

A Project Management Office Transformation Roadmap Based on the Project Management Office Value Ring in an Indonesian Insurance Firm

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ABSTRACT

The transformation of the Project Management Office (PMO) has become an important factor in improving organizational performance and value generation inside financial institutions. This study investigates the progress of the PMO in one of the biggest insurance companies in Indonesia, utilizing the PMO Value Ring 26 Functions framework as the primary analytical tool. Established in 2022, the PMO is a developing governance unit that aims to shift from procedural compliance to strategic value generation. This exploratory qualitative case study employs semi-structured interviews, document analysis, and a systematic literature review to assess the PMO's current maturity level, identify transformation challenges, and propose a three-year strategic development plan. According to the findings, the PMO at the insurance company now serves as a governance facilitator, with limited capabilities in value measurement, stakeholder engagement, and benefit realization. Using the PMO Value Ring 26 Functions model, the study recommends a structured transformation path that prioritizes governance integration, capability enhancement, and performance-based value delivery. The findings benefit both academic and practical sectors by contextualizing the PMO Value Ring framework within a developing economy and providing actionable insights for firms looking to create value-driven PMO maturity in regulated industries.

Keywords: Governance Integration, Insurance Company, Project Management Office, Strategic Transformation, Value Delivery.

INTRODUCTION

The rapid pace of digital transformation in the financial services industry has significantly reshaped how organizations align strategic objectives with project execution (Chanas et al., 2019). In highly regulated sectors such as banking and insurance, firms are required to maintain strict compliance while simultaneously ensuring agility to respond to technological and regulatory changes (Zwikael et al., 2021; AlSaied & McLaughlin, 2024). Within this complex environment, the Project Management Office (PMO) has emerged as a critical governance mechanism that helps organizations manage project complexity, enhance coordination, support decision-making, and enable organizational learning (Aubry et al., 2010; Quinaglia & de Mesquita, 2023). As highlighted by Bredillet (2007) and Chadwick et al. (2021), modern PMOs increasingly function as strategic bridges between organizational strategy and execution, ensuring alignment across business units and governance structures.

Recent literature indicates a clear paradigm shift in PMO development, moving from process-based control toward value-oriented governance models. In this shift, these units are no longer seen as administrative support functions but as value-driven entities responsible for delivering measurable organizational outcomes. Moghaddasi et al. (2025) introduced the concept of the Value Delivery Office (VDO), which positions such entities

as explicitly focused on generating business value. Supporting this perspective, Hurt and Thomas (2009) emphasize that sustainable performance depends on embedding value creation into governance processes rather than focusing solely on procedural compliance. Similarly, Mahabir and Pun (2022) argue that Key Performance Indicator (KPI)-based evaluation systems improve accountability, transparency, and continuous improvement within these structures. These developments collectively reinforce the idea that PMO-type structures are evolving into strategic instruments for value realization.

However, despite the growing body of global PMO frameworks, including the PMO Value Ring 26 Functions, empirical evidence on their implementation in developing country contexts remains limited. This gap is particularly evident in environments where organizational culture and regulatory complexity differ significantly from the contexts in which these frameworks were originally developed. Consequently, the transferability and adaptability of such frameworks in countries like Indonesia remain underexplored, especially within regulated industries such as insurance (Mukhlis & Tyas, 2024).

This study focuses on an Indonesian insurance company, referred to as InsuranceCo. The organization established its PMO in 2022 to address fragmented project coordination across IT, procurement, and operations functions. In its initial phase, the unit adopted several global frameworks, including the PMO Value Ring, PMBOK, and Agile methodologies (Moghaddasi et al., 2025). However, implementation challenges emerged due to differences between the parent company's formal and structured governance approach and the local organization's more relational and flexible work culture. These differences have affected strategic alignment, governance effectiveness, and benefit realization, resulting in project outcomes that tend to prioritize short-term delivery over long-term strategic value.

Based on the identified research gap, this study addresses two main research questions. The first explores the roles and challenges in implementing global PMO frameworks within Indonesian organizations. The second examines how the PMO Value Ring 26 Functions can be adapted to align with local organizational culture and governance structures. Through these questions, the study aims to contribute to both academic understanding and practical improvement of PMO transformation in emerging market contexts.

