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PROJECT PORTFOLIO ALIGNMENT AND STRATEGY IMPLEMENTATION IN PUBLIC REGULATORY INSTITUTIONS; EMPIRICAL EVIDENCE: A CASE OF KENYA BUREAU OF STANDARDS

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ABSTRACT :

Effective strategy implementation in public institutions requires more than the development of strategic plans. It depends on the ability of organisations to translate strategic priorities into coordinated projects, allocate resources appropriately and ensure that project activities contribute to institutional objectives. This study examined the effect of portfolio alignment on strategy implementation at the Kenya Bureau of Standards (KEBS). The study was guided by the objective of determining how the alignment of projects with organisational strategic priorities contributes to the implementation of institutional strategy. A descriptive correlational research design was adopted. The target population comprised 166 management employees at KEBS, and a census approach was used. Primary data were collected through structured questionnaires using a five-point Likert scale. Data were analysed using descriptive statistics, Pearson correlation and multiple regression analysis. Portfolio alignment recorded a composite mean of 4.05, indicating that respondents generally perceived projects to be aligned with organisational priorities. Pearson correlation analysis established a positive and statistically significant relationship between portfolio alignment and strategy implementation ($r = .684$, $p < .01$). Multiple regression results further indicated that portfolio alignment had a positive and statistically significant contribution to strategy implementation ($\beta = .346$, $p < .001$). The findings suggest that ensuring consistency between project activities and institutional strategic priorities is an important consideration in translating organisational plans into practical outcomes. The study recommends strengthening portfolio review mechanisms, improving communication between strategic planning and project management functions, and ensuring that project selection and prioritisation decisions remain responsive to changes in institutional strategy.

Keywords: Project portfolio management, portfolio alignment, strategy implementation, public institutions, regulatory bodies, Kenya Bureau of Standards.

1. Introduction

Organisations increasingly rely on projects and programmes to translate strategic intentions into practical outcomes. However, the existence of a strategic plan does not establish mechanisms that ensure projects are selected, prioritised and managed in ways that support their overall strategic direction. Project portfolio management provides one such mechanism by connecting project-level activities with organisational priorities and facilitating coordinated decision-making across multiple initiatives (Cabała, Paluch, Żemła, & Bukłaha, 2025).

Portfolio alignment is particularly important because organisations often operate with limited resources while facing competing strategic demands. Without a clear relationship between projects and organisational objectives, institutions may invest in activities that do not make a meaningful contribution to their intended strategic outcomes. Martinsuo, Vuorinen, & Killen, (2024) explain that project portfolio formation is an organisational routine through which projects are identified, evaluated and prioritised to support strategy implementation. This suggests that alignment should be treated as an ongoing management responsibility rather than a one-time exercise undertaken during project selection. In public institutions, the importance of portfolio alignment is further influenced by statutory responsibilities, public accountability, resource constraints and the need to respond to changing government priorities. Regulatory institutions must therefore ensure that their projects contribute directly to their institutional mandates and strategic commitments. This study examined portfolio alignment and its relationship with strategy implementation at the Kenya Bureau of Standards (KEBS).

2. Statement of the Problem

Public institutions develop strategic plans to guide their operations, allocate resources and deliver services in accordance with their mandates. Nevertheless, the translation of these plans into measurable organisational results remains a significant management challenge. One possible explanation is the disconnect that may arise between institutional strategic priorities and the projects undertaken to achieve them. When projects are not

consistently aligned with organisational objectives, institutions may experience competing priorities, duplication of activities and inefficient use of available resources. Such challenges can weaken the contribution of individual projects to broader institutional goals. Research on project portfolio management has highlighted the importance of aligning and prioritizing projects to strengthen organisational strategy execution (Cabała et al., 2025; Matlala, Nel, & Pretorius, 2025). Although existing studies provide useful insights into portfolio alignment, much of the available evidence comes from private-sector and industrial settings. There remains a need for context-specific empirical evidence on how portfolio alignment relates to strategy implementation in public regulatory institutions in developing economies. This study addressed this gap by examining the effect of portfolio alignment on strategy implementation at KEBS.

3. Literature Review

3.1 Portfolio Alignment and Strategy Implementation

Portfolio alignment refers to the extent to which projects and programmes within an organisation contribute to its strategic objectives. It involves ensuring that project selection, prioritisation, implementation and monitoring decisions are consistent with the organisation's strategic direction. Effective alignment helps management concentrate organisational resources on initiatives that are expected to deliver the greatest strategic value. Martinsuo et al. (2024) examined project portfolio formation as an organisational routine for implementing innovation strategy. Their study demonstrated that portfolio formation involves identifying, screening and prioritising projects through continuous organisational processes. The authors emphasised that portfolio management is not simply a technical exercise but also involves governance and managerial actions that influence how organisational strategies are implemented.

