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Strategic role of project management offices in execution of corporate strategies in state agencies in Kenya.

Choge James Kipruto^{a*}

^a School of Business, Jomo Kenyatta University of Agriculture and Technology, Kenya.

* *Corresponding author: Choge James Kipruto; e-mail: jamchoge@gmail.com*

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ABSTRACT

With escalating global competition, rapid advancement in technologies and complex operating environments, C-suite executives in public, private and multinational corporations will increasingly need to call on their PMOs to ensure that all project activities are aligned with the overall strategic vision of the organization. During the time of economic uncertainty, many of the changes in globalization and increase in adoption of e-commerce will revolve around the principles and bottom-line results that can guarantee successful implementation of corporate strategies. Today, many public organizations in Kenya are saddled with challenges that are associated with execution of corporate strategies. Critical analysis show that there has been a glaring disconnect of strategic alignment between corporate strategic objectives and the projects earmarked for achieving the desired strategic goals. Most of the projects earmarked for achieving the desired strategic goals in state agencies in Kenya are fraught with risks missed deadlines, cost overruns, quality compromises, failed strategic objectives and scope creep. The study aimed at establishing the role of project management offices in execution of corporate strategies in state agencies in Kenya and considered Communities of Practice Theory. The current study employed descriptive survey design. The study equally adopted both the qualitative and quantitative approaches to establish the associations predictor and the response variables respectively. The study focused on total target population of 204 employees in 10 state agencies in Kenya. The sample size of the study was 133 respondents from 10 state agencies. R-Squared value was used to estimate the goodness of fit of the conceptual model. The results showed a R-Squared value of 79.0% indicating adequate goodness of fit. The results of data analysis showed that project management offices have key significant effect on execution of corporate strategies. The findings of the current study will assist practitioners, stakeholders, governing bodies, and management in taking their organization's strategy execution process to the next level, they must establish PMOs to achieve desired strategic goals.

1. Introduction

In the contemporary strategic management of organizations, leaders and managers have been allocating resources to projects to ensure that strategic objectives are achieved successfully and as desired. The [Project Management Institute \(PMI\), \(2017\)](#) defines PMO as an organizational body that is assigned various responsibilities related to the centralized and coordinated management of the projects that are under its domain. PMI further states that the responsibilities of PMO varies from providing project management support to having major strategic functions of managing projects directly. According to [Taylor, \(2011\)](#), most researchers have mentioned that the PMO roles include achievements and the strategic leadership in all the ten project management knowledge areas. While a number of studies have covered the roles and functions of the PMO from all perspectives, there are still grey areas in creation of such important entities in public sector especially in the state agencies.

With escalating global competition, rapid advancement in technologies and complex operating environments, C-suite executives in public, private and multinational corporations will increasingly need to call on their PMOs to ensure that all project activities are aligned with the overall strategic vision of the organization.

In essence, PMO is made up of professionals that hold significant knowledge that help in the alignment of corporate focus on achieving a desired goal. In order for a corporate to reach full operational effectiveness of executing corporate strategies in the present day, C-suites will need to unlock the potential of PMOs.

Historically, many PMOs were set up to manage and meet programmes and projects, specific deliverables and requirements and did not necessarily have a strong direct link with high level corporate strategic objectives. [Deloitte Consulting, \(2009\)](#) opines that today, effectiveness is increasingly measured by how clearly the PMO can map direct lines back to the success of strategy execution. According to the study conducted by [Dave, \(2012\)](#), the cost overruns of IT projects is 27 percent, with one in six projects experiencing cost overruns by an average of 200 percent. With these figures in mind, it is apparent that the role of PMOs is becoming more critical in supporting the desired strategic corporate priorities. During the time of economic uncertainty, many of the changes in globalization and increase in adoption of e-commerce will revolve around the principles and bottom-line results that can guarantee successful implementation of corporate strategies.

In the tactical role, PMO influences the way an organization realizes its strategic

objectives by translating strategic into portfolio, projects, or even the programmes, and increasing the capacity to deliver successful project performance in terms of cost, time, quality and fulfillment of the strategic intent desired by the organization. PMO is capable of providing a governance structure that focuses on achieving compliance, performance management and linking the tactical with strategic (Duggal, 2007). PMO can establish a strong link between the organizational strategy and the activities at the project level. The role of PMOs is coming under increased scrutiny from a number of perspectives. Gatners, (2015) identified the enterprise project management office as a response to the business need for control over strategy execution. PMOs have typically focused on the tactical activities that support project execution and eventually that enable the organization realize its strategic goals. While the project overrun on budget, time and quality, Forester, (2016) argues that the market competition is increasingly forcing stronger disciplines. One of the key objectives of strategic PMO is the ability for that specific organization to deliver a consistent set of outcomes. While early research on project management focused mainly on effective management practices of single projects, Dietrich and Lehtonen, (2005) affirm that contemporary focus revolves around the

concurrent administration and management of project multitudes with the aim of successfully achieving the desired strategic goals.

According to Ali, (2017), strategy execution is not just about being able to deliver on the espoused strategic plan. A solid strategy execution is driven by a solid strategy. Grant, (2015) argues that real execution is more about the development and maintenance of an execution capability. Successful PMOs will need to blend project disciplines with creativity, innovation management and culture change. High performing PMOs can help drive strategies forward by maintaining the health of the project portfolio and in the meantime promoting projects that meet budget and strategic goals that are capable of producing corporate value through successful implementation of a corporate strategy. PMO up and down communications can help deliver desired strategic objectives.