In response to these challenges, this study aims to assess the current state of the PMO at InsuranceCo and develop a structured three-year transformation roadmap based on the PMO Value Ring 26 Functions framework. The study is designed to provide both diagnostic insights and practical recommendations for improving PMO maturity, governance effectiveness, and value delivery capability within a developing country context. The contributions of this study are fourfold. First, it develops a conceptual model for adapting global PMO frameworks to local organizational and cultural contexts, particularly in regulated industries. Second, it proposes a KPI dashboard design to enhance management control and performance visibility. Third, it strengthens the integration of benefit realization and ROI tracking into PMO performance measurement systems. Fourth, it provides implications for Accounting Information Systems (AIS) by improving the integration between project governance mechanisms and organizational performance reporting systems.

LITERATURE REVIEW

Project Management Office Transformation toward Strategic Value Delivery

The transformation of the Project Management Office (PMO) has emerged as a key focus of contemporary project management research (Vukadinović & Fabac, 2022). Traditionally considered an administrative function that ensures procedural compliance, modern PMOs are increasingly positioned as strategic entities in charge of governance, knowledge management, and value delivery. Bredillet (2007) and Chadwick et al. (2021) describe the PMO as a bridge that integrates strategic objectives with project execution, while Aubry et al. (2010) conceptualize it as an adaptive system influencing both organizational structure and strategic alignment. Quinaglia and de Mesquita (2023)

further note that PMOs function as catalysts of collaboration and learning, reinforcing their strategic importance beyond administrative oversight.

Recent research indicates a shift in management paradigms from process-based to value-oriented frameworks, which prioritize quantifiable outcomes and organizational performance (Yessengeldina et al., 2025; Talykova, 2025). Moghaddasi et al. (2025) introduced the concept of Value Delivery Offices (VDOs), which are PMOs explicitly designed to deliver quantifiable business value. In contrast, Hurt and Thomas (2009) suggested that PMO sustainability depends on embedding value creation within governance procedures. This shift mirrors a broader repositioning of PMOs as change agents rather than procedural enforcers (Tourista et al., 2025; Ferreira da Silva & José Rosamilha, 2025).

Badewi (2016) emphasizes the importance of institutionalized integration between project and benefits management frameworks in ensuring the success of digital transformation initiatives. Similarly, Mahabir and Pun (2022) advocate for the use of Key Performance Indicator (KPI)-based models that encourage accountability and continual development, ensuring that PMOs are both transparent and performance-oriented. These innovations collectively redefine the PMO as a strategic instrument capable of shaping organizational governance while also generating value (Krul et al., 2025; El Boukri & Aubry, 2025).

Theoretical Perspectives on Project Management Office Transformation

Understanding PMO transformation requires a theoretical foundation that reflects its dynamic and adaptive nature. Three frameworks, PMO Value Ring 26 Functions Theory, Contingency (Fit) Theory, and Organizational Change and Maturity Models, provide an integrated lens for explaining how PMOs evolve, align, and sustain value generation over time (Pellegrinelli & Garagna, 2009; Kerzner, 2011; Wadongo & Abdel-Kader, 2014; Bredillet et al., 2021; Ershadi et al., 2023). The Value Ring 26 Functions Theory positions value creation as the core objective of modern offices. It consists of eight domains: service definition, stakeholder management, governance, procedures, competencies, structure, maturity, and value delivery, which ensure strategic alignment and measurable contribution. This model serves both diagnostic and prescriptive purposes by identifying capability gaps and guiding transformation, with a specific focus on the 26 functions that define its operational scope.

From a contextual perspective, Contingency Theory argues that organizational effectiveness depends on the degree of fit between structure, culture, and environment (Pellegrinelli & Garagna, 2009; Bredillet et al., 2021; Mendy, 2025). In the case of InsuranceCo, implementing a Western governance model requires adaptation to Indonesia's relational work culture. Studies by Wadongo and Abdel-Kader (2014) and Joslin (2019) further emphasize that such contextual alignment is critical for ensuring operational sustainability. Complementing this view, Organizational Change and Maturity Models conceptualize development as a progressive sequence of capability stages (Kerzner, 2011). These models enable organizations, including emerging PMOs in insurance companies, to benchmark their maturity and plan structured evolution (Alshabragi et al., 2024). These frameworks integrate the value ring's strategic focus, the Contingency Theory's emphasis on cultural fit, and maturity models' structured capability progression into a comprehensive foundation for understanding PMO transformation (Agyeman-Boakye et al., 2025).

