations. The paper is structured as follows. Section 2 provides theoretical background. Section 3 introduces an analytical model. Section 4 discusses data and methodology. Section 5 presents results and analysis. Section 6 concludes.

2. Literature review

We start our literature review with the role and profile of the project manager as many characteristics of the project manager are foundational for the portfolio manager. Then we proceed specifically to the portfolio manager.

2.1. Project managers and project management offices

It is a widely held agreement that project management is much more than formal methodologies, matrices and graphs. Project management also involves a ‘soft side’, referring to human behaviour in projects. Many project management textbooks extensively cover this topic. For example, the textbook by Meredith & Mantel (2012), devotes one of the first chapters to the project manager. It discusses special demands for this position, selection of the right project manager and impacts of institutional environments.

In fact, the project manager’s role came under the spotlight back in the late 1950s (e.g. Gaddis, 1959). In 1970, Wilemon & Cicero (1970) addressed the subject still relevant today – the focal position of the project manager and the maintenance of his boundary position within the total organisational system. The four areas identified in the article remain critical today – (1) managing human inter-relationships in the project organisation, (2) maintaining a balance between the technical and managerial project functions, (3) coping with the risk associated with project management, and (4) surviving organisational restraints.

Project management standards (like PMBoK, PRINCE2, etc) are being used extensively in training and development, professional certification programmes and corporate project management methodologies. The key assumption is that there is a positive relationship between standards and effective project management performance. However, in a research exploring this subject as perceived by senior managers, Crawford (2005) finds no statistically significant relationship between performance against the widely used standards and senior management perceptions of effectiveness of project management performance. Acknowledging that every
individual is unique and no single generic managerial style exists, several studies have raised the question whether there should be a fit between particular project managers and specific projects. Kangis & Lee-Kelley (2000) conducted a study on project leadership in clinical research organisations. A survey among project leaders has given limited support to the idea that managers adjust a project to fit their personal managerial style. However, a relationship was identified between types of leaders and their perception of the difficulties involved in a project.

Leadership is often acknowledged as a key characteristic of a successful project manager and as a project success factor (Turner & Müller, 2005). Lloyd-Walker & Walker (2011) speculate on role of the authentic leadership for the 21st century project delivery. The authors propose a capability maturity model to track the development of authentic leadership attributes in project leaders. Müller & Turner (2007a, 2007b) examined the interaction of the project manager’s leadership style with project type, and their combined impact on project success. Project managers’ leadership styles are identified using an integrated model of intellectual, emotional and managerial competence (IQ, EQ, MQ, respectively). The authors argue that different leadership styles are more likely to lead to a successful outcome on different types of projects.

In their daily operations, project managers are supported by Project Management Offices (PMOs), units within organisations that define and maintain project management standards within the respective companies. The PMO is the source of documentation, guidance and metrics on the practice of project management and execution. Aubry et al. (2007) studied organisational project management and the role of the PMO therein. The claim is that the PMO should no longer be considered an isolated island within an organisation. The PMO is part of a network of complex relations that links strategy, projects and structures and thus it is a point of entry into the organisation to study the foundations of organisational project management. Hobbs et al. (2008) consider the creation and reconfiguration of PMOs as an organisational innovation. Likewise, Pellegrinelli & Garagna (2009) position PMOs as agents and subjects of change and renewal. As the main activities defining the raison d'être of PMOs – the dissemination of tools, expertise and insights – are being questioned, PMOs in many organisations risk of being disbanded. To evolve, PMOs can generate new value by redefining their purpose and activities. Müller et al. (2013) provide a relational typology of PMOs based on their roles with stakeholders. Superordinate, subordinate, and coequal roles are identified in a framework of servicing, controlling, and partnering in organisations.

To sum up, the literature has moved from a discussion of regular duties of project managers to reflections on their social skills, moral characteristics and ethical qualities. And the discussion on the PMO is advancing towards a direction of strategic business change away from a purely supportive role.

2.2. The portfolio manager

The guidelines of project and portfolio management describe practices that should be running in organisations for effective and efficient management of projects. The PMI’s Standard for Portfolio Management is a compendium of good practices in the discipline of portfolio management. Its 1st edition appeared in 2006, the 2nd – in 2008 and the 3rd – in 2013. The new edition of the Standard grew in size and now contains as twice more pages as the second edition. Next to a more detailed description of the PPM processes, the role of the portfolio manager was largely expanded.

