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Making Strategy Work: A Literature Review on the Factors influencing Strategy Implementation

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Abstract

Although numerous studies acknowledge that strategies frequently fail not because of inadequate strategy formulation, but because of insufficient implementation, strategy implementation has received less research attention than strategy formulation. In this study, we review the factors that enable or impede effective strategy implementation, and survey the state-of-the-art in this domain. We highlight how strategy implementation has been researched so far – and in which contexts – and how this field may be moved forward. As a result of our literature analysis, spanning the last twenty-four years, we find nine crucial factors for strategy implementation that are frequently discussed in the literature as well as two approaches of aggregating and relating relevant factors. We find several important research needs regarding these factors and outline how they could be addressed.

Keywords

Implementation factors, implementation phases, strategy communication, strategy implementation, strategy execution, strategic management

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1. Introduction

Although formulating a consistent strategy is a difficult task for any management team, making that strategy work – implementing it throughout the organization – is even more difficult (Hrebiniak, 2006). A myriad of factors can potentially affect the process by which strategic plans are turned into organizational action. Unlike strategy formulation, strategy implementation is often seen as something of a craft, rather than a science, and its research history has previously been described as fragmented and eclectic (Noble, 1999b). It is thus not surprising that, after a comprehensive strategy or single strategic decision has been formulated, significant difficulties usually arise during the subsequent implementation process. The best-formulated strategies may fail to produce superior performance for the firm if they are not successfully implemented, as Noble (1999b) notes. Results from several surveys have confirmed this view: An *Economist* survey found that a discouraging 57 percent of firms were unsuccessful at executing strategic initiatives over the past three years, according to a survey of 276 senior operating executives in 2004 (Allio, 2005). According to the *White Paper of Strategy Implementation of Chinese Corporations in 2006*, strategy implementation has become “the most significant management challenge which all kinds of corporations face at the moment”. The survey reported in that white paper indicates that 83 percent of the surveyed companies failed to implement their strategy smoothly, and only 17 percent felt that they had a consistent strategy implementation process.

It is thus obvious that strategy implementation is a key challenge for today’s organizations. There are many (soft, hard and mixed) factors that influence the success of strategy implementation, ranging from the people who communicate or implement the strategy to the systems or mechanisms in place for co-ordination and control. How can we better understand these issues and their importance for successful strategy implementation? In this article, we try to respond to this question by analyzing existing research on the *factors that influence strategy implementation*. We have conducted an analysis in the most widely used literature databases to identify key factors influencing the process of strategy implementation, to surface current areas of agreement and disagreement, as well as missing evidence and resulting future research needs. Our study also examines the ways in which strategy implementation has been researched so far, in terms of the applied research methods and the examined strategy contexts. It will consequently also reveal under-exploited methods or contexts.

The structure of this paper is as follows: First, we analyze definitions of strategy implementation and compare them with other synonymous and related terms

(in section 2). Then, we describe the methodology that we have used to conduct our literature review and define its scope (section 3). The next part of the article, section 4, contains the actual review of literature, focusing on the main results of prior studies. In that section we present a discussion of nine major factors that affect strategy implementation. Section four also contains a review of existing models and frameworks of strategy implementation. In the fifth section of the article, we discuss the implications of our findings as well as their limitations. We present a conceptual framework that organizes the current research findings. We also discuss directions for future research in the domain of strategy implementation and how they may be pursued. In the sixth and final section, we discuss the limitations of our own approach and summarize open research questions regarding strategy implementation that have surfaced at various points in our literature analysis.

2. Definitions of Strategy Implementation

There is little controversy regarding the labeling of the strategy implementation topic in the sixty articles that we have reviewed. Sashittal & Wilemon (1996) have pointed out that some terms synonymous with “implementation”, such as “execution”, and “actualization of goals” are often employed in the management literature, but are not frequently used by managers themselves.

As far as the terms ‘execution’ or ‘executing’ in the strategy context are concerned, most of the 60 articles in our literature review, use strategy implementation as a key word or as a part of the title and only very few use the term strategy execution. There are no articles differentiating strategy implementation from strategy execution in the 60 articles that we have reviewed, while some authors take strategy execution as an exact synonym of strategy implementation. Hrebiniak (2006) notes for example: “Formulating strategy is difficult. Making strategy work – executing or implementing it throughout the organization – is even more difficult”. Thompson & Strickland (2003) have stressed that the strategy-implementing / strategy-executing task is the most complicated and time-consuming part of strategic management (cited in Schaap, 2006). Consequently, we will not distinguish strategy implementation from execution. We will use the former term as the descriptive domain label, as it is more widely used in the relevant literature.

There is no universally accepted definition of “strategy implementation”. Nevertheless, we have been able to identify three distinct conceptions of the term: The first approach concentrates on a *process perspective* and takes strategy implementation as a sequence of carefully planned consecutive steps. The second approach treats strategy implementation as a series of more or less concerted (but

often parallel) actions and examines these actions from a *behavior perspective*. Some authors combine the process perspective and behavior or action perspective and form a third approach, which we label as a *hybrid perspective* (see Table I).

