

ESTABLISHING A PROJECT MANAGEMENT OFFICE FOR A MORE  
EFFECTIVE AND EFFICIENT IMPLEMENTATION OF PROJECTS IN JKR

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ESTABLISHING A PROJECT MANAGEMENT OFFICE FOR A MORE  
EFFECTIVE AND EFFICIENT IMPLEMENTATION OF PROJECTS IN JKR

HIZAMUL-DIN BIN AB. RAHMAN

A capstone project report submitted in partial fulfillment of the  
requirements for the award of the degree of  
Master of Project Management

Faculty of Civil Engineering  
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December, 2010

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To my beloved wife, Wan Siti Norhayati and my children,  
Hanis Syairah, Hanis Nabihah, Hanis Hamizah and Ahmad Syahmi  
who are the source of inspiration and true love.

## ACKNOWLEDGEMENT

First of all, I would like to express my sincere appreciation to my project supervisor, Associate Professor Dr. Mohd Hassan bin Mohd Osman, Deans of International Business School, Universiti Teknologi Malaysia, for his generous advice, patience, guidance and encouragement during the years of my study.

I would like to express my sincere thanks to all JKR professionals who generously spent their precious time to participate the interview of my project data collection and comment to my work. Their opinions and comments are useful indeed. My other lecturers and friends, who have provided assistance at various occasions, also deserve my special thanks.

Finally, I am most thankful to my wife and children for their support and encouragement given to me unconditionally in completing this project report.

Without the contribution of all those mentioned above, this work would not have been possible.

## **ABSTRACT:**

Effective and efficient implementation of projects is crucial in sustaining the trust of the government and public onto JKR as the main projects implementer. Despite having the advantages of relatively good performance monitoring system and accredited quality management process, project failure rate still remain high and the success cannot be repeated. This suggests further exploration of new process model and organisation structure for JKR to nurture strong project performance. The establishment of Project Management Office (PMO) is one of the strategies for this ongoing improvement journey. Poor knowledge management, non alignment of projects with the strategy and organisational goals, lack of formal tracking and lack of functional user involvement are the primary reason for project failure. Hence, the aims of this study is to determine the present JKR project management practice in order to propose an improvement to those existing practices by developing a PMO model. There are three distinct phases of this study: phase 1 involves literature review; phase 2 consists of semi structured interviewing with SBU Sector, Specialist Sector and States JKR; and structure interview with selected experience project manager. Phase 3 is the analysis of the collected data and lastly, the outcomes of this study are the establishment of an appropriate PMO model for JKR. This model will be a basis for further development of each functions and the roles and responsibility of different level of PMO.

## **ABSTRAK:**

Pelaksanaan projek yang cekap dan berkesan adalah penting bagi mengekalkan kepercayaan kerajaan dan rakyat ke atas JKR sebagai pelaksana projek utama negara. Walaupun mempunyai kelebihan dari segi sistem pengawasan prestasi projek dan proses pengurusan kualiti yang diiktiraf, kadar kegagalan projek masih tinggi dan kejayaan yang tidak boleh diulang. Ini membawa kepada cadangan untuk mencari model proses dan struktur organisasi yang baru bagi JKR bagi memupuk prestasi projek yang cemerlang. Membangunkan Pejabat Pengurusan Projek (PPP) (*Project Management Office (PMO)*) adalah satu strategi bagi penambahbaikan berterusan. Kelemahan pengurusan pengetahuan, projek yang tidak sejajar dengan strategi dan objektif organisasi, kekurangan pengawasan dan kekurangan penglibatan pengguna fungsional adalah sebab utama kegagalan sesuatu projek. Dengan itu, tujuan kajian ini adalah untuk menentukan amalan semasa pengurusan projek di JKR bagi penambahbaikan amalan tersebut dengan membangunkan model PMO untuk JKR. Terdapat tiga fasa utama bagi kajian ini: fasa 1 melibatkan kajian literatur, fasa 2 merangkumi temuramah dengan pegawai di Sektor SBU, Pakar dan JKR Negeri serta temuramah berstruktur dengan pengurus projek JKR yang berpengalaman. Fasa 3, ialah menganalisa data terkumpul dan akhirnya hasil dari kajian ini adalah pembentukan model PMO yang bersesuaian dengan JKR. Model ini akan menjadi asas pembangunan selanjutnya fungsi, peranan dan tanggungjawab bagi setiap tahap PMO.

