
Making Sense of Contemporary Strategic Implementation: Towards A Conceptual Model

Alder Tsz Tan Lau
Logan Textiles Pty Ltd
Queensland, Australia

Abstract

Nowadays, demands on corporate strategists are increasingly heavy, as strategic implementation is becoming more complex in the real world. Therefore, there is a need to develop a conceptual model to integrate and make the theory of strategy implementation easier to understand and apply. Pettigrew's conceptual model represents three implementation levels at which top managers are required to operate: the context, content, and process of strategy implementation. Strategic managers need to understand why strategic decisions have been made in relation to the organizational context, both internal and external; what information, rationales, mechanisms and impacts are included in the strategic decision made; and how the decisions are reached and implemented.

Introduction

A study by Pettigrew of the context, content, and process of strategic change in Imperial Chemical Industries (ICI) in 1985 is presented. Pettigrew (1985) has suggested that organisational strategy be examined by dividing strategic aspects into categories of context, content and process. It provides a conceptual guide for implementing strategic change, which should be regarded as a continuous process occurring in given contexts. Appendix 1 demonstrates the three essential dimensions necessary to an understanding of strategic change, which aligns with Pettigrew and Whipp (1993) and De Wit and Meyer's (1994) rational systems thinking.

The model is multi-directional and represents three central aspects of strategy implementation. The implication of the pictorial presents that strategy change does not move forward in a linear direction, nor through easily identifiable sequential phases, it incorporates a multi-directional approach. (Pettigrew and Whipp, 1993) The purpose of this paper is to

develop a conceptual guide to help corporate strategists to integrate and make the theory of strategy implementation easier to understand and apply.

Context

Context is a type of situation of an organisation in terms of configuration. Although there are various kinds of organisations, they share a number of basic common characteristics. The context of organisations can be divided into two categories: internal context and external context. Internal context includes the organisation's structure, culture, distribution of power, skills base, internal resources and so on. External context includes wider elements of an organisation's environment such as the economic, legal, environmental and social context within which the organisation operates. If the external context is changing, then the internal context needs to respond concurrently. Chakravarthy (1987) suggests that the lack of fit between a strategic plan and its contexts could result in strategic plans tending not to be subjected to corrective action. Thus, different contexts do have different impacts on strategy implementation. Technology availability is one of the major factors to differentiate various contexts.

In another aspect, Mintzberg and Quinn (1998) claim that there are various internal contexts appropriate to manage strategies in terms of organisational configuration. Those contexts are entrepreneurial, mature, professional, innovative, diversified, and international. Appendix 2 summaries the overall configuration for these contexts.

Entrepreneurial Context Impact on Strategic Implementation

Many organisations seem to fit one context rather than another, whereas others may fit more than one context or do not fit any single context at all. The entrepreneurial has a simple structure, loose division of labour, and a small managerial hierarchy. Decision making is flexible and informal, with a highly centralised power system allowing for rapid response (Millett, 1998 and 1998(1); Mintzberg and Quinn, 1998). Leadership is creative, innovative, self-confident, and willing to take risks. It is determined by the personality perspective and vision of the entrepreneur, which aligns with Stumpf's (1992) life cycle perspective of entrepreneurship models. Although this type of leadership allows flexibility to elaborate and rework the vision when necessary, it also avoids or destroys the formalisation of strategic activities such as details strategy planning and implementation. Thus, an autocratic form of entrepreneurial

organisation appear. Formulation of strategy implementation must cope with the uncertainty and risk of that period of an entrepreneurship's development due to the undefined competitive and unsettled industry structure. (*Porter, 1980*)

Innovative Context Impact on Strategic Implementation

Implementation of the innovative project is difficult to control, because no marketing information system can be relied upon to provide complete and unambiguous results. (*Mintzberg and Quinn, 1998*) Thus, an innovative organisation cannot pre-determine precise patterns in its activities and then impose them on its work through implementation planning process. Therefore, a strategy implementation plan cannot be extensively relied upon in these organisations. A strategy may fail in practice, if the design of the organisation context is inappropriate for effective implementation and control of the strategy. (*Jocumsen, 1998*) Harper and Orville (1990) also claim that an organisation's strategy should be compatible with the internal structure of the business and its policies, procedures, and resources. Appendix 3 shows several internal factors that may impact on the implementation of strategy. The corporate strategies must be compatible with its internal structure, otherwise implementation and performance are constrained. Therefore, the strategy implementation must be carefully monitored to ensure that the project is completed according to specifications, on schedule and within budget.

