

## Measuring Quality of Management to Predict Success of Portfolio- A Review of Factors Effect Project Portfolio Success

Medición de la calidad de la gestión para predecir el éxito de la cartera: una revisión del efecto de los factores Éxito de la cartera de proyectos

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### ABSTRACT

This paper presents measuring quality of management to predict success of portfolio- a review of factors effect project portfolio success. Several integrated projects have their portfolios. And for many organizations it is a struggling task to manage these portfolios. So it is need to know what factors affect the successful management of portfolio and how it can enhance the performance. The prediction of successful portfolio is necessary and also knows about the possible indicators that take part in the success of event. For the success of project portfolio become easy the concept of quality management is used. As compare with the time at which the criteria of success can measure, this is the easy way.

**Keywords:** Project portfolio, interdependent, management quality.

### RESUMEN

Este documento presenta la medición de la calidad de la gestión para predecir el éxito de la cartera: una revisión de los factores afecta el éxito de la cartera de proyectos. Varios proyectos integrados tienen sus carteras. Y para muchas organizaciones es una tarea difícil administrar estas carteras. Por lo tanto, es necesario saber qué factores afectan la gestión exitosa de la cartera y cómo puede mejorar el rendimiento. La predicción de una cartera exitosa es necesaria y también conoce los posibles indicadores que participan en el éxito del evento. Para que el portafolio de proyectos sea exitoso, se utiliza el concepto de gestión de calidad. En comparación con el momento en que se pueden medir los criterios de éxito, esta es la manera fácil.

**Palabras clave:** Portafolio de proyectos, interdependiente, calidad de gestión.

### RESUMO

Este artigo apresenta a medição da qualidade da administração para prever o sucesso do portfólio - uma revisão dos fatores que afetam o sucesso do portfólio de projetos. Vários projetos integrados possuem seus portfólios. E para muitas organizações, é uma tarefa difícil gerenciar esses portfólios. Portanto, é necessário saber quais fatores afetam o gerenciamento bem-sucedido do portfólio e como ele pode melhorar o desempenho. A previsão de portfólio bem-sucedido é necessária e também conhece os possíveis indicadores que participam do sucesso do evento. Para o sucesso do portfólio de projetos se tornar fácil, é utilizado o conceito de gerenciamento da qualidade. Em comparação com o tempo em que os critérios de sucesso podem ser medidos, esta é a maneira mais fácil.

**Palavras-chave:** Portfólio de projetos, interdependente, qualidade gerencial.

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## I. INTRODUCTION

To meet key business destinations to encourage compelling administration of work a collection of works, programs or projects gathered (Jonas et al., 2012; Kopmann, 2014). It is not necessary that programs and project of the portfolio are directly related to each other or interdependent (Mathur, 2006; Meredith & Mantel, 2006). The art of taking the decisions about balancing risk against performance, coordinating speculations to destinations, venture blend and arrangement, resource assignment for people and establishments is known as portfolio management (Sanchez & Robert, 2010; Forman, 2008). In the choice of safety vs. growth, equity vs. debt, international vs. domestic, and numerous other exchange offs experienced in the endeavor to augment return at a given hunger for risk, the Portfolio management is tied in with deciding performance, weaknesses, strengths and opportunities.

The centralized management of one or more than one portfolio is known as portfolio management. For particular business objective, the work of portfolio management include authorizing, controlling projects, controlling programs, controlling other related work, prioritizing and identifying (Maseleno et al., 2016).

## II. PORTFOLIO MANAGEMENT LIFE CYCLE

To ensure that the work is done according to the strategic plan within project portfolio, the process of portfolio management uses for prioritizes, evaluate, collect, authorize, categorize, review and select the components.

According to PMI (Project Management Institute) there are three phases of portfolio management lifecycles are:

1. Create a plan
2. Set the Authority
3. Control and monitor the process

When any change in the factors and strategies it is need to monitor the portfolio timely. The above phases are considered as continuous loop. For the review of organization it needs to review the frequency.