<i>Perspective</i>	<i>Definitions</i>
<i>Process perspective</i>	<p>Implementation is the <i>process</i> that turns plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plan's stated objectives. Kotler (1984) cited in Noble (1999b).</p> <p>Implementation was found to be a highly complex and interactive <i>process</i> with many variables impinging upon it – more of a 'spring' than a simple cascade. Many factors influence the flow and content of the 'spring' (Wernham, 1985).</p> <p>Strategy implementation is also portrayed as a lively <i>process</i> by which companies identify future opportunities. Reid (1989) cited in Schaap (2006).</p> <p>Strategy implementation may be viewed as a <i>process</i> inducing various forms of organizational learning, because both environmental threats and strategic responses are a prime trigger for organizational learning processes (Lehner, 2004).</p> <p>Implementation is a <i>process</i> that takes longer than formulation (Hrebiniak, 2006).</p> <p>Strategy implementation is an iterative <i>process</i> of implementing strategies, policies, programs and action plans that allows a firm to utilize its resources to take advantage of opportunities in the competitive environment (Harrington, 2006).</p>
<i>Behavior perspective</i>	<p>It is a series of decisions and resultant <i>actions</i> which commit resources to achieving intended outcomes. Grinyer & Spender (1979) cited in Wernham (1985).</p> <p>Implementation is a series of interventions concerning organizational structures, key personnel <i>actions</i>, and control systems designed to control performance with respect to desired ends. Hrebiniak & Joyce (1984) cited in Noble (1999b).</p> <p>Implementation designates the <i>managerial</i> interventions that align organizational <i>action</i> with strategic intention. Floyd & Wooldridge (1992a) cited in Noble (1999b).</p> <p>Implementation is the <i>actions</i> initiated within the organization and its relationships with external constituencies to realize the strategy. Varadarajan(1999) cited in Homburg & Krohmer & Workman (2004).</p> <p>Implementation is a hands-on operation and <i>action-oriented</i> human behavioral activity that calls for <i>executive leadership</i> and key <i>managerial</i> skills. Dekluyver & Pearce (2003) cited in Schaap (2006).</p> <p>Implementation is operationally defined as those <i>senior-level</i> leadership <i>behaviors</i> and <i>activities</i> that will transform a working plan into a concrete reality (Schaap, 2006).</p>
	Implementation is defined as "...the sum total of the <i>activities</i> and choices required

<i>Hybrid perspective</i>	<p>for the execution of a strategic plan...the <i>process</i> by which strategies and policies are put into action.” Wheelen & Hunger (1992) cited in Smith & Kofron (1996).</p> <p>In the instances where plans, strategies, technologies, or programs are markedly new to the firm, implementation appears to involve organizational design reconfiguration - i.e., a redesign of structure, systems, process, people, and rewards. Galbraith & Kazanjian (1988) cited in Sashittal & Wilemon (1996).</p> <p>In other instances, implementation is viewed as an <i>action-oriented process</i> that requires administration and control. Govindarajan (1988) cited in Sashittal & Wilemon (1996).</p> <p>Strategy execution is defined as the <i>step-by-step</i> implementation of the various <i>activities</i> that make up a formulated decision-making strategy. Strategy execution also can be treated as a <i>cognitive process</i> (Singh, 1998).</p>
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Table 1: Definitions of strategy implementation

Amidst the relative uniformity of the definitions compiled in table I, it is interesting to note that several definitions stress the role of top management (such as Schaap 2006 and other researchers cited there). Only a few definitions stress the external environment (such as Lehner, 2004, and Harrington, 2006). Surprisingly, not a single definition mentions the (non-managerial) *employees* and their crucial role in turning strategic plans into results.

Taking these prior definitions and considerations into account, we can define strategy implementation as a dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employees – affected by a number of interrelated internal and external factors – to turn strategic plans into reality in order to achieve strategic objectives.

3. Methodology

In order to identify the factors that enable or impede effective strategy implementation, we have analyzed relevant academic, peer reviewed journals (such as the Strategic Management Journal (ten articles), the Academy of Management Journal (five articles), the Journal of Management Studies (four articles), Long Range Planning, Journal of Management, Academy of Management Executive, Human Relations, Sloan Management Review, Journal of Marketing, etc.) using the literature databases of EBSCOhost, ProQuest ABI, Sciencedirect, JSTOR and Wiley Interscience.

We have used the following selection criteria to choose articles for inclusion in our analysis: First, we have selected articles which contain the keywords “strategy

implementation” or “strategy execution” or where the title includes one of these compound terms. From this, we have continued to identify further articles using the references sections of the previously retrieved articles. In this way, we have also included articles which treat strategy implementation as one of the major subjects even if their title or keywords did not include the terms strategy implementation or strategy execution. As a final selection criterion we have checked whether the articles explicitly discuss factors impeding or enabling strategy implementation success.

Based on the above criteria, we have selected 60 articles for inclusion in our review. Almost all of these (54 articles) are long research papers (i.e., longer than 10 pages), published in top journals in the fields of strategic management, organization studies, marketing (with regard to the implementation of marketing strategy) or management. In terms of time span, we have focused on articles from the last twenty-four years (in order to include also older seminal papers on the topic). The earliest article in our sample has been published in 1984, while the latest one is from 2007. More specifically, there are 13 papers from the 1980s’, 23 papers from 1990s’, and 24 papers from 2000 to 2007. There thus seems to be an increasing trend regarding the number of published studies in every period.

4. Literature Review

In this section, we will review the 60 identified studies and analyze their *research context*, their *main results*, *theoretical bases*, the *research methods* used as well as the *analytical techniques* employed. Examined *organizational levels* and *organizational types* are two elements of the research context. As the core of our literature review, the results section compiles nine factors that influence strategy implementation success, as well as several frameworks or models that aggregate or relate relevant factors to each other. We then briefly discuss the theoretical bases of the reviewed studies. Finally, the research methods and analytical techniques will be reviewed to see which methods are still underutilized in the context of strategy implementation.

4.1 Research Contexts

We classify research contexts into two dimensions: the examined *organizational levels* and the considered *organizational types*. Organizational levels designate the locus of strategizing, i.e., whether a study focuses on functional strategies (i.e., marketing, HR, R&D), SBU-level strategies or corporate strategies. Organizational types refer to the kind of organization that is studied, i.e., whether it is privately held or state-owned and whether its operating scope is regional or rather multinational.

Organizational Levels

In the context of strategy implementation research, five organizational levels can be distinguished. They are: *corporate level*, *strategic business unit (SBU) level*, *functional level*, *operational level* and *mixed levels* (such as corporate and SBU level, SBU and functional level, inter-functional levels, corporate-SBU-functional levels, etc.).