Section 1.8 of the second edition (PMI, 2008, p. 11) defined the portfolio manager as “typically a senior manager or senior management team, is responsible for monitoring and managing assigned portfolios”. The new, third, edition provides a much more elaborate definition (PMI, 2013, p.14) – “portfolio managers are responsible for the execution of the portfolio management process. Where program and project managers focus on ‘doing work right’, portfolio managers focus on ‘doing the right work’. Portfolio managers receive information on portfolio component performance and progress, and they convey to the portfolio management governing body how the portfolio components as a whole are aligned with the strategic goals, then provide appropriate recommendations or options for action. They also ensure that timetables for portfolio management processes are maintained and followed and that the managers of portfolio components receive and provide the information required under the portfolio management processes. They are the primary conduit between managers of portfolio components and portfolio stakeholder”.
The portfolio manager’s position is elevated from ‘monitoring and managing’ to ensuring portfolio’s consistency with the business strategy. When the second edition contained only five key responsibilities of portfolio managers, the third edition outlines 12. Section 1.8 of the Standard states the following tasks (PMI, 2013, p.14-15): Establishing and maintaining a framework and methodology for portfolio management within the organisation; Establishing and maintaining relevant portfolio management processes; Guiding the selection, prioritisation, balancing, and termination of portfolio components to ensure the alignment with strategic goals and organisational priorities; Establishing and maintaining appropriate infrastructure and systems to support portfolio management processes; Continuously reviewing, reallocating, reprioritising, and optimising the portfolio to ensure on-going alignment with evolving organisational goals and market opportunities and threats; Providing the key stakeholders with timely assessment of portfolio component selection, prioritisation and performance, as well as identification of portfolio-level issues and risks that are impacting performance; Measuring and monitoring the value to the organisation through portfolio performance metrics and targets; Meeting legal and regulatory requirements; Achieving the information needs of current and future stakeholders; Supporting senior-level decision making by ensuring timely and consistent communication to stakeholders on progress, changes and impact on portfolio components; Influencing active executive sponsorship engagement for the portfolio and each portfolio component as it is initiated, and Participating in programme and project reviews to reflect senior-level support, leadership and involvement in key decisions.

Thus, the Standard for Portfolio Management depicts a manager, a middleman between project managers and senior managers, who should possess a variety of skills, knowledge and expertise. Specifically, the Standard highlights the portfolio manager’s role as a guardian of the business strategy, a person able to select ‘the right projects’ for the portfolio and communicate effectively with the organisation’s leadership. As any guideline, The Standard takes a prescriptive role of an ideal portfolio manager’s profile. Every organisation is a complex social organism, characterised by routines, conflicting interests and tacit knowledge. Social ties that individuals develop in an organisation influence their psychological well-being and productivity. This is studied within several fields of social sciences, most notably, organisational behaviour, a field of study investigates the impact of individuals, groups and structures upon behaviour within organisations.

Many academic publications limit their analysis to only mentioning the portfolio manager; and Blomquist & Müller (2006) is one of the few articles that explicitly discuss it. Depending on their assigned responsibilities, portfolio managers can either be more administrative personnel (a sort of a data manager) or be able to shape the company’s future through their influence (a sort of a strategic advisor), or somewhere in between. The administrator function is mainly limited to gathering and consolidating relevant information for decision-makers. In contrast, the shaper function is about initiating changes, and aligning the portfolio with the strategy, acting as a strategic advisor and as an extended arm of the top management. Building upon these premises, Jonas (2010) addresses the project portfolio manager and defines his role in planning and controlling complex project landscapes, implementing project portfolio management practices as an organisational innovation, and mediating conflicts between line and project managers. However, empowering of the portfolio manager would shake the complex balance of power between senior managers, line managers, and project managers. This would lead to new tensions between traditional key players and the new role of the portfolio manager leading to negative consequences for the overall portfolio management process. Jonas (2010) offers practitioners an initial point for designing organisational governance structures and job descriptions to increase the portfolio management performance while implementing or reconfiguring the formal role definition of actors involved.

