



Vaasan yliopisto
UNIVERSITY OF VAASA

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Assessing and Developing a Project Portfolio Management Framework for the Hospitality Business Unit

A Case Study of Hanko Aasia within NoHo Partners

School of Technology and Innovations
Strategic Project Management

Vaasa 2026

UNIVERSITY OF VAASA**School of Technology and Innovations**

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Title of the thesis:	Assessing and Developing a Project Portfolio Management Framework for the Hospitality Business Unit: A Case Study of Hanko Asia within NoHo Partners		
Degree:	Master of Science		
Degree Programme:	Strategic Project Management		
Supervisor:	Ahm Shamsuzzoha		
Year:	2026	Pages:	106

ABSTRACT:

This thesis examines how project portfolio management-related practices can be assessed and developed in a hospitality business unit. This study addresses focus on Hanko Asia within NoHo Partners as a case context where multiple development initiatives exist but are not managed through a fully formalized project portfolio management system. The objective is to assess current practices and to develop a context-sensitive framework for those existing practices improvement.

The study applies a qualitative single case study design with abductive approach. The empirical material consists of three semi-structured interviews with organizational key roles representative, supported by the publicly available company material. The data are analysed thematically, guided by a literature based conceptual framework built on the strategic alignment, initiative identification and prioritization, governance, uncertainty and feasibility, and portfolio value.

The findings show that the case organization already demonstrates several portfolio management practices but are not institutionalised. Development initiatives are generally linked with business goals, concept direction, customer relevance, and business performance. However, the prioritisation logics are partly implicit, governance is not equally visible across levels, whereas implementation support and learning can be strengthened.

Based on the literature and empirical findings, the thesis proposes a context-sensitive yet practical framework for improving development-initiative management in a hospitality business unit. The study contributes practically by offering a usable framework for the case context and contributes theoretically by extending project portfolio management discussion into a service-intensive and operationally embedded environment.

KEYWORDS: Project Portfolio Management, Strategic Project Management, Hospitality Industry, Portfolio Decision-Making, Framework Development

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1 Introduction

1.1 Background of the Study

Organizations increasingly relying on projects and development initiatives to implement strategy, renew concepts, improve processes, and adapt the changing market conditions. As a result, managerial attention has shifted from the execution of individual projects toward the broader question of how those multiple projects must be selected, prioritized, and coordinated to support the organizational goals. This broader perspective mainly concerns with the project portfolio management (PPM), which links development projects to strategy, value creation, governance, and resource allocation (Cooper & Edgett, 2001; Turner, 2014).

Project portfolio management has been broadly discussed in the literature of strategic project management. The field emphasizes the significance of organisations to not only successfully complete projects efficiently but also invest in the right mix of projects . This is important because organizations usually face more development possibilities than they can realistically undertake, which makes comparative choice, prioritization, and portfolio balance necessary. This is important because there are usually more development opportunities that organisations face than they can realistically pursue, which makes comparative choice, prioritization, and portfolio balance necessary. Literature has also expanded from technical selection models toward broader concerns such as governance quality, value, uncertainty, and capability development (Archer & Ghasemzadeh, 1999; Jonas et al., 2013; Martinsuo, 2013; Meskendahl, 2010).

At the same time, most of the existing PPM literature has been developed in relatively formalized setting such as manufacturing, engineering, research and development, and technology-oriented settings. These contexts often have more explicit and measurable governance structures, evaluation systems and project outputs than in service-based industries. In the context of hospitality organizations, however, the development works

are more closely related and embedded with ongoing service operations, where the realities of customer facing are central, and where the operational pressure continuously shapes managerial priorities (Killen & Hunt, 2010; Sinclair & Sinclair, 2009).

This makes the hospitality context relevant to examine the practices related to project-portfolio-management. Development initiatives are regularly undertaken in the hospitality industry such as concept redesign, menu and service innovation, digital improvements, marketing-related changes, renovations and expansion related activities (Rengel Jara et al., 2019). These initiatives carry strategic and operational significance, but they are not always been managed through a clearly visible portfolio management framework. Instead, they may be embedded in existing managerial routines and decision-making system.

The present thesis focuses on Hanko Aasia within NoHo Partners as a hospitality business-unit context, where multiple development initiatives do exist, but these project-portfolio-management related practices are not yet fully formalized. The study is motivated by both practical and academic interest, practically, motivations have been there needed to clarify and improve how development initiatives are managed, and academically, to understand how PPM related practices are appear and can be adapted in a highly operationally intensive hospitality environment.

1.2 Research Problem and Research Gap

Although project portfolio management is a well-established concept in the literature, but its empirical application in hospitality business units remains relatively underexplored. The existing studies have mainly focused on formalized industrial setting, while hospitality business units represent different kind of setting where the development initiatives are strongly influenced by the customer demand, concept management, service continuity, managerial judgment and operational feasibility,

The main research problem of this thesis therefore is not that absence of PPM theory in general, but the limited understanding of how project-portfolio-management-related practices can be assessed and developed in a hospitality business unit. In this context, there exist portfolio-like decisions, but may not appear through a dedicated and fully formalized portfolio-management system. This creates a need for examining on how these practices are functioning currently, where their strengths and weaknesses lie, and how a suitable framework can be developed.

This research gap can be further stated specifically in three ways. First, there is still limited empirical knowledge on how project-portfolio-management related practices appear realistically in hospitality business units. Second, there is limited understanding of how the strategic alignment, prioritisation, governance and feasibility are maintained in such settings where development work is embedded into ongoing operations. Third, there is limited information on how a context-sensitive framework can be designed for hospitality without burdening with excessive bureaucracy on an operationally demanding service context.

This thesis addresses this gap through a qualitative case study of Hanko Aasia within NoHo Partners. The study examines the current practices of portfolio management, and identify the strengths and gaps of the practice, and develop a practical framework based on theory and empirical findings. In this way, the thesis contributes to the understanding of more context-sensitive PPM in the hospitality.

1.3 Research Objectives and Questions

The primary objective of the study is to assess the current practices related to project portfolio management in a hospitality business unit and develop a context-sensitive framework to improve those practices.

To attain this objective, the study aims to:

1. study the current method of identification, selection and prioritization of development initiatives
2. evaluate the existing governance systems and decision making in development initiatives
3. assess the connection between development initiatives with the strategic and business goals in general
4. identify the key strengths, weaknesses and gaps between the existing practice and literature on project portfolio management
5. propose a relevant project portfolio management framework suitable to hospitality business unit.

According to these objectives, the main research question of the study is:

How can project portfolio management framework be assessed and developed in a hospitality business unit?

The study further addresses the following sub-questions to supplement the main research question:

1. What are the current project portfolio management related practices being carried out in the selected hospitality business unit?
2. What are the main strengths, weaknesses and gaps in the existing practices?
3. What kind of project portfolio management framework would be appropriate to the selected hospitality business unit?

1.4 Scope and Delimitations of the Study

The study is limited to a single case of hospitality business-unit, namely, Hanco Aasia within NoHo Partners. This thesis does not seek to analyse the NoHo group as a corporate portfolio system, nor aim to examine all the forms of project and initiative

management systems cross the wider hospitality sector. Rather, it focus on how portfolio-related practices appear and can be better improved at business-unit level.

The study is also content limited. It focuses on practices that are related to the project-portfolio-management, such as strategic alignment, identification and prioritization, governance, uncertainty and feasibility, monitoring, and value. It does not offer a detailed financial portfolio optimization model, nor it focus as such on a model of execution performance of individual projects.

Methodologically, the study is limited to a qualitative single case study design based on a semi-structured interview and supporting public company material. This means that the results are analytically relevant and context sensitive but not statistically generalizable to all hospitality organizations.

These delimitations are intentional. The purpose of the thesis is not to provide a model that is universally standardized, but to develop a focused and practically relevant understanding of portfolio related management in a real situation of hospitality business-unit context.

1.5 Structure of the Thesis

The thesis is structured into five chapters.

Chapter 1 introduces the background of the study, along with the research problem, objectives, research questions, and scope of the study.

Chapter 2 examines the relevant literature and build the theoretical and conceptual framework of the thesis. It includes the projects as vehicles of strategic change, the logic of portfolio level management, the main dimensions of strategic project portfolio management, and the implications of the service intensive context of hospitality.

Chapter 3 presents the research methodology. It discusses the philosophical approach, research design, case context, data collection techniques, data analysis process, trustworthiness and ethical issue.

Chapter 4 presents the empirical findings and discussion. It analyses the case-company practices based on literature-based dimensions of strategic alignment, initiative identification and prioritization, governance, uncertainty, monitoring, and value, and additionally, identifies key strengths, weaknesses and development needs.

Chapter 5 concludes the study by presenting the answers to the research questions, proposed project portfolio management framework for the hospitality business unit, discussing managerial and theoretical contribution, and outlining the limitations and suggestions for future study.

2 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction to the Literature Review

Project portfolio management (PPM) has developed as one of the important areas of strategic project management because organizations are not only supposed to deliver projects successfully, but also to select and execute the right combination of initiatives to support strategic objectives (Turner, 2014). As the adoption of projects and development initiatives as vehicles of organizational change, growth, renewal and improvement has grown, the question of which projects should be undertaken has become as important as the question of how individual projects should be executed (Meskendahl, 2010). This has gradually shifted the focus from the management of individual projects to wider portfolio level concerns such as strategic alignment, value creation, governance, resource allocation and portfolio balance (Cooper & Edgett, 2001).

The purpose of this chapter is to establish the theoretical basis for the assessing and developing of a project portfolio management framework for the hospitality business unit. The chapter does not aim to present a broader textbook overview of project management. Rather, it intended on the concepts and discussions that are most directly related to the research problem this study. In this regard, the chapter examines on projects as vehicles of strategy change, the logic of strategic project portfolio management, governance and decision making at portfolio level, and service and hospitality context in which the case organization is operating.

The literature indicates that PPM is a multidimensional area. The earlier studies were more focused on the portfolio selection models, financial evaluation and resource allocation (Perez & Gomez, 2016), whereas the later research have been increasingly focusing on strategic fit, governance quality, management processes, formalization of portfolios, capability development and broad conceptualizations of portfolio value (Archer & Ghasemzadeh, 1999; Jonas et al., 2013; Martinsuo, 2013). This development

suggests that PPM should not be regarded only as a technical selection process. Rather it can be considered a more strategic competency that organizations utilize it to align development initiatives with long term priorities while adapting the changing internal and external environment.

At the same time, much of the existing PPM literature has been developed in the manufacturing, engineering, research and development and other relatively formalized project settings (Grant & Pennypacker, 2006). Such environments are generally supported by explicit governance structures, more formalized evaluation criteria and more measurable outputs. In comparison, hospitality are based on development initiatives that are more embedded within ongoing operations and are often shaped by customer-facing realities, and often evaluated through a combination of strategic, commercial, and experiential outcomes (Killen & Hunt, 2010).

This makes hospitality a relevant but still underexplored context for this discussion. The concept development, renovations, digitalization, service redesign, brand renewal, and expansion-related initiatives are some of the initiatives that hospitality organizations undertake on a regular basis, yet these activities are not always managed through a proper visible portfolio framework (Rengel Jara et al., 2019). The thesis therefore concerns on addressing the research problem not in the absence of PPM theory in general, with limited understanding concerning how the project-portfolio-management-related practices can be assessed and adapted of in a hospitality business-unit setting.

Table 1 summarizes the key literature streams that form the theoretical basis of the study.

Table 1. Key literature streams and their relevance to the study.

Literature stream	Main focus	Key sources	Relevance to this thesis
Projects as strategic change	Projects as vehicles of organizational strategy implementation	Turner (2014); Meskendahl (2010); Young and Grant (2015)	Explains why development initiatives should be linked to broader business goals
Portfolio selection and prioritization	Comparative choice between competing initiatives under limited resources	Archer and Ghasemzadeh (1999); Cooper and Edgett (2001); Kodukula (2014)	Supports analysis of how initiatives are identified, filtered, and prioritized in practice
Governance and decision-making	Roles, accountability, review routines, and decision rights in portfolio management	Too and Weaver (2014); Müller and Lecoevre (2014); Jonas et al. (2013)	Provides basis for examining layered governance and review logic in the case company
Risk and uncertainty	Portfolio-level uncertainty, interdependencies, and feasibility considerations	Teller (2013); Teller et al. (2014); Martinsuo et al. (2014)	Supports analysis of how external uncertainty and operational constraints affect development decisions
Portfolio value	Broad understanding of value beyond short-term financial return	Laursen and Svejvig (2016); Martinsuo and Killen (2014)	Supports analysis of commercial, customer-related, and concept-related value in hospitality initiatives
Hospitality / service context	Operationally embedded development, service intensity, and context-sensitive management	Killen and Hunt (2010); Sinclair and Sinclair (2009); Rengel Jara et al. (2019)	Provides the contextual lens through which mainstream PPM theory is interpreted in the hospitality business-unit setting

Table 1 clarifies that the thesis is not only based on one narrow PPM discussion, but on several connected literature streams supporting together to the conceptual framework and empirical analysis.

2.2 Projects, Strategy and Portfolio Logic

2.2.1 Projects as Vehicles of Strategic Change

Projects have been understood commonly as temporary and goal-oriented undertakings within which the organizations introduce change, develop new capacity, and execute improvement initiatives (Turner, 2014). Projects are a suitable instrument for structured organisational change as they bounded by the clear objectives, limited resources and time, in contrast to the regular operations. In strategic terms, projects are therefore not only function as delivery mechanisms, but also as vehicles through which organizations translate intentions into concrete action.

The increase of competitive pressure, dynamic market environment and the need to constantly adapting to the environment has added strategic value of projects to organizations. As markets emerging to be more uncertain and organizational renewal becomes more continuous, projects are used not only to execute isolated tasks but also used in implementing strategic change. Projects or project-like developments are often carried out on developing new concepts, service improvements, process redesigns, digitalization efforts, and expansion initiatives (Young & Grant, 2015). This has made project management closer towards a strategic management approach.

This relationship is significant because strategy has practical importance only when it is translated execution by the concrete organizational action. (Meskendahl, 2010) points out that projects play the key roles to create a bridge between business strategy and business success. This implies that the strategic importance of projects cannot be measured only based on whether they are accomplished successfully, but also on whether they contribute to the overall direction of the organization. In other words, project success is correlated to strategic success, but they are not identical.

Strategic role of the projects also creates complexity at managerial level. Most organizations rarely undertake only one development project at a time. Rather, they

likely have multiple initiatives simultaneously, often utilizing the shared limited time, money, managerial attention, and operational capacity. This creates the needs of perspective from the portfolio level, through which projects are not considered from isolated individual level, but as interconnected set of competing and complementary initiatives.

2.2.2 From Project Management to Portfolio Logic

Traditional project management is largely focused on the successful delivery of individual projects. In this perspective, time, cost, scope, and quality are some of the commonly used performance assessment criteria (Turner, 2014). Although these dimensions are still relevant, they are not enough when an organization must decide between several competing initiatives under limited resources.

Portfolio logic extends the project management from the level of individual execution to the level of comparative choice and strategic coordination. The organizations do not evaluate the projects as a separate entity, but as part of a broader set of competing projects that must collectively support the business objectives. (Archer & Ghasemzadeh, 1999), describe project portfolio selection as a process by which organizations determine the best set of projects based on multiple goals and available resources. Similarly, (Cooper & Edgett, 2001) point out that the concern of the portfolio management not just about doing projects right, rather also about doing the right projects.

This shift is necessary because several projects delivered by the organization and the organization successfully and still invest in the wrong overall combination of projects. From a portfolio perspective, management quality is not only dependent on the efficiency of individual projects, but also on the overall set of projects. These include questions such as which initiatives should receive priority, how resources should be allocated, and how different initiatives contribute to strategic objectives.

Portfolio thinking is also influenced by the awareness of that the organizational resources are limited (Vacík et al., 2018). Time, money, managerial attention and capability of operation cannot be extended to the indefinite. As a result, the organizations must make trade-offs between competing initiatives rather than simply accumulated as many as possible development activities (Fügener et al., 2025). (Cooper & Edgett, 2001) therefore emphasized that the portfolio management involves a balancing strategic fit, value and portfolio balance in the limited conditions.

Meanwhile, portfolio logic is more comprehensive than purely financial logic. Despite there exists influence of the financial portfolio theory the field, strategic project portfolio management entails both quantitative and qualitative aspects. Projects may be selected not only due to the expected economic returns, but also due to their contribution in strategic positioning, developing capabilities, customer value, innovating, and the long term competitiveness (Laursen & Svejvig, 2016; Ma et al., 2020; Martinsuo & Killen, 2014). This is particularly relevant to those environments where value is multifaceted and not quantifiable only using short-term financial metrics.

2.2.3 Strategic Alignment and Portfolio Coherence

Strategic alignment is one of the major concepts of project portfolio management. It refers to the extent of using the selected projects to support the long-term goals and priorities of the organization (Meskendahl, 2010). In practice, this would mean that the projects should not introduced based on urgency or attractiveness or local desirability but rather they are contributing meaningfully to the broader strategic direction.