Surprisingly few researchers focus on the implementation of *corporate level* strategies, such as Wernham (1985) and Schmidt & Brauer (2006), while many examine *SBU level strategies* (Gupta & Govindarajan, 1984; White, 1986; Govindarajan, 1988; Govindarajan, 1989; Govindarajan & Fisher, 1990; Skivington & Daft, 1991; Roth & Schweiger & Morrison, 1991; Floyd & Wooldridge, 1992b; Waldersee & Sheather, 1996; Nilsson & Rapp, 1999; Chimhanzi & Morgan, 2005; Olson & Slater & Hult, 2005; Schaap, 2006; Brenes & Mena & Molina, 2007). The same holds true for functional strategies: We have found eight studies that focus on the implementation of such strategies, namely Rapert & Lynch & Suter (1996), Sashittal & Wilemon (1996), Piercy (1998), Noble (1999a), Noble & Mokwa (1999), Chimhanzi (2004), Qi (2005), Viseras & Baines & Sweeney (2005). Most of these studies, however, focus on *marketing strategy* (such as Sashittal & Wilemon, 1996; Piercy, 1998; Noble & Mokwa, 1999, Chimhanzi, 2004). There are few studies dedicated to the implementation of other functional strategies (this is clearly an area of future research). The only other study of functional strategy implementation that we have been able to identify is Viseras, Baines and Sweeney's study (2005) in the context of manufacturing strategies. This study focuses on the key success factors in the project management for the implementation of strategic manufacturing initiatives.

Few studies focus on the actual *operational level* of strategy implementation, such as Bantel (1997), Homburg & Krohmer & Workman (2004). Bantel (1997) analyzes the effects of two key aspects of product strategy (product leadership and product/market focus) on performance, and on two aspects of strategic implementation (stakeholder input and employee empowerment). This study also emphasizes the relationship between product strategy and several strategic implementation variables. Homburg, Krohmer & Workman (2004) point out that *market orientation* plays a key role for the successful implementation of a PPD (premium product differentiation) strategy.

There are some studies which cannot be classified into the above categories. Consequently, we classify them into a group called *mixed level studies*: Gupta (1987), Beer & Eisenstat (2000) and Hrebiniak (2006) have carried out research on corporate and SBU-level strategy. Walker and Ruekert (1987) analyze three levels of strategy –

corporate, SBU and functional. Higgins (2005) even focuses on four types of strategies: corporate, business, functional and process. Process strategies, the last type, normally cut across functions and are aimed at integrating organizational processes across the organization in order to make them more effective and more efficient. Slater and Olson (2001) analyze marketing's contribution to the implementation of business strategy. The mixed studies category also includes articles that focus on the role of project management for strategy implementation. Okumus (2001), for example, focuses on the implementation of a yield management project and a key client management project in two hotels. Peng and Litteljohn (2001) investigate three hotel chains implementing a strategic initiative on yield management. Grundy (1998) examines the synergies among project management and strategy implementation and reviews strategy tools that may help in project management.

Finally, there are many studies that are not sufficiently explicit regarding their scope concerning strategic levels. Examples of such ambiguous studies are Bourgeois III and Brodwin (1984), Nutt (1986, 1987, 1989), Noble (1999b), Lehner (2004), Higgins (2005), Harrington (2006), and Schaap (2006).

We can draw multiple conclusions based on our analysis of the treatment of organizational levels in prior studies of strategy implementation. We note that – among the five strategy levels – the SBU-level (14 articles), the functional- level (8 articles) and mixed levels (9 articles) have received more attention than the other two levels, corporate (2 articles) and operational (2 articles). Many studies (25 articles) do not even indicate at which level their discussion of strategy implementation is located.

Two calls to action result from these findings. First, the implementation of corporate strategies is an under-researched area (perhaps with the exception of post-merger integration research that we have excluded in our review) and should be given more research attention. Second, future strategy implementation research should pay attention to explicitly indicate the level of analysis. Within the functional level, another finding revealed that marketing is the prevailing domain, compared with other functional areas (such as manufacturing, R&D, HR, accounting etc.). In terms of promising future research on strategy implementation, we can observe that there are very few studies that have examined the inter-relationships of functional and business strategies. One such study focuses on marketing's contribution to the implementation of business strategy (Slater & Olson, 2001). Another study has examined the mutual influence of functional departments' relationships on strategies, which seems a highly relevant area to improve our understanding of strategy implementation: Chimhanzi (2004) has examined the impact of marketing and HR

interactions on marketing strategy implementation.

Organizational types

Organizational types, as stated earlier, refer to the characteristics of organizations: if they are private or state-owned, local or multinational.

As far as ownership forms are concerned, strategy implementation studies discuss both, state-owned and privately held companies. Wernham (1985), for example, explores the reality of strategy implementation in a U.K. nationalized company, British Telecom (BT). Alexander (1985) surveys 93 private sector firms through a questionnaire. Qi (2005) issues questionnaires to the head offices of 800 private companies in the UK. Noble's (1999a) study spans several types of organizations – a national airline, a major financial services firm, a leading packaged goods company, a provider of emergency fire and medical services, and a leading firm in the imaging technology industry. Some of the researched companies focus on their domestic markets, while others are multinational corporations. Rapert, Velliquette and Garretson's (2002) study on strategy implementation takes a nationwide sample of 1000 CEOs of general service hospitals, which are members of the American Hospital Association (AHA); Roth & Schweiger & Morrison (1991) and Kim & Mauborgne (1991, 1993) study global strategy; Okumus (2001) investigates two international hotel groups; Forman and Argenti (2005) select five multinational companies as samples, namely Accenture, Dell, FedEx, Johnson & Johnson, Sears.