Technological changes are true innovations and have placed the company as a market leader. Indeed, new technological change is a high expenditure project. Thus, most organisations tend to favour product modification or adaptation approaches.

Ethical Context

In addition, Viljoen (1994) identifies an extra context of strategic management, which is ethical context. He claims that the success of an organisation is measured in terms of its contribution to society. In fact, an organisation has ethical responsibilities towards its multiple stakeholders, such as employees, shareholders, financiers, customers, distributors, suppliers, competitors, government, local communities and society in general. Ultimately, every organisation should be operated under ethical context and governed by ethical standards.

With a clear understanding of and familiarisation with the organisation context, top managers can plan the most suitable actions and activities to ensure the success of strategy implementation, so that the organisational can operate more effectively.

Content

Before making any strategic decision for an organisation, it is essential to be thoroughly familiar with the context of the organisation, such as resources, structure, systems, people and history. (*Miles and Snow, 1984 cited in Viljoen, 1994*) With this understanding, top managers can make decisions on strategy content in terms of internal logic, and not just possess some external logic like market opportunities. The next phase of the conceptual model of strategic implementation is content.

Strategic Leadership

In analysing strategic management, the function of managers as organisational leaders need to be understood. Bass (1985) and Burns (1978) suggest the concept of transformational change in organisations is usually identified with leadership. Mullins (1996, p.246) claimed that leadership is "a relationship through which one person influences the behaviour or action of other people". With a shared strategic vision and commitment to that vision, people will motivate themselves to learn, (*Braham, 1995*) which also helps to identify the strategic objective to be accomplished by the organisation. Strategic leadership, to maintain the balance of the socio-technical system, will influence employees attitudes of behaviour and motivation, and thereby the level of organisational performance and strategy effectiveness. (*Beer, 1980; Mullins, 1996*) Leadership is one of the many factors which can impact upon the development and implementation of strategy.

Transformational Leadership Style

Strategy implementation is more likely to be effective with a participative style of managerial behaviour. If staff are kept fully informed of change proposals, they will be encouraged to adopt a positive attitude and have personal involvement in the implementation of the change; therefore there is a greater likelihood of their acceptance of the change. (*Dunphy and Stace, 1988; Reed and Buckley, 1988; Wallace and Ridgeway, 1996*) With the participative style of leadership, a significant advantage is

that once the change is accepted, it tends to be long lasting because each person tends to be more highly committed to its implementation. It encourages all level of managers to transform their own units in a way that is consistent with the vision and strategy. (Yukl, 1994) On the other hand, a disadvantage is that it tends to be slow and evolutionary. (Gray and Starke, 1988; Hersey and Blanchard, 1988) In certain situations, it may be necessary for management to make use of hierarchical authority and attempt to impose change through an autocratic style of behaviour. With the autocratic style of management, a major advantage is speed. The disadvantages of this strategy are that it tends to be volatile and result in animosity, because the autocratic leader is not usually concerned with employees attitudes toward the decision. (DuBrin, 1997; Hersey and Blanchard, 1988) An inappropriate leadership style will suffer strategies implementation. However, there is no single style of leadership appropriate to all situations.

Self Learning Leadership

One competency that seems increasingly important in strategic leadership is "self learning". (Yukl, 1994) Effective leaders are quick to adapt on the basis of their experience and learn from their day-to-day activities. Conversely, leaders fail not because they make mistakes, but because they fail to learn. Many organisations have not learned to apply different leadership styles for different purposes and this leads to internal friction and poor performance. Thus, making learning a priority, should define the concept of learning in the context of the organisation, followed by analysing the relevance of learning to the company's business strategy. The advantage gained from learning is that the organisation is able to quickly and effectively respond to opportunities and threats, and to satisfy customers' needs with new products and improved services. (Cravens, 1997) Learning seems to be a key element because the world changes in an unpredictable way, and indeed may continue to do so.