Tensions among players in portfolio management processes were analysed by Beringer et al (in press) who examined stakeholder behaviour and stakeholder management in project portfolio management in 197 organisations, specifically, the effect of the intensity of engagement of portfolio-internal stakeholders on project portfolio success. As for the intensity of engagement of portfolio managers themselves, in immature portfolio management systems, the influence of portfolio managers in portfolio steering is insignificant. At the same time, line managers tend to take advantage of their position in resource management.

Despite these organisational tensions and challenges, the portfolio manager should advance with organisational transformations and organisational innovations. Kissi et al. (2013) examine the impact of transformational leadership behaviour of portfolio managers on project performance directly and indirectly. This impact was found
to be positive and significant. The study confirms the importance of portfolio managers in enhancing project performance and identifies the need for project-based organisations to cultivate transformational leadership behaviour among them.

In sum, academic literature has acknowledged the significance of the portfolio manager in an organisational context. However, the portfolio manager’s drive to enhance the portfolio management process (it is one of the four areas of the portfolio manager’s responsibility, according to the Standard for Portfolio Management) may lead to internal tension and even clashes in the organisation as it would potentially undermine the established balance of powers.

3. Analytical model

We develop an analytical model that combines two critical dimensions for understanding of the portfolio manager’s role. The academic literature on the project manager’s role has acknowledged that the managerial and leadership style of project managers may or need to be adjusted in relation to the nature of specific projects (Kangis & Lee-Kelley, 2000; Turner & Müller, 2005; Müller & Turner (2007a, 2007b, 2010). In a similar vein, we argue that the managerial style and leadership of portfolio managers should be considered through the nature of the overall organisation of project portfolio management in the organisation. This is the first dimension of our analytical model. The best way to reflect such organisation is to rely on maturity models of project portfolio management. Several of them are available, such as the Organisational Project Management Maturity Model (OPM3) by The Project Management Institute (PMI), the Project Management Maturity Model (PMMMSM) by PM Solutions, the Portfolio, Programme and Project Management Maturity Model (P3M3) by the UK’s Office of Government Commerce (OGC) and others. Despite certain differences, the key feature is similar – the use of five distinctive levels to measure capabilities at performing special tasks. The P3M3’s maturity levels are (1) recognition, (2) repeatable, (3) defined, (4) managed, and (5) optimised. Their description is provided in Table 1.

<table>
<thead>
<tr>
<th>Levels</th>
<th>Description</th>
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<tr>
<td>1 Recognition</td>
<td>Undocumented, basic vocabulary (not necessarily aligned or consistent), no guidelines and supporting documentation. Any system is ad-hoc and uncontrolled.</td>
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<td>2. Repeatable</td>
<td>Locally evolved, acknowledged approach, templates, ad-hoc training, islands of expertise, initiatives delivered in isolation, minimal evidence of continual improvement, simple activity based plans, focus may be on start-up and initial documentation, evidence of heroes, weak inter working</td>
</tr>
<tr>
<td>3. Defined</td>
<td>Organisational wide consistency, process ownership, standards in place (e.g roles and responsibilities), processes defined with inputs and outputs, central control group, consistent use of tools, guidelines on how to do it, system framework, governance clearly defined, capable staff, configuration system, evidence of Subject Matter Experts, good communications and collaboration, strategic planning links, perceptive approach to management, flexing</td>
</tr>
<tr>
<td>4. Managed</td>
<td>Integration with Corporate governance and functions, accurate information, statistical analysis, competent &amp; qualified staff, assurance in place, business capacity management, exec board level ownership, mentors, process management, strategic planning alignment, approaches reviewed, consistent behaviour, quantitative approach to management, collaboration, adapting</td>
</tr>
<tr>
<td>5. Optimised</td>
<td>Start, end, route, process optimising, business process ownership, integrated with strategic direction, lessons learned being applied, continual improvement, common good for the organisation, seamless and automatic, sustained, value based behaviour, evidence based management, innovation</td>
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Source: P3M3 (OGC, 2010)

The second dimension is about the portfolio manager him/herself. The extant academic literature on the portfolio manager has clearly underscored the transformational leadership of portfolio managers (Jonas, 2010; Kissi et al, 2013). We argue that such transformational leadership is heavily dependent on the organisational embeddedness of the portfolio manager – the individual’s formal and informal role and position within the organisation, ability to influence (strategic) decision-making process, and so on. Ng & Feldman (2007) defined organisational embeddedness as the totality of forces that keep people in their current organisations. Individuals are
embedded in their organisations to the extent that they have formal or informal links with organisational members, perceive that they fit the organisation, and perceive sacrifices with leaving the organisation.

