

PMO Dual-Track Mechanism:

From Delivery Execution to
Strategic Value Creation



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1. Executive Summary

Project Management Offices (PMOs) have become a central organisational function for managing projects, programmes, and portfolios. Despite widespread adoption, many PMOs continue to struggle in demonstrating sustained value and strategic relevance.

This white paper introduces the PMO Dual-Track Mechanism, a novel, empirically grounded model that explains how PMO performance is generated through two distinct yet interconnected pathways:

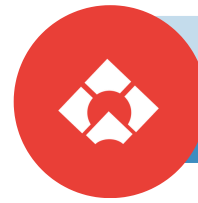
- Execution Track — focused on operational delivery excellence
- Value Track — focused on strategic alignment and value creation

These two tracks are not independent. They are integrated through a critical mediating mechanism: PMO Transformation, which enables the transition from operational efficiency to strategic contribution.

The model demonstrates that:

- Operational capabilities drive direct performance outcomes
- Strategic capabilities drive indirect performance outcomes through transformation
- PMO effectiveness emerges from the balance and interaction of both tracks

This mechanism provides a new lens for understanding PMO performance, repositioning PMOs from administrative entities to adaptive governance systems and strategic value enablers.



2. Introduction

Over the past two decades, PMOs have evolved from administrative support units into organisational entities expected to deliver strategic value. However, this evolution has not been uniformly successful.

While organisations increasingly rely on PMOs to standardise processes, improve delivery performance, and align projects with strategy, many PMOs remain heavily operational and struggle to demonstrate measurable strategic impact.

Empirical studies have consistently shown that:

- PMO effectiveness is strongly influenced by strategic alignment and portfolio maturity
- PMOs contribute to organisational performance through integration, governance, and maturity development

Yet, existing frameworks fail to explain a fundamental reality:

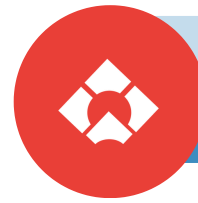
PMO performance is not driven by a single capability, but by the interaction between operational execution and strategic value creation.

This gap motivates the development of the PMO Dual-Track Mechanism™, which provides a structured explanation of how these two dimensions operate simultaneously within a PMO system.

3. Problem Statement: The Crisis of Relevance

Despite the growing importance of PMOs, several persistent challenges remain:

- Operational Dominance: Most PMOs are heavily focused on reporting, compliance, governance enforcement, with limited involvement in strategic decision-making.
- Value Visibility Gap: PMOs often fail to demonstrate contribution to business outcomes, value realisation, strategic impact. This leads to perception as cost centres, reduced executive support, risk of dissolution.



- **Fragmented Conceptual Models:** Existing PMO models i.e.: separate operational and strategic roles, lack integration between capabilities, do not explain causal mechanisms of performance.
- **Transformation Blind Spot:** PMO transformation is frequently discussed but rarely positioned as a core performance mechanism, empirically modelled as a mediating construct.

4. Conceptual Foundation

The PMO Dual-Track Mechanism™ is grounded in the integration of four major theoretical perspectives:

- **Organizational Project Management (OPM):** Positions PMO as a linking structure between strategy, portfolio, project execution.
- **Dynamic Capabilities Theory:** Explains how organisations reconfigure resources, adapt capabilities, respond to environmental change. PMO Transformation represents this dynamic capability.
- **Institutional Theory:** Highlights how organisational pressures, governance gaps, and risks act as triggers for structural change.
- **Strategic Alignment Theory:** Emphasises the need for alignment between business strategy, project portfolios, execution systems.

5. The PMO Dual-Track Mechanism

5.1. Core Structure

The PMO Dual-Track Mechanism™ is conceptualised as an integrated capability system rather than a collection of independent functions. At its core, the model is built upon five interrelated capability domains: Strategic Alignment, Governance & Standardization, Performance & Value Management, Delivery Support, and Capability Development. These domains do not operate in isolation; instead, they form a systemic configuration that enables the PMO to simultaneously address operational efficiency and strategic value creation.



A key proposition of this model is that PMO performance cannot be adequately explained through a single-dimensional lens. Instead, it emerges from the interaction between two fundamentally different, yet complementary, capability orientations. These orientations are structured into two primary tracks—the execution track and the value track—each representing a distinct pathway through which the PMO contributes to organisational performance. The separation into dual tracks is not merely a categorisation exercise, but a reflection of two different causal logics that underpin how value is generated within a PMO system.