Process

After the analysis and discussion of various organisational context and strategy content issues, the final stage of the conceptual model of strategic implementation is process. Mintzberg (1989) claims that an understanding of the context of an organisation and the forces it is experiencing can lead to a greatly improved change in management. Management of strategic changes has been regarded as a core process in

strategy implementation, which is about the 'how' aspect of translating strategy into action. Millett (1998) differentiated the perspectives on strategic change in three ways; the logic of strategy implementation, the life cycles of organisations, and the core competencies involved in strategic change.

The Logic of Strategy Implementation

Johnson and Scholes (1997) view strategic change management as a set of logical processes. This prescriptive approach involves resource planning, organisational structure and design, and managing strategic change. The logic of implementation is designing structures with resources required which appropriates to carry through the strategy and using them as mechanisms of managing strategic change. (Millett, 1998) Implicitly, strategy implementation is regarded as a process underpinned by objective analysis and planning. This is the logical process that needs to be mapped out in order to identify and deal with problems proactively.

Managing Transformations and Transitions

The life cycles of organisations, and how change occurs at different points in time at different degrees of effort is, the question of managing transformations and transitions. Organisations go through transitions and transformations that require different tactics depending on their stage of development. (Millett, 1998) In reviewing the literature on strategic change, Lewin's Three-Step Model is a popular model to approach the management of strategic change. It is a programme of planned change and improved performance developed by 'Lewin'. It involves a three-phase process of behaviour modification: "unfreezing, movement and refreezing". (DuBrin, 1997; King and Anderson, 1995; Robbins, 1998) French, Kast and Rosenzweig (1985) also list eight specific components of a planned change effort related to the process of Three-Step Model. See Appendix 4. Once the strategic change has been implemented and it is to be successful, the new situation needs to be refrozen so that it can be sustained over time.

Resistance to Change

One of the major findings of strategic change is the resistance to change at both the individual and the organisation level. Only the individual level is discussed in the followings. Individual resistance to change resides in basic human characteristics, such as perceptions, personalities, needs, habit, security, fear and economic factors. (Robbins, 1998; Mullins, 1996;

Stanislao and Stanislao 1983) Implicit resistance efforts are more subtle and hence more difficult to recognize, such as loss of motivation to work. Employees' attitudes and motivation to organisational change should not be neglected.

Case Study

With one of the major textiles company in Queensland, an open-end survey was formed to collect data about the attitude and motivation of employees to the implementation of the new dyehouse. The survey was conducted with a random sample of 30 employees from the total population of 92 employees. Those samples were selected from the employees' numbers, by using a random table, so that no bias was included resulting from larger numbers of responses from disaffected departments. A copy of the survey is attached in Appendix 5. The objective of the survey was to determine whether employees were resistant or motivated to accept change due to the implementation of strategy. The response rate was 93 percent. See Appendix 6 for the summary of the results. Nineteen employees responded as resistant to change, which represents 63 percent of the total population. Of those employees sampled, 7 percent did not respond and 7 percent were neutral. On the last open-ended question of the survey, the majority expressed that they would like to attend a formal training course for the operation of the dyeing facility. The results indicated that most of the employees were resistant to the implementation and were neither motivated nor committed to achieve organisational goals.

According to Lewin's Three-Step Model, 'unfreezing' the pressure of resistance of change is necessary. A training program should be developed to help people become familiar with new equipment and procedures, and to deal with any anxieties they might feel. Once the change has been implemented and to be successful, the new situation needs to be 'refrozen', such as follow-up and assessing the consequences of change, so that it can be sustained over time. The objective of 'refreezing' is to stabilize the new situation by balancing the driving and restraining forces. Employees attitude and motivation to strategy implementation should not be neglected, it may cause the implementation to fail.