Project Management Office Value Ring 26 Functions

The PMO Value Ring 26 Function Framework offers a systematic yet adaptable approach for transforming PMOs into value-driven organizations. It emphasizes that PMOs should not only manage procedures but also actively generate measurable and sustainable value aligned with business objectives (Hurt & Thomas, 2009; Mahabir & Pun, 2022; Moghaddasi et al., 2025; Simard & Aubry, 2025). Unlike traditional frameworks such as PMBOK or process-heavy governance models, the value ring

highlights flexibility, stakeholder alignment, and continuous improvement as core principles of effective project governance (Aubry et al., 2010; Wadongo & Abdel-Kader, 2014; Fesenko et al., 2025).

Empirical studies further support this perspective. Ershadi et al. (2023) and Alikari (2025) identify five key dimensions of high-performing PMOs, namely strategic alignment, human capability, knowledge systems, delivery support, and organizational leverage. In addition, Mahabir and Pun (2022) emphasize the importance of KPI as quantitative tools for assessing PMO effectiveness, while Pellegrinelli and Garagna (2009) highlight that PMO success depends on its ability to adapt and reposition itself in response to organizational change (Ogunbukola, 2025).

However, PMOs often face challenges in achieving value realization, including limited leadership support, weak stakeholder engagement, and poor integration with business processes (Zwikael et al., 2021; Braun & Sydow, 2024). Bredillet et al. (2021) suggest that these challenges can be addressed through continuous organizational learning and stronger cross-functional collaboration. As a result, the PMO Value Ring 26 Functions serves not only as a diagnostic tool to identify capability gaps but also as a prescriptive framework that guides transformation toward a more value-oriented PMO. The relevance of this framework is particularly evident in regulated industries such as insurance, where organizations must balance strict governance requirements with the need to deliver measurable business outcomes (Wikström, 2025). In this context, the Value Ring's emphasis on value delivery, adaptability, and feedback-driven improvement provides a structured pathway for long-term PMO transformation and enhanced organizational performance.

RESEARCH METHODS

This study adopts an exploratory qualitative case study approach to examine the contextual transformation of the Project Management Office (PMO) within an Indonesian insurance company (InsuranceCo). The exploratory qualitative case study approach was selected to enable an in-depth understanding of complex organizational dynamics and contextual adaptations that cannot be captured by quantitative methods. The case was purposively selected due to its operation in a highly regulated financial industry and its early-stage PMO establishment in 2022, offering a relevant setting to explore how global PMO frameworks, particularly the PMO Value Ring 26 Functions, are localized within a developing economy. The unit of analysis is the PMO at InsuranceCo, including its governance structure, project performance management, and alignment mechanisms. The study covers the period 2014–2025, focusing on PMO operations and their interaction with corporate strategy, IT governance, and project delivery.

To ensure analytical rigor, this study triangulates three data sources: a Systematic Literature Review (SLR), internal document analysis, and semi-structured interviews. The SLR provides the theoretical foundation for PMO evolution and value-oriented governance, documents reflect organizational practices, and interviews capture practitioner insights, enabling cross-verification across theory, artifacts, and practice. The SLR follows the systematic review protocol of Kitchenham et al. (2009), with searches conducted in Scopus and Web of Science for 2014–2025 using keywords related to PMO, transformation, governance, and financial services. A snowballing technique was applied to identify additional studies. Inclusion criteria covered peer-reviewed English publications focusing on PMO transformation, governance, maturity, or value realization in regulated industries, while non-academic sources and irrelevant contexts were excluded.

The selection process resulted in 20 studies from an initial pool of 152 records and 18 additional sources identified through snowballing. After removing duplicates and screening titles, abstracts, and full texts, eligible studies were coded thematically based on PMO evolution, value-oriented governance, and contextual adaptability. These studies form the conceptual basis for analyzing PMO localization in InsuranceCo. Document

analysis complemented the SLR by examining SOPs, project reports, performance dashboards, and governance policies (2014–2025), selected purposively for their relevance to governance and performance monitoring. Data were extracted using a matrix-based coding framework focusing on governance roles, KPI alignment, benefit realization, and ROI measurement to identify gaps between the PMO Value Ring framework and its local implementation.