According to the literature, misalignment of projects can lead to as damaging as the poor execution. Organizations pursuing too many opportunistic, disconnected or politically driven initiatives may end up with a fragmented investment pattern, overstretched resources and weak strategic focus (Killen et al., 2008). (Jonas et al., 2013) show that the portfolio success is closely connected with the management quality, suggesting that the

strategic alignment is not only dependent on the formal goals, but also the quality of the decision-making processes at a portfolio level.

The notion of portfolio coherence is closely related to the notion of alignment. Portfolio coherence refers to the fact that the projects in a portfolio should form a reasonably consistent whole, rather than a random collection of unrelated efforts (Voss, 2012). (Meskendahl, 2010) explains it through the portfolio structuring, while according to (Unger et al., 2014), strategic fit and portfolio balance are the aspects that should be mentioned in terms of portfolio success. In this regard, portfolio coherence has vertical and horizontal levels, where vertically, the projects should align with the organizational strategy, and horizontally, the projects should complement each other rather than contradict.

Maintaining such coherence is not always easy, particularly in decentralized or service-based environments where decision making can be decentralized and formal portfolio systems are weak (Tuominen & Martinsuo, 2024). According to (Martinsuo, 2013), project portfolio management is highly contextual and influenced by the organizational structures and routines. This suggests that strategic alignment cannot be considered entirely as a formal planning exercise. It must also be adapted to the real context of the organization decision making.

2.2.4 Implications for Hospitality Business Units

The relationship between the projects, strategy and portfolio logic particularly relevant in hospitality business units. Although hospitality is a well-known as an operational service business, business units within this industry usually engaged in development initiatives with the clear strategic implications. Such as concept redesign, renovations, digital service changes, menu and service innovations, marketing-related initiatives, and expansion or repositioning initiatives (Rengel Jara et al., 2019). These initiatives may not formally be labelled as projects, but they still involve priorities, resources, timing and expected value in decisions.

Simultaneously, hospitality poses specific challenges to the portfolio logic. The development initiatives must be accompanied with day-to-day service delivery. Operation pressure therefore influence highly in determining what receives attention, what is to be delayed and what is to be prioritized first. (Jogaratham & Wong, 2009) reveal that the hospitality executives operate in an uncertain and complex environment, while (Kauhanen et al., 2024) demonstrate that the restaurant business in Finland is extremely shaped by external pressure. These conditions make the strategic coordination more necessary yet complicated.

2.3 Strategic Project Portfolio Management

2.3.1 Core Objectives of Strategic PPM

Strategic project portfolio management extends its focus of project management from the successful delivery of individual projects to the management of multiple initiatives as a strategically aligned organization. The traditional project management, which focused primarily on the execution, while strategic PPM addresses whether the organization is investing in the right set of projects and whether these projects collectively support the long-term business objectives (Cooper & Edgett, 2001; Kodukula, 2014). In this way, strategic PPM serve as a link between strategy formulation and strategy implementation.

The need for strategic PPM arises from the recognition that success at the level of individual initiatives does not automatically lead to success at portfolio or organization level. An organization may perform well in delivering the initiatives but still may fail to generate enough strategic value if the overall set of initiatives is poorly selected, poorly balanced, or poorly aligned. Strategic PPM therefore concerns only about the quality of execution, but also about relevance, timing and collective contribution (Meskendahl, 2010).

Three strategic PPM objectives are mainly mentioned in the literature: strategic alignment, value maximization, and portfolio balance. Strategic alignment implies that the projects must be aligned to the overall organizational goals rather than being driven by the local needs or the short-term pressure. Value maximization implies that the organization must aim at maximizing the overall contribution from the portfolio rather than one by one project optimization. Portfolio balance indicates the requirement of a reasonable combination of initiatives in risk, timing, and resource investment (Cooper & Edgett, 2001; Jonas et al., 2013). All together, these objectives create the core logic of strategic portfolio management.

The core theoretical logic of strategic project portfolio management derived from the literature are summarized below in figure 1.



Figure 1. Core theoretical logic of strategic project portfolio management.

(Archer & Ghasemzadeh, 1999; Cooper & Edgett, 2001; Martinsuo, 2013; Too & Weaver, 2014).

The figure shows that the strategic PPM linkage between strategic direction, initiative identification, selection and prioritization, governance, uncertainty consideration, value realization and monitoring is illustrated in one management logic as shown in the figure. This support the idea of PPM that it is not only about selecting projects, but about managing the whole set of initiatives in a strategically coherent pattern.

2.3.2 Portfolio Selection and Prioritization Mechanisms

Selection and prioritization are the most significant processes in a portfolio since there are many potential initiatives in an organization than that can be undertaken in real. Strategic PPM thus necessitates comparison mechanisms and order of initiatives that

need to be pursued first. The literature provides some of these approaches, such as financial valuation methods, scoring models, and multi-criteria decision frameworks (Archer & Ghasemzadeh, 1999; Enoch, 2019; Kodukula, 2014).

Structured comparisons of investment alternatives can be made by financial evaluation methods such as net present value or internal rate of return. The techniques may be employed when the initiatives have clearly measurable returns economically. However, they are limited when the projects generate intangible, strategic or long-term benefits, that cannot be easily converted into immediate financial performance (Cooper & Edgett, 2001). This is particularly important in the case where customer experience, concept development and operational improvement are also important along with the direct financial gain.

Given this reason, most of the portfolio approaches combine both the quantitative and qualitative measures. Multi criteria framework and scoring models allow the integration of the strategic fit, feasibility, expected value, risk, market relevance and organizational capability. These approaches provide more detailed point of comparison of initiatives than financial analysis alone (Archer & Ghasemzadeh, 1999; Jafarzadeh et al., 2018). Such types of approaches offer broader prioritization than just the financial analysis in the organization (Mahmoudi et al., 2022).

Meanwhile, in practice, formal models are not only the basis for portfolio selection. According to (Martinsuo, 2013), that the organizational structure, routines, and managerial judgment play an important role on shaping project portfolio management. Likewise, (Annosi et al., 2020) also show that portfolio decision making also engages interpretation and knowledge translation rather than only the technical evaluation. This implies that selection and prioritization process should be considered both as analytical and social processes especially in the context where formal portfolio systems are not fully established (Fügener et al., 2025).

2.3.3 Portfolio Governance Structures

Governance is a central element of strategic PPM because the decisions made within a portfolio require to be identified as clear structures, responsibilities and decision rights. At portfolio level, the approval, review, prioritization and termination of initiatives where necessary is considered as governance. In the absence of these arrangements, portfolio decisions may lead towards inconsistency, reactive or overly dependable on informal influence instead of based on shared organizational logic (Too & Weaver, 2014).

The governance literature clarifies that the control is not the only aspect of the successful management but also linked with the strategic direction and accountability. According to (Too & Weaver, 2014), governance as a framework that bridges the projects with organizational objectives and identifies how oversight is exercised. (Müller & Lecoeuvre, 2014) also show that the forms of governance influence the way in which the projects are directed and controlled within an organization. This particularly important in the context of the portfolio management, in which various projects are competing for the same resources and managerial attention.

The degrees of transparency and consistency in decision making can be enhanced with the structured governance. With defined approval processes, review routines, and shared criteria, organization can minimize the ambiguity and make more defensible portfolio choices. At the same time, the governance arrangement differs based on the size, maturity and context. In some of the organization, the portfolio management responsibilities highly formalized, with formal offices or dedicated structures, whereas in others, they are embedded within the existing management roles and routines (Unger et al., 2012). Thus, the governance should not be understood as one universal model, but as a context-sensitive mechanism for disciplined and strategically informed decision-making.

2.3.4 Portfolio Risk, Uncertainties and Interdependencies

Strategic PPM also needs a portfolio level perspective on risk and uncertainty (Olsson, 2008). The conventional project risk management often based on risks and uncertainties related to the individual project, whereas the portfolio level thinking approach recognizes that initiatives may also have influence one another through shared resources, time dependencies, strategic overlap or cumulative exposure (Sanchez et al., 2008; Teller, 2013). The broader perspective is significant because the projects are not often in complete isolation (Micán et al., 2022).

Therefore, the portfolio risk management involves more than just the combination of the risk lists of each project. (Teller et al., 2014) suppose that the portfolio risk not only emerges from project-level, but also emerges from interdependencies between them and from the system-level effects of multiple ongoing activities. (Martinsuo et al., 2014) also show that the uncertainties of the project portfolio must be identified and structured into perspective of the wider portfolio, rather than only in the context of the individual initiatives. This is particularly relevant when the projects are competing to seek the same people, budgets, technologies or even operational windows (Qiu et al., 2024).

The interdependencies are also influence the quality portfolio decisions. (Rungi, 2010) shows that projects have the possibility to create patterns and interactions of resource consumption that may impact the overall portfolio. This implies that an initiative cannot not be evaluated entirely based on its own merits, but also be considered the context of what else is happening in the portfolio (Mahmoudi et al., 2022). In the case of strategic PPM, this justifies the relevance of comparative and portfolio-level reasoning as opposed to isolated project-by-project decisions.

2.3.5 Monitoring and Dynamic Adaptation

Strategic PPM is not a one-time decision event. Monitoring, reviewing and adapting of portfolio management should remain as an ongoing process. Depending on organizational priorities and external circumstances change, projects may need to be reassessed, delayed, speeded up, revised or abandoned. This results in monitoring and review as the key components of portfolio management instead of just optional additions (Teller et al., 2012).

The literature increasingly links portfolio management and dynamic capability. (Killen & Hunt, 2010) argue that PPM can act as a dynamic capability where the organization is capable of adapting, learning and restructuring their developmental processes. In later research, (Killen & Hunt, 2013) further indicate that the strong portfolio management capacity evolves over time, and that depends on the organizational ability to adjust its processes of portfolio to the changing demands. This is particularly important in the volatile sectors, where static assessment criteria alone are insufficient.

Monitoring also relies on accessibility to the relevant performance data. However, what is considered to be relevant performance may vary. In some settings, financial indicators remain the most significant, while in other portfolios, customer outcomes or learning or operational improvement may also be considered as important factors. (Kock et al., 2020) demonstrate that the performance of the portfolio is sensitive to the quality of the information systems and the portfolio data. This suggests that monitoring should not be limited to narrow metrics, rather it must reflect the real value logic of the organization.

2.3.6 Critical Reflection on Strategic PPM

Although strategic PPM offers the profound theoretical basis for managing multiple initiatives, it is also limited in practice. Most of the literature has been developed in

relatively formalized settings where the organizations are highly structured, with a measurable output and established evaluation system (Grant & Pennypacker, 2006). (Martinsuo, 2013) argues that the portfolio management is extremely contextual and that the models developed in one context cannot be directly applicable into another context without adaptation.

Another issue concerns the over-formalization. (Teller et al., 2012) demonstrate that formalization reinforce in making a portfolio successful particularly in complex portfolio, however, formalization must not be confused with excessive level of bureaucracy. In case the processes become overly rigid, this may slow down the decision making, reduce responsiveness and result in resistance in the operational context, where the managers must act quickly.

Strategic PPM therefore may be considered as a context sensitive management practice rather than the fixed technical prescription. The literature provides the useful guidance on alignment, governance, value, risk and review, although the practical implementation relied on the nature of the organizational environment, maturity and industry specific characteristics. This is particularly relevant when business units within the hospitality industry are highly related with the ongoing service operations, and where portfolio-type decisions do exist but without a formal project portfolio structure.

The following are the key dimensions of project portfolio management that are discussed in the literature.

Table 2. Key dimensions of project portfolio management in literature.

(Cooper & Edgett, 2001; Kodukula, 2014; Martinsuo, 2013; Too & Weaver, 2014).

Dimension	Main focus in the literature	Relevance to this thesis
Strategic alignment	Ensuring that initiatives support broader organizational goals and strategic direction.	Used to assess whether development initiatives in the hospitality business unit are linked to business goals and concept direction.

Initiative identification, selection, and prioritization	Comparing competing initiatives and choosing the most suitable mix under limited resources.	Used to assess how development initiatives are generated, evaluated, and prioritized in practice.
Governance and decision-making	Defining roles, decision rights, review structures, and accountability at portfolio level.	Used to examine how initiative-related decisions are discussed, reviewed, approved, and coordinated across levels.
Risk and uncertainty	Managing uncertainty, feasibility, interdependence, and cumulative exposure across multiple initiatives.	Used to analyse how market uncertainty, operational pressure, and implementation realism shape initiative decisions.
Portfolio value	Evaluating initiatives not only by financial return but also by strategic, customer, and organizational contribution.	Used to assess what kinds of value development initiatives are expected to create in the case organization.
Monitoring and adaptation	Reviewing outcomes, tracking performance, and adjusting portfolio decisions over time.	Used to assess whether initiative outcomes are monitored systematically and used for adaptation and learning.

Table 2 reveals that the literature on project portfolio management is not constrained only to the project selection. It includes broader strategic, governance-related, and value-oriented dimensions that combinedly provide the theoretical basis for the contextual discussion in the next section.

2.4 Project Portfolio Management in Service and Hospitality Context

2.4.1 Characteristics of Service-Oriented Organizations

Project portfolio management has largely developed in the manufacturing, engineering, research and development and other technology intensive environments. These contexts are relatively formalized regarding evaluation system, governance arrangement and measurable outputs. In comparison, service-oriented organizations operate under many conditions where the direct application of traditional portfolio models is more challenging (Killen & Hunt, 2010; Martinsuo, 2013).

Among the major differences concerns the value creation. Service organizations likely to have more intangible output, direct customer interaction, and production and consumption goes simultaneously. As a result, not only technical or short-term financial outcomes are evaluated, but also customer experience, service quality, concept attractiveness, operational smoothness, and brand-related effect (Laursen & Svejvig, 2016; Martinsuo & Killen, 2014). This makes portfolio evaluation more challenging management because the expected value of initiatives are more standardized and measurable compared to standardized industrial settings (Voss, 2012).

Service organizations may also be highly decentralized in their operations (Kim et al., 2024). Decentralization can be distributed across the units, managers or functions, which make more responsive but reducing the consistency in the way development initiatives are evaluated. With the lack of clear governance practices, the projects may not develop out as an outcome of a planned portfolio rather due to the operational need at local level (Martinsuo, 2013; Sinclair & Sinclair, 2009). This suggests that service environments not only need the analytically sound portfolio approaches, but also practical and adaptable to decentralized realities.

2.4.2 Structural Complexity in the Hospitality Industry

In the hospitality industry, these issues can particularly visible. The hospitality firms operate in the settings characterized by customer facing intensity, strong competition, unstable demand, seasonal fluctuations, labour intensive and sensitivity to the broader economic and social changes. These circumstances make a business environment where adaptation and renewal are not occasional events rather ongoing needs (Jogaratnam & Wong, 2009; Kauhanen et al., 2024).

At the same time, several types of development initiatives are carried out by the hospitality sector. These may include renovations, concept redesign, digital service improvements, menu and service innovation, marketing-related changes, brand repositioning and expansion activities (Gottardello & Karabag, 2024; Rengel Jara et al.,

2019). Although these may not be necessarily labelled as projects in the organizational terms, but they involve making decisions in terms of timing, resources, priorities, and expected outcomes (Seo & Sharma, 2018).

Another factor that creates complexity is the coexistence of operations and development. Hotels, restaurants and other hospitality units must ensure that they provide continuous the services delivery along with making efforts to carry out the initiatives intended to improve or renew the business. According to (Sinclair & Sinclair, 2009) culture of service and project management is more to be integrated in hospitality settings. This is an important fact that it indicates that the development initiatives within the hospitality industry are not separate entity but are embedded within the operations. Consequently, the immediate operational pressure constrained in making long-term development decisions.

2.4.3 Business Unit-Level Portfolio Governance

The business-unit level especially relevant playing a significant role in the hospitality, since many of the practical development decisions are made rather than only at the corporate level. Hospitality groups may possess multiple brands, concepts, or business units and each of them having its operational conditions, customer segments and development requirements. It implies that the decisions related to the portfolio are decentralized to a certain level and influenced by the local management judgement (Wang & Chung, 2015).

Such environments may have relatively informal project portfolio governance practice. Rather than dedicated portfolio office or highly formalized review system, the portfolio responsibilities may be embedded within the existing managerial roles and routines (Rengel Jara et al., 2019; Sinclair & Sinclair, 2009). Although this can support the organization to be more flexible, but it may also lead to variation in decision logic, lack of transparency and inconsistency alignment across unit.

(Ghorbal-Blal, 2011) demonstrates the roles of middle-management and the cost-control elements in the selection and expansion decision-making of hotel projects, while (Wang & Chung, 2015) show that the portfolio logic has already been implemented in the brand strategy of hospitality organizations. All these studies suggest that portfolio reasoning is not foreign to hospitality. Instead, it appears in a fragmented or adjacent form rather than through a formalized PPM system. Therefore, the business-unit level is theoretically relevant for the present study.

2.4.4 Adaptation of PPM Principles to Hospitality Context

Although such contextual differences exist, the core principles of project portfolio management still relevant in the hospitality. The strategic alignment, value maximization, balance, governance and review are also important in this sector. The key issue is not whether PPM concept is relevant, but how it is to be adapted to the realities of service-intensive and operationally demanding business units (Killen & Hunt, 2010; Martinsuo, 2013).