In conclusion, the subjects of strategy implementation studies are not only state-owned corporations, but mostly private corporations, not only local firms but also multinational firms. However, there have been no studies *comparing* similarities and differences of strategy implementation among private corporations and state-owned corporations, or among local firms and multinational firms. We thus do not know which specific differences exist regarding strategy implementation in these various forms organizations. This clearly is another interesting avenue for future research.

4.2. Research Results

In our review of existing studies, we have found two types of strategy implementation studies: those highlighting the importance of individual factors for strategy implementation and those that emphasize the 'big picture' of how such factors interrelate and form a strategic implementation environment. In the first stream of research we have identified nine recurring, *individual factors* that influence strategy implementation. They are: the strategy formulation process, the strategy

executors (managers, employees), the organizational structure, the communication activities, the level of commitment for the strategy, the consensus regarding the strategy, the relationships among different units/departments and different strategy levels, the employed implementation tactics, and the administrative system in place. The second stream of research analyzes multiple factors together within a single (arguably comprehensive) *framework* or a model. Below, we first summarize the discourse on the nine individual factors and their impact on strategy implementation and then discuss the integrated frameworks and models.

4.2.1 Studies Focusing on Single Factors

Below we will summarize the research results regarding nine different factors that affect strategy implementation. These nine factors can be divided into soft, hard, and mixed factors. *Soft factors* (or people-oriented factors) include the people or executors of the strategy, the communication activities (incl. content and style issues) as well as the closely related implementation tactics, the consensus about and commitment to the strategy, while the *hard (or institutional) factors* include the organizational structure, the administrative systems. The way in which the strategy was developed and articulated (strategy formulation) contains hard and soft factors alike and is thus considered *a mixed factor*. Relationships among different units/departments and different strategy levels also is treated as a mixed factor. In the following paragraphs we first discuss the mixed factors, then the soft factors, and finally the hard factors affecting strategy implementation.

I. Strategy formulation

It is clear that a poor or vague strategy can limit implementation efforts dramatically. Good execution cannot overcome the shortcomings of a bad strategy or a poor strategic planning effort (Hrebiniak, 2006). Several studies mention the fact that the kind of strategy that is developed (Alexander, 1985; Allio, 2005) and the actual process of strategy formulation, namely, how a strategy is developed (Kim & Mauborgne, 1991, 1993; Singh, 1998) will influence the effect of implementation. Alexander (1985) believes that the need to start with a formulated strategy that involves a good idea or concept is mentioned most often in helping promote successful implementation. As Allio notes, good implementation naturally starts with good strategic input: the soup is only as good as the ingredients (Allio, 2005).

Whether a strategy itself is consistent and fitting or not is a key question for successful strategy implementation, but even a consistent strategy cannot be all things to all people. Bantel (1997) suggests that particular product/market strategies are effective at achieving particular performance goals to the exclusion of others. One of his conclusions is that synergies between strategy types and implementation

capabilities exist and should be exploited.

The central conclusion of the research of Kim & Mauborgne (1991) is that the *procedural justice* of the strategy formulation process ultimately affects the commitment, trust, and social harmony as well as the outcome satisfaction of managers in subsidiaries. Procedural justice provides a potentially useful but still unexplored way to mobilize a multinational's global network of subsidiaries. Kim & Mauborgne (1993) point out that a subsidiary's top managers want an open process, that is consistent and fair, and that allows for their input to be heard. In the presence of a so-called due (or open) process, subsidiary managers are motivated to implement global strategies. They feel a strong sense of organizational commitment, trust in head office management, and social harmony with their head office counterparts. In the absence of such a due and fair process, the effect may be the opposite from the intended one (ibid).

Singh (1998) discusses the specific *cognitive requirements* of the strategy implementation process and how they can be met with the help of software-based decision tools. The results indicate that computerized cognitive aids can successfully be designed into decision support systems (DSS) to support decision makers' strategy execution process and that such aids have a significant positive impact on both decision-making efficiency and effectiveness. In general, however, we can observe that the topic of DSS is much more strongly rooted in strategy formulation than in strategy implementation.

II. Relationships among different units/departments and different strategy levels

Several studies treat institutional relationships among different units/departments and different strategy levels as a significant factor that affects the outcome of strategy implementation (Walker & Ruekert, 1987; Gupta, 1987; Slater & Olson, 2001; Chimhanzi, 2004; Chimhanzi & Morgan, 2005). Walker & Ruekert (1987) divide business strategy behaviors into three types: prospectors, differentiated defenders and low cost defenders. These distinctions are based on the strategy categories introduced by Miles & Snow (1978; prospectors, defenders, analyzers, reactors) and by Porter (1980; overall cost leadership, differentiation and focus). Walker & Ruekert stipulate that corporate-business unit relationships, inter-functional structures and processes, marketing policies and processes may all significantly influence business strategy implementation. Three aspects of the corporate-business unit relationship are especially likely to affect a unit's success in implementing a particular strategy: *business unit autonomy, sharing programs and synergies across SBUs*, as well as *control and reward systems*. In addition, functional competencies, allocation of resources, decision-making participation and influence, inter-functional conflict and coordination may have vastly different effects on the implementation of

different kinds of strategies. Walker and Ruekert also assume that decision-making and coordination structures in the marketing department, and marketing policies and programs within the business unit, affect the performance of different business strategies in different ways.

Gupta (1987) classifies SBU's strategic contexts into two dimensions: *strategic mission* (such as a 'build' strategic mission and a 'harvest' strategic mission) and *competitive strategy* (such as differentiation and low cost). Gupta finds that mutual coordination, incentive systems and the level of decentralization between an SBU's general manager and his or her superior influence SBU effectiveness in strategy implementation. For SBUs trying to build market share or to pursue differentiation as a competitive strategy, openness in corporate-SBU relations and subjectivity in performance assessment were found to be positively associated with effectiveness. For SBUs trying to maximize short-term earnings or to pursue low cost as a competitive strategy, the corresponding association was found to be negative. In contrast, corporate-SBU decentralization emerged as positively associated with SBUs' effectiveness, irrespective of their strategic contexts; although SBU's competitive strategies moderated the magnitude of that association, their strategic missions did not.