Semi-structured interviews were conducted with two key informants, the Head of PMO and a PMO Specialist, selected purposively due to their strategic roles. Interviews were conducted in Bahasa Indonesia/English via online or in-person sessions, each lasting 45–60 minutes, with informed consent, recording, and verbatim transcription. The protocol explored PMO roles, challenges in data and alignment, resource readiness, and perceptions of the PMO Value Ring 26 Functions framework. Data were analyzed using thematic analysis following Braun et al. (2021), involving open coding, axial coding, and theme development, supported by Excel for consistency. Emerging themes, governance alignment, cultural adaptation, leadership commitment, and benefit realization were mapped to the eight domains of the PMO Value Ring framework and synthesized into a matrix underpinning a proposed three-year transformation roadmap.

RESULTS

Roles and Challenges of Project Management Office Implementation

The PMO in an insurance company is a relatively new function that is currently in the process of determining its optimal configuration. This entity was founded in 2022, following the transfer of project, IT, and procurement tasks from Insurance Company Services Indonesia. Since the separation, the PMO at InsuranceCo has begun to develop its own project framework, utilizing the framework owned by the PMO at InsuranceCo Group, which is based on the PMBOK and Agile methodologies (Harrin, 2025). However, the operational standards developed in the early phases were still relatively high, serving only to meet the fundamental requirements of project management. In 2024, Insurance Company began to improve the framework by refining it and tailoring it to the company's internal needs. However, the current situation continues to face several significant challenges.

The PMO demonstrates low organizational maturity, as it has only been formally established for approximately three years. Its structure, functions, and processes are still evolving, especially considering that the organization initially operated with only a CTO and a few Project Managers without a dedicated PMO. A clearer separation between IT and PMO functions, each with distinct leadership, only emerged between 2023 and 2024. The PMO now carries a broader scope of responsibilities, managing not only IT-related projects but also strategic non-IT initiatives. This reflects a shift in its role from a technical support function to a more strategic entity within organizational transformation (Devkar & Sankaran, 2023).

There is a strong dependence on global frameworks from the parent company in Europe. While these frameworks are conceptually robust, their implementation presents challenges due to differences in organizational culture and local working behaviors in Indonesia. Cultural and human resource factors further complicate implementation. Employees in Indonesia tend to prefer more flexible and personal approaches, which contrasts with the formal and structured governance imposed by the global PMO framework. In addition, project prioritization is often influenced by the interests of specific business units, with a tendency to emphasize short-term objectives over long-term strategic alignment (Addyman et al., 2020). Although the PMO at InsuranceCo has established a foundational structure and adopted global framework references, it continues to face challenges related to local adaptation, prioritization, and alignment with the parent organization. These conditions present valuable opportunities for developing strategic recommendations to enhance PMO effectiveness.

Table 1. Results of Thematic Analysis Coding of PMO Value Ring 26 Functions

No	PMO Value Ring 26 Functions	Head PMO	PMO Specialist	Main Code
1	Support Project Planning	The PMO is directly responsible for gathering business cases and prioritizing initiatives.	The PMO is in charge of vetting and reviewing initiatives before allocating them to the PM.	Active involvement in planning & prioritization
2	Execute Specialized Tasks	Helping with governance, SOPs, compliance, and monitoring.	Providing support and guidance regarding SOPs and governance.	Supportive governance & compliance guidance
3	Manage Resource Allocation	Not involved; responsibility is with IT Resource Management.	No, assign the PM.	No authority in resource allocation
4	Manage Interfaces with Clients	The PMO is involved from the project's inception and thereafter serves as a governance facilitator.	Not actively connected with vendors; simply monitoring.	Limited external interaction, focus on governance.
5	Manage Organizational Changes	Not involved	No role; only adapts if there are management directives.	No organizational change role
6	Manage People in Projects	Do not manage workers, only in cases of escalation.	Not personally involved.	No direct people management
7	Manager Projects/Programs	The PMO does not oversee projects directly unless they are escalated.	Not directly involved	PMO as oversight, not executor
8	Manage Stakeholders	Not managing directly, but only facilitating business situations	PMO Stakeholders = PM and management.	Internal stakeholder focus (not external)
9	Conduct Project Audit	Not undertaking a formal audit.	Informal audit with documentation checks	Informal project audit via governance checks
10	Manage Project Documentation	Asana is used to track progress rather than as a database.	Documentation checklist at the end of the project.	Structured documentation control
11	Manage Lessons Learned Database	Asana is used for progress tracking, not as a database management system.	Standardized templates and documentation	Standardization, no formal lessons learned system
12	Perform Benchmarking	There is internal benchmarking (by the PMO at InsuranceCo) and a sharing session.	A benchmarking session was held with the PMO at InsuranceCo Group.	Limited benchmarking via corporate sharing
13	Manage Lessons Learned Meetings	Not done by PMO; passed up to the company.	Not regular, just by request.	No structured lessons learned meeting.
14	Promote Project Management	Education via email, socialization, and forums.	Awareness through training and quizzes	Awareness & communication to promote PM culture
15	Provide Mentoring	Providing ad-hoc guidance to project managers	Situational mentoring/refreshment	Situational mentoring (ad hoc basis)
16	Provide Training	Does not provide direct training, but encourages participation in external training.	Providing training as needed.	On-demand training only