Implementation Failure

Most companies' strategies are burdened with undue complexity. They are bogged down in principles that produce similar response to

competition. Therefore, problems often occur during implementation and may affect how fast and how well plans are put into action. Examples include competitors actions, internal resistance between departments, loss of key personnel, inadequate leadership and employees training, unclear statement of overall goals, delays affecting product availability, changes in the business environment, and lack of innovation of organisations in parallel with the technological dimension. (*Alexander, 1985; Bessant and Buckingham, 1993; Cravens, 1997; Kotler, 1997*) There are numerous reasons which contribute to implementation failure. Those reasons for failure may be outside managerial control, but in other instances they may well fall under management's responsibility due entirely to poor planning and implementation. (*Jocumsen, 1998*)

Developing Core Competencies through Organisational Learning

The final approach emphasises the importance of core competencies. Strategic learning is a significant core competence because organisational learning and knowledge management are significant aspects of developing competitive advantage. (*Millett, 1998*) "Core competencies are the collective learning in the organisation". (*Prahalad and Hamel, 1990, p.82*) Moreover, Rosenblum (*1994, p.28*) emphasizes that "learning is a strategic competency of our firm ... we saw it as a basis for the evolution of our business". Generally, learning is regarded as critical to enhance and realise the value creating potential of an organisation in order to develop core competencies. Such core competencies offer the organisation the potential to compete in different markets, provide significant value to end-user customers, and create barriers to competitor duplication. A learning organisation is committed to continual improvement of every facet of itself in terms of its products and services in order to differentiate itself from its competitors. Employees evolve and grow in the process transforming the organisation, and the organisation learns from them about efficiency, quality improvement and innovation. With employees empowered to make more decisions, they need to understand those decisions in the overall context of the organisation. (*Braham, 1995*)

Level of Learning

Viljoen (*1994*) identifies that most organisations are characterised by three levels of learning experience: the external environment, internal environment and the personal management related capacity. Rigid hierarchical levels and functional divisions are major causes of inflexibility

and, hence, adapt to changes very slowly. By contrast, the learning organisation is able to operate at all three levels simultaneously. Such organisations are created where leaders encourage, recognise and reward openness, holistic thinking, creativity, critical self awareness and empathy. (McGill, Slocum and Lei, 1992)

Multiple Theoretical Interrelationships

To sum up, context, content and process are interrelated to each other. Boal and Bryson (1987) identify four theoretical models to represent interrelationships between contextual, process, and outcome variables. Those models are independent, intervening, moderating, and interaction effects. In the independent effects model, contextual and process have independent effects on outcomes. In the intervening effects model, contextual factors impact outcomes through their effects on process-related variables. In the moderating effects model, context moderates the effect of process on outcomes. Finally, in the interaction effects model, context and process jointly determine outcomes.

In another aspect, content and process tend to be referred to as formulation and implementation respectively. Majone and Wildavsky (1978) argue that formulation should be seen as part of implementation, rather than preceding implementation.

Generally, conceptualise context facilitates as the base of the strategy cone on which content and process of strategy exist concurrently, and is the dimension of strategy on which all other strategic activities are built on. The content of strategy involves the information gathered from organisation's context and the process involves organising the information, articulating and communicating the constructed rationale, and activating the anticipated plan.

In addition, Ketchen, Thomas and McDaniel's (1996) study was conducted to investigate the synergies between strategy process, content and context within which strategy is formed. Data was gathered via a questionnaire by 156 CEOs in public access hospitals. The results indicated that both process and content were significantly linked to organisation performance, and context was found to be an important moderator of these relationships. Pettigrew and Whipp (1991) also put emphasis on the overall coherence between process and content being a critical influence on organisational performance.

Conclusion and Implications

Three major levels of implementation at which top managers are required to operate are examined: context, content and process. Three perspectives on managing strategic changes have also been discussed: connecting to the logic of strategy, managing in the context of the firm's life cycles, and developing core competencies and capabilities to implement strategy.