Similarly, Matlala et al. (2025) examined the strategic role of the enterprise portfolio management office in aligning and prioritising projects and programmes. Their study highlighted the importance of organisational structures and portfolio management processes in ensuring that projects contribute to strategy execution. The authors proposed that an appropriately positioned enterprise portfolio management office can strengthen strategic alignment and benefits realisation. Cabała et al. (2025), in their study of project portfolio management in the fast-moving consumer goods sector, found that portfolio management can support strategy implementation by connecting operational activities with strategic objectives. Their findings emphasised the contribution of organisational structures, processes and management practices to effective strategy execution. Although these studies demonstrate the importance of portfolio alignment, their findings arise from organisational contexts that differ from those of public regulatory institutions. Public institutions operate within statutory mandates and public accountability arrangements that may influence project selection and prioritisation. The present study therefore provides empirical evidence from KEBS to contribute to understanding portfolio alignment in a Kenyan regulatory institution.

3.2 Theoretical Foundation

The study draws on Portfolio Theory and Dynamic Capabilities Theory to explain why organisations need to align projects with strategic priorities. Portfolio Theory, introduced by Markowitz H. , (1952), explains the importance of considering the composition of a portfolio rather than evaluating individual investments in isolation. Although originally developed in financial investment, the underlying principle offers a useful perspective for understanding project portfolios. Organisations must consider how individual projects collectively contribute to strategic objectives while taking account of competing priorities, risks and available resources. Dynamic Capabilities Theory provides a complementary perspective. (Teece, Pisano, & Shuen, 1997) explain that organisations need the capacity to integrate, build and reconfigure internal and external competencies in response to changing environments. Applied to project portfolio management, this perspective suggests that institutions should periodically review their project portfolios and adjust priorities when organisational strategies or operating conditions change. Together, these theoretical perspectives explain the importance of selecting projects that collectively support strategic goals and maintaining the flexibility to revise portfolio priorities when circumstances change.

4. Research Methodology

The study adopted a descriptive correlational research design to examine the relationship between portfolio alignment and strategy implementation at KEBS. The target population comprised 166 management employees, consisting of 28 senior management employees, 79 middle-level management employees and 59 assistant management employees. A census approach was adopted, allowing the study to target the entire management population rather than selecting a smaller sample. Primary data were collected using structured questionnaires containing statements measured on a five-point Likert scale. Descriptive statistics were used to summarise respondents' views on portfolio alignment and strategy implementation. Pearson correlation analysis was undertaken to establish the direction and strength of the relationship between the study variables. Multiple regression analysis was used to determine the contribution of portfolio alignment to strategy implementation while controlling for the other project portfolio management dimensions included in the wider study.

5. Research Findings

5.1 Descriptive Findings on Portfolio Alignment

Portfolio alignment recorded a composite mean of 4.05, indicating that respondents generally agreed that projects at KEBS were aligned with organisational strategic priorities. The findings showed that senior management ensures that projects support organisational goals (M = 4.18).

Respondents also indicated that projects were aligned with the KEBS Strategic Plan (M = 4.16), while strategic objectives guided project selection decisions (M = 4.10). However, reviewing project priorities whenever organisational strategy changes recorded a comparatively lower mean of 3.85. This suggests that although alignment was generally perceived positively, there may be opportunities to strengthen the continuous review of project priorities as institutional circumstances change. These findings are consistent with Martinsuo et al. (2024), who emphasised that project portfolio formation requires continuous evaluation and prioritisation. They also support Matlala et al. (2025), who highlighted the importance of institutional structures and portfolio governance in maintaining alignment between projects and organisational strategy.

5.2 Relationship Between Portfolio Alignment and Strategy Implementation

Pearson correlation analysis established a positive and statistically significant relationship between portfolio alignment and strategy implementation at KEBS ($r = .684$, $p < .01$). This finding indicates that stronger alignment between projects and institutional strategic priorities was associated with higher levels of strategy implementation. The result suggests that organisations are better positioned to translate strategic plans into practical outcomes when projects are selected and managed in accordance with institutional objectives. The finding is consistent with Martinsuo et al. (2024), whose study demonstrated the importance of project portfolio formation in implementing organisational innovation strategies. It also supports Cabała et al. (2025), who found that project portfolio management can strengthen the connection between operational activities and strategic goals.

5.3 Regression Results

Multiple regression analysis further established that portfolio alignment had a positive and statistically significant contribution to strategy implementation at KEBS ($\beta = .346$, $p < .001$). The result indicates that portfolio alignment remained an important predictor of strategy implementation even after accounting for the other project portfolio management dimensions included in the regression model. Among the four dimensions examined in the wider study, portfolio alignment recorded the highest standardised regression coefficient. This suggests that maintaining a clear relationship between project activities and institutional strategic priorities was particularly important in explaining differences in strategy implementation at KEBS. The finding is consistent with Matlala et al. (2025), who identified project alignment and prioritisation as important considerations in organisational strategy execution. It also reinforces the argument by Martinsuo et al. (2024) that portfolio formation and continuous prioritisation are important organisational processes for translating strategic intentions into project activities.