Chimhanzi (2004) suggests that cross-unit working relationships have a key role to play in the successful implementation of marketing decisions. Implementation effectiveness is affected negatively by conflict and positively by communication and specifically, interpersonal, not written. In turn, these interdepartmental dynamics are affected by senior management support, joint reward systems, and informal integration. Chimhanzi (2004) also points out that the marketing and R&D interface remains the most extensively researched dyad within the specific context of the new product development (NPD) process. Chimhanzi provides a multitude of references to such studies in his 2004 article. Other relationships that have received empirical attention, albeit to a lesser extent, include marketing, and accounting, finance, manufacturing, engineering, quality, and sales. There are also those studies, according to Chimhanzi, that have not focused on dyadic and multiple relations, but rather on marketing as the only one of many departments within a network of relationships.

Chimhanzi & Morgan's (2005) findings indicate that firms devoting attention to the alignment of marketing and human resources are able to realize significantly greater successes in their strategy implementation. Specifically, these findings imply that marketing managers should seek to improve the relationship with their HR colleagues by emphasizing two of the process-based dimensions: joint reward systems and written communication.

The relationships between different strategy levels also reflect the effect of relationships among different cross-organizational levels on strategy implementation

(Slater & Olson, 2001). Slater & Olson's (2001) study illustrates the central role of marketing strategy in the business strategy dialogue. In this study the authors develop a taxonomy of marketing strategy types consisting of aggressive marketers, mass marketers, marketing minimizers, as well as value marketers. They observe that superior performance at the firm or SBU level was achieved when specific marketing strategy types were matched with four business strategy types, namely prospectors, analyzers, low cost defenders and differentiated defenders.

III. Executors

Executors are comprised of top management, middle management, lower management and non-management. Effectiveness of strategy implementation is, at least in part, affected by the quality of people involved in the process (Govindarajan, 1989). Here, quality refers to skills, attitudes, capabilities, experiences and other characteristics of people required by a specific task or position (Peng & Litteljohn, 2001). Viseras, Baines, and Sweeney (2005) group 36 key success factors into three research categories: people, organization, systems in the manufacturing environment. Their intriguing findings indicate that strategy implementation success depends crucially on the human or people side of project management, and less on organization and systems related factors. Similarly, Harrington (2006) finds that a higher level in total organizational involvement during strategy implementation had positive effects on the level of implementation success, firm profits and overall firm success. Next to these overall findings regarding the "who" of strategy implementation, we will now review the individual groups of strategy executors at different hierarchical levels.

Top management

Top management refers to senior-level leaders including presidents, owners, and other high ranking executives (CEO, CFO, COO etc.) and senior-level managers. Several researchers have emphasized the effect of top management on strategy implementation (Hrebiniak & Snow, 1982; Smith & Kofron, 1996; Schmidt & Brauer, 2006; Schaap, 2006). Most of them point out the important figurehead role of top management in the process of strategy implementation. Schmidt and Brauer (2006), for example, take the board as one of the key subjects of strategy implementation and discuss how to assess board effectiveness in guiding strategy execution. Hrebiniak and Snow (1982) find that the process of interaction and participation among the top management team typically leads to greater commitment to the firm's goals and strategies. This, in turn, serves to ensure the successful implementation of the firm's chosen strategy (cited in Dess & Priem, 1995). Smith and Kofron (1996) believe that top managers play a critical role in the implementation – not just the formulation – of

strategy. These studies tend to have a somewhat weak empirical (case) base for their prescriptive advice. Schaap (2006) had carried out an empirical study and has tested the following hypotheses: effective senior-level leadership behaviors will be directly related to successful strategy implementation. This hypothesis, however, has resulted in mixed support; those senior-level leaders who have been trained in or studied strategic planning and implementation are more likely to meet the performance targets set for the company. This hypothesis also resulted in a weak confirmation. More empirical research is needed to clarify the role of top management for strategy implementation.

Middle management

We can divide the viewpoints and approaches regarding middle management's effect on strategy implementation into three categories: The first one emphasizes the match of strategy and middle managers' leadership style (Gupta & Govindarajan, 1984; Guth & MacMillan, 1986; Govindarajan, 1989; Judge & Stahl, 1995; Heracleous, 2000). This viewpoint assumes that personality is the primary determinant of strategy implementation actions. The second perspective considers the effect of context on behavior (Waldersee & Sheather, 1996). The third one analyzes the impact of relationships between top management and middle management on strategy implementation (Wooldridge & Floyd, 1990, 1992b, 1997; Qi, 2005). Below, we briefly summarize the findings of these studies.

Gupta and Govindarajan (1984) point out that the greater the marketing and sales experience of middle managers, the greater their willingness to take risk, and the greater their tolerance for ambiguity. These personal factors contribute to the implementation effectiveness in the case of a 'build' strategy but hamper it in the case of a 'harvest' strategy for SBUs.

Govindarajan (1989) considers a more comprehensive set of managerial background and personality variables than Gupta and Govindarajan (1984). He analyzes the individual managerial characteristics (e.g., functional background, industry familiarity, locus of control, problem-solving style) and competitive strategy and finds that greater R&D experience and greater internal locus of control on the part of the SBU general manager contribute to implementation effectiveness in the case of a differentiation strategy followed by an SBUs, but hamper it for a low-cost strategy SBUs; general managers who have manufacturing experience and who are feeling types contribute to performance in the case of low-cost SBUs, but hamper performance for differentiation-strategy SBUs; experience in general management and industry familiarity are beneficial in a universalistic sense; experience in finance and accounting (surprisingly) has a negative effect on performance.