Under dynamic conditions, strategy focuses on market growth and enhances organisational performance, but caution should be taken that top managers must match these actions with organisation context under specific strategic decision making processes. The content and process of a strategy are continuously and reciprocally influenced by the context of an organisation. In consideration of Viljoen's (1994) ethical context, ethical standards are becoming more important as criteria for assessing the performance of organisations and their employees.

With the literature review, there has been a lag between some of the theoretical developments and the practical implementation of successful strategy. In practical, there is also a considerable gap between the top managers' strategy knowledge and their ability to use the knowledge. They have particular perspective to occupy their organisation without adequately addressing the need for applicability in their business environment. Moreover, with Harper and Orville's model presented in Appendix 3, the organisational culture and human resources factors should also be added to the model because they have significant effects on the implementation of strategies and organisational change. There are numerous reasons, internally and externally, on impediments to successful implementation of strategies that can cause them to fail. Therefore, Pettigrew's (1985) conceptual model implies important guidelines, which can be adopted by top managers in the improvement of the formulation and implementation of strategic decisions. The ICI study has also demonstrated a link between environmental change and pressure and internal strategic change. (Pettigrew, 1987) The model in Appendix 1 can be used as a general conceptual model and analytical tool for making sense of contemporary strategic implementation. Organisations and individuals that are able to learn with the greatest ease and speed will be most successful in the future.

References

- Alexander, L.D. (1985). "Successfully Implementing Strategic Decisions." Long Range Planning 18 no.3 : 91-97.
- Alreck, P.L. and Settle R.B. (1995). The Survey Research Handbook: Guideline and Strategies for Conducting a Survey. Burr Ridge: Irwin.
- Bass, B.M. (1985). Leadership and performance beyond expectations. New York: The Free Press.
- Beer, M. (1980). Organisation Change and Development: A System View. California: Goodyear Publishing Co. Inc.
- Bessant, J. and Buckingham J. (1993). "Innovation and Organisational Learning: The Case of Computer-Aided Production Management." British Journal of Management 4 (December) no.4: 219-234.
- Boal, K.B. and Bryson J.M. (1978). "Representation, Testing, and Policy Implications of Planning Processes." Strategic Management Journal 8: 211-231.
- Braham, B.J. (1995). Creating a Learning Organization: promoting Excellence Through Education. California: Crisp Publications.
- Burns, J.M. (1978). Leadership. New York: Harper and Row.
- Cravens, D.W. (1997). Strategic Marketing. 5th edition USA: Irwin.
- Chakravarthy, B.S. (1987). "On Tailoring a Strategic Planning System to Its Context: Some Empirical Evidence", Strategic Management Journal. 8 no.6: 517-534.
- De Wit, B. and Meyer R. (1994). Strategy Process, Content, Context: An International Perspective. St. Paul: West Publishing.
- DuBrin, A.J. (1997). Essentials of Management. Cincinnati: South-Western College Publishing.

-
- Dunphy, D.C. and Stace D.A. (1988). "Transformational and Coercive Strategies for Planned Organisational Change: Beyond the O.D. Model." Organisational Studies 9 no.3: 317-334.
 - Fink, A. (1995). The Survey Kit. California: Sage Publications.
 - French, W.L.; Kast F.E. and Rosenzweig J.E. (1985). Understanding Human Behaviour in Organisations. New York: Harper and Row, pp.569-70.
 - Gray, J.L. and Starke F.A. (1988). Organisational Behaviour: Concepts and Applications. 4th edition Columbus: Macmillan Publishing Company.
 - Harper, W.B.Jr. and Orville C.W.Jr. (1990). Marketing Management. Burr Ridge: Irwin.
 - Hersey, P. and Blanchard K.H. (1988). Management of Organisational Behaviour. 5th edition Englewood Cliffs: Prentice Hall.
 - Jocusen, G. (1998). Marketing Management. Toowoomba: University of Southern Queensland.
 - Johnson, G. and Scholes K. (1997). Exploring Corporate Strategy. 4th edition Europe: Prentice Hall.
 - Ketchen, D.J.Jr.; Thomas J.B. and McDaniel R.R. Jr. (1996). "Process, Content and Context: Synergistic Effect on Organisational Performance." Journal of Management 22 no.2: 231-258.
 - King, N. and Anderson N. (1995). Innovation and Change in Organisational. New York: Routledge.
 - Kotler, P. (1997). Marketing Management: Analysis, Planning, Implementation, and Control. 9th edition Upper Saddle River: Prentice Hall.
 - Majone, G. and Wildavsky A. (1978). "Implementation as Evolution." Policy Studies Review 12: 103-117.