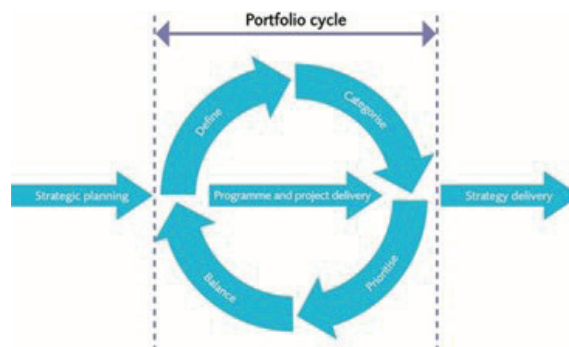


Figure 1: Portfolio management life cycle

## III. STANDARD OF PROJECT PORTFOLIO MANAGEMENT

With portfolio management the related standard depicts commonly acknowledged procedures. For conclusive audit and acknowledgment for issue to the PMI Consensus submitted in 2005 December (PMI, 2008). In 2006 the standards are spring for publication.

With a strategic focus targeted at “C” level it is a ongoing business process of the portfolio management. It has to be ensuring that the decisions are taking according to the strategy. If the components of portfolio not set according to the strategies of business there organizations are questionable for the work to be undertaken (Maseleno et al., 2019).

The figure 2 (Arlt, 2010) show that various and projects, sub-portfolios and programs are consist of a portfolio.

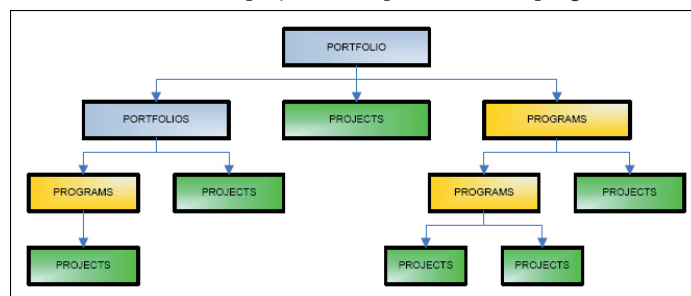


Figure 3 (Jonas et al., 2011) shows that portfolio management life cycle is a three phase process. On the basis of complexity and size of business the period of organization can defined it can be either annual or quarterly. There is need to review the complete portfolio if do any change in strategy.

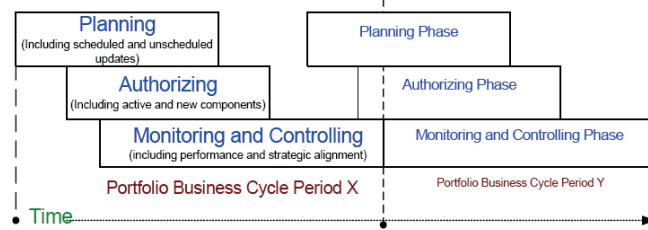


Figure 3: Portfolio Lifecycle

There are mainly two process group and 9 major processes included in portfolio management (Maselena et al., 2019). For determining the appropriate process the team of portfolio management is responsible.

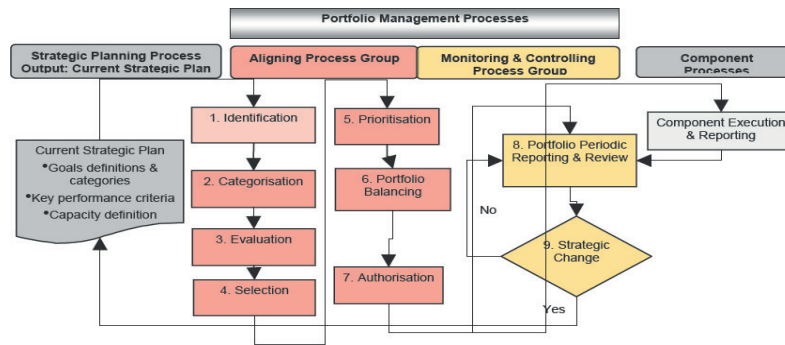


Figure 4: Portfolio Management Processes (Mathur, 2006)

In 2009 Turner defined that for any endeavor of company value creation is the major concern. And through the projects most of the value is realized. In 2002, Edgett, Kleinschmidt and Cooper proposed that within the environment of project portfolio several firms realize the value. Balancing the portfolio, linking the portfolio to the strategy of firm and maximizing the value of portfolio are the three elements of portfolio management (Davis, 2014; Kopmann, 2014).