No	PMO Value Ring 26 Functions	Head PMO	PMO Specialist	Main Code
17	Provide Tools & IS	Using Asana	Using Asana	Use of Asana as a central tool
18	Provide Methodology	Determining agile/waterfall with the team.	Does not provide directly.	Project methodology was decided collaboratively.
19	Monitoring & Controlling Projects	Bi-weekly email update and monthly project forum.	Monthly reporting to management.	Formalized monitoring & reporting
20	Provide Status Reports	Bi-weekly email to the CEO, with a monthly meeting.	Bi-weekly and monthly reports.	Regular reporting rhythm (bi-weekly/monthly)
21	Provide Strategic Scorecard	Using scoring for prioritization	Collaborate with the risk team for scoring	Use of project risk & value scoring
22	Support Portfolio Definition	Linked to prioritization	Linked to prioritization	Portfolio selection via prioritization
23	Manage Project Benefits	The benefit is not yet a disciplined realization; all tasks will be left to the user.	The user does benefit from tracking.	Weak benefit realization management
24	Monitor Portfolio Performance	Lack of discipline in closure	Working collaboratively with corporate planning	Weak portfolio discipline, cross-departmental coordination
25	Participate in Strategic Planning	Providing feedback, not directly involved	Providing recommendations; approval is pending management.	Indirect participation in strategic planning
26	Provide Advice to Upper Management	Giving options, not decisions	Providing thoughts and decisions for the board of directors	Advisory without decision power

Table 1 shows that the PMO at InsuranceCo primarily functions as a governance facilitator rather than an execution-driven unit, with strong involvement in planning, prioritization, monitoring, reporting, and compliance guidance. Core strengths are reflected in structured project oversight, regular reporting rhythms, use of tools (Asana), and support for portfolio prioritization and strategic scoring. However, several critical gaps remain, particularly in resource authority, stakeholder and client engagement, organizational change management, and direct project or people management, indicating limited operational control. In addition, capabilities related to benefit realization, portfolio performance discipline, lessons learned systems, and benchmarking are still weak or informal. The findings suggest that the PMO is in an early maturity stage, focusing on governance and coordination, while lacking advanced value-driven functions and strategic influence (Aubry et al., 2010).

The PMO's present focus is on governance and paperwork compliance, with manual and procedural monitoring taking precedence over strategic integration. Its tasks remain primarily operational, with no power over resource allocation, structured audits, or systematic capability development across projects. Reporting and benefit realization are done informally and delegated to users, demonstrating that the PMO's role remains supportive rather than strategic (Zwikael et al., 2021).

Table 2. Current Condition

PMO Function Aspects	Current Condition	Future Condition (Target State)	Strategic Objectives
Governance and Compliance	Focus on SOP compliance and documentation.	Integration of governance, corporate strategy, and portfolio.	Enhancing the PMO's role as a strategic facilitator/strategic enabler
Resource Allocation	No authority to assign	The PMO serves as a facilitator of resource allocation coordination.	Optimal capacity and efficiency of daily output
Process Formalization	Informal audit and evaluation	Audits, reviews, and lessons learned are undertaken regularly.	Increased learning and improved project performance
Capability Development	Ad hoc, unscheduled mentoring	Every semester, formal training and mentoring programs are conducted.	Developing competence and practical skills
Benefit Realization	Not monitored, delegated to the user	Tracking project advantages using a formal framework.	Increasing accountability and business value
Monitoring & Reporting	Manual reporting via email	Integrated, interactive Asana dashboard.	Transparency and efficiency of project management
Strategic Planning Involvement	The role is confined to operational input.	Participate in planning and portfolio forums.	Increasing PMO capacity for strategic planning.