In the Kenyan perspective, economic factors have placed a greater value on efficiency, business intelligence and cost optimization. In this environment, the PMO which is presumed to be a trusted strategic advisor in the enterprise is expected to lead the change in helping the state agencies to narrow their focus and more effectively prioritise the uptake of corporate strategy execution success factors. In their study on strategic alignment

and PMOs, [Gamze and Özge, \(2014\)](#) observed that an increase need for learning modern project management methodologies have forced organizations to improve their knowledge of Project Management Offices. Global business environment resulted with the increased importance of project management methodologies aligned with competitive strategies. Today, many public organizations in Kenya are yet to realize and recognize the importance of establishing PMOs for effective project control and support for execution of corporate strategies.

1.1. Statement of the Problem

Despite the growth of global recognition of PMO, most of the public organizations have not extracted its full benefits. There has been lack of cohesiveness, direction from the top managers and clarity of purpose to work efficiently and create value to the execution of corporate strategies at all levels in the organization. Success rates of strategy execution for many state agencies are dismally low, yet executives never seem to look at the big picture. The executives and the larger management team continue to make adjustments in the way the earmarked projects for achieving strategic goals are run by addressing isolated issues. With the rapid increase in globalization, many state agencies in Kenya are extending their operations to the

global arena. In this regard, geographically dispersed PMOs will be required to report to the centralized EPMO thereby providing the much needed coordination towards strategy execution cause. Critical analysis show that there has been a glaring disconnect of strategic alignment between corporate strategic objectives and the projects earmarked for achieving the desired strategic goals. Huge sums of money have been lost in the process as a result of lack of a centralized entity (PMO) since the unskilled project team has been doing the wrong things.

[PMI, \(2017\)](#) attests that the best practice PMOs go beyond alignment with strategic initiatives and are involved in creating and executing corporate, business and functional level strategies respectively. In their article, [Hobbs and Aubry, \(2008\)](#) agrees that alignment of projects to strategic goals of the organization is instrumental in increasing corporate value. [Darling and Whitty, \(2016\)](#) found that there's complexity of interconnections in PMO intellectual capital and though often the rationale for PMO establishment. Establishment of PMOs have rather led to misunderstanding and dissatisfaction by senior management. Most of the projects earmarked for achieving the desired strategic goals in state agencies in Kenya are fraught with risks missed deadlines, cost overruns, quality compromises, failed

strategic objectives and scope creep. Poorly managed projects have led to wasted corporate resources. These teething issues aroused the interest of the researcher to embark on the research study. The current study therefore sought to establish the role of project management offices in execution of corporate strategies in state agencies in Kenya.

1.2. Specific Objective of the Study

The study aimed at establishing the strategic role of project management offices in execution of corporate strategies in state agencies in Kenya.

1.3. Hypothesis of the Study

In order to examine how the predictor variable influences the response variable, the hypotheses were sought to guide the current study. The null hypothesis was tested.

1. **H₀₁**: Project Management Offices have no significant role in execution of corporate strategies in state agencies in Kenya ($H_{01}=0$).

2. **H_{a1}**: Project Management Offices have significant role in execution of corporate strategies in state agencies in Kenya ($H_{a1}\neq 0$).

2. Literature Review

2.1. Communities of Practice Theory

The term Community of Practice abbreviated CoP was coined in 1991 by

theorists Jeane Lave and Etienne Wenger and by so doing, they underscored the notion of legitimate peripheral participation. According to [Wenger, \(1991\)](#), the concept can be applied to other domains such as private, public and multination corporations. The theory argues that with the increasing need of knowledge, there is interest in community of practice related formations. In this theory, people see CoP as ways of promoting innovation, developing social capital, facilitating and spreading knowledge within a group and hence adding value to the organizational strategic goals. Furthermore, the theory opines that communities of practice are formed by people who engage in process of collective learning in a shared domain of human endeavour.

In his later work, [Wenger, \(1998\)](#) identified four dualities that exist in CoP, that is, participation-reification, design-emergent, identification-negotiability and local-global. [Lave and Wenger, \(1991\)](#) describe the structure of CoP as consisting mutual engagement, joint enterprise and shared range of commonalities. Through participation in a community setup, the theory believes that members establish norms and build collaborative relationships that bind the members of the community together as a valuable entity. Through a joint enterprise, the theory affirms that the members in this particular entity create a shared understanding of what binds them together. As part of its

practice and Wenger's theory reiterates that a community of people produces a set of communal resources which is termed as repertoire.

In agreement to this theory, [Dube et al., \(2005\)](#) observed that as a result of unique structural characteristics of CoP, a domain of knowledge creates a common ground, inspires members to participate, guides their learning and gives semantic and significance to their actions. The study asserts the premise as advanced by the theory of Community of Practice that a strong community fosters interactions and encourages a willingness to share ideas. While the domain provides the general area of interest for the community, the theory believes that the practice is the specific focus around which the community develop, shares and maintain its core knowledge. In many organizations, [McDermott and Archibald, \(2010\)](#) argue that community of practice has become integral part of the organizational structure. The duo opine that these communities

take on knowledge stewarding tasks that were formerly covered by more formal organizational structures. People continuously create their share identity through engaging in and contributing to the practice of their communities. The motivation to become a more central participant in CoP provides a powerful incentive for learning and increased productivity.