5.2. Execution Track (Operational Path)

The execution track represents the operational backbone of the PMO, anchored in the capabilities of Governance & Standardization and Delivery Support. This track is primarily concerned with ensuring that projects are executed in a controlled, consistent, and efficient manner. Governance & Standardization establishes the formal structures, processes, and controls necessary to maintain discipline across projects, while Delivery Support provides the practical mechanisms required to enable project teams to perform effectively.

From a conceptual standpoint, the execution track operates under a logic of efficiency and control. Its contribution to PMO performance is direct and immediate, as improvements in governance quality, process consistency, and delivery support translate directly into measurable outcomes such as adherence to timelines, cost containment, quality assurance, and compliance with established standards.

This direct relationship highlights the role of the execution track as the primary driver of delivery performance. It ensures that projects are executed “right” by minimising variability, reducing execution risks, and enforcing organisational standards. However, while this track is necessary for achieving operational excellence, it is not sufficient to ensure that the PMO delivers strategic value. In many organisations, an overemphasis on this track results in PMOs that are highly efficient yet strategically disconnected.



5.3. Value Track (Strategic Path)

In contrast to the execution track, the value track reflects the PMO's strategic orientation and is primarily constituted by Strategic Alignment and Performance & Value Management capabilities. This track is concerned not with how projects are executed, but with whether the right projects are selected, prioritised, and managed to maximise organisational value.

Strategic Alignment ensures that project portfolios are coherently linked to organisational objectives, enabling the PMO to act as a bridge between strategy formulation and execution. Performance & Value Management extends this role by focusing on benefit realisation, value measurement, and the continuous evaluation of project contributions to organisational outcomes.

Unlike the execution track, the value track does not exert a direct influence on performance. Instead, its impact is inherently indirect and mediated, operating through the mechanism of PMO Transformation. This distinction is critical. Strategic capabilities do not immediately translate into performance improvements because their effectiveness depends on the PMO's ability to reconfigure its structures, processes, and practices in response to strategic demands.

The value track operates under a logic of adaptation and value creation. It ensures that "the right projects are delivered" by continuously aligning project portfolios with evolving organisational priorities and by maximising the benefits derived from project investments. Without this track, the PMO risks becoming operationally efficient but strategically irrelevant.

5.4. Capability Development (Enabling Layer)

Capability Development functions as an enabling layer that underpins both the execution and value tracks. Rather than being confined to a single pathway, it plays a transversal role in strengthening the overall PMO system. This capability encompasses the development of competencies, the institutionalisation of knowledge, and the continuous improvement of practices.



From a theoretical perspective, Capability Development enhances the PMO's absorptive and adaptive capacity, allowing it to sustain performance over time. It supports the execution track by improving technical and operational competencies, while simultaneously reinforcing the value track by enabling strategic thinking, analytical capabilities, and decision-making sophistication.

Moreover, Capability Development is a critical determinant of transformation readiness. Without sufficient organisational learning and capability maturity, the PMO lacks the foundation required to transition from an operational entity to a strategic enabler. Thus, it acts as a systemic accelerator, amplifying the effectiveness of both tracks and enabling their integration.

5.5 PMO Transformation (Linking Mechanism)

At the centre of the PMO Dual-Track Mechanism™ lies PMO Transformation, which functions as the critical linking mechanism between the value track and performance outcomes. Transformation is defined as a systemic and adaptive reconfiguration of the PMO across the dimensions of people, processes, and tools. It represents the process through which strategic intent is translated into operational reality.

The role of PMO Transformation within the model is fundamentally mediating. While operational capabilities can directly influence performance, strategic capabilities require transformation to materialise their impact. In this sense, transformation acts as a bridge that connects strategic orientation with tangible performance outcomes.

More importantly, transformation reflects the PMO's nature as an adaptive system. It enables the PMO to respond to changes in organisational strategy, environmental uncertainty, and emerging risks by continuously reconfiguring its internal structures and capabilities. This aligns with the perspective of dynamic capabilities, where sustained performance is achieved not through static excellence, but through the ability to evolve.

Without transformation, the value track remains conceptual and disconnected from execution. Conversely, without a strong value track, transformation lacks direction and purpose. The interplay between these elements highlights that PMO performance is not a static outcome, but the result of an ongoing process of alignment, adaptation, and capability reconfiguration.