6. Discussion

The findings demonstrate that portfolio alignment is an important consideration in strategy implementation at KEBS. The composite mean of 4.05 indicates that respondents generally perceived the institution's projects to be connected to its strategic priorities. In particular, the high mean scores for management support and alignment with the KEBS Strategic Plan suggest that institutional leadership plays an important role in ensuring that projects contribute to organisational objectives. The positive correlation ($r = .684$, $p < .01$) provides further evidence that portfolio alignment and strategy implementation move in the same direction. This means that improvements in the consistency between project activities and institutional priorities are associated with stronger strategy implementation. The regression coefficient ($\beta = .346$, $p < .001$) provides additional evidence of the contribution of portfolio alignment when the other project portfolio management dimensions are considered. This finding is particularly relevant to public regulatory institutions because projects must contribute to institutional mandates and the strategic priorities established by the organisation. The findings are consistent with Martinsuo et al. (2024), who established that portfolio formation is an ongoing organisational process involving project identification, evaluation and prioritisation. They also support Cabała et al. (2025), who demonstrated how project portfolio management can connect operational activities with strategic objectives. Furthermore, the results complement Matlala et al. (2025), who emphasised the contribution of enterprise portfolio management structures to project alignment and strategy execution. The current study extends this discussion by providing empirical evidence from a Kenyan public regulatory institution. An important observation is the relatively lower mean score for reviewing project priorities when organisational strategy changes (M = 3.85). This suggests that portfolio alignment should not end once projects have been approved. Rather, institutions need to establish regular review mechanisms to ensure that ongoing projects remain relevant as strategic priorities evolve. This interpretation is consistent with the emphasis on continuous portfolio formation and governance discussed by Martinsuo et al. (2024).

7. Conclusion

The study concludes that portfolio alignment has a positive and statistically significant relationship with strategy implementation at KEBS. The findings indicate that projects that are connected to institutional strategic priorities are more likely to contribute meaningfully to the implementation of organisational plans. The correlation and regression results demonstrate that portfolio alignment is an important project portfolio management practice in explaining strategy implementation. The findings also suggest that management involvement, alignment with the institutional strategic plan and the use of strategic objectives in project selection are important considerations. However, the comparatively lower rating for reviewing project priorities following changes in organisational strategy indicates that continuous alignment requires further attention. Portfolio alignment should therefore be treated as an ongoing management process that extends from project selection through implementation and review.

8. Recommendations

Based on the findings, the study makes the following recommendations.

First, KEBS should strengthen the link between project selection and institutional strategic objectives. Every major project should demonstrate how it contributes to a clearly identified strategic priority before approval. Second, the institution should introduce regular portfolio alignment reviews. These reviews should assess whether ongoing projects remain relevant to the KEBS Strategic Plan and whether changes in organisational priorities require adjustments to project scope, sequencing or resource allocation. Third, KEBS should strengthen coordination between strategic planning teams, project managers and departmental heads. Improved communication would support consistent interpretation of institutional priorities and reduce the possibility of projects being implemented without a clear strategic contribution. Fourth, project approval processes should incorporate a standard strategic alignment assessment. The assessment should identify the strategic objective addressed by each proposed project, its expected benefits, resource requirements, implementation risks and performance indicators. Finally, the institution should monitor portfolio alignment through measurable indicators, including the proportion of projects directly linked to strategic objectives, the frequency of portfolio reviews and the percentage of completed projects that achieve their intended strategic outcomes.

9. Implications for Management Practice

The findings have practical implications for managers in public regulatory institutions. They demonstrate that strategy implementation requires deliberate coordination between strategic planning and project portfolio management. Senior management should therefore ensure that project approval and prioritisation decisions are guided by institutional objectives. Portfolio reviews should also be incorporated into regular management processes so that projects can be adjusted when strategic priorities change. The findings further suggest that portfolio alignment should be treated as a shared organisational responsibility involving senior management, project managers and departmental leadership. Such coordination can strengthen accountability and improve the contribution of projects to institutional performance.

10. Limitations and Areas for Further Research

The study focused on KEBS, and its findings should therefore be interpreted within the context of a single public regulatory institution. Although the results provide useful empirical insights, further research involving other regulatory bodies in Kenya would help establish whether similar relationships exist across different institutional settings. The study also relied on questionnaire-based data collected from management employees. Future studies could incorporate interviews, project documentation and institutional performance records to provide additional insights into how portfolio alignment influences strategy implementation. Further research could also examine the role of organisational leadership, institutional governance and digital project management systems in strengthening portfolio alignment and strategy execution.

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