2.2. Conceptual Model

[Ravitch and Riggan, \(2011\)](#) affirms that the conceptualization of variables in any research is important as it forms the basis for testing hypothesis and making inference and generalizations of the key findings of the study. On the other hand, [Odhiambo and Waiganjo, \(2014\)](#) describes conceptual model as a graphical representation of the hypothesized interrelationships of the study variables. The conceptual model in Figure 1 aimed at showing the effect of the predictor variable on the response variable. It is based on the Community of Practice (CoP) theory.

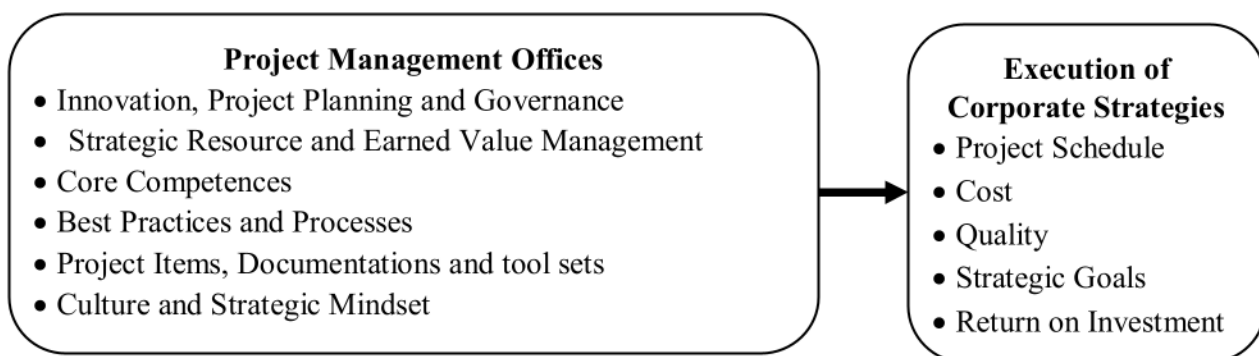


Figure 1. Conceptual Model

2.2.1. Project Management Offices (PMOs)

[KPMG, \(2007\)](#) defines the role of PMO as strategic function in coordinating, prioritizing, planning, overseeing and monitoring projects in order to achieve corporate objectives and benefits. [Letvec, \(2006\)](#) refers PMO as a centre of excellence that assist project managers, project teams and various management levels on strategic matters and functional entities throughout the organization in implementing project management principles, methodologies, tools and techniques to achieve organizational strategic goals. [Duggal, \(2007\)](#) opines that the tangible value of the PMO needs to be measured in terms of its contribution towards a successful corporate strategy execution agenda, revenue, reduction of project costs, improvement of project quality and enhancement of business process efficiency. The exact role of PMO always depend on the strategic needs and culture of the organization ([Hill, 2007](#)). A poorly defined PMO will always result in an organizational perception that the PMO is either over-extending its mandate or it is failing to perform.

A research on PMOs done by [Darling and Whitty, \(2016\)](#) revealed how the form and use of the structure of PMO has evolved and adapted overtime. In recent history, the study affirms that the PMO has evolved to be the

central repository for tools and methodologies for this non-operational work. The study further asserts that PMO has become an asset, a commodity to be traded upon and a badge to be worn to attain certain strategic privileges. During the survey of 1524 organizations, [PriceWatersCoopers, \(2013\)](#) found out that inadequate estimating and strategic planning constitutes 30% of project failures and poorly defined strategic goals constitute 12%. The survey also found out that using established project management structures and suitable methodologies increases success as measured by project's key performance indicators of schedule, scope, quality, budgets and desired benefits. In support to this survey, [Forrester Consulting, \(2013\)](#) reiterates that operating and established PMO is one of the top three reasons that drives successful project delivery that eventually lead to successful execution of corporate strategies and achievement of strategic goals.

A research done by [PMI, \(2017\)](#) indicates that successful execution of a strategy requires emphasis on organizational change management. In this regard, the study affirms that high performing PMOs with the greatest force behind the successful completion of projects are perceived to be the integral part of the strategy execution mapping. The study also noted that effective organizations are often

those with confident PMOs that are self-critical and prepared to hear 360-degree feedback (either positive or negative) from the stakeholders.

2.2.2. Execution of Corporate Strategies

The most notable book to date on strategy execution is the one entitled *Execution: The Discipline of Getting Things Done* by [Bossidy and Cheran, \(2002\)](#). The study describes strategy execution as a discipline or systematic way of exposing corporate realities and actions. The study argues that execution of any corporate strategy lies in three core processes that include people, strategy and operations. Strategy is said to be organization's nomenclature and as a result, execution is an incidental determinant of business units' ultimate output. [Kaplan and Norton, \(2008\)](#) lays out a practical framework for improving strategy execution. While this framework is adept in improving the organization's capability to capture the profitable opportunities as envisioned by its strategies, it further proposes the notion of explicitly integrating project risk management principles within a comprehensive management control system such as the project management office. In his study which reads in part: *Steps to Strategy Execution*, [Khadem, \(2008\)](#) revealed that when there is unity amongst the members as espoused by

community of practice theory and the entire management class around the vision of the organization and a creative strategy is in place, then a few elements work together to assure the most excellent execution of corporate strategies. On their part, [Franken and Lambert, \(2013\)](#) affirms the premise that once the projects are identified and earmarked, then they must be aligned to the strategies or goals of the organization. The study reiterates that organizations must develop a capability in project management if they are to execute crafted strategy effectively. [Sabourin, \(2015\)](#) advances the preposition that the full complement of projects in any organization should be coordinated and controlled by a central project management office with the responsibility for monitoring both the progress and performance for effective and efficient execution of corporate strategies and realization of the ultimate strategic goals.