6. Mechanism Logic

The PMO Dual-Track Mechanism is fundamentally grounded in the proposition that PMO performance is not produced through a single linear pathway, but rather through multiple, interacting causal mechanisms. This section articulates how the execution track and value track operate simultaneously, yet through different logics of influence, to shape overall PMO performance.

At the most immediate level, the execution track operates through a direct causal pathway. Capabilities related to Governance & Standardization and Delivery Support influence PMO performance by improving the reliability, predictability, and efficiency of project execution. When governance structures are clearly defined and consistently applied, and when delivery support mechanisms are effectively embedded, project outcomes improve in a measurable and observable manner. This reflects a relatively stable and linear relationship in which capability enhancement leads directly to performance gains. In this sense, the execution track represents the short-cycle performance engine of the PMO, delivering immediate and tangible results.

However, the model departs from traditional perspectives by asserting that not all capabilities operate through such direct effects. The value track follows a fundamentally different causal logic, characterised by an indirect and mediated pathway. Strategic Alignment and Performance & Value Management do not immediately translate into improved performance because their influence depends on the PMO's ability to reconfigure itself in response to strategic demands. This reconfiguration is conceptualised as PMO Transformation, which acts as a necessary condition for translating strategic intent into operational outcomes.

This mediated relationship introduces a temporal and structural dimension to PMO performance. Strategic capabilities initiate changes in how the PMO defines priorities, evaluates success, and allocates resources, but these changes only materialise into performance improvements once the organisation has undergone sufficient transformation. As such, the value track represents a long-cycle performance engine, where impact is delayed but potentially more substantial and sustainable.



Crucially, PMO performance emerges not from either track in isolation, but from their interaction as an integrated system. An overreliance on the execution track may lead to operational efficiency without strategic relevance, while an overemphasis on the value track without adequate execution capability may result in strategic intent that cannot be realised. The PMO Dual-Track Mechanism™ therefore highlights the importance of balance and synchronisation between the two tracks.

This integrated perspective also reframes PMO performance as a dynamic outcome. Rather than being a static measure of efficiency or maturity, performance is understood as the result of continuous alignment between execution capabilities, strategic orientation, and transformation capacity. In this way, the mechanism captures the evolving nature of PMOs as organisational systems operating in complex and changing environments.

7. Empirical Insights

The conceptual arguments underpinning the PMO Dual-Track Mechanism™ are supported by empirical findings derived from large-scale quantitative analysis of PMO practices across organisational contexts. The evidence consistently indicates that PMO capabilities do not contribute equally or through identical pathways to organisational performance.

One of the most salient findings is the asymmetry between operational and strategic capabilities. Capabilities associated with Governance & Standardization and Delivery Support demonstrate a statistically significant and direct relationship with PMO performance. This reinforces the argument that operational excellence remains a foundational requirement for PMO effectiveness. Organisations with well-established governance structures and strong delivery support mechanisms are more likely to achieve consistent project outcomes, thereby reinforcing the role of the execution track as a direct performance driver.



In contrast, capabilities related to Strategic Alignment and Performance & Value Management do not exhibit a direct effect on performance. Instead, their influence becomes significant only when mediated through PMO Transformation. This empirical pattern validates the theoretical proposition that strategic capabilities require transformation to become effective, highlighting the critical role of PMO Transformation as a bridging mechanism.

Furthermore, the analysis reveals that organisational risks associated with PMO functions—such as unclear mandates, fragmented governance, and weak value measurement—do not directly diminish performance. Rather, these risks act as institutional signals or triggers that stimulate transformation. This finding challenges the conventional view of risk as purely detrimental, repositioning it as a catalyst for organisational adaptation and capability reconfiguration.

Taken together, these insights provide strong empirical support for the dual-track logic. They demonstrate that PMO performance is not merely a function of capability presence, but of how different capabilities interact through distinct causal pathways, reinforcing the validity of the PMO Dual-Track Mechanism™ as both a conceptual and practical model.

8. Managerial Implications

The PMO Dual-Track Mechanism™ carries significant implications for how organisations design, evaluate, and develop their PMO functions. At a fundamental level, it challenges the prevailing tendency to assess PMO performance primarily through operational metrics, such as schedule adherence and cost efficiency.

By distinguishing between execution and value tracks, the model highlights that operational excellence alone is insufficient for sustaining PMO relevance. While organisations must continue to invest in strengthening governance and delivery capabilities, they must also deliberately build strategic capabilities that enable value creation. This requires a shift in how PMOs are positioned within the organisation—from execution controllers to strategic integrators.