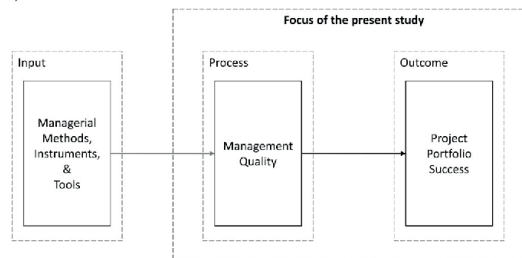


Figure 5: Project portfolio management process outcome model

#### IV. MODEL OF PROJECT PORTFOLIO MANAGEMENT

For the performance assessment approach it is need to define benefits and selction of strategies in project portfolios. Figure 6 represent the conceptual PPM model it is defined in 2011 by Bivins and Bible (Martinsuo, 2007). By using portfolio adjustment and evaluation from strategic planning this model represent the PPM process.

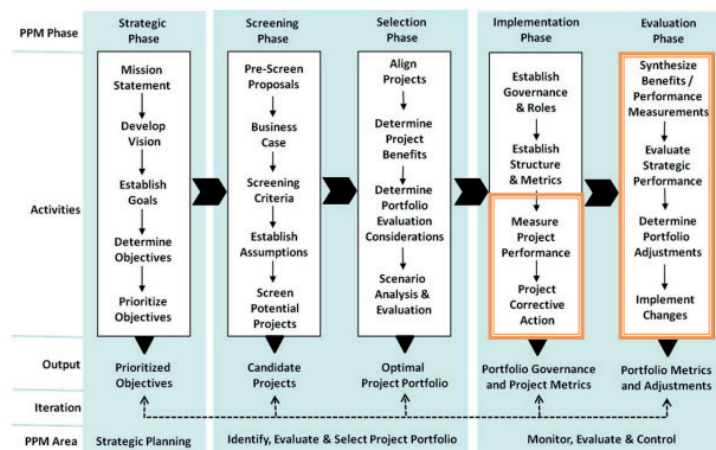


Figure 6: Overview of PPM process

### V. TO PREDICT SUCCESS OF PORTFOLIO MEASURING THE QUALITY

For the PPM process it is a key aspect of monitor the performance. Within decision authority to take corrective action and to evaluate performance for project and portfolio managers necessary information provided through monitoring. The decision authority generally defined specification baselines, schedule and the factors that do not affect the cost. At higher level to determine the change which do help in decision making the monitoring also give the valuable input.

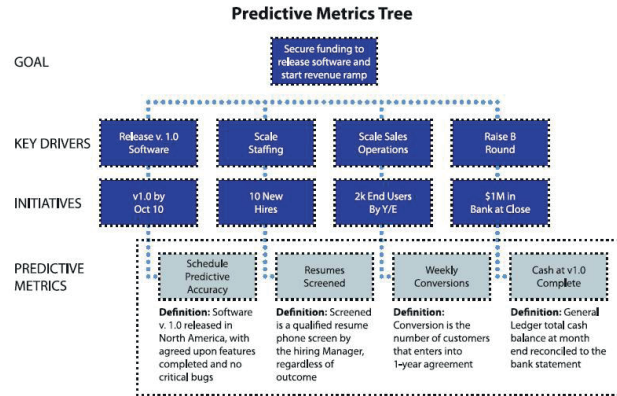


Figure 7: Predictive Metrics

Variable	Mean	Std. Dev.	1	2	3	4	5	6
1 Project Portfolio Success (T2)	4.99	0.72	1.00					
2 Management Quality (T1)	4.46	0.75	0.42*	1.00				
3 Project Management Maturity	5.25	1.29	0.28*	0.53*	1.00			
4 Portfolio Budget	4.00	1.57	0.31*	0.20	0.44*	1.00		
5 Industry	0.46	0.50	0.01	0.22	0.16	0.00	1.00	
6 Firm Size	6.36	2.36	0.17	0.13	0.08	0.04	0.08	1.00

\* =  $p < 0.05$ ;  $n = 54$ .