3. Materials and Methods

3.1. Research Design

[Cooper & Schindler, \(2011\)](#) describe research design as the arrangement of all conditions that affect a research right from data collection to data analysis. In affirming this preposition, [Saunders et al., \(2009\)](#) observed that the selection of a research design is normally dependent on the study's fortitude and

approach. The current paper employed descriptive survey design. In essence, [Shields and Rangarajan, \(2013\)](#) reiterated that descriptive survey design is useful in describing the features of a population that has been earmarked for study and to provide answers to research questions. The study equally adopted both the qualitative and quantitative approaches to establish the associations predictor and the response variables respectively. According to [Teddlie and Tashakkori, \(2010\)](#), combinations of two approaches help in yielding data of the same kind. [Maxwell and Mittapalli, \(2010\)](#) argue that the rationale behind combining qualitative and quantitative paradigmatic positions as well as mixed method research strategy is that they have different strengths and limitations and that using them together allows the study to draw conclusions that would not be possible using either method alone. More importantly, the study resolved to use qualitative approach because it targeted to achieve the insights of project management offices and the strategy execution aspect.

The target population in this study comprised of the management employees in the state agencies in Kenya who are basically employed on permanent terms. The study focused on total target population of 204 employees in 10 state agencies in Kenya. [Mugenda and Mugenda, \(2008\)](#) describes the

target population as a number of individuals about which a study is interested in making a statistical inference and generalizations from the hypothesized variables. The duo proposed that if the target population is less than 10,000, the following formula should be used;

$$fn = \frac{n}{1 + n/N}$$

Where fn = Sample size when population is less than 10,000

n = Sample size when the population is greater than 10,000

N = Population of the target sub-population

$$\begin{aligned} \text{Therefore, } fn &= \frac{384}{1 + 384/204} \\ &= 133.2245 \text{ which is } \approx 133 \end{aligned} \quad fn$$

The sample size for the study therefore consisted of 133 respondents.

3.2. Apparatus

[Cooper and Schindler, \(2011\)](#) argue that the choice of the methods to use is influenced by the nature of the problem and dictated by the availability of time and funds. In reaffirming this premise, [Harris and Gavin, \(2010\)](#) indicated that when confirmatory results are being sought, studies must create tightly aligned and structured instruments; present the construct in a simple, concrete, and highly contextualized manner; collect the two types of

data with a minimal time gap; and estimate agreement between the approaches using consistency statistics. The choice of the study therefore was the questionnaire that was used to objectively collect data from the respondents.

On the other hand, reliability analysis was used to assess the internal consistency among other items of the variables in the study. According to [Mugenda and Mugenda, \(2008\)](#), reliability is described as the measure of the degree to which a research instrument yields consistent results after repeated trials. The reliability of the study measures was assessed by computing Cronbach's Alpha coefficient for all items in the questionnaire and the overall assessment was provided for inference and interpretation.

Finally, the internal consistency of data was determined from the scores obtained from different tests administered. In this approach, the score that was obtained from one item was correlated with scores from other items in the instrument. Cronbach's Alpha was then employed to determine how items the study was considering correlated among themselves.

The study employed Kuder-Richardson (K-R) 20 formula. According to [Mugenda and Mugenda, \(2008\)](#), the use of the K-R formula in assessing internal consistency of an instrument is based on the split-half reliabilities of data from all possible halves of the instrument. The use of this particular approach helps the researcher to minimize the time required to compute a reliability coefficient and achievement of more conservative estimate of reliability.

4. Results and Discussions

4.1. Profiles of the Respondents

The demographic information relating to gender, age, educational level, position in the organization and work experience were examined by the current study.

4.1.1. Gender Representation

The results show that 75.3% were male while 24.7% of the respondents were female. From the findings, there is a clear indication that the state agencies are dominated by men. The summary is as shown in Figure 2.

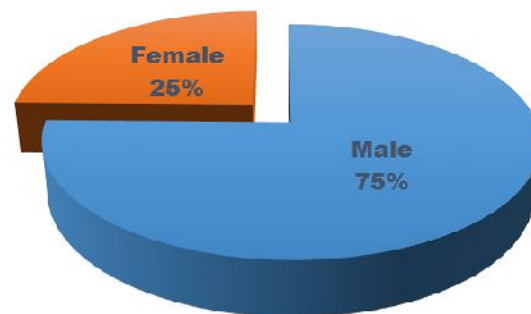


Figure 2. Gender Representation

4.1.2. Age of the Respondents

In respect to the age factor, 57% of the respondents were found to age between 30 – 40 years old while 11% of the respondents are aged between 18 – 29 years old and 32% are aged 40 years and above. In regards to the active working group, the results clearly show that the majority working population is mid-aged group followed by those who are aged 40 years and above. The summary is as shown in Table 1.

Table 1. Age of the Respondents

| Age Interval | Actual Number of Respondents | Percentage (%) |
|--------------|------------------------------|----------------|
| 18 - 29 | 15 | 11 |
| 30 - 40 | 76 | 57 |
| 40 and Above | 42 | 32 |
| Total | 133 | 100 |

4.1.3. Educational Level

The results show that 33% of the respondents had attained the first undergraduate certificate and above while majority, 52%, hold diploma certificates while 15% are secondary school graduates. The summary is as shown in Table 2.