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## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Introduction**

Some of the primary reasons for project failures are a result of poor knowledge management: lack of effective project estimation and budgeting, poor communication and information sharing practices, inadequate reuse of past experience and lessons learned, and insufficient understanding of the technology, particularly its limitations. Other typical reasons are lack of consistency in management, lack of formal tracking, and lack of functional user involvement. The end result is overruns in cost and time through restarts or projects routinely abandoned before completion (Desouza & Evaristo, 2006). The end result is overruns in cost and time, poor quality and to certain extends projects abandoned before completion. Projects are now seen as strategic weapons that organizations use to enhance their competitiveness, win the market place, compete in the dynamic and furious commercial world, and create value for their clients and other stakeholders (Shenhar, 2004). The mindset of project performance management must transform from operational/functional nature to more of strategy- focused (Toor & Ogunlana, 2009).

A well implemented PMO are known to be able to resolve the most challenging project management issues. The strategy adopted by PMO is to capture and transfer knowledge, optimise the human resource usage by maximise the power of cross-functional teams, leveraging the ICT, regulate the demand of integrated technologies, and providing ownership and accountability for key efforts. The PMO

is able to assess the impact and risk of change and providing the projects with guidance on best practices and standards.

## **1.2 Problem Statement**

Projects implemented by JKR were managed using the ISO 9001 accredited quality management process known as Sistem Pengurusan Kualiti (SPK), but project failure rates still remain high as indicated by the issues pertaining the traditional success factors i.e. time, cost and quality:

- Data analysis of project implemented by JKR for year 2009 shows that 80% projects could not completed within the original contract period.
- Most of government projects having issues in change of scope which involve a significant amount of additional cost to the original contract.
- Even if the project managed to be completed, a substantial amount of government projects failed in achieving specified quality. Some of the extreme cases are the incident of roofs collapsed (Stadium Sultan Mizan in Kuala Terengganu) and the MRRII.

This alarming scenario is hardly surprising—too many organizations tend to repeat the same mistakes too often, particularly in terms of knowledge transfer and reuse of the information derived from past projects (Collier, De Marco, & Fearey, 1996; Desouza, Dingsøyr, & Awazu, 2005).

### **1.3 The Objectives**

The objectives of the study presented in this paper are as following:

- a) To determine the current project implementation practice in JKR
- b) To identify issues and major limitations of current project implementation practice.
- c) To propose a Project Management Office model for JKR as an improvement to current project implementation practice.

### **1.4 Scope of Study**

For the purpose of this study, JKR Branches of SBU Sector, Specialist Sector and JKR States are to be visited. Each of the JKR Branches involvement and their approaches in implementing projects will be determine. The issues and major limitation of the current project implementation will be evaluated.

The study will only focus on the concepts of Project Management Office and developed a model for JKR. The scope of the study will not encroach into the details of the roles and responsibility of the PMO.

In order to develop the model of Project Management Office (PMO) for JKR, the common characteristic of PMO in IT organizations (Desouza & Evaristo, 2006) will be used as main reference. Therefore, those principles will not be formulated by the researcher in this study.

## 1.5 Research Methodology

Research methodology is a framework for the researcher on how a study is carried out, such as process of collecting, analyzing, interpreting observations. Therefore, Figure 1.1 outlined the research design of this study. It is divided into three phases: Phase 1 encompasses of determination of objective and scope of the study and literature review; Phase 2 involves the studies of current practice of project management in JKR. Then, Phase 3 is development of the PMO model for JKR. The PMO models will be reviewed by the predetermined experts in order to ensure its appropriateness.