Guth and MacMillan (1986) find that the level of effort that an individual

manager will apply to the implementation of a particular strategy depends on his perception of his and the organization's potential to perform, and his perception of the likelihood that successful performance will lead to an outcome that he desires. Managers who believe their self-interest is being compromised can redirect a strategy, delay its implementation, reduce the quality of its implementation, or sabotage the effort by what Guth and Macmillan call "upward intervention". Upward intervention, in their conception, may include subversive behaviors such as verbal arguments, objecting memos, coalition formation, the deliberate creation of barriers to implementation, and even sabotage. Passive intervention can take the form of giving a strategy a low priority or taking too much time implementing strategic decisions, both of which can result in unnecessary delays and inhibit the implementation effort.

Judge and Stahl (1995) have set up a conceptual model of implementation effort by middle managers in a multinational context. They have refined Guth and MacMillan's (1986) insights by identifying the relative importance of the three determinants of implementation effort: perceived ability, perceived probability of success, and perceived consistency between personal goals and the strategic change goals. As a further extension of this theory, they found that the personal characteristics of the middle managers influence their perceptions. They have also found that national culture characteristics influence the perceptions of middle managers.

Heracleous (2000) also finds that if middle management do not think the strategy is the right one, or do not feel that they have the requisite skills to implement it, then they are likely to sabotage its implementation. He refers to groups within the organization who will inevitably disagree with the strategy. These groups may sabotage strategy implementation by deliberate actions or inactions, if implementing the strategy may reduce their power and influence. Thus, Heracleous also sees the perceived ability and perceived consistency between personal goals and the strategic change goals as the decisive 'soft' factor.

Walderssee & Sheather (1996) believe that the approach of matching strategy and managers' style ignores the causal role of the organizational context or the interaction of personality and context on implementation actions. It is widely accepted that different strategies need to be implemented in different ways. Their study demonstrates, at least in a laboratory setting, that strategy plays a significant role in shaping managers' intentions. Managers can alter their behaviors to suit different strategy situation.

There are also studies that have examined the ambiguous relationships between top management and middle management in the context of strategy implementation: On the one hand, middle managers expect direction and support from their top management. If they receive this guidance, then they will provide support for the strategy in return. One of the key factors determining their level of support is their

demographic situation (such as age, gender, educational background, and business experience) (Qi, 2005). On the other hand, top management should expect middle-level managers to question strategic decisions (Wooldridge & Floyd, 1990). Middle managers expect top management direction, but frequently feel that they are in a better position to start and evaluate alternative courses of action. Wooldridge & Floyd (1992b) consequently classify middle management involvement in strategy into four types: championing alternatives, synthesizing information, facilitating adaptability and implementing deliberate strategy. The first two represent upward forms of involvement, while the last two are downward forms. Floyd & Wooldridge (1997) investigate the relationships between middle managers' formal position, their strategic influence and organizational performance. Their findings suggest that managers with formal positions in boundary-spanning sub-units report higher levels of strategic influence activities than others; firm performance is associated with more uniform levels of downward strategic influence, and more varied levels of upward influence among middle management cohorts; middle managers' strategic influence arises from their ability to mediate between internal and external environments. In addition, positive effects on organizational performance appear to depend on whether the overall pattern of upward influence is conducive to shifts in the network centrality of individual managers, and whether the pattern of downward influence is consistent with an appropriate balance between the organization's need for control and flexibility (Floyd & Wooldridge, 1997, P465).

Lower management and non-management

Unfortunately, few authors study the impact of lower management and non-management on strategy implementation. Gronroos (1985) believes that an organization must first persuade its employees about the importance of the strategy before turning to customers (cited in: Rapert & Lynch & Suter, 1996).

Alexander (1985) suggests that there are many problems which over half of the corporations experienced frequently, such as the involved employees have insufficient capabilities to perform their jobs, lower-level employees are inadequately trained, and departmental managers provide inadequate leadership and direction. These three are the most frequent strategy implementation problems in relation to human resource. Line-level employees may use delay or prevent attempts toward change that they find particularly threatening or disagreeable. Nutt (1986) suggests that managerial tactics and leadership style can play a crucial role in overcoming the lower-level 'obstructionism' that is prevalent (to some degree) in many implementation efforts. Strategic decisions are nevertheless formulated by senior-level managers of the firm and then administratively imposed on lower-level management and non-management employees with little consideration of the resulting

functional-level perceptions (Nutt, 1987). If lower-level management and non-management personnel are not aware of the same information, or if information must pass through several (management) layers in the organization, consensus regarding that information may never come about. Thus, the lack of shared knowledge with lower-level management and non-management employees creates a barrier to successful strategy implementation (Noble, 1999b)

IV. Communication

Forman and Argenti (2005) rightly note that, “although an entire discipline is devoted to the study of organizational strategy, including strategy implementation, little attention has been given to the links between communication and strategy.” But Forman and Argenti also note that business communication researchers have become increasingly interested in the contribution of corporate communication to a company’s ability to create and disseminate its strategy in the last decade. However, very few authors have investigated the link between corporate communication and strategy, and – when they have – their focus has primarily been on how corporate communication affects the firm’s relationship with its various stakeholders. At least, numerous researchers have already emphasized the importance of communication for the process of strategy implementation (Alexander, 1985; Rapert & Wren, 1998; Peng & Litteljohn, 2001; Heide & Grønhaug & Johannessen, 2002; Rapert & Velliquette & Garretson, 2002; Forman & Argenti, 2005; Schaap, 2006). That research in this area is needed is emphasized by an older finding by Alexander from 1985: Based on interviews with 21 presidents and 25 governmental agency heads, Alexander (1985) points out that communication is mentioned more frequently than any other single item promoting successful strategy implementation. The content of such communications includes clearly explaining what new responsibilities, tasks, and duties need to be performed by the affected employees. It also includes the why behind changed job activities, and more fundamentally the reasons why the new strategic decision was made firstly.