Table 2. Educational Level

| Qualification | Actual Number of Respondents | Percentage (%) |
|------------------|------------------------------|----------------|
| Degree and Above | 44 | 33 |
| Diploma | 69 | 52 |
| Certificate | 20 | 15 |
| Total | 133 | 100 |

4.2. Project Management Skills

The study also sought to establish whether the respondents have formal training in project management. While 5% of the respondents admitted having undergone through project management short courses, barely 2% have either undergraduate or master's degree respectively. The respondents with no formal training in both project and strategic management respectively are represented by the remaining percentage. These results provide insights and shades more light on the state of affairs of the respondents based on the understanding of PMOs and strategic management. People with project and strategic management skills are known to work better towards the realization of strategic goals of an organization. This clique of people easily understands the strategic value of PMOs to the organization. The summary is as shown in Figure 3.

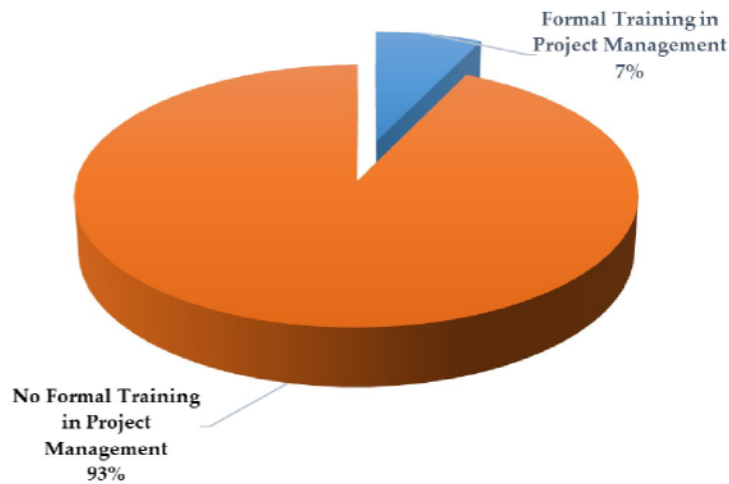


Figure 3. Project Management Skills

4.3. Work Experience

Regarding work experience, 34% of the respondents has been with the organization for over 10 years while 32% were found to have worked with the organization between 5 – 10 years. Moreover, results showed that 25% of the respondents had worked for the organization for 1 – 4 years while 9% confirmed that they had worked for the organization for 1 year or less. The summary is as shown in Table 3.

Table 3. Work Experience

| Duration in Years | Actual Number of Respondents | Percentage (%) |
|-------------------|------------------------------|----------------|
| Over 10 | 45 | 34 |
| 5 - 10 | 43 | 32 |
| 1 - 4 | 33 | 25 |
| 1 or Less | 12 | 9 |
| Total | 133 | 100 |

4.4. Reliability Analysis

The reliability of the research instrument was based on the Cronbach's Alpha that was carried out for the entire data set of five constructs. Table 4 shows that the constructs in the data set indicates good reliability as the results are above the accepted value of 0.70 as recommended by [Sekaran and Bougie, \(2010\)](#) who highlighted that Cronbach's Alpha coefficient ranges between 0 and 1 with higher alpha coefficient values of 0.7 and above being more reliable. The summary is as shown in Table 4.

Table 4. Reliability Analysis

| Variables | Number of Constructs | Value | Remarks |
|-----------------------------------|----------------------|-------|----------|
| PMOs | 7 | 0.82 | Accepted |
| Execution of Corporate Strategies | 5 | 0.86 | Accepted |

4.5. Factor Analysis for Project

Management Offices

Factor analysis was conducted with the aim of understanding the correlation between the variable and its constructs (factor loading). Factor analysis is used to identify underlying characteristics and help to explain the patterns of correlation in a data set. According to [Polit and Beck, \(2012\)](#), values that are less than 0.30 units are supposed to be excluded from the variable. [Tabachnick and Fidell, \(2001\)](#) affirms

the proposition that KMO measures the sampling adequacy and the expected values should be above 50% and Barlett's test of Sphericity should be significant at all times. From the analysis, the results show that all items of PMOs had good and strong factor loading as it provided values that were above 0.8 and variance of 75.5%. the strength and reliability of the variable is also explained through KMO results of 78.1% and Alpha of 89%. The summary is as shown in Table 5.

Table 5. Factor Analysis for PMOs

| Constructs of PMOs | Factor Loading | Explained Variance | KMO | Alpha |
|---------------------------------------------------------|----------------|--------------------|-------|-------|
| I am aware of the concept of project management offices | 0.811 | | | |
| Innovation through Project Planning and Governance | 0.876 | | | |
| Strategic Resource and Earned Value Management | 0.829 | 75.5% | 78.1% | 89.0% |
| Core Competences | 0.828 | | | |
| Best Practices and Processes | 0.863 | | | |
| Project Items, Documentations and tool sets | 0.817 | | | |
| Culture and Strategic Mindset | 0.833 | | | |

4.6. Factor Analysis for Execution of Corporate Strategies

The response variable, execution of corporate strategies showed strong factor

loading values. From the results, the explained variance is 71.5%. The variable also posted strong values of KMO which was found 82.1% and Alpha of 86.5%. The summary is as shown in Table 6.