Research has found that one’s ties to higher-level managers is positively related to access to strategic information and career sponsorship (Seibert et al., 2001). Individuals are more likely to share information and advice with other individuals with whom they share a trusting relationship (e.g., Granovetter, 1973). There is evidence that strong and trustworthy ties facilitate the transfer of tacit knowledge, both in the domestic (Reagans & McEvily, 2003) and international context (Mäkelä & Brewster, 2009). Therefore, the second dimension of our model is the ‘Portfolio Manager’s Organisational Embeddedness’. We develop five levels to operationalise it (Table 2). We explicitly clarify that the Organisational Embeddedness relates to the fit of an individual with his/her organisations; it does not aim to assess an individual’s professional competences, expertise or skills.

Table 2. Levels of the portfolio manager’s organisational embeddedness.

<table>
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<tr>
<th>Levels</th>
<th>Description</th>
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<tr>
<td>1. Autonomous newcomer</td>
<td>A portfolio manager who just recently joined the organisation. A formal place in the organisational structure, but very lightly integrated in the organisational context. No knowledge of the company’s culture. He still needs to establish informal network, understand specifics of the company’s business</td>
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<tr>
<td>2. Embedding manager</td>
<td>A portfolio manager who is actively embedding in the organisational context, establishing contacts and informal networks. Reasonable knowledge of the company’s business. He starts to feel the ‘tacitness’ of the organisational environment.</td>
</tr>
<tr>
<td>3. Integrated professional</td>
<td>A portfolio manager who has spent several years in the organisation. He possesses a wide network in the organisation. Good knowledge of the company’s business.</td>
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<tr>
<td>4. Well embedded expert</td>
<td>A portfolio manager who has spent several years in the organisation, in different positions, rich experience of working as a project manager. Recognised as an expert in his field. Member of the company’s steering groups, trusting relationship with the company’s leadership.</td>
</tr>
<tr>
<td>5. Strongly embedded advisor</td>
<td>Rich experience and wide knowledge of the business processes in the organisation. Universally recognised as an expert in his field. Highly embedded in the organisational context. Member of the company’s steering groups, enjoying highly trusting relationship with the company’s senior leadership and access to strategic information. The company’s leadership seeks his advice on various aspects of project portfolio management.</td>
</tr>
</tbody>
</table>

Source: authors

Combination of these two dimensions yields a variety of possibilities how the portfolio management maturity and the portfolio manager’s social profile interplay.

4. Data and methodology

In order to receive a richer picture of the portfolio managers’ roles and profiles, we opted for a qualitative approach in a form of case studies. We randomly selected five multinationals companies, either headquartered or operating in The Netherlands. One of these companies has two distinctively different project portfolios that we treat separately. Hence we have six units of observation. Every company has a certain system of portfolio management in place. The data was collected in August 2012–February 2013 through on-site face-to-face interviews. Each interview was conducted by two interviewers. Interview participants were portfolio managers, either formally appointed or being actually in charge of portfolio management (not necessarily formally called ‘portfolio manager’). Each interview lasted 1.5 hour on average.

Each respondent was invited to start an interview with a description of the nature of the project portfolio and portfolio management organisation. This was not meant to be a formal portfolio management maturity assessment. Rather, we used this information later to identify these maturity levels ourselves. Further, the respondent was asked about his/her role in the portfolio management process. The respondents were directly asked about their formal position in the organisational hierarchy and their informal influence. This information was used later to position each respondent on the Organisational Embeddedness axis.
In order to ensure authenticity in qualitative studies, a number of approaches were employed. For example, in order to limit the interviewer bias on the site, the intention of the study was explained to each interviewee prior to the interview, and it was promised to ensure anonymity. It is for this reason that we refer to each respondent as ‘he’, without gender differentiation. The interview transcripts were returned to the respective respondent for confirmation and factual correctness.

The companies participating in the study are as follows. Considering the sectoral breakdown, two organisations belong to the financial sector, two to food industry, one to heavy industry, and one to infrastructure. As for financial orientation, five companies are profit-oriented, and one non-profit. Lastly, regarding portfolio composition, two portfolios contain only ICT-related projects, two portfolios are investment projects, and two portfolios are new product development portfolios.