Rapert and Wren (1998) find that organizations where employees have easy access to management through open and supportive communication climates tend to outperform those with more restrictive communication environments (cited in Rapert, Velliquette and Garretson, 2002).

Also the findings of Peng and Litteljohn (2001) show that effective communication is a key requirement for effective strategy implementation. Organizational communication plays an important role in training, knowledge dissemination and learning during the process of strategy implementation. In fact, communication is pervasive in every aspect of strategy implementation, as it relates in a complex way to organizing processes, organizational context and implementation

objectives which, in turn, have an effect on the process of implementation. Communication barriers are reported more frequently than any other type of barriers, such as organizational structure barriers, learning barriers, personnel management barriers, or cultural barriers. Heide, Grønhaug and Johannessen's (2002), for example, indicate that there are various types of communication problems (without specifying what they are). These communication issues may be influenced to some extent by the organizational structure. According to Heide, Grønhaug and Johannessen, they constitute the key barrier to the implementation of planned strategic activities. Rapert, Velliquette & Garretson (2002) state that communication and shared understandings play an important role in the implementation process. In particular, when vertical communication is frequent, strategic consensus (shared understanding about strategic priorities) is enhanced and an organization's performance improves. They explore vertical communication linkages as a means by which strategic consensus and performance can be enhanced.

The study of Schaap (2006), which was conducted in the casino industry within the state of Nevada, shows that over 38 percent of the senior-level leaders do not communicate the company's direction and business strategy to all of their subordinates. This study also reinforces findings that frequent communication up and down in organization enhances strategic consensus through the fostering of shared attitudes and values.

The corporate communication function is the department or unit whose purpose is facilitate strategy implementation through communication (Forman and Argenti, 2005). This department can also serve as the 'antenna' of an organization, receiving reactions from key constituencies to the strategy of the firm. Forman and Argenti (2005) find that the alignment between the corporate communication function and the strategic implementation process was particularly visible in those companies that were going through fundamental strategic change: "All of the firms studied were involved in significant efforts in internal communications and felt that IT was central to the success of the function, particularly in terms of implementing strategy and building reputation" (Forman and Argenti, 2005).

V. Implementation tactics

Nutt (1986, 1987, 1989), Bourgeois III & Brodwin (1984), Lehner (2004), Sashittal & Wilemon (1996), Akan & Allen & Helms & Spralls III (2006) research the effects of implementation tactics on strategy implementation. Nutt (1986) identified four types of implementation tactics used by managers in making planned changes by profiling 91 case studies: *intervention, participation, persuasion, and edict*. The study found a 100 percent success rate when key executives used an intervention tactic, but observed this tactic in less than 20 percent of the cases. Both the persuasion and

participation tactics had 75 percent success rates; persuasion had the highest frequency of use, 42 percent, and participation the lowest, 17 percent. Implementation by edict had a 43 percent success rate and a 23 percent frequency of use. Nutt (1987) explains the four tactics as follows: Intervention refers to strategy adjustments during the implementation stage by introducing new norms and practices. Participation consists of articulating strategic goals and nominating a task force that develops and proposes corresponding implementation options. Persuasion consists of the tactic of using the involved parties to convince employees about the decided course of actions. The main mechanism for implementation in the edicts tactics (that relies on power and is characterized by absence of participation) is the issuing of directives. In another study by Nutt (1987), intervention, participation, persuasion, and edict were found to describe over 90 percent of the tactics used by strategic managers. The analysis revealed that these four archetypical tactics were used almost exclusively. An 'interventionist' approach had the best results, but was used in only one case in five. 'Persuasion' and 'participation' were the next most effective tactics, whereas 'edict' was least effective one. Nutt (1989) set up a contingency framework that uses situational constraints, such as a manager's freedom to act and need for consultation. It was developed to select among tactics preferred by practitioners. Case studies of strategic planning were used to test the framework, finding that a high proportion of failures applied implementation tactics that differed from those recommended by the framework. A 94 percent success rate was observed when recommended tactics were used, compared to a 19 percent success rate when non-recommended tactics were used. The framework seems particularly useful in identifying conditions under which participation, persuasion and edict tactics could be profitably used.

Bourgeois III and Brodwin (1984) examine five process approaches used to advance strategy implementation: *Commander model*, *Change model*, *Collaborative model*, *Cultural model*, *Crescive model*. The first approach addresses strategic position only, and should guide the CEO in charting a firm's future. The CEO can use economic and competitive analyses to plan resource allocations to achieve his goals. The change model emphasizes how the organizational structure, incentive compensation, control systems and so forth can be used to facilitate the implementation of a strategy. The collaborative model concentrates on group decision-making at a senior level and involves top management in the formulation process to ensure commitment. The fourth approach tries to implement strategy through the use of a corporate culture. The final approach draws on managers' inclinations to want to develop new opportunities as see them in the course of their day-to-day management. The first three models assume implementation as after-the-fact. This implies that the number of strategy developers is few and that the

rest of the organization is somehow manipulated or cajoled into implementation. For the latter two models, most of the energy is used for strategy formulation and the strategy requires relatively little effort in its implementation.

Lehner (2004) takes implementation tactics as genuine organizational behavior based on the assumption that implementation in general is dependent on the environment, and various strategic and organizational variables. He views the study of Bourgeois III and Brodwin (1984) as the first attempt to explicitly link behavioral patterns to the context of strategic management. These patterns are referred to as implementation tactics. However, Lehner (2004) believes that Bourgeois III and Brodwin did not successfully link their concept of tactics to other conceptualizations of organizational behaviors, especially with regard to organizational leadership, nor did their framework lead to any empirical studies. On the basis of the study of Bourgeois and Brodwin (1984), Lehner (2004) proposes five implementation tactics: *command, change/politics, culture, collaboration and crecive/market*. Command and politics/change are both somewhat autocratic. They can be subsumed under the label “tell/sell” (a term borrowed from Locke/Latham, 1990 cited in Lehner, 2004). In contrast, both collaboration and the market as implementation tactics utilize participation to a high degree and in a way which gives subordinate groups a strong voice. It also gives them the possibility to influence the selected courses of action. Only culture as an implementation tactic remains as a single category, which forms an independent dimension by being close to transformational leadership (Bass, 1985, cited in Lehner 2004)

Sashittal & Wilemon (1996) take marketing implementation as their research focus. They point out that marketing requires frequent interactions with nearly all functional groups including R&D, engineering, manufacturing, sales and customer service in order to ensure smooth marketing implementation. Marketing professionals often use a variety of tactics to gain the cooperation of other groups: persuasion, team work, negotiation, commonality of goals, and total quality management methods.