An evaluation criterion is one of the major concerned adaptations. In the hospitality industry, the development initiatives often create the values that goes beyond the short-term financial returns. They may strength the concept identity, enhance customer experience, support to brand positioning or increase operational effectiveness. (Martinsuo & Killen, 2014) argue that the project portfolio value must considered in a broad way, which is especially relevant in the case of service context. This suggests that the portfolio related decision in hospitality must allow both quantitative and qualitative dimension of value.

A second adaptation is related to the governance design. The highly bureaucratic portfolio systems may not be relevant in the context of hospitality business units. Rather, practical governance arrangements may need to keep reasonably light but still offering sufficient structure for consistency and accountability. This may be more applicable in such context with the presence of clear decision roles, a regular review meeting, and

shared sense of evaluation logic, than the overly complicated formal procedures (Sinclair & Sinclair, 2009; Too & Weaver, 2014).

The third adaptation relates to the monitoring and flexibility. Hospitality markets is dynamic, development priorities may change quickly due to customer behaviour, market conditions, regulation, staffing, timing, and other business constraints (Jogarathnam & Wong, 2009; Kauhanen et al., 2024). Therefore, in this context portfolio management must remain adaptive rather than static.

2.4.5 Implications for Research Gap

The literature reviewed in this section shows, that the portfolio related challenges faced by the hospitality organisations are same as those organizations in other industries, but in different contextual condition. Development initiatives are strategically important, yet they are embedded in operations, under strong influence by customer facing pressures, and are often governed through relatively informal or decentralised mechanism. This means that mainstream PPM models cannot simply be transferred to hospitality without any adaptation.

For this reason, hospitality presents an important research gap. Although the concept of strategic project portfolio management is well established in the literature, there is still limited empirical knowledge on how portfolio related practices actually function in hospitality business units and how project portfolio management principles can be adapted to a usable framework in such context (Kauhanen et al., 2024; Rengel Jara et al., 2019; Sinclair & Sinclair, 2009). This gap is particularly visible at the business-unit level where strategic goals and operational realities intersect most directly.

The present study addresses this gap by examining the existing practices portfolio-related practices in a hospitality business unit by using both literature and empirical findings to develop a context-specific framework. To purpose is therefore not to reject

PPM theory, but to assess how its main principles can be interpretation and developed in an operationally embedded hospitality context.

2.5 Synthesis of Literature and Identification of Research Gap

Above literature review indicates that project portfolio management is a well-established field of strategic project management domain. The core literature consistently found that effective portfolio management should reinforce strategic alignment, value creation, prioritization, governance, uncertainty management, and continuous review (Archer & Ghasemzadeh, 1999; Cooper & Edgett, 2001; Meskendahl, 2010). Recent research has further added to the discussion by highlighting the importance of management quality, formalization, portfolio capability and broader general understandings of value (Jonas et al., 2013; Martinsuo & Killen, 2014; Teller et al., 2012).

At the same time, context limitation is also revealed by the literature. Most of the established PPM literature rooted in a relatively formalized organisational context, where governance structures, evaluation criteria, and portfolio routines are already visible and established. These assumptions more natural in many industrial and R&D intensive environments that in service-based organizations, where development work is more closely embedded into daily operations and where the value is often broader than purely financial or technical performance (Killen & Hunt, 2010; Martinsuo, 2013).

This limitation becomes particularly important in hospitality industry. The literature reviewed on hospitality in this chapter indicates that the organization in this industry is characterized by high level of operational intensity, strong customer facing demands, decentralized or embedded decision making, and significant environmental uncertainty (Jogaratham & Wong, 2009; Kauhanen et al., 2024; Sinclair & Sinclair, 2009). Simultaneously, the range of multiple development related initiative in the hospitality organizations are undertaken, including concept redesign, digitalization, service

improvement, renovation, expansion, and brand renewal (Gottardello & Karabag, 2024; Rengel Jara et al., 2019). These initiatives have both strategic and operational consequences, but they are not always managed through clear visible portfolio structures.

The main characteristics of a hospitality business relevant to project portfolio management are presented in Table 3.

Table 3. Hospitality-specific characteristics relevant to project portfolio management.

(Jogaratnam & Wong, 2009; Kauhanen et al., 2024; Rengel Jara et al., 2019; Sinclair & Sinclair, 2009).

Hospitality-specific characteristic	Implication for project portfolio management
High operational intensity	Development initiatives must be balanced with daily service delivery and frontline workload.
Customer-facing service environment	Initiative value depends not only on financial outcomes, but also on customer experience, concept attractiveness, and service quality.
Dynamic market conditions	Portfolio decisions must adapt to changing customer preferences, competition, and wider market developments.
Seasonality and demand fluctuations	Timing and implementation feasibility become especially important in initiative prioritization.
Embedded development in operations	Many initiatives are carried out alongside ongoing operations rather than as isolated formal projects.
Resource constraints	Managerial attention, staff capability, time, and operational capacity limit how many initiatives can be implemented simultaneously.
Decentralized or mixed decision-making	Portfolio-related decisions may be distributed across several managerial levels rather than handled through one formal portfolio office.
Need for flexibility	Portfolio systems in hospitality should remain light and practical rather than highly bureaucratic.

Table 3 highlights that the environment that hospitality business units operate is different than the formalized environment of many of the traditional PPM articles. These contextual features suggest a framework that is theoretically based, but practically agile approach.

Another limitation in the literature is related to the level of analysis. Many of the studies consider portfolio management at the corporate level, within the settings of an innovation-intensive organization or with portfolio governance already established and formalized. Conversely, the service industries at the business-unit level have been relatively underexplored, where the dynamics of development is typically governed by the local management judgement, operational constraints and, partly informal decision-making (Ghorbal-Blal, 2011; Rengel Jara et al., 2019).

The research gap addressed by the given thesis is therefore not the absence of the project portfolio management theory itself, but the limited understating on how the principles of project portfolio management can be assessed and adapted to a hospitality business unit. In a more specific way, the literature is still limited in its empirical insights into the way the practices associated with the portfolio are currently being practiced in the hospitality setting, how the strategic alignment and governance can be maintained in the setting where formal portfolio systems limited, and how a suitable project portfolio management frameworks can be developed without imposing overly complexity on the operationally demanding environments (Martinsuo, 2013; Sinclair & Sinclair, 2009).

This thesis addresses this gap by qualitatively case study of a hospitality business unit. The study examines the current practice in portfolios, identifies the key gaps between the theory and practice, and develops a context-sensitive framework, which is both theoretically sound and practically relevant. In this way, the study contributes to a conceptualization of project portfolio management that is more business-unit-based and hospitality-specific.

2.6 Conceptual Framework for Strategic Project Portfolio Management in Hospitality

2.6.1 Purpose of the Conceptual Framework

The purpose of this conceptual framework in this study is to connect the theoretical knowledge of the project portfolio management with the realities of the hospitality business-unit context in a way that allow the empirical analysis and further development of a practical framework. According to (Helo et al., 2019), framework of thesis is not presented as a general model not connected with the research problem, but an analytical structure that directly connected to the research problem and the purpose of the study.

The literature review in this chapter suggests that project portfolio management is not only a process of technical selection process. It is an approach of governance and strategy through which organizations can align the development initiatives with the business objectives, allocate limited resources, deal with uncertainty and generate value through a coherent set of development initiatives (Kodukula, 2014; Martinsuo, 2013). At the same time, it also shows that most of the existing models of PPM have been developed in a more formalized industrial context, while the business units of the hospitality industry operates in service intensive settings where the decision making is more embedded into the day-to-day operations (Killen & Hunt, 2010; Rengel Jara et al., 2019).

For this reason, the conceptual framework used in this thesis must be theoretically grounded and context specific. It is meant to be used to determine the key analytical dimensions that are important for the interpretation of the empirical material and through which later developing the proposed framework.

2.6.2 Theoretical Foundations of the Framework

The conceptual framework of the thesis is built on three closely related theoretical perspectives.

The first one is the strategy-project alignment perspective. This perspective takes projects and development initiatives as a vehicle of organizational strategy implementation. From this perspective, portfolio management is required to make sure that the selected initiatives meaningfully support the broader strategic objectives rather than those that have arisen due to the short-term operational pressure (Meskendahl, 2010; Young & Grant, 2015). This point of view supports the idea strategic alignment as core aspects of analytical research.

The second one is the value and resource allocation perspective. This perspective regards the initiatives as competing investments, which need limited resources to be considered. Therefore, portfolio management focus on how to allocate the financial, human and operational resources to the alternative initiatives in such a way that contribute the most to the portfolio (Archer & Ghasemzadeh, 1999; Cooper & Edgett, 2001). On the other hand, the literature also reflects the value should be considered more broadly as well as include strategic, organizational, customer-related, and long-term developmental benefits (Martinsuo et al., 2014). This perspective therefore supports inclusion of selection, prioritization and portfolio value.

The third one is the governance and decision-making perspective. The portfolio quality is not dependent what projects that are selected, but also how those decisions are taken. The literature on governance highlights the significance of roles and rights to make decisions, review routines, transparency, and accountability in the project and portfolio environment (Müller & Lecoivre, 2014; Too & Weaver, 2014). This is an important perspective especially in the present study because one of the core questions is how the decisions concerning development are being currently made in the case organization.

Collectively, these perspectives give a theoretical foundation to perceiving project portfolio management as a strategic, value-driven, and governance-based organizational capability instead of a narrow technical decision tool.

2.6.3 Key Dimensions of the Conceptual Framework

Based on the literature review, the conceptual framework of this thesis is structured into the five key dimensions.

The first dimension is strategic alignment. This concerns how far the development initiatives supports the strategic goals and priorities of the business unit. Alignment is consistently mentioned in the literature as one of the major objectives of portfolio management because initiatives must not be selected based on the urgency or isolated appeal, rather based on their contribution to the broader organizational direction (Jonas et al., 2013; Meskendahl, 2010).

The second dimension is identification, selection and prioritization of initiatives. This dimension deals with the way ideas are generated, initiatives are evaluated, criteria are used and competing alternatives are prioritized using limited resources. This dimension is highly relevant to present study because one of the core empirical questions is how the portfolio-like decisions are currently made (Archer & Ghasemzadeh, 1999; Enoch, 2019; Kodukula, 2014).

The third dimension is governance and the decision-making. This includes the roles, responsibilities, approval logic and review routines wherein initiatives are discussed and decided. One of the key aspects of strategic PPM is governance that determines the level of consistency in the process of decision-making in portfolios and the clarity of authority and accountability (Müller & Lecoeuvre, 2014; Too & Weaver, 2014).

Risk and uncertainty management is the fourth dimension. The literature indicates that the organizations must not only considered risks within individual project, but also

uncertainty, interdependencies, and feasibility at the portfolio level. This is essential especially in hospitality, where market conditions, regulation, operational limits and implementation realities all shape initiative decisions. (Martinsuo et al., 2014; Teller, 2013; Teller et al., 2014).

The fifth dimension is portfolio value. According to the literature, value in project portfolios must not reduce to immediate financial returns alone. Strategic value, customer value, concept development, brand effects, capability improvement, and long-term business benefits are other factors that may be important (Laursen & Svejvig, 2016; Martinsuo & Killen, 2014). The broader value aspect is particularly applicable to the hospitality business units where many initiatives are intended to make the concepts, customer experience and operational efficiency more appealing.

The following five dimensions provide the analytical categories through which the analysis of the empirical content of this thesis is carried out:

- strategic alignment
- initiative identification, selection and prioritization
- governance and decision-making structures
- risk and uncertainty management.
- portfolio value

2.6.4 Hospitality Context as a Boundary Condition

Although the five dimensions presented above are guided by mainstream project portfolio management literature, but this does not imply in this thesis as a universally applicable across the organizational setting exactly in same format. According to Section 2.4, literature reviewed suggests that the issues that hospitality organizations operate under the high operational pressure, service intensity, environmental volatility and partially decentralized decision making (Jogaratnam & Wong, 2009; Kauhanen et al., 2024; Sinclair & Sinclair, 2009). This means that the project portfolio management in

hospitality cannot be transferred directly from more formalized industrial settings without an adaptation.

The hospitality context therefore has a boundary condition of the conceptual framework. It impacts on how the five dimensions are interpreted practically. For example, the realities of the short-term operation may influence strategic alignment, governance may be embedded in the existing management practices rather than dedicated portfolio offices, and the value may include the concept or customer related aspects that may not be easy to measure in terms of short-term financial metrics. Therefore, the framework adopts combination of the analytical rigor and contextual sensitivity than assuming a one-size-fits-all portfolio model.

This study uses the literature for the analytical logic that can be represented through the conceptual framework below.

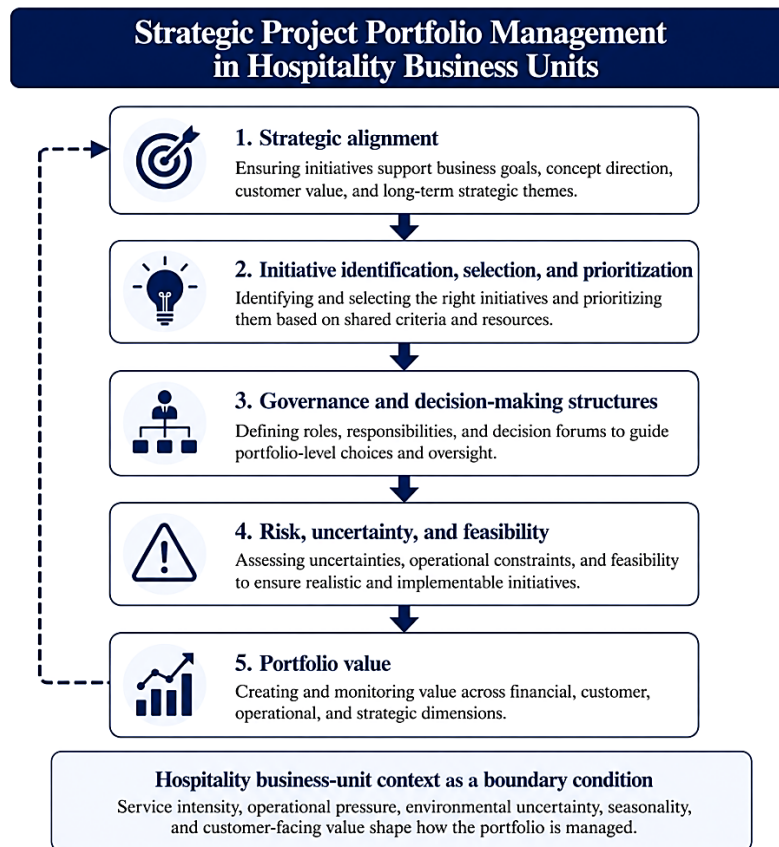


Figure 2. Conceptual framework of the study.

Figure 2 presents conceptual framework of the study. This study shows five analytical dimensions from the literature review, and the hospitality sector is act as a boundary condition that shapes how these dimensions are interpreted in practice.

2.6.5 Application of the Framework in the Empirical Study

In the empirical section of the thesis, this conceptual framework act primarily as the analytical lens used in both data collection and data analysis. These five dimensions above are used next to structure the interview themes and to guide the interpretation of empirical material systematically. In this way, this framework supports the study in the following two ways.

First, it structures the empirical assessment of the current practices in the case organization. The framework does not assume the interviews to be a broad exploration

of management but rather it narrows down the attention to the most relevant dimensions to project portfolio management in the hospitality context.

Second, the framework offers the foundation on which the proposed project portfolio management framework developed in the final chapter of the thesis. By the comparison empirical findings with the literature-based dimensions, the research is able to determine the areas in which the existing practices are inconsistent with the PPM theory, where important gaps remain, and what kind of improvement structure is likely to be most suitable for the hospitality business unit.

Overall, the conceptual framework translates the literature review applied into an analytical model of the study. It preserves the important aspects of the strategic project portfolio management theory but adapting the realities of a hospitality business unit. In this way, it supports the overall aim of the thesis, to assess current portfolio-related practices and to develop a context-sensitive framework for their improvement.

3 RESEARCH METHODOLOGY

3.1 Research Philosophy and Research Approach

The methodological choices of the study are identified by the nature of research problem and the practical objective of the study. The study examines how practices that are applicable in project portfolio management can be assessed and improved in a hospitality business unit. A qualitative and practically oriented research approach is appropriate, because the aim is to understand how development initiatives are currently managed in practice and to develop a context sensitive framework improving improve the situation.

The philosophical orientation of the study is pragmatic. The pragmatism here is relevant, because the thesis is not only to explain a phenomenon, or to test a particular theory but to create practically useful and analytically grounded knowledge in a real organizational setting. and support to the development of improved framework of the case context. This study therefore focuses on what works in context, how current practices work and how theory can be transferred to a framework relevant to the case context.