5. Results and analysis

On the basis of our interviews and observations we sketched the following profiles of six portfolio managers.

**Portfolio manager A** is responsible only for IT projects. He argues that there should be someone responsible for the ‘total change’ in the company, and this position should be occupied by the CPO – the Chief Portfolio Officer. In his current capacity, Manager A organises portfolio management process and collects data. He views his role as rather supportive. He seeks to make portfolio management an objective transparent process and to avoid politics as much as possible. As finances are becoming more limited, and the project initiatives grow, choices are becoming more difficult. It is therefore that Manager A believes his mission is to divide scarce resources as fairly as possible. Manager A argues about having influence but he does not stand next to the senior managers who make (strategic) decisions. He claims to act ‘behind the scenes’ as an advisor. As a portfolio manager he oversees emergence of all new ideas, and here he can exert some influence on whether some of them receive ‘green light’ and others don’t.

**Manager B** has worked in the organisation for over 20 years. He was personally involved in formation of the portfolio management system, starting with centralisation of all project information and presenting it to the company’s executives. Specifically, for the past 5 years, the PPM system has advanced. Manager B is responsible for several domains in the portfolio that contain 100-150 projects per annum, including 25 strategic projects reported centrally. He has gained profound knowledge of projects and processes in the company. Apart from regular fixed meetings, Manager B has also a lot of informal communication with different portfolio stakeholders. This experience is very helpful in ‘seeing the truth’ in the project portfolio. Manager B is strong in translating project data to information. He collects large amounts of data on the current project status and provides insights facilitating understanding of this data. Each month, Manager B joins meetings of various management teams to discuss the current status of the portfolio.

**Manager C** oversees the portfolio of new product development projects. It involves a lot of innovation – from incremental to breakthrough. Manager C joined the company only one year ago; and prior to that, he worked in another large company in the same sector. Hence, he knows well the business specifics; however, new to the organisation itself. He received a strong mandate from the top to collect data on all the running projects. His efforts have been successful, and for the first time, the company management obtained a very detailed overview of all ongoing projects in the company in different offices. Manager C argues that without (reliable) data there is virtually no role for the portfolio manager, and the potential for influence is limited. He faced a double challenge – being a newcomer to the company and not having reliable data at hand. Now, as the data is available, Manager C may seek to establish his influence in the company. Manager C insists on consistent rule-based decision-making processes in portfolio management to avoid conflicts.

**Manager D** has worked in the company for 16 years; he is thoroughly embedded in the organisational context and culture. He perfectly knows the company business and its people. He explicitly states, ‘I know the dilemmas of others, I have a lot of insight in their business’. These insights help him understand the data on the status of projects and make right conclusions. His managerial style is characterised by personal, human involvement. Manager D sees portfolio management as a way to bring transparency to objective decision-making process. He describes himself as ‘politically neutral’, acting only in the interest of the company as a whole. As a portfolio
manager, he sees himself as a police agent meaning that project managers may run their projects as much as they wish but always within the rules applied in the company.

Manager E has worked in the company for a long time. He is intimately involved in all aspects of project management, knows most people personally, drives and empowers them and provides coaching. He enjoys a lot of formal influence on decision-making; he is a member of various steering groups, in which he interacts with the company’s senior leadership. Moreover, next to this formal influence, he is strong in informal influencing too.

Manager F joined the company only recently. Prior to that, he used to work in a large manufacturing company in the capacity of portfolio manager. The company’s portfolio management is at the very early stage, and hence Manager F was invited to drive its professionalisation. He has already introduced some improvements, like a matrix to select project proposals. His task has two hidden problems – Manager F is new to the company and new to the sector. The nature of projects in Company F is very different from his background (new product development). In spite of that, Manager F is optimistic and believes his portfolio management expertise is sufficient to oversee professionalisation of portfolio management in the company and make decisions about projects new to him. In fact, he faces challenges when translating project data to information, as there is a need to understand specifics of the business. As he is new to the organisation, he seeks to rely on formal structures and influence process through formal procedures. This formal influence of Manager F is limited too, and he needs a lot of ‘corridor talks’ to get what he needs from people. Despite this limited formal power, Manager F claims he has / may have influence on the company leadership by providing ‘strong advise’.