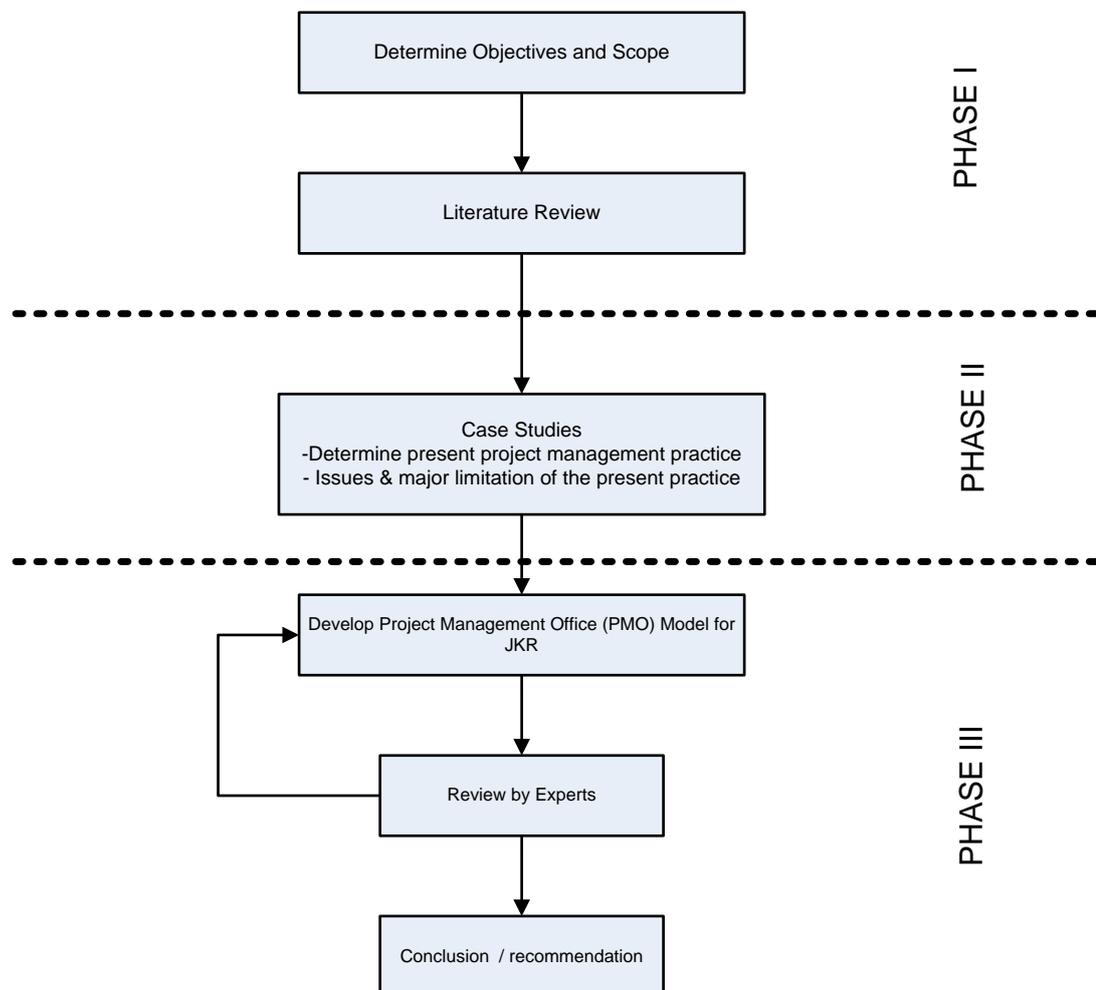


Figure 1.1: Schematic of Research Design