From an epistemological perspective, the study views knowledge as a socially interpreted and context dependent. The project portfolio management practices of this thesis are not considered as purely technical facts that can be measured in the absence of the organizational context. Instead, the managerial roles, organizational routines, strategic priorities and experience of the individuals involved in the process of making the decision influence them (Annosi et al., 2020). For this reason, the study relies on qualitative empirical data, with the aim of understanding the perception and description of the relevant actors involved in the current practices, particularly through interviews.

The method of research is abductive. This implies that the research switches between theory and empirical content, rather than relying separately. The literature review provides the key conceptual framework of strategic alignment, project selection and prioritization, governance, uncertainty and value. These dimensions are narrowed down and interpreted the empirical evidence from the case organization. This is appropriate approach because the thesis is to connect theory and practice rather than apply existing theory mechanically.

Overall, the selected research philosophy and research methodology support the purpose of the research, that is analytically grounded, empirically informed and practically applicable thesis relevant to assess and develop project portfolio management related practices in a hospitality business unit.

3.2 Research Design: Qualitative Case Study

This study employs a qualitative single-case study design. The case study method was appropriate because the thesis centres on a single real organization setting and that aims to explore the project portfolio management related practices within that organization in depth. (Helo et al., 2019), determine the exploratory case study as a common approach in Industrial Management thesis work and notes that case study and design science are particularly common in company-linked master's theses.

The case study selected is the Hanko Aasia, which operate as a hospitality business unit under NoHo Partners. The selection of single case design is justified both by practically and theoretically. Practically, the case provides an access to engage with the relevant interviewees and an important organizational context. Academically, it offers a good opportunity to examine project portfolio management practices in a highly service-oriented environment, where exist multiple development initiatives, but not fully institutionalized.

The case study design here is relevant because the phenomenon under study is strongly context dependent. The assessment of portfolio related practices cannot be separated from the context of the organization in which initiatives are discussed, prioritized and implemented. Concept logic, organizational routines, business-unit realities, and operational pressure all shape these practices, and thus makes a context-sensitive qualitative design more suitable than a purely quantitative design.

The unit of analysis is project portfolio management-related practices of selected business-unit level in hospitality. The study does not focus on individual project execution nor the entire corporate group as a full portfolio system. Instead, it examines how a business unit in the hospitality identifies, selects, prioritizes, governs, and monitors development initiatives in practice.

The boundaries of the study are therefore well defined. The thesis is limited to one hospitality business unit within the broader NoHo Partners context, focuses on development initiatives, rather than routine operations, and aims at analytical understanding rather than statistical generalization. This bounded case design is suitable for the purpose and scope of master's thesis.

Figure 3 shows the overall research design of the study.

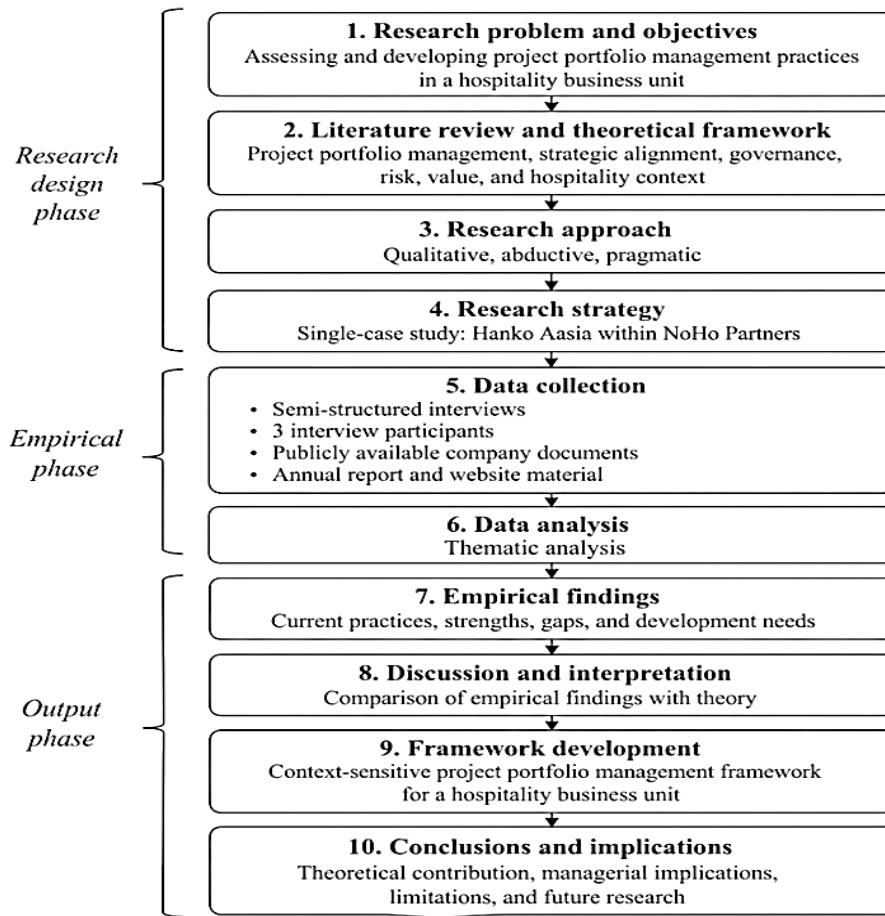


Figure 3. Research design of the study.

The research design in Figure 3 illustrates the logic of the study, from the research problem statement and conceptual framework based on the literature review to the qualitative case-study design, data collection, thematic analysis and framework development.

3.3 Case Company Context

This thesis empirical context is the Hanko Aasia, an established chain restaurant brand, operating as a hospitality business unit under NoHo Partners. The case was selected because it provides a relevant background to examine the practices in project portfolio

management in a service intensive and operationally embedded setting. Additionally, access to collect empirical material from interviewees, who are part of the business development and decision making in the organization.

NoHo Partners is one of the leading hospitality groups in Finland and in a Nordic region operating through multi brand business model. The annual turnover of the group is around €358 million (NoHo Partners, 2025). Its public reporting indicates continuous focus on concept development, business renewal, openings, acquisition and broader business development in the group. This broader context of Hanko Aasia is a relevant case that as it exists within a group environment where development initiatives are strategically important, but where concept-level and business-unit-level realities remain as important factors for making practical decisions.

Hanko Aasia is particularly suitable as a case because it represents a business-unit context where the strategic direction and execution of operational execution intersect each other. While operating as a business unit or concept within a larger group, it is influenced both by the broader strategic considerations and by the local operational realities of restaurant business. This is particularly appropriate for examining the portfolio-like decision making that exists in practice, when it is not institutionalized in a portfolio office or portfolio governance system.

The hospitality as case context itself is relevant to the study. Hospitality business units most likely to be involved in the concept changes, renovations, menu and service innovations, digital improvements, marketing-related developments, and operational or commercial adjustments. These initiatives may not necessarily always be termed as projects in organizational language, but they are involved in prioritization, timing, feasibility, and expected value, all of which are highly relevant to project portfolio management.

The case context therefore supports for the overall purpose of the thesis. The idea of hospitality has not been well researched in the PPM literature, and an in-depth case study of one business unit provides a suitable way to connect the gap between theory and practice, and to generate analytical meaningful and practically relevant findings.

3.4 Data Collection Methods

Empirical material of this thesis consists of both primary and secondary data. The primary data were collected in a semi-structured interviews format and secondary data are gathered using the available company materials, and other relevant document sources in the public. This combination is appropriate for the aim of the study because it allows the study to explore the practices related to project portfolio management through the perspectives of key organizational actors as well as contextualizing those perspectives in the broader business context.

3.4.1 Primary Data: Semi-Structured Interviews

The main empirical data of the study consists of the semi-structured interviews with three selected representatives of the company whose position directly connects to business development, strategic decision making, commercial management, and business-unit-level development. Semi-structured interviews are suitable for the thesis as it aims to understand the identification, selection, prioritization, governance and monitoring of development initiatives in practice. These are processes within an organization and may not be always surfaced in the published documents and often shaped by the managerial interpretation, experience, and practical routines.

The interview format provides both consistency and flexibility. An interview guide was used to ensure that all interviews had the key themes relevant to the research questions and the open format allowed the interviewees to describe examples, practices and challenges in their own words. This was especially relevant when formal PPM

terminology is not necessarily used in the daily organizational practices. The interviewees often describe their work in business and concept-development terms, rather than formal project-management language.

The main themes for the interviews were derived from the conceptual framework as described in Chapter 2. These themes included:

- strategic alignment
- initiative identification, selection, and prioritization
- governance and decision-making
- risk, uncertainty, and operational feasibility
- value and monitoring
- improvement needs

Interviews were conducted in English and each lasted approximately one hour long. Notes were taken during all interviews, and where possible, recording was used to support later analysis. When recording was not possible, detailed written notes were expanded immediately after the interview. This facilitated the preserving quality and consistency of the empirical material.

The interviews participation was on a voluntary basis. The purpose of the research, the academic use of the material and the handling of confidentiality were informed to the interviewees. In this thesis, the names of the participants are anonymised, so the interviewee codes are used as I01, I02 and I03.

The summary of completed interviews and their analytical relevance are shown in Table 4.

Table 4. Interview participants and organizational roles.

Interviewee code	Organizational perspective	Role type	Relevance to the study
I01	Group-level perspective	Commercial Director, NoHo Partners	Provides insight into business logic, strategic alignment, concept development, and portfolio-related review practices
I02	Business-unit-level perspective	Director, Hanco Aasia	Provides insight into practical initiative management, prioritization, implementation realities, and operational constraints
I03	Senior business leadership perspective	Deputy CEO / Business Director, NoHo Partners	Provides insight into governance, strategic priorities, cross-level review, and decision-making consistency

3.4.2 Secondary Data

The secondary data supplemented the primary interview data, by the publicly available sources of the company. The primary sources mainly include the annual report of NoHo Partners and selected publicly available information about the strategy, operating environment, and the concept development. These materials were not used as the main empirical evidence for assessing internal practices but were used as supplementary sources to support in understanding the case context.

The secondary data in this thesis is supportive rather than the primary. It is applied to strength the description of the case context, confirm the relevance of concept-development and business-development activity, and to provide the background for interpreting the interview findings. The publicly available material is especially helpful to triangulate the broader case setting since the access to the internal company documents is limited, but the interview-based evidence regarding actual managerial practices cannot be replaced.

The main data sources that are used during the study are summarized in Table 5.

Table 5. Overview of data sources used in the study.

Data source type	Source	Purpose in the study
Primary data	Semi-structured interviews with three anonymized participants	Main empirical material for assessing project portfolio management-related practices in the selected hospitality business unit
Secondary data	NoHo Partners annual report and relevant public company information	Used to strengthen the case description, business context, and broader organizational background
Literature sources	Academic books and peer-reviewed journal articles	Used to build the conceptual framework and interpret the empirical findings

The interview guide used in the semi-structured interviews is presented below in Appendix 1.

3.5 Data Analysis Method

This thesis uses thematic analysis to analyse the empirical material. The methodology is suitable as the thesis aim to determine and interpret recurring patterns in the qualitative interview data in the frame of the practices related to project portfolio management. Rather than quantifying the responses, it intends to organise and interpret the materials in a systematic way that will allow for meaningful comparisons between the empirical answers and the conceptual framework.

Firstly, the analysis process began with the familiarization with the material. The notes and the recordings, where available are reviewed carefully after each interview to understand the broader perspective of each respondent. This is an important step because it preserved the contextual meaning prior the material was broken down into smaller analytical parts.

The second step involved initial coding. In this step, the material was examined for repetitive ideas, statements and patterns, in relation to the research questions. The data of the interview is split into sections that are given codes that denote such as the strategic priorities, initiative selection, unclear roles, operational pressure, uncertainty, monitoring practices or perceptions of value. The aim was not to produce a pure inductive theory of the information, but to organize the material so that can be readily compared and interpreted.

The third step involved development of broader themes. The similar codes after the initial coding are then grouped to broader themes correspond to the conceptual framework of the study. The main themes of analysis in this thesis are:

- strategic alignment
- identification, selection and prioritization
- governance and decision-making structures
- risk and uncertainty, and operational constraints
- value and monitoring

Fourth step was the interpretation in relation to literature. The interpretation of the empirical findings carried out in the context of the reviewed literature in Chapter 2, after the identifying of main themes. The aim was to find out where the present practices of the case organization appears to be align with the project portfolio management theory, where the gaps or inconsistencies exist and what these suggests on developing a more context-sensitive framework.

Thematic analysis is therefore theory-based but empirically sensitive. The conceptual framework guided the analysis structure, but the empirical findings were allowed to reveal context-specific realities and tensions that are relevant particularly to the hospitality context.

3.6 Validity and Reliability (Trustworthiness)

In qualitative case-study research, quality is commonly examined through the broader concept of trustworthiness rather than only based on statistical reliability. In this thesis, the trustworthiness is used in referring the transparency of the research process, basis of findings in the empirical material and logical connection of interpretation to both the data and theory.

The first dimension of trustworthiness in this study is credibility. Credibility concerns whether the findings provide the convincing and well-grounded representation of the findings in practice. This thesis strength credibility using the semi-structured interviews where the respondents whose roles are directly connected with the development, commercial decision-making, concept management, or strategic oversight. The interview themes are aligned closely with the conceptual framework, that ensure the empirical material was directly relevant to the research questions.

The second dimension is the dependability. Dependability is concerned with consistency and traceability of research process. This thesis maintained the dependability by a well-documented research design, clear unit of analysis, explicit interview themes and transparent description of thematic analysis process. The thesis therefore explains how the study was conduct, in a way to allow another reader to follow the logic of the research.

The third aspect is confirmability. Confirmability refers to the extent to which the findings and interpretations are based on empirical material rather than unsupported assumptions. The confirmability of the study is strengthened by using the close link between the interview data, thematic coding and the literature-based analytical dimensions. It is not aimed to establish complete neutrality but to make the analytical reasoning transparent and realistic.

The fourth dimension is the transferability. As the research is grounded on a single case study, thus the findings are not generalized statistically to all hospitality organizations. However, it is oriented towards analytical transferability in the study, meaning that the findings may provide the valuable insights that can be applied to other similar service based and hospitality settings that involve development initiatives in operations and where the formal portfolio practices are weak or absent. By clearly describing the case context, the unit of analysis, and the logic of the study, the thesis enables the reader to determine the relevance of the findings to other contexts.

Overall, the trustworthiness of the study is supported by transparent research design, role-relevant data collection, a clearly documented research process and theory-informed analysis.

3.7 Ethical Considerations

Ethical issues are a significant consideration of this thesis because the interpretation of the data related to companies and the interview with the organizational participants were the part of this study. Although, the study does not use the highly sensitive personal data in the study, but it still carefully handled the interview material, responsible reporting of the findings and transparent communication of the research purpose and scope.

The first ethical principle of the study is informed participation. The interviewees were informed in advance about the topic and purpose of the thesis, and academic use of material. This was especially significant because the research related to the real company context and that involves respondents of managerial positions.

The second ethical principal is voluntary participation. Interviewee participated voluntary, and free to decline to answer any question which they wish not to answer or discontinue participation if necessary. This is relevant while researching in organizations

because the professional hierarchy should not undermine the voluntary nature of participation.

The third principle is regarding the confidentiality and anonymity. In this thesis, the names of the participants are anonymised by using interviewee codes. Meanwhile, roles within the organization may be mentioned where relevant analytically, because the role perspective is significant to the interpretation of the findings. Reporting of results was handled carefully to ensure that sensitive internal information is not disclosed.

The fourth principle is the responsible data handling. Any recordings and interview notes are used solely for academic purposes related to this thesis. The recording of interviews done only with consent from respondents, the recordings support the accuracy during the analysis process rather than shared beyond the research process.

The fifth principle of ethical issue concerns the academic integrity. Thesis is conducted in a real organization, but the analysis remains academically grounded and critically reasoned. This implies that the study intends to be practically relevant but without losing its analytical independence. Also, the use of all documentary and academic sources is cited appropriately.

Overall, the thesis follows the ethical principles of informed participation, voluntary participation, confidentiality, responsible data handling and academic integrity.

4 Empirical Findings and Discussion

4.1 Introduction to the Empirical Findings and Discussion

This chapter shows the empirical findings of the research and discuss them within the relation to the literature review and conceptual framework designed in Chapter 2. The purpose is not only to report the interview content, but to analyse how the practices related to project portfolio management appears in the selected hospitality business-unit context and what these findings mean for framework development.

The empirical research is based on three semi-structured interviews with anonymized participants representing the group-level commercial and strategic, business-unit-level managerial and operational, and senior business leadership perspectives. Together, these interviews provide a practical cross-level view of the identification, selection, prioritization, governance and monitoring of development initiatives in practice. The findings show clearly that the case organization already demonstrates several portfolio-like practices, even though these are not organized through a fully formalized project portfolio management system.

The findings are categorised to main analytical themes derived from the conceptual framework: strategic alignment, initiative identification and prioritization, governance and decision-making, risk and uncertainty, and monitoring portfolio value. The final sections then synthesize the main strengths, weaknesses, and development needs identified in the empirical analysis.