-
- McGill, M.E.; Slocum J.W. and Lei D. (1992). "Management Practices in Learning Organisations." Organizational Dynamic. (Summer): 5-17.
 - Miles, R.E. and Snow C.C. (1984). "Fit, Failure and the Hall of Fame." California Review 26 cited in Viljoen, J. (1994). Strategic Management: Planning and Implementing Successful Corporate Strategies. 2nd edition South Melbourne: Longman, p.78.
 - Millett, B. (1998). Strategic Management. Toowoomba: University of Southern Queensland.
 - Millett, B. (1998) (1). "Understanding Organisations: The Basis for Managing Change." Australian Journal of Management and Organisational Behaviour, Draft.
 - Mintzberg H. (1989). "Beyond Configuration." cited in Mintzberg, H. and Quinn J.B. (1998). Readings in the Strategy Process. 3rd edition New Jersey: Prentice Hall, p.387.
 - Mintzberg, H. and Quinn J.B. (1998). Readings in the Strategy Process. 3rd edition New Jersey: Prentice Hall.
 - Mullins, L.J. (1996). Management and Organisational Behaviour. 4th edition London: Pitman Publishing.
 - Pettigrew, A. (1985). The Awakening Giant: Continuity and Change at ICI. Oxford: Basil Blackwell.
 - Pettigrew, A. (1987). "Context and Action in the Transformation of the Firm." Journal of Management Studies 24 no.6: 649-670.
 - Pettigrew, A. and Whipp R. (1991). Managing change for competitive success. Oxford: Basil Blackwell.
 - Pettigrew, A. and Whipp R. (1993). "Managing the Twin Processes of Competition and Change: The Role of Intangible Assets." Implementing Strategic Processes: Change, Learning and Co-operation. Oxford: Basil Blackwell.
 - Porter, M. (1980). Competitive Strategy: Techniques for Analyzing Industries and Competitors. New York: The Free Press.

- Prahalad, C.K. and Hamel G. (1990). "The Core Competence of the Corporation." Harvard Business Review 68 (May/June) no.3: 79-91.
- Reed, R. and Buckley M. (1988). "Strategic in Action – Techniques for Implementing Strategy." Long Range Planning 16 no.3: 73-81.
- Robbins, S.P. (1998). Organisational Behaviour: Concepts, Controversies, Applications. 8th edition New Jersey: Prentice Hall.
- Rosenblum, J. and Keller R.A. (1994). "Building a Learning Organisation at Coopers and Lybrand." Planning Review 22 (September/October) no.5: pp.28-31.
- Stanislao, J. and Stanislao B. C. (1983). "Dealing with Resistance to Change." Business Horizons (July/August): 74-78.
- Stumpf, S.A. (1992). "Career Goal: Entrepreneur?." International Journal of Career Management 4 no.2: 26-32.
- Viljoen, J. (1994). Strategic Management: Planning and Implementing Successful Corporate Strategies. 2nd edition South Melbourne: Longman.
- Wallace, B. and Ridgeway C. (1996). Leadership for Strategic Change. London: Institute of Personnel and Development.
- Yukl, (1994). "Strategic Leadership by Top Executives." Leadership in Organisations. 3rd edition New Jersey: Prentice Hall, pp.383-405.

Other source:

Survey of Employees attitude and motivation to the new Dyehouse. conducted on 6th November, 1998: Queensland Australia.