Figure 8: Measuring quality Management to predict the success of project portfolio (Voss, 2012)

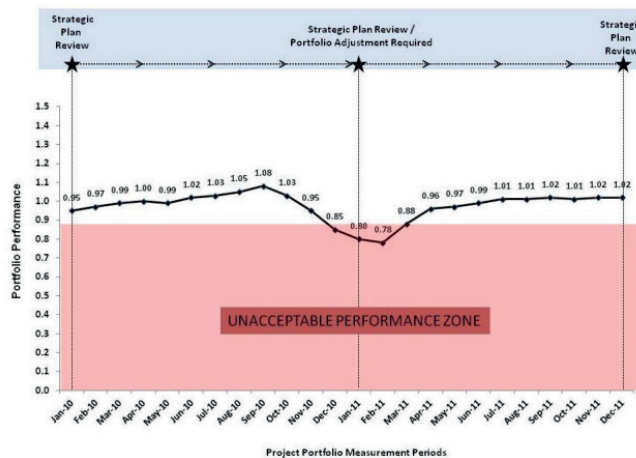


Figure 9: Trend chart of Portfolio performance (Meredith, 2006)

### VI. PORTFOLIO RISK MANAGEMENT

The portfolio risk is considered any uncertain condition or event that gives the positive or negative effect on objective of portfolio. At some point it could be strongest or weakest link. The effect of event is not certain that whether it could be positive or negative so it can cause the risk in portfolio. In this way there need to eliminate the uncertainty as much as possible. So the damage of portfolio could be limited.

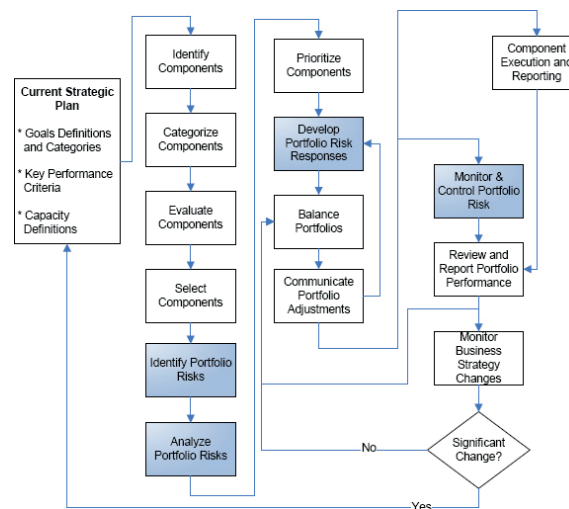


Figure 10: Project portfolio management Life Cycle the risk management (Jugdev & Müller, 2005)

Portfolio risks types are given below:

1. Structural risks: the risk which are related to way in which the components interact and it composed the portfolio.
2. Component risks: in a portfolio this type of risk related to the separate components like sub-portfolios, projects, programs etc.
3. Other risk: the risk that related to quality of portfolio management and related to interaction of components.
- 4.

## VII. EFFECTIVE PROJECT PORTFOLIO MANAGEMENT FACTORS

For making a portfolio management effective some factors are given below:

1. Variance of budget

Every organization start the project with a certain amount and specific amount is determined for every activity and resource. What are the variations between actual budget and the budget that is determined before is review from budget optimization KPI.

2. Efficiency of operation

For measuring the utilization of resource and performance of team the KPI of operational efficiency is used. It measure the time spend on a specific set of resources or on a particular resource. It can say that the resource productivity is evaluated and measure in through this KPI.

3. Satisfaction of customer

The satisfaction of customer is one of the key factors for a successful project. After delivery of project the cumulative analysis of customer and stakeholder feedback is measured in this KPI.

4. Error counting

It is count the number at which during the project the task is revisited. On particular things in a project when members end up reworking it affected both budget of a project and time schedule.

5. To made project schedule time adjustments

In a specific project the spent time is calculated in this KPI. To the existing schedule by the team from the completion date of project it measures the amount of adjustments.

6. Strategic organizational alignment

To define the project that how it is aligned with the target, unit and objective of company is evaluating in this KPI. For effort and cost with set target it measures all ongoing business unit.

7. Business value delivery

In project portfolio management this is easily term in most crucial KPI. For measuring the expected value of project it uses business value measure by company.

## VIII. CONCLUSION

A few coordinated tasks have their portfolios. Furthermore, for some associations it is a battling undertaking to deal with these portfolios. So it is have to realize what components influence the fruitful administration of portfolio and how it can upgrade the presentation. The expectation of effective portfolio is fundamental and furthermore thinks about the potential markers that partake in the accomplishment of occasion. For the accomplishment of undertaking portfolio become simple the idea of value the executives is utilized. As contrast and the time at which the criteria of achievement can quantify, this is the easy way.

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