4.2 Strategic Alignment of Development Initiatives

The empirical findings of the interview show that development initiatives within the case organization are generally expected to contribute to the broader business goals, concept

direction, customer relevance, and commercial performance even though these are not managed through a fully formalized project portfolio management system. In practice, strategic alignment therefore appeared less as a separate technical mechanism but more as a business logic where development initiatives are taken into consideration in relation to their contribution to growth, commercial performance, concept development and long-term competitiveness. This is consistent with the literature, where strategic alignment is positioned as core objectives of project portfolio management (Meskendahl, 2010; Young & Grant, 2015).

From the group-level commercial perspective, interviewee I01 emphasized that the development initiatives are filtered through the broader business logic of NoHo as a growth-oriented hospitality organization. In this perspective, the initiatives must align to the company's core business, enhance performance and facilitate commercial development. Interviewee I01 also explained that the concept repositioning of Hanko Aasia as a strategic response to the customers profiles, competition and the need to clarify the role of the concept in the shopping-centre environment. This indicates that alignment is not understood merely as internal administrative fit, but as a strategic response to business and market realities.

The business-unit level perspective supports the same general conclusion, but in a more practical way. Interviewee I02 explained that annual targets, sales expectations and revenue goals play a significant role in the decisions made on initiative and that the development decisions are taken on whether those initiatives take the concept towards the goal. In this sense, strategic alignment is not carried out through a separate visible portfolio procedure, but through campaign planning, product development, concept adjustments, and operational improvements that are considered meaningful for the business unit.

The similar view was noticed on senior business leadership perspective. Interviewee I03 emphasized that development initiatives must be closely supporting to the overall

strategy and business objectives otherwise the organization risks making too many local or short-term decisions without a sufficient linkage to the wider business priorities. However, interviewee I03 emphasized acknowledged that the operational pressure occasionally may result in shorter term issue-based decisions. This fact is significant in hospitality, where the strategic alignment must coexist between daily service demands and operationally intensity (Killen & Hunt, 2010; Sinclair & Sinclair, 2009).

Combinedly, all the interviews indicate that there exists strategic alignment clearly in the case organization, but it is not evenly explicit across all organizational levels. At group and senior leadership level, alignment is discussed more directly in relation to growth, concept positioning, and commercial priorities. At business-unit level, alignment is more embedded in practical managerial decisions and operational realities. This supports the view that strategic alignment in the case context is not absent but is achieved through current leadership and business routines rather than through a clearly formalized portfolio system.

Another important finding is that the case organization alignment seems to be highly implicit than explicitly structured through visible portfolio criteria. That is, the interviewees did not explain a separate systematic portfolio process where all initiatives are screened systematically against strategy. Rather, alignment appears through the business reviews, concept discussion, performance targets, and managerial interpretation. This flexibility can be considered a strength because it supports responsiveness and speed, but it also suggests that the connection between strategy and initiative decisions is partly person-dependent and less transparent than in a more structured framework.

Overall, the findings show that the development activities of the case organization are generally consistent with broader business goals, yet the alignment mechanism is relatively informal and context dependent. This suggests that one of the main development needs is not the creation of strategic direction from the beginning, but

rather to make the link between strategy and initiative decision making, more visible, consistent across the organizational levels.

4.3 Initiative Identification, Selection, and Prioritization

The empirical findings suggest that the development initiatives in the case organization emerged based on the combination of the problem recognition, business opportunities identification, and practical ideas generation. Instead of a single formalized portfolio intake process, initiative identification appears through continuous business review, concept development activity, operational experience, and managerial observations. This supports the view presented in the literature that project portfolio management is not solely a technical screening process, but also a context-specific managerial practice, shaped by organizational routines, interpretation, and decision-making quality (Annosi et al., 2020; Martinsuo, 2013).

From the group level commercial perspective, interviewee I01 explained how the initiative often begins when something in the business is not working as expected particularly when the declining sales, weakening concept performance, or changing customer response. In such case, the management first try to understand the issue through the insights from the sales data, customer feedback, market conditions, competitive developments, and broader business indicators before deciding what type of action may be needed. This implies that at group level, initiative identification is highly diagnostic and business-performance-driven.

At the business-unit-level, findings reveal a broader and more distributed pattern of initiative generation in more common. Interviewee I02 described that the source of ideas may come up from restaurant managers, staff observations, suppliers, marketing-related discussions, customer-facing trends, and comparisons with other concepts within NoHo. Product ideas, campaign initiatives, concept adjustments, and digital or operational changes may therefore be derived from practical experience rather than

from a single centralized source. This implies that initiative identification in the case company is not only reactive, but also opportunity-driven and operationally embedded.

This picture was further refined with the senior business leadership perspective. According to interviewee I03, the ideas that enhance the performance of the business and strength the long-term attractiveness, are the most significant initiatives. This suggests that the initiative identification in the case company is multi-directional but selective by considering what is allowed to move forward.

Figure 4 illustrates the current development initiative management process identified in the case company based on the empirical findings.

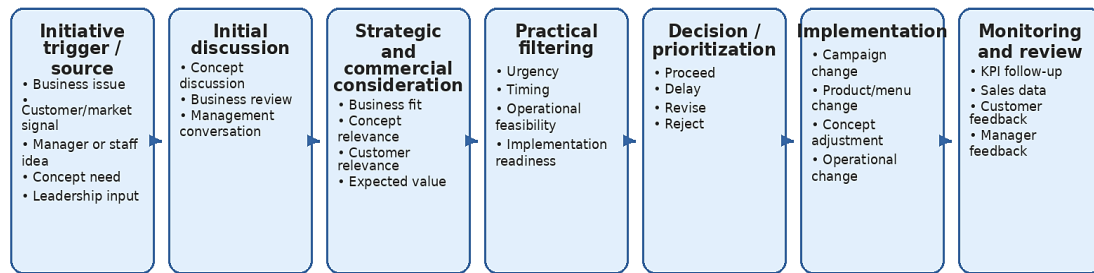


Figure 4. Current development initiative management process in the case company.

As Figure 4 shows, development initiative management in the case company already follows a recognizable portfolio-like process, even though it is not organized as a fully formalized project portfolio management system. Initiatives emerge from multiple sources, are discussed through existing managerial routines, filtered through strategic, commercial, and practical considerations, and then monitored after implementation. The main weakness is therefore not the absence of process, but the limited visibility and standardization of that process throughout the organizational levels.

In terms of selection, the interviews indicate that the organization does not based on a heavily formalized portfolio model or pre-established portfolio scoring tools. Instead, the initiative selection appears to be based on a combination of commercial logic, strategic

relevance, expected business outcome, customer relevance, and practical feasibility. Interviewee I01 emphasized repeatedly on the business case reasoning, attractiveness of the opportunity, growth potential, and the possibility to improve performance with the capabilities and scale of NoHo. In this regard, selection is guided by whether an initiative is considered meaningful in commercial and strategic terms.

Interviewee I02 described a more discussion-based selection process at business unit-level. This description demonstrates that the concepts are discussed in a small core team and the decision is shaped by the factors such as the expected sales, price point, campaign timing, customer demand available information, and concept relevance. This implies that the business-unit level is not a random selection, but neither fully standardized approach. Instead, it is based on practical management discussion and concept level understanding. In this respect, the findings are consistent with the literature that the decisions in the project portfolio are often carried out by a combination of formal criteria and experience-based judgement (Archer & Ghasemzadeh, 1999; Martinsuo, 2013).

Interviewee I03 confirmed this interpretation by stating that higher-level selection depends on whether an initiative relevant to the concept direction, contributes to the business performance, feasible to implemented and whether it is aligned with broader strategy. The most important aspect of the I03 was that the management is not intent on moving with the initiatives that only add more complexity without adding sufficient value. This is particularly important in hospitality where managerial attention, time, and operational capacity are limited.

This similar logic appears with prioritization. Findings suggest that when there are multiple initiatives pursued at the same time, then those initiatives that would solve with more tangible business problems, create stronger expected value, or more urgent to the current business context are generally given the higher priority. Interviewee I01 described the prioritization based on the performance and business impact. While

interviewee I02 described prioritization based on the campaign planning, sales expectations and practical relevance. Interviewee I03 emphasized it within the context of initiatives that either address a particular business issue or add meaningful value to the organization. All these responses shows that the prioritization in the case organization is real along with comparative and selective but not formalized into one visible portfolio shared system.

The practical logic of identifying, evaluating and prioritizing initiatives in the case company is summarized in Figure 5.

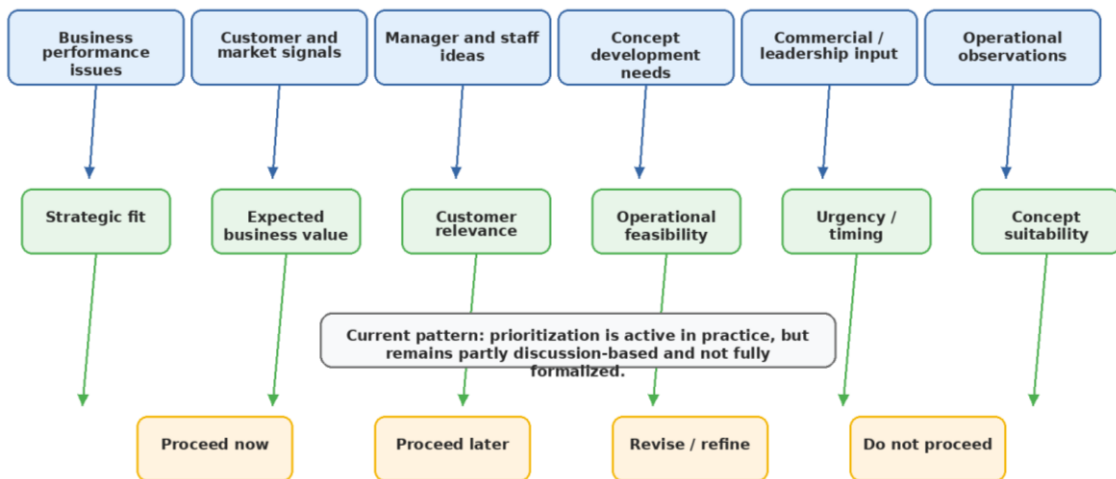


Figure 5. Initiative identification and prioritization logic in the case company.

Figure 5 shows that identification of initiatives in the case company is multi-sourced and dynamic. New ideas may emerge from business performance issues, customer and market signals, concept development needs, or managerial and operational observations. These initiatives are then discussed and filtered through criteria such as strategic fit, expected value, customer relevance, feasibility, urgency, and concept suitability. The figure confirms that prioritization is clearly present in practice, but the logic remains partly implicit and discussion-based rather than fully standardized.

An important hospitality-specific finding is that the prioritization is strongly influenced by the factor of operational feasibility. Interviewee I02 explained that the organization must always consider the effects of development initiatives on the staff workload, service flow, training needs, and implementation readiness. Without considering the operational consequences, new initiatives cannot be simply initiated. Similarly, interviewee I03 noted that day-to-day operations can limit on constantly maintaining time and attention to the long-term development. In this respect, the findings support the literature on service and hospitality contexts emphasizes that the development work is often embedded into the operations and constrained by the frontline realities (Killen & Hunt, 2010; Sinclair & Sinclair, 2009).

Another important finding is that there are customer and market indicators in selection and prioritization. Interviewee I01 added that the repositioning of the concept by Hako Asia was because of the changing customer profiles, competition in the market and the need to clarify the concept position in the shopping-mall environment. Interviewee I02 also indicated product popularity, trend-following and customer demand in campaign and product decisions. This suggests that prioritization shaped not only by the internal business logic, but also external relevance that guide in the market environment.

Overall, the findings indicate that identification, selection, and prioritization of initiatives in the case organization are active and meaningful but only partly formalized. The portfolio-like reasoning is clearly visible in the organization, in fact that multiple potential initiatives are generated, discussed, compared, and filtered in terms of value, fit, urgency and feasibility. However, the overall process appears to be depended on managerial judgment, commercial logic and practical discussion rather than on fully visible shared framework. This creates both the strength and the limitations. As a strength it is flexible, fast and responsiveness to market and operational realities. The limitation is that it may reduce transparency, and more dependent on key people, rather than a clearer portfolio structure.

4.4 Governance and Decision-Making Structures

The empirical findings suggest that the case organization already has a governance and decision-making practices related to development initiatives, but not in a highly formalized project portfolio management system. Instead, governance visible as a layered and partly informal system in which different levels of the organization have different roles depending on the nature, scale and importance of the initiative. This is consistent with the literature reviewed in Chapter 2 which suggests that the portfolio governance is not entirely based on formal control mechanisms, but also arrangement roles, decision rights, review practices, and accountability in the context (Müller & Lecoeuve, 2014; Too & Weaver, 2014).

From the group level commercial perspective, interviewee I01 elaborated that decision making process is linked to the regular business reviews, management discussion and escalation by the business leaders and top management involved in case the issue is strategically significant. In this interpretation, that the development decisions are not taken by individual in isolation but are embedded in broader business review practices. Instead, the organization recognizes the problem or opportunity, discusses the reasons of the issues and subsequently decides on the kind of action to be taken. This indicates that group-level governance appears to be relatively structured and review-based, even though it is not labelled in the formalized project portfolio language.

At the business-unit-level perspective, a slightly different, but more agile pattern of governance is observed. According to Interviewee I02, the concept-level decision making as taking place mainly within the smaller core team especially who were involved in the concept development, product-related decisions, and campaign-related. This process appears to be more discussion-based and trust-based than formally procedural. In the meantime, the higher leadership awareness also involved in the larger or more significant decisions, providing the business unit a trust-based space to operate. This implicit that business-unit governance is more agile and practical but still less visibly structured than group-level review.

Interviewee I03 adds integrating perspective by linking with these two perceptions. As I03 explains, that the decision makers involved in key development decisions differ according to nature of the issue. In more significant cases, this may include the business director, commercial input, operations, finance, procurement, or other relevant functions. This confirms that governance in the case organization is issue dependent rather than the entirely based on a single decision body for all the initiatives.

Figure 6 presents the governance and decision-making structure that appears in practice from the empirical findings.

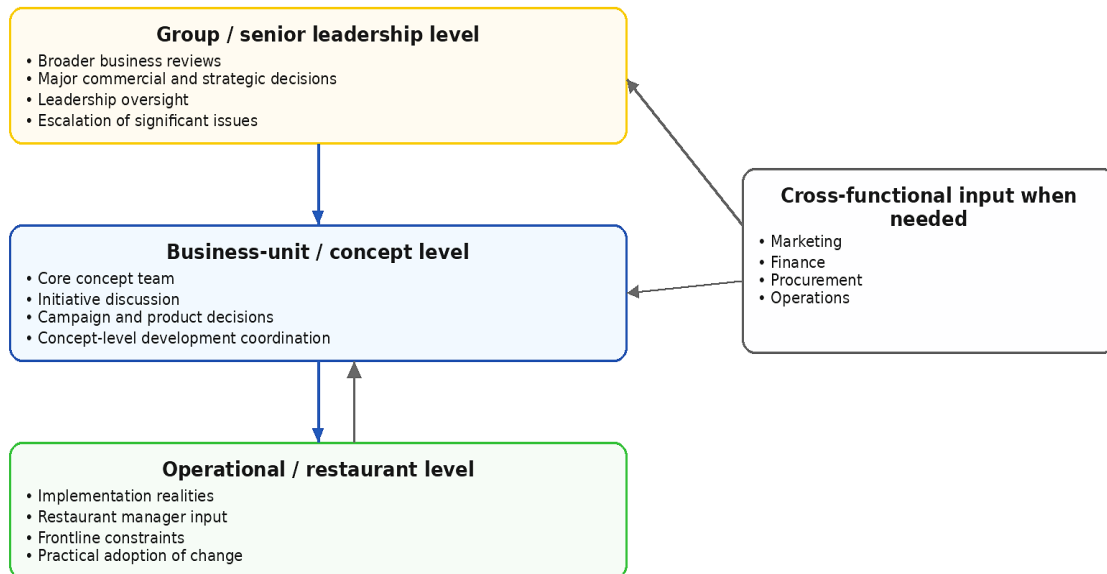


Figure 6. Governance and decision-making structure in practice.

Figure 6 shows that governance in the case company is neither fully centralized nor fully decentralized. Instead, it is layered. Concept-level actors handle much of the practical development work, while broader business or leadership-level review becomes involved when issues are more commercially or strategically significant. In addition, cross-functional input is used when required. This implies that governance already exists in practice, but its structure remains partly implicit rather than fully visible as a shared portfolio-level system.

The most important empirical finding is that the governance in the case organization combined both the formal and informal elements. More significant decisions appear to need of broader review, while many of the concept-level development activities are handled through agile and discussion-based routines. This combination of structure brings clear advantages in hospitality, where responsiveness and practical adaptation are important. However, it also creates the potential risk that the criteria for involvement, responsibility, and review remain partly person-dependent and not visible evenly across the organization.

The interviews findings also indicates that the governance is experienced differently at different level of organization. Interviewee I01 is emphasizes review, oversight and business critical decision logic at group level. Interviewee I02 emphasizes the concept-level process, that is agile and practical coordination. Interviewee I03 addresses these perceptions by showing that governance is layered and issue-dependent to some extent. This indicates that the case organization already has the governance foundations relevant with project portfolio management, but these are not yet presented through a clearly visible and shared structure.