Table 6. Factor Analysis for Execution of CORPORATE Strategies

| Constructs of Execution of Corporate Strategies | Factor Loading | Explained Variance | KMO | Alpha |
|--------------------------------------------------------|-----------------------|---------------------------|------------|--------------|
| Project Schedule | 0.814 | | | |
| Cost | 0.855 | 71.5% | 82.1% | 86.6% |
| Quality | 0.874 | | | |
| Strategic Goals | 0.853 | | | |

4.7. Descriptive Analysis

The objective of the study sought to establish the role of project management offices in execution of corporate strategies in state agencies in Kenya. To achieve this, the study sought the general opinions on PMOs during execution of corporate strategies. The study also adopted a 5-point Likert weighted scale and sought to know respondents' level of agreement on various statements relating to the role of project management offices in execution of corporate strategies in state agencies in Kenya.

First, the respondents were asked to confirm whether or not their respective state agencies have established PMOs. From the results, 3% of the respondents confirmed that PMOs do exist while 97% confirmed the contrary. When asked how the existing systems influence execution of corporate strategies of their respective agencies, the respondents confirmed that the team appointed normally experience a myriad of problems which end up compromising the quality and delivery of

desired results. This revelation clearly indicates that there exists a glaring gap between establishment of PMOs and the delivery of desired results in the public organizations.

In exploring critical questions addressing the role of PMOs in strategy implementation, [Webinar, \(2017\)](#) observed that the field of strategic management have traditionally been focusing only on the art of crafting strategy and coming up with blueprints that can hardly be implemented due to lack of effective frameworks and systems. In the current dispensation, executives are increasingly recognizing the aforementioned practice is only one side of the coin. Management consultants and strategy gurus are now rethinking how to redefine and add value to the process of strategy and more importantly during execution. There is a recognition now that successful strategy is not dependent on putting in place a strong strategy setting framework but also an effective delivery mechanism that executes it more effectively and efficiently. The summary of the responses is shown in Table 7.

Table 7. Responses on Whether State Have Established PMOs in Their Agencies

| Category | Frequency (f) | Percentage (%) |
|--------------|---------------|----------------|
| Yes | 4 | 3 |
| No | 129 | 97 |
| Total | 133 | 100 |

Moreover, the respondents were requested to indicate their level of agreement on statements based on the following Likert-type weighted scale; Strongly Disagree (1), Disagree (2), Neutral (3), Agree (4) and Strongly Agree (5). Descriptive statistics such as percentage, mean and standard deviation were jointly used to summarise the study findings as shown in Table 8. Firstly, the respondents were requested to state their level of agreement on their familiarity with the concept of project management offices. 25.2% agreed and 44.1% strongly agreed that they are aware of the concept of PMOs. 16% of the respondent were neutral, 7.1% disagreed while 7.6% strongly disagreed. Concerning whether integration of PMOs encourages innovation as a result of proper project planning and governance, there was a high level of strong agreement of the respondent of 55.0% as compared to 2.0% and 1.0% of the respondent who disagreed and strongly disagreed respectively. Analysis also show that 31.6% of the respondents confirmed their familiarity with the concept of PMOs.

Only 10.4% remained neutral. The study also sought to determine the respondents' level of agreement on whether PMOs provide strategic resource and earned value management that can enable their respective organizations earn a sustainable strategic value. The results show that 44.0% agreed, 46.4% strongly agreed while 5.3% neither agreed nor disagreed. However, 3.1% of the respondent disagreed and those who strongly disagreed were represented by 1.2% of the total respondents. The respondents were also requested to give their levels of agreement on whether integration of PMOs to their respective organizational structures helps to build core competences which are key in strategy execution. The results showed that 44.2% and 50.8% showed their agreement and strong agreement respectively while 1.2% and 1.2% opposed by strongly disagreeing and disagreeing respectively. 2.6% of the respondents were undecided. On whether enhanced best practices and agile processes provided by PMOs can help the agency gain due advantage in strategy execution as well as acting as future reference points, the analysis show that 1.0% disagreed while the same percentage of 1.0% indicated a neutral stand. 39.8% of the respondents showed agreement and majority 58.2% strong agreement

respectively. The study also sought the respondents' level of agreement on PMOs provide project items, documentations and tool sets that declare transparency, quality assurance and resource allocation efficiency leading to successful realization of strategic goals. From the analysis, 1.2% showed disagreement, 41.6% indicated agreement to the premise of the statement, 56.1% strongly agreed while 1.1% indicated a neutral stand. Lastly, the study sought the respondents' opinions on PMOs enhances culture change and help the professionals, consultants and stakeholders to develop strategic mind-sets that are crucial in strategy execution. The results show that 45.6% agreed, 52.4% strongly agreed while 1.0% neither agreed nor disagreed. However, 1.0 % of the respondent disagreed with the preposition of the statement. The average mean score was 4.37 with an average standard deviation of 0.24 implying that majority of the respondents were in agreement that PMOs bridges high-level strategic vision and in-the-trenches strategy execution.

The results from the current study resonates with the study findings by [Til and](#)

[Gislason, \(2012\)](#). From the respondents that took part in the survey, the study found that the best the best experienced benefits of having PMOs were providing quality assurance, time control of the earmarked projects as well as satisfying stakeholders and enabling the organization to realize its long term strategic goals. This is a clear indication that with any establishment of a PMO, achievement of strategic value is proven quite fast with each successful strategy execution process. In a similar manner, a study on strategic alignment of PMOs by [Gungor and Karayaz, \(2013\)](#) found that more than 70% of the respondents that participated in the survey admitted that PMO is a key influencing factor between project management strategy and the overall business strategies. [Shehna et al., \(2009\)](#) argues that one of the PMOs critical role is to ensure consistency and by positioning it strategically as a bridge, organizations can execute business strategies seamlessly while enhancing culture change. The summary of the responses is as shown in Table 8.