Table 2 highlights the gap between the current and desired future state of the PMO at InsuranceCo, emphasizing its transition from an operational, compliance-focused unit to a strategic enabler. At present, the PMO is largely limited to SOP compliance, manual reporting, informal processes, and minimal authority in resource allocation and strategic planning. Critical areas such as benefit realization and capability development remain underdeveloped and ad hoc. In contrast, the target state envisions a more integrated and mature PMO, characterized by alignment with corporate strategy, formalized processes (including audits and lessons learned), structured training programs, and systematic benefit tracking. Improvements in digital monitoring (through integrated dashboards) and active participation in strategic planning are expected to enhance transparency, efficiency, accountability, and overall value delivery (Ershadi et al., 2023).

Project Management Office Framework Customization

The results are promising, as measured by the PMO Value Ring 26 Function Framework and thematic analysis. Based on the analyses above, including insights from the PMO at InsuranceCo, the PMO Value Ring 26 Function framework, and supporting documents, a three-year transformation timeline (2025–2027) for the PMO at InsuranceCo is proposed.

Table 3. PMO Value Ring 26 Functions – 8 Steps of Value Creation

PMO Aspects	Current State	Future State (PMO Value Ring 26 Function Alignment)	Added Value
Governance & Compliance	SOP compliance & manual reporting	Strategic assurance, integrated with the KPI dashboard	Data-driven decision-making
Resource Allocation	No cross-project coordination	Portfolio-driven resource map	Team capacity optimization
Process Formalization	Audit informal, no lessons learned	PIR & knowledge repository	Organizational learning
Capability Development	Mentoring ad hoc	Formal PM capability framework	Talent maturity tracking
Benefit Realization	Not monitored	Benefit tracking system & ROI metrics	Visibility of project value
Monitoring & Reporting	Email-based	Real-time Power BI dashboard	Transparency & agility

PMO Aspects	Current State	Future State (PMO Value Ring 26 Function Alignment)	Added Value
Strategic Involvement	Operational input	Strategic portfolio advisory role	PMO as the Chief Information Officer (CIO) strategy arm
PMO Evolution	Governance enabler	Strategic value partner	Value creation & executive trust

Table 3 demonstrates a clear transformation pathway of the office at InsuranceCo from a governance-focused unit toward a strategic value partner aligned with the Value Ring 26 Functions. Currently, it operates with limited capabilities, manual reporting, informal processes, and minimal strategic involvement. The future state emphasizes integration, formalization, and data-driven practices, such as KPI-linked governance, portfolio-based resource allocation, structured knowledge management, and real-time dashboards. This shift enables stronger benefit realization, improved organizational learning, and enhanced capability development. Ultimately, the transformation positions it as a strategic advisor, contributing to decision-making, increasing transparency and agility, and strengthening value creation and executive trust (Alshabragi et al., 2024).

According to the Value Ring 26 Function Maturity Model, this timeframe will guide the office at InsuranceCo as it transitions from a governance-driven function to a strategic value partner. The transformation for this insurance company will be carried out over three years based on the outcomes of collaborative validation with the Chief of Transformation & PMO in Figure 1.

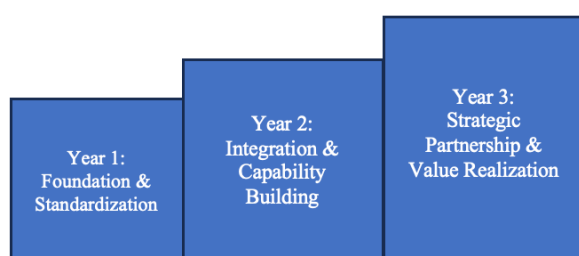


Figure 1. Transformation Roadmap of PMO Insurance Company

Table 4. Foundation; Integration; Value

Year	Phase	Focus of Activities	Strategic Impact
Year 1: Foundation & Standardization	Q1–Q2	Mapping and Assessment	The PMO has demonstrable baseline maturity.
	Q2–Q3	Governance & SOP Alignment	The project has a uniform documentation structure.
	Q2–Q4	KPI & Dashboard Design (Value Ring Step 4)	The CIO has consistent project performance data.
	Q3–Q4	Knowledge Repository & PIR	Improving organizational learning and transparency.
	Q4	Pilot Benefit Realization Tracking (BRM)	The beginning of the shift from compliance → value measurement.
Year 2: Integration & Capability Building	Q1–Q2	PM Capability Framework (Value Ring Step 5)	Enhancement of PMO capacity and professionalism.
	Q2–Q3	Portfolio Governance Board Establishment	The PMO began to play a role in strategic decision-making.
	Q2–Q4	Resource & Capacity Dashboard (Value Ring Step 2)	An insurance COMPANY can optimize resources and costs.
	Q3–Q4	Benefit Realization Framework Implementation (Value Ring Step 7)	The PMO produces quantitative reports that demonstrate business value.
	Q4	PMO Performance Review & Adjustment	The PMO adapts to business needs.
Year 3: Strategic	Q1	Strategic Portfolio Advisory Role (Value Ring Step 1)	The PMO is part of strategic decision-making.