Other important findings also indicate that governance cannot be understand separately from the hospitality context. Governance must remain practical and flexible because as restaurants operates under operationally intensive and customer facing environment. Thus, it is not only the challenge of simply formalizing governance heavily, but to make it visible and more consistent without undermining the agility the current system. Instead, it is the challenge on ensuring that it is sufficiently clear, visible and consistent enough without undermining the agility that is one of the strengths of the current system. This is also consistent with the wider literature, that suggests that governance in this service-oriented context must preserve the practicality and flexibility rather than making excessively bureaucratic (Martinsuo, 2013; Sinclair & Sinclair, 2009).

Overall, the finding demonstrates that the structure of the governance and decision making in the case organization is functional but partially explicit. There exist responsibility, review, consultation and leadership but not organized in a transparent and shared portfolio management system. The current model of governance function based on business reviews, leadership oversight, trusted concept-level autonomy, and cross-functional involvement where necessary. The main development implication is therefore not to build governance from zero, but necessity to make the governance arrangements more transparent, more consistent and more systematically connected with the prioritization and review.

4.5 Risk, Uncertainty, and Operational Constraints

The empirical findings show that the development initiatives in the case organization are not only determined by the strategic and commercial factors, but also by different types of risk, uncertainty and operational constraint. These are the aspects that define what kind of initiatives can be considered as realistic, how quickly they can be implemented and how much organizational attention can be given to it. In this regard, the findings support the literature reviewed in Chapter 2, which suggests that uncertainty and interdependence in the project portfolio management must be considered at the portfolio level rather than only at individual project level in isolation (Martinsuo et al., 2014; Teller, 2013; Teller et al., 2014).

At group level commercial perspective, interviewee I01 explained uncertainty in a broad business term. From this perspective, that the initiative decisions are highly influenced by the change in the customer demand, competition, inflation, regulation, tourism flows, infrastructure development and the broader economic environment. The key point here is that development decisions are not made in a stable business environment. The viability of concepts and initiatives can be influenced by external conditions that can change rapidly. In the Hanko Aasia context, such uncertainty includes competition in the

shopping-centre environment, changes in customer flow, and broader disturbances affecting consumption and tourism.

At the business-unit level perspective, uncertainty appears in a more practical and operational form. According to interviewee I02, some of the operational risks involved include campaign performance, product availability, supply conditions, implementation feasibility, staffing, training, timing, and cost pressure. A campaigns initiative may not perform as expected, procedures may be difficult to perform, or a change may require more preparation than initially assumed. This implies that the risk and uncertainty is not only external and strategic, but also closely tied with the realities of day-to-day restaurant execution.

The interviewee I03 links between these two perspectives from the broader business leadership insights, emphasizing that uncertainties are concerned to both the external business conditions and internal execution realities. From this point of view, development initiatives must be judged not only in terms of strategic relevance and potential value but also considered whether they can be implemented under existing business conditions.

One of the strong empirical findings of the interviews is that the operational constraints are the central in the hospitality industry. This issue is particularly cleared in the business-unit and senior leadership interviews. Interviewee I02 believes that restaurants cannot simply undertake new initiatives without considering staff capacity, training needs, timing, and effect on service flow. On the same note, interviewee I03 noted that the day-to-day operations demands an attention continuously, that may lead to limitation of time and focus for long term development. The findings strongly support the argument that in the hospitality, the practical realism of initiatives becomes a core part of portfolio-related decision-making.

Figure 7 maps the main uncertainty and operational constraint areas that shape development initiative decisions in the case company.

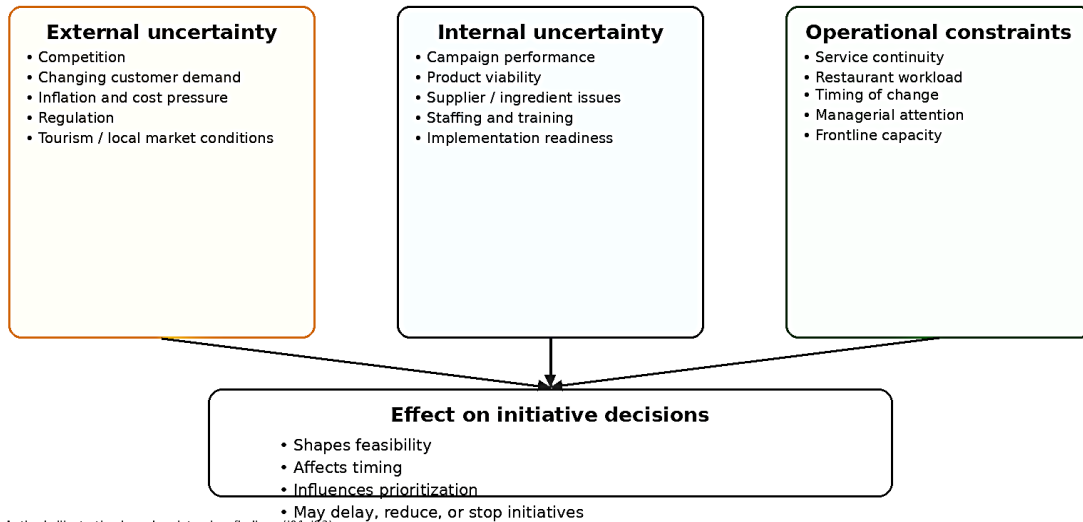


Figure 7. Main uncertainty and operational constraint areas affecting development initiatives.

As Figure 7 shows, uncertainty in the case company operates at multiple levels. External uncertainty includes competition, customer demand, inflation, regulation, and local market conditions. Internal uncertainty concerns campaign performance, product viability, implementation readiness, staffing, and supplier-related factors. In addition, hospitality-specific operational constraints such as service continuity, timing, workload, and frontline capacity strongly influence on shaping what kinds of initiatives are realistic. This confirms that initiative decisions in the case context must be evaluated not only in strategic and commercial terms, but also in relation to operational feasibility.

This operational pressure has several important impacts on development decisions. First, it has affected the timing, although an initiative may seem to be attractive, but still need to be delayed until the restaurant organization is prepared to implement it. Second, it affects scope, the organization may need to simplified initiatives so that they can be handled within the ongoing operations. Third, it affects prioritization, operationally urgent issues may get priority over the long-term development when resource and

managerial attention are limited. These patterns support perspective that the portfolio management must balance strategic value with practical feasibility in hospitality.

The other significant empirical findings are that risk awareness is a practically exit but not through explicitly visible portfolio risk mechanism. Interviewees described uncertainty as something that is handled pragmatically through business reviews, managerial judgment, operational expertise, and discussion. This embedded approach of dealing with uncertainty has its both merits and limitations, as it enables the responsiveness and flexibility, but it also the make the comparison of various risks of initiatives less explicit than in a more structured portfolio framework.

Overall, the findings show that are uncertainty, and operational constraint are main elements of development initiative management in the case organization. These issues are currently handled through the practical discussion, review and managerial judgment by the organization, rather than through the formalized portfolio-level mechanism. This implies that one of the most important development requirements is to make the uncertainty and feasibility explicitly visible in initiative evaluation and review.

4.6 Monitoring, Value, and Current Strengths of Practice

The empirical findings show that the case organization has relatively active monitoring practices and a broad, yet commercially grounded, understanding of value. In this respect, the strongest attributes of the current system do not presence in a formal project portfolio model, but in pragmatic responsiveness, business understanding, active performance follow-up, and ability to connect development initiatives to both commercial and customer-related concerns.

Regarding the group-level commercial perspective, interviewee I01 explained that regular business reviews, sales analysis, customer feedback, net promoter scores indicators, and other business indicators are used to assess the concept and initiatives

performance. This suggests that the organization does not simply pick the initiatives and leave them without any review. Instead, performance is revisited to monitor, and determine whether it required additional shaping, adjustment or corrective action.

At the business-unit-level level, interviewee I02 described monitoring in an even more operationally detailed way. That it uses the KPI tracking, Excel-based reporting, sales tracking, campaign product data, outlet comparisons and communication with restaurant managers to monitor performance as a part of concept level management. This implies that the monitoring practice case company is not a separate administrative exercise, but an active and ongoing part of concept management that facilitate the local adaptation and wider decisions.

According to the interviewee I03, the value considered in the case organization in broader terms than the direct financial returns alone. In addition to sales and profitability, development initiatives may create value by strengthening concept clarity, customers attraction, improve operational effectiveness, strong positioning in the long-term, and improved business performance.

This finding is strongly consistent to the literature review in Chapter 2, which suggests that the portfolio value should not be considered solely in the terms of the short-term financial indicators, but also in the terms of the broader strategic and organizational contribution (Laursen & Svejvig, 2016; Martinsuo & Killen, 2014).

Figure 8 summarizes the main strengths of the current initiative-management practice identified in the case company.

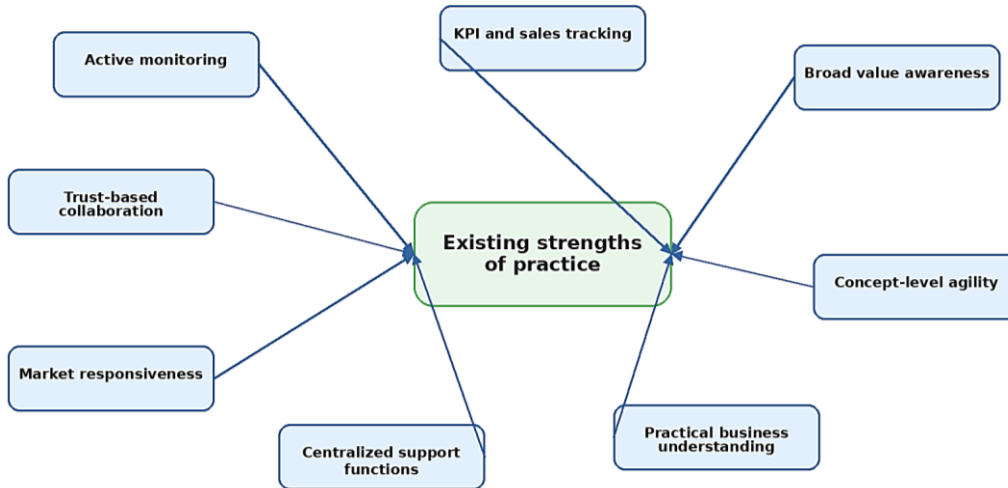


Figure 8. Current strengths of existing project-portfolio-management-related practice.

Figure 8 highlights that the case company already has several important foundations for stronger project-portfolio-management-related practice. These strengths include active monitoring, broad value awareness, practical concept-level knowledge, centralized support, and responsiveness to business and customer realities. The framework proposed later in the thesis should therefore build on these strengths rather than replace them.

One particularly important strength is the coexistence of the centralized support and local concept-level agility. Interviewee I01 emphasized the value of scale, centralized support functions, shared tools, and commercial oversight at wider organizational level. Interviewee I02 highlighted the agility, speed, flexibility, and trust as main strengths. Together, these findings suggest that the case organization already has a valuable combination of strategic direction and local responsiveness. The weakness is not the absence of capability, but the fact that these strengths are not yet fully connected through one single visible framework.

The findings also indicate that monitoring presence more strongly than earlier-stage initiative structuring. The organization appears to be effective on reviewing implemented initiatives and tracking performance, but less explicit in structuring how

initiatives are compared and prioritized before their implementation. This creates an important opportunity, that instead of building a completely new system, the case company could build on its existing monitoring strengths by linking them more clearly to earlier-stage initiative evaluation and future learning.

Overall, the empirical findings show that the case organization has many strong bases of the practice related to project portfolio management. The monitoring is active, value is recognized broadly but grounded commercially, and organization benefits from a combination of practical business understanding, agility, and concept level knowledge. This implies that development need is not replace the current practice, but the need to integrate these existing strengths more systematically, and consistently into the management of the development initiatives.

4.7 Main Weaknesses, Gaps, and Development Needs

Even though the empirical results indicate that the case organization already possesses a collection of portfolio-like practices, they also reveal important weaknesses and development needs. These weaknesses do not mean that the current management of the development initiatives is absent or ineffective in general. Instead, they show that current approach in organization heavily depending on embedded managerial routines, business discussion, and judgment, and without having a visible and shared consistent structure for initiatives are to be prioritized, reviewed, governance and learning across organizational levels. In this regard, the absence of the development activity is not the main gap, but the lack of a clear project portfolio management framework that would enable the current practices more transparent and systematic.

The first weakness is that the prioritization logic is not visible clearly. The above findings indicated that in practice initiatives are compared and selected, but the criteria of such selections are not yet expressed as a clearly shared and visible basis for decision making across levels. Group-level and concept-level actors refer to business value, strategic fit,

timing, and feasibility, but the logic remains partly implicit. This leads to a risk that different actors may have different priorities when multiple initiatives compete for limited resources and attention.

The second weakness is related to cross-level governance consistency. Governance is functional in the case organization but partly transparent across organizational levels. Group level decision making is be relatively structures and based on review, while the business unit level governance is more agile, discussion and trust based. This balance has a clear strength, particularly in the hospitality sector where the speed and flexibility are valuable. However, it also implies that there is not always clear and consistent logic of responsibilities, review points, and escalation.

The third weakness is related to the flow of information and communication. Interviewees indicate that it is not sufficient for managers to decide initiative, but the challenge is also that to ensure the correct information received by the right people in time and in a usable forms well as to the frontline staffs at the appropriate time and in a way that can be used into practice. This is especially important in the hospitality sector where the implementation process involves restaurant managers and frontline staff, weak communication can reduce the practical quality of otherwise reasonable initiatives.

Fourth weakness is concerns the partly reactive nature of development activity. Some of the initiatives begin when the business performance is weakens or when a problem becomes visible, rather than through a more proactive and systematically structured review of development priorities. This reactive orientation is relevant in a hospitality environment, but it may impact on long-term coherence in development decision-making.

The fifth weakness is concerns to the balance between strategic ambition and operational feasibility. The findings suggest that development initiatives are more often expected to achieve the broader goals, but are still limited by staffing, training, time

pressure, workload, and service continuity. These considerations are clearly recognized in practice, but they are not yet evaluated through a sufficiently visible and shared step in the process.

Figure 9 summarizes the main weaknesses, gaps, and development needs identified from the empirical findings.

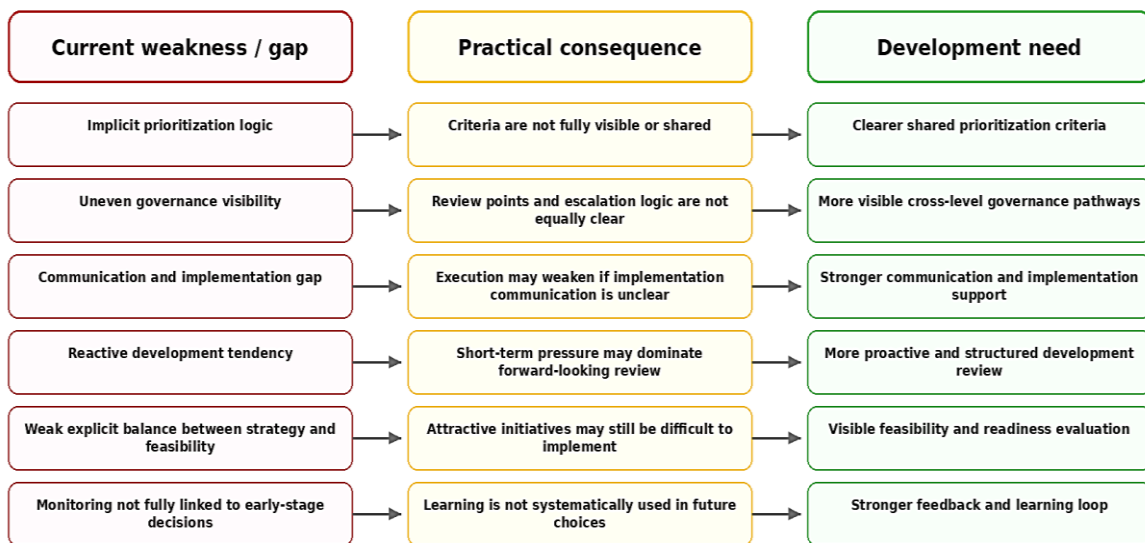


Figure 9. Main weaknesses, gaps, and development needs in the current practice.

Figure 9 shows that the main weaknesses in the case organization do not concern the absence of development initiative management itself. Rather, the gaps related towards visibility, consistency, communication, feasibility, and the integration of learning into future decisions. These findings provide the direct empirical basis for the proposed project portfolio management framework presented in Chapter 5.

The sixth weakness concerned with the application of the existing monitoring strengths in the early stages of the decision process. The previous section demonstrated that monitoring is already relatively strong. However, these strengths are not yet effectively connected with the process of selection, prioritization, and future panning of initiatives in a clear systematic way. As a result, the organization appears to be more effective in

reviewing the implemented initiatives rather than future initiative decisions based on that learning.