Table 8. Descriptive Analysis for the Strategic Role of PMOs on Likert-type Weighted Scale

| Statements | Percentage of responses (n=133) | | | | | Mean | Standard Deviation |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------|---------|-------|----------------|-------------|--------------------|
| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | | |
| I am aware of the concept of project management offices | 7.6 | 7.1 | 16 | 25.2 | 44.1 | 3.91 | 0.15 |
| Integration of PMOs encourages innovation as a result of proper project planning and governance | 1.0 | 2.0 | 10.4 | 31.6 | 55.0 | 4.38 | 0.23 |
| PMOs provide strategic resource and earned value management that can enable my organization earn a sustainable strategic value. | 1.2 | 3.1 | 5.3 | 44.0 | 46.4 | 4.31 | 0.23 |
| Integration of PMOs to my organizational structure can help build core competences which are key in strategy execution. | 1.2 | 1.2 | 2.6 | 44.2 | 50.8 | 4.42 | 0.25 |
| Through enhanced best practices and agile processes provided by PMOs, my organization can gain competitive advantage in during execution as well as acting as reference points. | 0.0 | 1.0 | 1.0 | 39.8 | 58.2 | 4.55 | 0.27 |
| PMOs provide project items, documentations and tool sets that declare transparency, quality assurance and resource allocation efficiency leading to successful realization of strategic goals. | 0.0 | 1.2 | 1.1 | 41.6 | 56.1 | 4.53 | 0.26 |
| PMOs enhances culture change and can help the professionals, consultants and stakeholders in my organization to develop strategic mind-sets that are crucial in strategy execution . | 0.0 | 1.0 | 1.0 | 45.6 | 52.4 | 4.49 | 0.26 |
| Average | | | | | | 4.37 | 0.24 |

4.8. Regression Analysis and Hypothesis

Testing

A linear regression model was used to test the relationship between the predictor variable (Project Management Offices) and the response variable (Execution of Corporate Strategies). R-

Squared value was used to estimate the goodness of fit of the conceptual model. The results showed a R-Squared value of 79.0% indicating adequate goodness of fit meaning that 21% of execution of corporate strategy can be explained by other factors not included in the study. The summary is as shown in Table 9.

Table 9. Model Summary of PMOs on Execution of CORPORATE Strategies

| Model | R | R-Square | Adjusted R-Square | Std. error of Estimates |
|-------|-------|----------|-------------------|-------------------------|
| 1 | .672a | 0.791 | 0.692 | 0.2164 |

a Predictor: PMOs

Furthermore, the results show that project management offices had positive significance of $\beta = 0.234$, $p < 0.05$ on execution of corporate strategies and hence H_{a1} was supported. This implies that project management offices have high positive impact on the process of strategy execution and achievement of the desired strategic goals. The positive beta value indicates that when project management offices are established, enhanced and utilized, the organization will achieve 100% success rates of strategy execution thus enabling the organization to achieve desired strategic goals within the stipulated time frame, approved cost, and with a desired quality. The summary is as shown in Table 10.

Table 10. Hypothesis Testing

| Hypothesis | Beta | t | Sig. | Remarks |
|--------------|-------|-------|-------|--------------------|
| $H_{01} = 0$ | 0.234 | 4.038 | 0.000 | H_{a1} Supported |

4.9. Discussion of the Findings

The current study examined the strategic role of PMOs in execution of corporate strategies among the state agencies in Kenya. There were a number of constructs proposed to influence execution of corporate strategies in the state agencies in Kenya. These comprised of

innovation through project planning and governance, creation strategic value through resource management, core competences, best practices and processes, project items, documentations and tool sets, culture and strategic mindset. The results of the data analysis showed that project management offices have key significant effect on execution of corporate strategies. Data analysis showed that the respondents confirmed that indeed PMOs have potential capability to turn around the outcomes of strategic objectives. Moreover, data analysis has confided to the fact that PMOs through culture and strategic mindset integration provide unique management and control of approved project costs and successful achievement of strategic goals. This revelation is similar to the study findings by [Gungor and Karayaz, \(2013\)](#) which affirmed that PMOs standardize project management methodologies, enables the organization to utilize resources effectively in a multi-project environment and help exceed stakeholder expectation by enhancing project quality to meet the strategic goals as desired. Data analysis further showed that the place of PMOs in organizational structure positively affects the

strategic goals of an organization. In PMOs, strategic planning and meticulous governance of project portfolios is the order of the day. As a result, enhanced innovativeness, data analysis has shown that the experts working in these PMOs are in a position to deliver projects earmarked for achieving desired strategic objectives within the stipulated time frame. The current study confirmed that through PMOs, automated scheduling and resource allocation tools delivers quality product free of time and cost overruns respectively.