Figure 1 present findings of our research project. We assessed the portfolio manager’s organisational embeddedness on the basis of the analysis of biographies, positions and roles of our respondents as told by them themselves.

The company’s portfolio management maturity

Fig. 1. Cases plotted in the analytical model.

The level of company’s portfolio maturity was identified from the facts discussed in semi-structured interviews. Our intention is not a precise position of respondents in the respective places in the figure, but rather to sketch a general picture of how the two dimensions interrelate. None of the levels on the two scales is either ‘good’ or ‘bad’ as such. For example, achievement of high maturity levels requires great efforts and financial investments, and small companies may choose to have lower levels that perfectly match their needs. Our claim, however, is that there should a fit between the maturity level and the manager’s embeddedness. We illustrate it by discussing our findings.

At the lower levels of maturity, the role of portfolio management is simple and rather supportive to project management. Enhancement of maturity level includes activities such as formalisation, introduction of templates and standards. Whilst such activities may lead to (initial) extra workload for individual project managers, they do not cause any shifts in the balance of powers in the organisation. Someone with a lower level of organisational embeddedness but with a strong mandate from the top leadership may serve as portfolio manager in this situation.
In our sample, these are Cases C and F. Appointing a person with a very high level of organisational embeddedness would lead to frustration of the portfolio manager. He would see large opportunities for improvement and better practices, and as changes do not come overnight, he would need to operate in the same given environment. The portfolio manager’s role would be limited to that of ‘a data manager’, not of a leader driving change in portfolio management.

Another extreme of the model is a combination of high levels of portfolio management maturity and the portfolio manager’s strong embeddedness. Portfolio management in organisations with high maturity requires integration with corporate governance, executive board level ownership, business process ownership and so forth. Such activities overlap with responsibilities of senior managers and a drive for further professionalisation of portfolio management and its elevation to the highest corporate level would inevitably lead to shifts in the balance of powers, tensions and conflicts (Jonas, 2010).

This is not anymore about data collection and its translation into business insights; it is about re-engineering of the company’s business processes. The portfolio manager’s position here requires additional characteristics and strong leadership qualities. It should be someone in the ranks of the ‘Chief Portfolio Officer’. The portfolio manager, as a strongly embedded advisor, needs to be able to advise the company’s leadership on strategic choices and his advice should be taken seriously. Among our cases, Company E exemplifies such situation in the best way. The portfolio manager directly interacts with the company leadership and drives the change. If a newcomer is placed in such organisation with a high project management maturity level, without necessary support and involvement, he risks falling prey to his adversaries in bureaucratic tussle.

An important observation from the interview is that almost all portfolio managers underscore their position as an objective, ‘politically neutral’ executive responsible for the functioning of the portfolio management process, in line with the definition of the PMI’s Standard for Portfolio Management. They seek to establish and maintain a transparent, rule-based system to avoid subjectivity and hidden conflicts.

6. Conclusions

This paper combines organisational maturity in portfolio management and personal embeddedness of portfolio managers in respective organisations. This study contributes to the growing body of literature on project portfolio management, and specifically, the portfolio manager’s role in this process. The extant studies are scarce as most of the attention is directed toward the project manager. While these two positions have surely many similarities, the portfolio manager’s role is unique in itself. With the rising importance of portfolio management in contemporary organisations, the portfolio manager’s role is yet to gain its further importance.

The extant literature depicts a profile of an ‘ideal’ portfolio manager. We show both conceptually and empirically that a more nuanced approach should be pursued. We apply insights from the organisational behaviour literature and develop a construct of the portfolio manager’s organisational embeddedness. To our knowledge, no prior study has done so. We argue that the level of company’s maturity in portfolio management determines a specific profile of the portfolio manager that needs to fit within the organisational context.

Next to the academic contribution, our research has delivered important managerial implications. We advise companies to ‘have right people in the right place’. While this advice may sound trivial, anecdotal evidence suggests that it is often not the case. To make effective changes in established portfolio management practices and make a move to a new maturity level, a strong mandate from the senior executives is often not enough. The organisation should have a strong, perfectly embedded portfolio manager, able to drive the change. Such portfolio manager is not only an expert in project management; he is also a business analyst able to advise the company leadership on strategic matters. The company leadership themselves should be prepared for the inevitable shifts in the balance of power if an advanced, effective and efficient project portfolio management to be established.

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