Table 6 summarizes the main improvement needs derived from the empirical findings and shows how the identified weaknesses point toward specific development implications.

Table 6. Improvement needs derived from empirical findings.

Identified gap	Evidence from findings	Why it matters	Improvement implication
Prioritization criteria are not fully explicit	Initiatives are compared in practice, but selection is mainly based on managerial discussion, commercial reasoning, and practical judgment	Limited visibility of criteria may reduce consistency and transparency across organizational levels	Introduce a clearer shared set of prioritization criteria
Governance visibility is uneven across levels	Governance is layered and functional, but roles, review points, and escalation logic are not always equally clear	Unclear governance may create inconsistency in review and decision-making	Clarify governance roles, review pathways, and decision responsibilities
Communication into implementation needs strengthening	Interview findings indicate that initiative decisions do not automatically translate into clear practical implementation at restaurant level	Weak communication can reduce implementation quality and practical usefulness of otherwise good initiatives	Strengthen implementation planning and communication support
Development activity is partly reactive	Some initiatives begin when something is wrong, such as weak sales or performance issues, rather than through a clearly forward-looking portfolio view	Reactive development may reduce long-term prioritization and proactive concept development	Create more proactive review of development priorities and opportunities
Strategic ambition and operational feasibility are not balanced explicitly enough	Interviewees emphasized that initiatives must be realistic regarding staffing, training, timing, and service continuity	Strategically attractive initiatives may still fail or create pressure if practical readiness is not assessed clearly	Include visible feasibility and implementation-readiness assessment

Monitoring is stronger than early-stage decision structuring	The case organization actively uses KPI follow-up, sales tracking, and feedback, but these strengths are not fully linked to earlier prioritization and screening stages	Learning from past initiatives may not systematically improve future initiative choices	Link monitoring and learning more clearly to future selection and prioritization
Portfolio-related practices remain fragmented	Several useful practices exist, but they are embedded in routines rather than integrated into one visible framework	Fragmentation limits visibility, consistency, and cross-level integration	Develop a light, integrated, and context-sensitive framework

Table 6 shows that the development needs in the case company concern visibility, consistency, feasibility, communication, and learning rather than the complete absence of initiative-management practices. This supports the conclusion that the organization would benefit more from a light and integrative framework than from a heavily formalized system.

Taken together, the empirical findings indicate that the case organization already possesses many important building blocks required for project portfolio management such as alignment, selection, monitoring and governance practices. However, this element appears to be fragmented and insufficiently integrated. This seems to be the main empirical gap that the study determined. The main empirical development need is therefore to make current practices more explicit, more coherent, and more systematically connected throughout the initiative lifecycle.

4.8 Summary of Key Findings

This section synthesizes the main empirical findings of the study.

Figure 10 shows a current-state synthesis of project-portfolio-management-related practices in the case company.

Analytical dimension	Present / relatively strong	Present but implicit / partial	Weak / not clearly structured
Strategic alignment	–	Linked to goals, but mostly implicit	–
Initiative identification	Ideas emerge from multiple sources	–	–
Selection and prioritization	–	Comparative logic exists, but criteria are not fully shared	–
Governance	–	Layered and functional, but unevenly visible	–
Risk and uncertainty consideration	–	Recognized pragmatically, but not through a visible mechanism	–
Monitoring and learning	Monitoring relatively strong	Learning loop still partial	–
Portfolio-level integration	–	–	No fully visible shared framework linking all dimensions

Figure 10. Current-state synthesis of project-portfolio-management-related practices in the case company.

Figure 10 shows that the case company already possesses several important portfolio-related practices, especially regarding initiative identification and monitoring. However, many of these practices remain implicit, fragmented, or unevenly visible across organizational levels. The weakest area is therefore not activity itself, but the lack of an integrated and clearly structured framework. This creates the direct need for the proposed framework presented in Chapter 5.

Overall, the empirical findings show that the case company already demonstrates several practices consistent with project portfolio management theory. Strategic alignment is present, but mostly implicit. Initiative identification and prioritization are active in practice, but the logic remains partly discussion-based and not fully visible as a shared system. Governance is layered and functional, but not equally transparent across organizational levels. Risk and uncertainty are clearly recognized but handled pragmatically rather than through a visible portfolio-level mechanism. Monitoring is relatively strong, and value is understood broadly in both commercial and non-financial terms.

To conclude this chapter, Table 7. compare the main literature-based expectations and the empirical findings of the study.

Table 7. Comparison between literature-based expectations and case findings.

Analytical dimension	Literature-based expectation	Empirical finding in the case company
Strategic alignment	Initiatives should support broader organizational goals and strategic direction.	Alignment is clearly present, but it is mostly implicit and embedded in business and concept routines rather than expressed through a visible formal portfolio mechanism.
Initiative identification, selection, and prioritization	Organizations should identify, compare, and prioritize initiatives through a structured and strategically informed logic.	The case company actively identifies and prioritizes initiatives, but the process remains partly discussion-based and the criteria are not fully visible as a shared system.
Governance and decision-making structures	Portfolio governance should clarify roles, review points, accountability, and decision pathways.	Governance is layered and functional in practice, but it is not equally explicit across organizational levels and remains partly implicit.
Risk, uncertainty, and feasibility	Portfolio-level management should consider uncertainty, interdependence, and feasibility across multiple initiatives.	Uncertainty and feasibility are recognized strongly in practice, especially through operational realism, but not yet through a clearly visible portfolio-level mechanism.
Monitoring and value	Portfolio management should include monitoring, adaptation, and broader value assessment beyond short-term financial metrics.	Monitoring is relatively strong, and value is understood broadly in commercial, customer-related, and concept-development terms.
Overall portfolio integration	PPM should connect strategic direction, prioritization, governance, feasibility, implementation, and learning into a coherent management logic.	The case company already demonstrates several portfolio-like practices, but they remain fragmented and insufficiently integrated into one clear and visible framework.

Table 7 confirms that the case company already demonstrates many practices that are consistent with project portfolio management theory, but these practices remain partly implicit and insufficiently integrated. This supports the development of a context-

sensitive framework that strengthens the visibility, consistency, and practical usability without imposing an unnecessarily rigid structure.

Overall, the empirical findings show that the case company already has meaningful portfolio-related practices, but these remain insufficiently integrated into one clear and visible framework. Chapter 5 therefore builds on these findings by presenting the proposed project portfolio management framework for the hospitality business unit.

5 Conclusions and Proposed Framework

5.1 Summary of the Study

This thesis examined how project portfolio management related practices can be assessed and developed in a hospitality business unit. The motivation behind the study was the observation of that project portfolio management has been widely discussed topic in the manufacturing, engineering, information technology, and research and development contexts, but its application in the hospitality sector is relatively underexplored, particularly at the business-unit level. The study therefore focused on Hanko Aasia within NoHo Partners as a case context in which multiple development initiatives exist, but where they are not managed through a fully formalized project portfolio management system.

The objective of the study was to assess the current practices of the project portfolio management in the context of a hospitality business unit and to develop a context sensitive framework enhancing those practices. Methodologically, the study applied a qualitative single case study design, that is supported by three semi-structured interviews representing group-level commercial and strategic, business-unit-level managerial and operational, and senior business leadership perspectives. Publicly available company material was used to support secondary data. The empirical material was analysed thematically, guided by the literature-based conceptual framework developed in Chapter 2.

The findings indicated that the case organization already possess several portfolio-like practices. Development initiatives are generally linked to business goals, concept direction, customer relevance, and business performance. Initiative identification, selection, and prioritization are clearly present in practice, but the underlying logic remains partly implicit and discussion-based rather than fully visible as a shared system. Governance is layered and functional, but its structure is not equally explicit across

organizational levels. Monitoring is relatively strong, and value is understood broadly in commercial, customer-related, and concept-development terms. At the same time, the study identified important development needs related to prioritization visibility, governance consistency, implementation communication, and the balance between strategic attractiveness and operational feasibility.

Overall, the study concludes that the case organization does not need a heavy formal portfolio bureaucracy. Rather, it would benefit from a lighter and context-sensitive framework that make the current initiative-management practices more explicit, more consistent, and more systematically connected across the initiative lifecycle.

5.2 Answers to the Research Questions

The study examined main research question of this study, that how project portfolio management-related practices can be assessed and developed in a hospitality business unit. The conclusion based on literature review and the empirical findings of the study, suggests that the project portfolio management in this context should be developed not by transferring a rigid portfolio model directly from more formalized industrial or technology-based setting, but by strengthening and integrating the practices that already exist in a way that fits the operational realities of a hospitality business unit. In the present case, the key development requirement is not the introduction of portfolio management from the beginning, but the creation of a clearer and more consistent structure that enhance the process of initiative prioritization, governance, feasibility review, implementation support, and learning.

Regarding the first sub-question, what are the current project-portfolio-management-related practices in the selected hospitality business unit, the study shows that the organization already carries out the several project portfolio management related activities in practices. Development initiatives are generated through multiple sources, such as business-performance reviews, customer and market signals, concept-

development needs, and managerial or operational ideas. These initiatives are discussed, compared, and filtered in relation to business goals, concept direction, expected value, customer relevance, timing, and practical feasibility. Governance is being practiced through a layered structure that combines concept-level decision-making with broader group-level and leadership review when needed. Monitoring is also active through business reviews, KPI follow-up, sales data, and customer-related feedback.

Regarding, the second sub-question, what are the main strengths, weaknesses, and gaps in these practices, study determines many important strengths. This includes strategic business awareness, practical concept level understanding, active monitoring, broad value recognition, and coexistence of centralized support with local agility. At the same time, study also identified some of the clear weaknesses and gaps. Governance is functional but visible partly in uneven manner across organizational levels. Communication into execution needs improvement. Development activity is partly reactive, and the balance between strategic ambition and operational feasibility is not assessed through the adequately visible shared mechanism. In addition, monitoring has relatively strong presence, but learning from earlier initiatives is not yet completely integrated for the earlier-stage selection and prioritization.

Regarding the third sub-question, what kind of project portfolio management framework would be appropriate for the selected hospitality business unit, the study suggests that the suitable framework would be light, practical and context sensitive. It should include make strategic priorities more transparent, provide a more visible initiative intake and screening logic, establish shared prioritization criteria, clarify governance roles and review points, include explicit feasibility, implementation and readiness assessment, strength communication into implementation, and connect monitoring systematically with learning and future decisions. Such a framework is precisely appropriate because it builds on the current strengths of case company's rather than replacing them with any highly bureaucratic system.

Overall, the answer to the research question demonstrated that the case organization already has a useful basis for project portfolio management practices. The major requirement is therefore to present all these existing practices more explicit, more integrated, and more consistently usable within the hospitality business-unit context.

5.3 Proposed Project Portfolio Management Framework for the Hospitality Business Unit

This section presents the proposed project portfolio management framework for the hospitality business unit. The framework is developed by the combination of the main literature-based dimensions of project portfolio management and the empirical findings of the case study. Its purpose is to provide a practical structure for managing development initiatives in a hospitality business unit where portfolio-like practices exist already but are partly implicit and fragmented. The framework is designed to improve strategic visibility, prioritization clarity, governance consistency, feasibility review, implementation support, and organizational learning without undermining the agility and practical responsiveness that are among the core strengths of the case context.

5.3.1 Purpose of the Proposed Framework

The purpose of the proposed framework is to organize and strengthen the existing practices related to development-initiative-management of the selected hospitality business unit in a more visible and consistent way. The empirical findings showed that the case organization already has several project-portfolio-management-related practices, including strategic alignment, initiative comparison, layered governance, active monitoring, and broad value awareness. However, they are not yet integrated into one shared and clearly structured framework. The proposed framework therefore does not aim to replace existing practices from the beginning, but to make it more explicit, more systematic, and easier to use across organizational levels.

More specifically, the framework mainly has three practical purposes. First, it aims to make the connection between the strategic direction and development initiatives more explicitly. Second objective is to improve the transparency and consistency of the initiative selection, prioritization and review. Third, it aims to strengthen the balance between strategic ambition and operational feasibility in a hospitality context where development work and continuous service delivery must carry out simultaneously. Overall, the framework responds directly to existing strength and development need of the case organization.

5.3.2 Design Principles of the Framework

The proposed framework is grounded in seven design principles interrelated to each other, that derived from the literature review and the empirical findings.

The first principle is the strategic alignment. The development initiatives should support the broader business goals, concept direction and customer-market positioning, rather than emerging only from isolated short-term pressures. This is a direct response to the empirical findings that alignment exists in practice but remains mostly implicit across organizational levels.

The second principle is practical prioritization. The findings revealed that the initiatives in organization already are compared and filtered in practice, but not under a fully visible single shared set of logical criteria. The framework therefore needs a practical and discussable basis for the comparison of initiatives without creating the unnecessary complexity.

The third principle is a light, but transparent governance. The case organization already shows a layered and functional governance, but roles, review points, and escalation logic are not always equally visible. The framework therefore should clarify governance pathways, with preserving the agility and responsiveness.

The fourth is operational feasibility principle. In hospitality industry, strategic or commercial attractiveness cannot be the only criteria used in evaluating development initiatives. They must also be practical regarding the reality of staffing, training, workload, service continuity, implementation readiness and timeliness.

The fifth principle is the broad value orientation. Initiative value should not be limited to the short-term financial returns only. It should also include customer relevancy, concept strength, operational effectiveness and long-term business positioning, along with being commercially grounded.

The sixth principle is continuous monitoring and learning. Portfolio management is not one time decision process, that should not end with implementation. The framework must include the review, adaptation and learning of the previous work, so that learning from the outcomes of earlier initiatives improve future decisions.

The seventh principle is context sensitive simplicity. The framework should efficiently improve the visibility and consistency, but without creating unnecessary bureaucratic system burden. This is especially significant in the hospitality business, where the operational intensity requires practical and flexible management arrangements.

The above design principles lead to the proposed project portfolio management framework for the hospitality business unit presented below in the Figure 11.

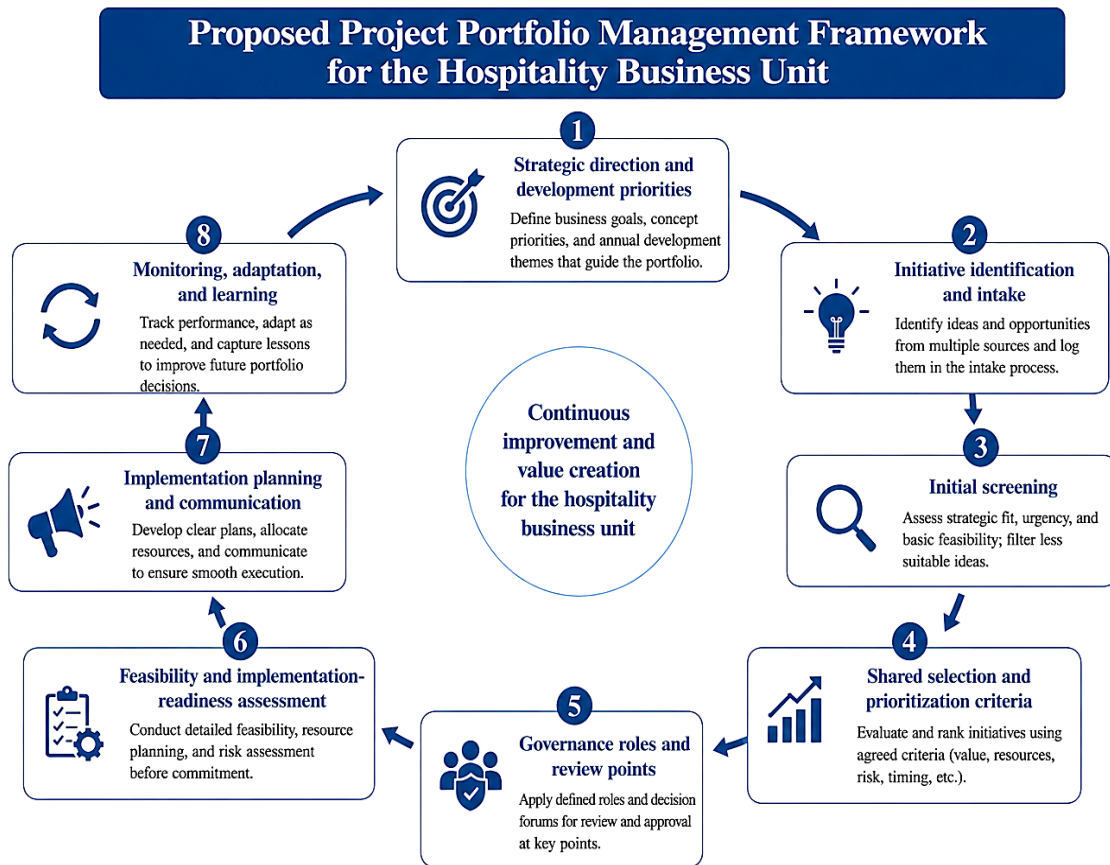


Figure 11. Proposed project portfolio management framework for the hospitality business unit.

The framework in Figure 11 presented a flexible cycle linking of the strategic direction, initiative intake, prioritization, governance, operational feasibility, implementation, monitoring and learning. The sub-section below discussed the components of framework in more detail.