Since PMOs are associated with core competences, data analysis revealed that through which, the PMOs contribute greatly to efficient management and control of project costs and quality respectively. Through enhanced best practices and agile processes, PMOs adds value to the project quality. Furthermore, data analysis indicates that project items, documentations, and tool sets emanating from PMOs have a direct impact on the overall success of project delivery and the achievement of the desired strategic goals. These results are similar to the study findings by [Aubry, \(2011\)](#), and [Martins and Martins, \(2012\)](#) which asserts that PMOs carry out different specialized project activities and have different positive influence to the desired strategic goals. Portfolio project management is equally associated with core competences and as a

result PMOs have proved to actively influence strategy formulation and execution respectively. From the analysis, PMOs can help shape strategy by providing a 360-degree feedback to top management about achievement of milestones, adherence/deviation from the approved project costs and by so doing, early intervention measures can be put in place to allow smooth and successful execution of a corporate strategy. Through alignment of culture orientation and strategic mindset, PMOs can provide operational excellence that guarantees successful achievement of strategic goals as highlighted by community of practice theory.

Finally, the conceptual model of the current study suggested that the execution of a strategy in the state agencies can be affected by establishment of project management offices. The results obtained from the regression analysis showed that PMOs have a significant positive effect on the execution of corporate strategies in the state agencies in Kenya. This implies that state agencies and the related organizations that create and embrace PMOs have higher chances of achieving strategic goals within the stipulated time frame, approved cost and desired quality. Moreover, the results indicated a high positive correlation between PMOs and execution of corporate strategies. This entails that based on the best

practices and agile processes and use of automated tool sets, PMOs assures higher success rates of execution of corporate strategies and eventual achievement of strategic goals.

5. Conclusion and Recommendations

The current study provides a road map for establishing PMOs in the state agencies. The analysis of implementation of the PMOs concerning the strategy execution processes can be carried out in the corporate, business and functional levels of the organization. Organization's approach for successful execution of corporate strategies integrates and harmonizes PMOs as identified in the literature. To assist practitioners, stakeholders, governing bodies, and management in taking their organization's strategy execution process to the next level, they must establish PMOs to achieve desired strategic goals. This initiative should enable the stakeholders to assess performance of their respective organizations, identify risks and come up with focused mitigating measures during strategy execution process. Organizations which opt to establish PMOs longitudinally benefit from greater familiarity alongside adoption of agile project processes and methodologies throughout the organization and as a result strategic goals are realized. The

results from the current study provide support to previous studies that have found PMOs.

By centralizing project management tasks in the PMOs, state agencies can take advantage of the specialization, experience, expertise. From the findings, PMOs have proved to be capable of fostering consistency both in resource allocation, professional tactical management of strategy execution process that makes it possible to use the best practices and agile processes from one project to the next. Centralized project data will enable better visibility into and greater understanding of how strategic projects can be aligned with the organizational strategic goals. State agencies should establish PMOs that are complete with professionals that are in a position to drive change and who can execute agile processes that bring measurable value back to the organization. A successful establishment of strategic PMO brings together the human capital aspect, agile processes, and tool sets into one coherent blend. Through PMOs, agencies can invest in tool sets that are re-usable and which provide a reliable data that gives a clear picture and early visibility into performance trends to support proactive formulation and implementation of risk mitigating measures. The findings have also shown evidential proof that PMOs can provide project items that form a knowledge base which captures, catalogue

and maintain the patterns of project and strategy execution process knowledge. With this in place, an organization can make effective and timely decisions that will keep the execution process on track.

The findings revealed that for any successful execution of corporate strategy to flourish, it requires emphasis on organizational culture change management. Lack of core competences as a result of the attitude of doing business as usual can be the biggest impediment to a successful strategy execution. As a result, the management in the state agencies should embrace PMOs that provide room for innovation and core competences to add value and ensure alignment with strategic objectives of the organization.

Lastly, the Board of Directors together with the top management should consider elevating the organizational structure to accommodate the establishment of a PMO. Because of its ability to plan and execute highly complex strategic projects as demonstrated by the key findings of the current study, PMO professionals should be given privileges to be part and parcel of the decision making team in the organization. In summary the state agencies should consider making PMO a strategic business unit within the corporate and delegate all the project management work to the professionals in this strategic entity with clear

mandate to meet the targets, deliver the set performance objectives which are directly tied to the corporate strategic goals.

5.1. Governance and Managerial Implications of the Study

The study findings showed that in order to improve success rates of the process of execution of corporate strategies, the PMOs that focus on building strategic value, core competences, innovation, best practices and agile processes, documentation, automated tool sets, culture orientation and strategic mindset should be created with a particular emphasis on the achievement of desired strategic goals. PMOs strategically focus on monitoring and evaluation of progress during execution of a strategy. The top management should consider establishment of PMOs that are complete with qualified project management experts to run it. These cliques of experts will unify the best practices and create agility in project execution processes that guarantees successful project delivery within the strict timelines, approved costs and in the right quality. PMOs help in harmonizing the execution team. Observations from the analysis show that when the execution team-work is ineffective and lacks necessary expertise, execution of corporate strategies become fragmented and uncoordinated and as a result, individuals strive to pursue their own

paths at the expense of the greater ultimate good.

5.2. Suggestions for future research

The current study exclusively focused on the state agencies in Kenya and used descriptive research design. Because of demographics and ever-changing business dynamics, similar and other organization will experience complex challenges and would require more research on such entities as PMOs and related strategic business units. Future research should consider other models of research designs to conduct in-depth research on the organizations of interest. Future research could extend the conceptual model to include more observable and contemporary variables within the operational units of the organization (s). moreover, the data set is only limited to one region and since state agencies across the world operate in diverse social, political, and economic environments, future studies of similar magnitude in other regions are necessary.

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