Year	Phase	Focus of Activities	Strategic Impact
Partnership & Value Realization	Q1–Q2	PMO Balanced Scorecard (Value Ring Step 8)	The PMO is fully aligned with the corporate strategic direction.
	Q2–Q3	ROI & Value Measurement System	Enhancing the credibility of the PMO at the executive level.
	Q3–Q4	PMO Continuous Improvement & External Benchmarking	The PMO has become a Center of Excellence and a strategic business partner.

Year 1’s goal is to solidify the foundation of governance, processes, and fundamental PMO capabilities so that all projects meet similar criteria. The primary focus is on governance, process formalization, KPI definition, and knowledge base. Table 4 outlines a three-year PMO transformation roadmap at InsuranceCo. In Year 1, the primary goal is to establish a strong foundation through governance standardization, ensuring all projects follow consistent processes while introducing a reporting dashboard utilized by the Chief PMO & Transformation and the Vice President of Information Technology. In Year 2, the focus shifts toward integration and capability building, emphasizing system integration, human resource development, and cross-unit portfolio management. Key priorities include enhancing PMO capabilities, optimizing resource allocation, strengthening benefit realization, and improving portfolio coordination, marking the transition of the PMO from a supportive to a more integrative role. By Year 3, the PMO is expected to evolve into a strategic partner, acting as an advisor to the CIO and contributing actively to corporate planning. The focus centers on strategic alignment, value management, and ROI measurement, with performance evaluated through ROI, stakeholder satisfaction, and the achievement of strategic KPIs (Bredillet et al., 2021).

Over a three-year transformation period, the PMO’s organizational identity and strategic role shift fundamentally from a compliance-focused unit centered on documentation, governance, and control into a dynamic, intelligence-driven function that enables agility, strategic foresight, and continuous value realization. Its role evolves from monitoring standards compliance to enabling cross-functional alignment, leveraging data analytics for predictive insights, and supporting investment decisions aligned with business strategy. Through improved performance management, enhanced capabilities, and integrated processes, the PMO emerges as a strategic partner to leadership, moving beyond project control to become a key driver of organizational value and strategic execution (Chadwick et al., 2021).

Table 5. PMO Transformation Task Framework in an Insurance Company

Year	Transformation Focus	The Role of PMO	Expected Results
Year 1	Standardization & Stability	Governance & Compliance Enabler	Standard uniform project, basic KPIs established
Year 2	Integration & Capabilities	Integrator & Portfolio Manager	Managed portfolio, measurable benefits
Year 3	Strategy & Values	Strategic Advisor & Value Partner	Measurable PMO ROI, PMO becomes CIO partner

Table 5 presents a three-year PMO transformation roadmap at InsuranceCo, illustrating a progressive shift in focus, role, and outcomes. In Year 1, the PMO emphasizes standardization and stability by acting as a governance and compliance enabler, resulting in uniform project practices and the establishment of basic KPIs. In Year 2, the PMO evolves into an integrator and portfolio manager, focusing on capability development and cross-project integration, leading to managed portfolios and measurable benefits. By Year 3, the PMO reaches a strategic level as a value partner and strategic advisor, where its performance is assessed through measurable ROI and its role is elevated as a key partner to the CIO in driving strategic value (Talykova, 2025).

DISCUSSION

The findings indicate that the Project Management Office (PMO) in the studied insurance company is still operating at an early stage of organizational maturity, where its primary function is centered on governance facilitation, documentation, and administrative compliance rather than strategic integration. This condition aligns with Pellegrinelli and Garagna (2009) and Aubry et al. (2010), who explain that early-stage PMOs typically function as coordination and control units before evolving into strategic actors within organizations. Similarly, Chadwick et al. (2021) highlight that although PMOs are increasingly expected to support strategy execution, many organizations remain in transitional phases where operational governance still dominates their roles.