5.3.3 Main Components of the Framework

The proposed framework constitutes of eight interconnected components that combinedly form a practical initiatives management cycle for the hospitality business unit.

The first component is the strategic direction and the annual development priorities. The framework begins by clarifying the most significant business-unit priorities for the

relevant period, such as growth objectives, concept development goals, customer-related priorities, and major operational or commercial areas of focus. This responds to the finding that strategic alignment exists in practice but is not always visible adequately as a shared basis for initiative decisions.

The second component is the initiative identification and intake. Development initiatives may arise from the different sources, including business performance issues, market indicators, customer needs, concept development work, managerial suggestions, and operational observations. The framework therefore facilitates the more visible intake stage that potentially relevant initiatives is captured in a more visible and consistent way than remaining dependent on ad hoc discussion alone.

The third component is initial screening. Any initiative before entering to the detail evaluation, it should be first screened against a few basic questions: Does it fit the concept and strategic priorities? Does it address a meaningful business or customer need? Is it sufficiently realistic to justify further discussion? This stage is intended to improve focus without blocking potentially useful ideas unnecessarily, and to prevent the wastage of time on initiatives that are evidently do not fall under the current priorities.

The fourth component is the shared selection and prioritization criteria. The empirical findings indicated that initiatives are already compared in practice, but through partly implicit logic. The framework therefore proposes practical set of shared criteria for comparing initiatives. According to the findings of this study, the most applicable criteria are:

- strategic fit
- expected business value
- customer relevance
- implementation impact
- operational feasibility
- timing or urgency

The purpose is not to create a heavy scoring model, rather to make the logic of prioritization more visible and discussable across levels.

The fifth component is the governance roles and review points. The framework clarifies that which initiatives can be handled at concept or business-unit level and which need wider cross-functional or senior leadership level review. This strength in maintaining transparency in decision making, together with preserving the layered and flexible governance structure that already exists in the case company.

The sixth component is the feasibility and implementation readiness assessment. Prior to the major initiative proceeds, the organization should explicitly assess the staffing, training needs, service continuity, timing and workload, broader implementation readiness. This component is especially significant in the hospitality because strategic attractiveness alone is not always enough if restaurants are practically not able to absorb and execute the change.

The seventh component is the implementation planning and communication. Once the initiative is approved, the framework needs basic implementation planning, what will be changed, who need to be informed, how communication will be delivered, what support materials are required and how the managers and staff will be prepared. This directly addresses communication and implementation weaknesses that were identified in the empirical findings.

The eighth component is monitoring, adaptation, and learning. After the implementation period, the initiatives should be reviewed by KPI follow up, sales results, customer feedback, campaign performance and managerial evaluation. The purpose is not only to assess whether an initiative has been executed successfully, but also to determine whether the initiative adjusted, continued, expanded or discontinued, as necessary. The resulting learning from the completed or ongoing initiatives should then be used on screening, prioritization and planning decision in future. In this way,

framework closes the loop of between implementation and in future management of initiative.

Take together, these eight components create a structured but flexible initiative-management cycle for hospitality business-unit. The framework begins with strategic priorities, captures and screens initiatives more visibly, compares them through practical criteria, clarifies governance roles, checks operational realism, supports implementation, and completes the cycle through monitoring and learning. The framework is therefore designed with aim to strengthen the current case practices rather than replacing them with a rigid external system.

The practical application of the framework to the case company is summarized in Table 8.

Table 8. Practical application of the proposed framework in the case company.

Framework component	Current issue in the case	Practical purpose	Expected benefit
Strategic direction and annual development priorities	Strategic alignment exists, but it is mainly implicit and not always equally visible across levels	Make development priorities clearer and more visible at the beginning of the initiative cycle	Stronger and more consistent link between business goals and development choices
Initiative identification and intake	Initiatives arise from multiple sources, but not through one visible intake logic	Capture development ideas more consistently and make initiative flow more visible	Better visibility of development opportunities and fewer overlooked ideas
Initial screening	Some initiatives move forward mainly through discussion without an explicit early filtering step	Check strategic fit, customer relevance, and basic realism before deeper evaluation	Better focus and less time spent on weak or unsuitable initiatives
Shared selection and prioritization criteria	Prioritization exists, but the logic is partly implicit and dependent on managerial judgment	Provide a visible shared basis for comparing initiatives	Greater transparency, consistency, and comparability in initiative decisions

Governance roles and review points	Governance is functional but partly unevenly visible across organizational levels	Clarify who is involved, when wider review is needed, and how decisions move across levels	Better cross-level coordination and clearer decision accountability
Feasibility and implementation-readiness evaluation	Operational feasibility is recognized in practice but not assessed through a visible shared step	Evaluate staffing, timing, training, workload, and service continuity before full approval	Fewer unrealistic initiatives and better balance between strategy and operational reality
Implementation planning and communication	Communication into implementation is not always sufficiently clear or structured	Define who needs to know what, when, and how the initiative should be supported in practice	Smoother implementation and stronger translation of decisions into action
Monitoring, review, and adaptation	Monitoring is already relatively strong, but it is not fully connected to a clear framework	Use KPI follow-up, sales tracking, feedback, and review as part of the framework cycle	Stronger evidence-based adaptation of initiatives after implementation
Feedback and learning for future decisions	Lessons from implemented initiatives are not yet fully integrated into earlier-stage decision logic	Feed monitoring insights back into future screening and prioritization	More systematic learning and better future decision quality

Table 8. demonstrates how each component of the proposed framework addresses a specific weakness or development need identified in the empirical analysis. In this way, the framework is directly connected to the case company context rather than presented as a generic external model.

5.4 Managerial Implications

The findings of the study have the several practical implications for the selected hospitality business unit and for other hospitality organizations that handle multiple development initiatives without a fully formalized project portfolio management system.

The first implication concerns the strategic clarity. The findings showed that development initiatives in the case company are generally linked business goals, concept

direction, and customer relevance, but the connection between them is not always visible evenly across organizational level. This would therefore benefit the managers by transforming the broader strategic priorities into clearer annual or periodic development priorities that can guide initiative discussions more explicitly.

The second implication is concerned with the transparency. The study indicated that comparing and filtering of initiatives are already in practice, but mostly through managerial discussion than any explicit logic. Managers would benefit with the use of shared set of the practical criteria such as strategic fit, expected business value, customer relevance, operational feasibility and timing. This would improve the visibility and consistency in decision-making without requiring any heavy formal scoring model.

The third implication related to the governance clarity. The empirical findings indicated that the governance is functional and layered in the case company, but not fully transparent across levels. A clearer definition of which initiatives can be managed at concept level, which require wider cross-functional review, and which should be escalated to broader leadership review would improve coordination between all levels and reduce ambiguity in decision-making.

The fourth implication concerned with the operational feasibility. The findings showed that the development initiatives in the hospitality industry cannot be evaluated only in terms of strategic or commercial attractiveness. They must also be realistic as far as staffing, training, workload, and service continuity is concerned. Managers would therefore benefit from introducing a more explicit feasibility check prior the implementation decisions get finalized.

The fifth implication is that concerned with communication and implementation support. The study showed that even though the initiatives decision is strong, there execution in practicality may get weaken if the communication into implementation remains insufficiently structured. Managers should therefore ensure that all the approved

initiatives are supported through clear communication, timing, role clarity, and practical guidance for restaurant-level execution.

The sixth implication is concerned with use of learning and monitoring. The case organization already demonstrated relatively strong monitoring practices through KPI follow-up, sales tracking, and managerial review. The managerial improvement opportunity is to enhance by connecting these strengths more systematically to earlier-stage initiative screening, prioritization, and future planning. In this way, monitoring not only remains as a review mechanism, but also emerge as a learning mechanism.

Overall, the managerial implication of the study is not that hospitality business units need a highly bureaucratic portfolio system. Rather, they would benefit from a lighter and more visible structure that strengthens prioritization, governance, feasibility assessment, communication, and learning along with preserving all the existing agility, responsiveness, and practical concept-level knowledge.

5.5 Theoretical Contribution of the Study

The study contributes to literature of project portfolio management by extending the discussion into a hospitality business-unit context. Much of the existing literature available has been focused in manufacturing, engineering, information technology, research and development and other relatively formalized project environments (Martinsuo, 2013). In contrast, the hospitality sector has remained less explored, although it also involves in managing multiple projects with strategic and operational consequences.

The first theoretical contribution of the study is that it shows that the portfolio-like practices can still exist even without a fully formalized project portfolio management system. The empirical findings indicated that the case organization already possesses the practices related to strategic alignment, initiative comparison, layered governance,

monitoring, and value-based consideration. However, these practices are embedded in within the existing managerial routines, rather than organised into distinct portfolio level system. This supports a more context-sensitive understanding of PPM as an organizational capability that may appear in different format depending on industry context and organizational reality.

The second contribution is that the study shows that the hospitality as a meaningful and distinct context where PPM research can be conducted. In the case context, the findings demonstrated that development initiatives are not influenced by strategy and expected business value, but shaped by the operational feasibility, services continuity, implementation readiness, staffing and customer-facing realities. This means that conventional PPM assumptions cannot be transferred directly without making any adaptation. The study therefore contributes to the literature by showing how portfolio-management-related practices must be interpreted differently in operationally intensive service environments.

The third contribution is that the study highlights the significance of business-unit-level analysis. Most of the literature on PPM discusses about portfolio management at broader corporate or innovation-system level. This study shows that the business-unit level is also relevant context theoretically because it is the level that directly intersect with the strategic aims, concept development, customer relevance, and operational realities all together. In this respect, the thesis contributes to a more deep-rooted understanding of how PPM-related practices function in practice.

The fourth contribution is that the study develops a context-sensitive conceptualization of PPM improvement in hospitality. Rather than proposing that hospitality organizations should adopt a heavy formal system, the study suggests that a lighter and more explicit framework may be more appropriate in settings where agility, practical knowledge, and operational responsiveness are already important strengths. This contributes to the

broader PPM literature by reinforcing the view that effective portfolio management is not only a matter of formalization, but also of contextual fit.

Overall, the theoretical contribution of the study is that it establishes the position of hospitality business units within the scope of project portfolio management research and demonstrates that how portfolio-related practices can be assessed and developed in a service-intensive and operationally embedded environment.

5.6 Limitations of the Study

Although this study provides valuable insights regarding the project portfolio management practices within a hospitality business unit, several limitations also must be acknowledged.

Firstly, the study is based on a single case study design. This enabled the study to examine project-portfolio-management-related practices in detail within the real organizational context, but it also means that the findings are context specific and cannot be generalized statistically to all hospitality organizations.

Second, the empirical material is based on three semi-structured interviews representing different organizational perspectives. Although, this provides the study a valuable cross-level insight, but the number of interviewees remains limited. The findings therefore reflect a focused managerial interpretation of existing practices rather than a fully detailed organizational view.

Third, the study relies mainly on the interview-based evidence and supported by the publicly available company material. As a result, the analysis is based on how interviewees described the current practices, rather than on the long-term observation of all internal decision-making routines and processes.

Lastly, the proposed framework was developed from literature and empirical findings, but it was not implemented and tested in practice within this timeframe of the thesis. For this reason, the study can propose a theoretically grounded and empirically informed framework but not yet evaluated its practical effects over time.

Despite these limitations, the study offers a useful and focused contribution by examining an underexplored context and by developing a context-sensitive framework for improving project-portfolio-management-related practices in a hospitality business unit.

5.7 Suggestions for Future Research

The study opens several directions for the future research.

First, the study could apply a multi-case design, comparing portfolio-related practices across several hospitality business units, concepts or companies. Such studies would help to identify whether the similar patterns related to project portfolio management practices appear across the different hospitality settings and how organizational context can shape portfolio-related practices.

Second, the future research could examine the practical implementation and use of the proposed framework over time. A longitudinal study would be especially valuable for examining whether the framework improves prioritization clarity, governance visibility, implementation coordination, and organizational learning in actual practice.

Third, future studies could further expand the analysis scope to other service-intensive sectors where development initiatives are highly embedded within daily operations. This would support on clarifying whether the context-sensitive interpretation of project portfolio management developed in this thesis is also relevant beyond hospitality.

Fourth, the future study could use the broader quantitative or mixed-method research approaches to assess how much portfolio-related practices are common in hospitality organizations and how they are related to outcomes such as strategic alignment, development effectiveness, and business performance.

Overall, future research should continue to examine project portfolio management not only in highly formalized project settings, but also in operationally intensive service environment where multiple development initiatives exist without necessarily being managed through a formalized portfolio system.

5.8 Conclusion

This thesis examined how project-portfolio-management-related practices can be assessed and developed in a hospitality business unit. The findings showed that the hospitality business units already demonstrated several in portfolio-like practices, such as strategic alignment, initiative comparison, layered governance, active monitoring, and broad value awareness. However, these practices remain partly implicit, fragmented, and unevenly visible across organizational levels.

The core conclusion of the research is therefore that the case organization does need to build project portfolio management from the beginning stage. Rather, it needs more explicit, and more systematically integrated structure that strengthens prioritization visibility, governance consistency, feasibility review, implementation support, and learning across the initiative lifecycle.

Based on the literature review and empirical findings, the study proposed a context-sensitive and practically based project portfolio management framework for improving development-initiative management in a hospitality business unit. The framework is designed in a way that fit into operationally intensive service environment by improving structure and visibility without undermining agility and practical responsiveness.

can offers meaningful value to a hospitality business unit as it can connect between strategy, initiative selection, governance, operational feasibility, and monitoring more clearly throughout the initiative lifecycle.

Overall, the study provides a practical contribution by offering a usable framework for hospitality business-unit development management and a theoretical contribution by extending project portfolio management discussion into a service-intensive business-unit context that was underexplored.

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Appendices

Appendix 1. Semi-Structured Interview Guide

This appendix presents the semi-structured interview guide used in the empirical part of the study. The interview guide was designed to help in exploring the existing practices of the development initiatives management of the case organization with particular focus on strategic alignment, selection and prioritization, governance, risk and uncertainty, value considerations and improvement need as far as the project portfolio management practices in a hospitality business unit is concerned. The questions were slightly adjusted in terms of wording, depending on the level of the organization the interviewee was representing, but, in all the interviews, the overall thematic structure of the questions was consistent.

The interview purpose was to find out how the development initiatives were identified, discussed, prioritized and managed within the business context and how the practices were linked to the broader strategic and managerial objectives. The interview was conducted confidentially. The participant names were anonymized in the thesis but their organization positions could be mentioned where relevant analytically. The interviews material used entirely for the academic research purpose only. No wrong or right answers were assumed, and the objective was to capture the perspective and experience of the participant, as accurately and comprehensively as possible.

Background questions

- Could you briefly describe your role and main responsibilities in the organization?
- How does your role connect to development initiatives, business changes, or decision-making related to new ideas and improvements?
- In your view, what kinds of development initiatives are most important for a business unit such as Hanko Aasia?

- What kinds of changes, improvements, or initiatives usually receive managerial attention in practice?
- Are these initiatives usually seen as separate projects, operational improvements, or something in between?
- How do potentially important initiatives usually emerge in practice?
- How do you usually decide which initiatives are worth moving forward?
- When many possible ideas exist at the same time, how do you decide which ones are more important than others?
- What kinds of criteria are usually considered when deciding whether an initiative should proceed?
- In your view, how clear or explicit is the prioritization logic in practice?
- How closely should development initiatives support the broader strategy or business goals?
- In practice, how clearly do you think strategy is visible in these decisions?
- Are there situations where short-term operational pressures override longer-term strategic priorities?
- How do you see the relationship between concept development, commercial performance, and strategic direction?
- Who are usually the key people involved when important development decisions are made?
- How formal or informal is this decision-making process in your experience?
- At what stage are different functions or decision-makers typically involved?
- How clearly are roles and responsibilities understood when initiatives are being discussed or implemented?
- Are there any challenges related to communication, coordination, or visibility between different organizational levels?
- What are the biggest challenges when trying to balance daily business needs with longer-term development initiatives?
- What kinds of risks or uncertainties do you think are most important when deciding on new initiatives?

- How often do time, resource, procurement, supplier, implementation, or operational feasibility issues affect whether an initiative is realistic?
- In your opinion, are practical feasibility issues considered clearly enough before decisions are made?
- Are there cases where a potentially good idea becomes difficult because of resource, timing, or implementation limitations?
- How do you usually judge whether an initiative is valuable for the business?
- Is value usually understood mainly in financial terms, or also in terms of concept development, customer experience, brand strength, learning, or longer-term positioning?
- How is the success of implemented initiatives typically monitored or reviewed?
- In your experience, are lessons from earlier initiatives systematically used in later decisions?
- In your opinion, what works well in the current way of handling development initiatives?
- What do you think is missing, unclear, or in need of improvement?
- If a more structured way of managing initiatives was developed, what should it include?
- What kind of framework or process would be realistic and useful in a hospitality business unit context?
- What advice would you give for improving future initiative decision-making in a way that is both practical and strategically useful?
- Is there anything else you would like to add regarding how development initiatives are currently managed or how they could be improved in the future?