Another critical implication concerns the role of transformation. The findings suggest that PMO Transformation should not be treated as a one-off initiative or a reactive response to performance issues. Instead, it should be institutionalised as a continuous capability, embedded within the PMO's operating model. Organisations that fail to prioritise transformation risk stagnation, even if their operational performance remains strong.

The model also underscores the importance of capability balance. Managers must recognise that excessive focus on one track at the expense of the other can create structural imbalances. A PMO that excels in execution but lacks strategic alignment may become efficient yet irrelevant, while a PMO that emphasises strategy without execution discipline may struggle to deliver tangible results. Effective PMO management therefore requires an ongoing effort to align and synchronise both tracks. Ultimately, the PMO Dual-Track Mechanism™ provides a more nuanced framework for decision-making, enabling organisations to diagnose capability gaps, prioritise investments, and design transformation strategies that are aligned with both operational and strategic objectives.

9. Practical Applications

Beyond its theoretical contributions, the PMO Dual-Track Mechanism™ offers a robust foundation for practical implementation across a range of organisational contexts. Its structured yet flexible design allows it to be applied as both an analytical tool and a strategic framework.

In the context of PMO assessment, the model enables organisations to move beyond traditional maturity models by evaluating the relative strength and balance of execution and value capabilities. This provides a more comprehensive understanding of where the PMO stands and what areas require development.

When applied to transformation initiatives, the mechanism offers a clear roadmap for guiding PMO evolution. By identifying the distinct roles of each capability domain and their interactions, organisations can design targeted interventions that strengthen both tracks while ensuring that transformation is effectively managed as a central process.



The model is also particularly valuable in consulting and advisory settings, where it can be used to structure PMO design, redesign, and optimisation efforts. Its emphasis on causal pathways allows practitioners to explain not only what needs to be improved, but also why and how those improvements will lead to better performance outcomes.

Finally, at the executive level, the PMO Dual-Track Mechanism™ provides a compelling narrative for articulating PMO value. By clearly linking capabilities, transformation, and performance, it supports more informed decision-making regarding PMO investments, governance structures, and strategic positioning.

10. Contributions

The PMO Dual-Track Mechanism™ advances the field of project management in several important ways. From a theoretical perspective, it introduces a novel explanation of PMO performance based on dual causal pathways, addressing a critical gap in existing literature that tends to treat PMO capabilities as uniformly influential.

Conceptually, the model integrates multiple capability domains into a coherent system, demonstrating how operational and strategic functions are interconnected rather than independent. This systemic perspective provides greater clarity on the internal dynamics of PMOs and their role within organisational project management.

From a practical standpoint, the mechanism offers an actionable framework that can be directly applied in organisational settings. Its ability to link abstract concepts such as alignment and value management with tangible performance outcomes makes it particularly valuable for practitioners seeking to enhance PMO effectiveness.

Importantly, the model also repositions PMO Transformation as a central construct, rather than a peripheral consideration. By establishing transformation as the key mediator between strategy and performance, it provides a more accurate representation of how PMOs evolve and create value over time.



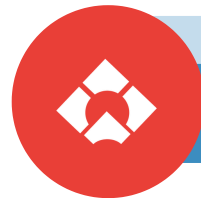
11. Conclusion

The PMO Dual-Track Mechanism™ provides a fundamental rethinking of how PMO performance is generated and sustained. It moves beyond simplistic, one-dimensional views of PMO effectiveness and instead presents a dynamic, integrated model in which performance emerges from the interaction between execution capabilities, strategic orientation, and transformation processes.

The model demonstrates that while operational capabilities are essential for achieving immediate and measurable outcomes, they are not sufficient for ensuring long-term relevance and value creation. Strategic capabilities, when coupled with effective transformation, enable the PMO to extend its influence beyond execution and into the domain of organisational value.

In this sense, the true effectiveness of a PMO lies not in its ability to control projects, but in its capacity to continuously align, adapt, and transform in response to changing organisational needs. The PMO Dual-Track Mechanism™ captures this evolution, positioning the PMO as an adaptive governance system that bridges execution and strategy.

As organisations continue to operate in increasingly complex and dynamic environments, the ability to balance these dual tracks will become a defining factor in PMO success. The PMO Dual-Track Mechanism™ therefore offers not only a conceptual advancement, but also a practical guide for organisations seeking to unlock the full potential of their PMO.



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