Based on the Value Ring 26 Functions analysis, the office actively supports project planning, governance guidance, monitoring, and reporting. However, its authority remains limited in strategic domains such as resource allocation, organizational change management, and stakeholder governance at the executive level. This reflects Zwikael et al. (2021), who emphasize that project governance effectiveness depends on balancing control and flexibility, particularly in organizations where maturity is still developing. In addition, Kerzner (2011) and Alshabragi et al. (2024) argue that maturity levels strongly determine the extent to which organizations can shift from operational oversight to strategic value creation.

Operationally, PMO activities are concentrated on governance enforcement, documentation control, and periodic reporting supported by tools such as Asana. While these practices improve project visibility and procedural compliance, they also indicate that the PMO's role remains largely administrative. Strategic functions such as structured lessons learned management, formal project audits, and systematic benefit realization are not yet fully institutionalized. This is consistent with Badewi (2016) and Mahabir and Pun (2022), who stress that integrating benefits management and KPI-driven evaluation is essential for demonstrating project value. Likewise, Moghaddasi et al. (2025) and Krul et al. (2025) describe the ongoing shift from traditional PMO structures toward Value Delivery Offices that prioritize measurable organizational value over procedural control.

From an organizational perspective, the findings also reveal challenges in aligning global governance standards with local Indonesian organizational culture. The headquarters' framework emphasizes formalized procedures and strict control mechanisms, whereas local practice tends to favor flexibility and interpersonal decision-making. This misalignment affects project prioritization, which is often driven by short-term operational needs rather than long-term strategic alignment. Chanas et al. (2019) and Rudenko and Alshabragi (2020) similarly note that digital and governance transformations in regulated industries frequently encounter cultural and structural resistance. Mukhlis and Tyas (2024) further emphasize that effective change management is critical in improving organizational performance during such transitions.

To address these challenges, a three-year PMO transformation roadmap is proposed based on maturity development. The first year focuses on strengthening governance foundations, standardizing processes, and establishing KPIs and knowledge management systems. The second year emphasizes integration through portfolio governance structures, capability development, and resource and benefit tracking mechanisms. The third year positions the PMO as a strategic partner involved in portfolio-level decision-making and value measurement. This progression reflects Bredillet et al. (2021) and Simard and Aubry (2025), who describe PMOs as adaptive learning systems that evolve alongside organizational transformation and digitalization.

This transformation trajectory illustrates a shift from a governance-oriented administrative function toward a value-driven strategic PMO that contributes directly to organizational objectives. This transformation reflects a shift in the organizational identity of the PMO from a governance-driven administrative unit to a strategic value partner that supports long-term business objectives. By gradually integrating governance, capability development, portfolio management, and value measurement, the PMO can enhance transparency, improve project performance, and strengthen its contribution to

organizational strategy (Babayev & Quluzada, 2025). The implication of this study is that organizations seeking to develop mature PMO functions should not only focus on procedural governance but also prioritize capability development, strategic integration, and systematic benefit realization in order to maximize the value generated from project investments.

CONCLUSION

This study demonstrates that assessing PMO maturity using the Value Ring 26 Functions framework provides important insights into the role and effectiveness of the function in one of the largest insurance companies in Indonesia. The evaluation shows that it currently supports project execution, governance, and value delivery, while also revealing key gaps in stakeholder satisfaction, process standardization, and benefit realization. Mapping maturity across core dimensions enables a clear understanding of its current position and improvement areas. In addition, expert judgment from the Chief Transformation & PMO strengthens the credibility of the assessment and the practicality of the proposed recommendations.

The findings imply that strengthening governance structures, enhancing competency development, and improving value communication can significantly increase its contribution to organizational performance. Furthermore, implementing controlled prototyping in selected service areas can reduce implementation risk while enabling incremental learning before broader adoption. The unit is shown to be in a transitional stage, moving from a basic support function toward a more structured and value-oriented organizational role.

However, this study has several limitations. The findings are based on only two key informants from a single insurance company, which may limit generalizability. In addition, the study captures the transformation at a specific point in time, reflecting an early-stage snapshot rather than a longitudinal development perspective. Future research is recommended to expand the scope by involving more organizations and broader samples to improve external validity. Further studies could also examine workload, maturity progression over time, and comparative analysis across industries. This would provide a more comprehensive understanding of its evolution and further support the development of maturity-based governance models in emerging market contexts.

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