Akan, Allen, Helms and Spralls III (2006) discuss four generic strategies (differentiation strategy, cost leadership strategy, focus/cost strategy, focus/differentiation strategy) and their respective key practices. A number of tactics are necessary to follow a given generic strategy:

- For a differentiation strategy, the tactics include: innovation in marketing technology and methods, fostering innovation and creativity and a focus on building high market share.
- The tactic that proved to be most critical for a cost leadership strategy is the minimization of distribution costs.

- Four tactics appear to be critical for organizations attempting a focus/low cost strategy: providing outstanding customer service; improving operational efficiency; controlling the quality of products or services; extensive training of front-line personnel.
- Focus/differentiation's tactics include: producing specialty products and services and producing products or services for high price market segments.

These are thus approaches where strategy implementation tactics are not viewed as generic recipes for implementation success, but rather as practices that are dependent on the kind of strategy that is implemented.

VI. Consensus

Many authors focus on the role of consensus for strategy implementation (Nielsen, 1983; Floyd & Wooldridge, 1992a; Dess & Priem, 1995; Rapert & Lynch & Suter, 1996; Noble, 1999b; Dooley & Fryxell & Judge, 2000). Nielsen (1983) contends that firms must achieve consensus both within and outside their organization in order to successfully implement business strategies (Noble, 1999b). The consensus about a company's strategy may differ across levels: If members of the organization are not aware of the same information, or if information passes through different layers in an organization, a lower level of consensus may result. This lack of shared understanding may create obstacles to successful strategy implementation (Noble, 1999b).

Floyd and Wooldridge (1992a) label the gulf between strategies conceived by top management and awareness at lower levels as "implementation gap". They define *strategic consensus* as the agreement among top, middle-, and operating-level managers on the fundamental priorities of the organization. Consensus, in their approach, has four levels: strong consensus, blind devotion, informed skepticism and weak consensus. Floyd and Wooldridge argue that strong consensus exists when managers have both, a common understanding of, and a common commitment to their strategy. If, however, managers are committed to something, but do not share an understanding what that "something" is (they are well-intentioned but ill-informed) blind devotion is the likely result. If, by contrast, managers share an understanding of their strategy, but are not really committed to it, they are well informed yet unwilling to act. Floyd and Wooldridge call this realistic condition 'informed skepticism'. Of course when neither shared understanding nor commitment is high, weak consensus is the likely result. Improving understanding and commitment can close this dangerous "implementation gap".

Dooley, Fryxell and Judge's (2000) findings show that decision consensus appears to result in subsequently higher levels of commitment to the strategic decision

among the members of the decision-making team. Moreover, this commitment, once engendered by consensus, is positively related to successful decision implementation. However their study was unable to confirm that decision commitment serves to speed up implementation. Quite to the contrary, their findings suggest that decision commitment appears to significantly slow down strategy implementation. They also find that strongly committed decision teams reported more effective implementation than did the less committed groups.

Dess and Priem (1995) define consensus as the level of agreement among the TMT or dominant coalition on factors such as goals, competitive methods, and perceptions of the environment. They view consensus as an outcome of the strategy-making process, and see consensus as critical in resolving differences, promoting a unified direction for the firm, increasing strategic commitment, and enhancing the successful implementation of a given strategy.

Rapert, Lynch and Suter (1996) treat consensus and commitment as two key strategic outcomes. Strategic consensus, as an outcome, refers to the degree to which the functional area believes that a chosen strategy is the most appropriate goal for their organization. *Strategic commitment* reflects the functional areas' identification with, involvement in, and dedication for strategic decisions (Wooldridge & Floyd, 1990, cited in Rapert, Lynch and Suter, 1996). While it closely parallels the concept of strategic consensus, it involves a deeper intimacy with the strategy. While strategic consensus reflects the belief that the strategy is the appropriate one to pursue, strategic commitment evaluates the depth of the willingness to expend effort and resources in pursuit of the strategy. Rapert et al. suggest that strategic decisions are often formulated by a team of top managers and then mandated to the rest of the organization, overlooking the importance of securing consensus with and commitment to the organizational strategy. The empirical study of Rapert et al. examines the importance of gaining strategic support at the marketing department level. The findings suggest organizations which achieve strategic consensus and commitment from the marketing department will benefit through greater functional and organizational performance.

VII. Commitment

Shared understanding without commitment may result in “counter effort” and negatively affect performance (Wooldridge & Floyd, 1989, cited in Rapert, Lynch and Suter, 1996). Some authors take shared understanding as a commitment. MacMillan & Guth (1985) and McDermott & Boyer (1999) all think that the shared understanding of middle management and those at the operational level to the top management team's strategic goals is of critical importance to effective implementation (Rapert & Velliquette & Garretson, 2002). Strategy implementation

efforts may fail if the strategy does not enjoy support and commitment by the majority of employees and middle management. This may be the case if they were not consulted during the development phase (Heracleous, 2000). Alexander (1985) thinks obtaining employee commitment and involvement can promote successful strategy implementation (on the basis of telephone interviews with CEOs). Some CEOs believe that one way to accomplish this is to involve employees and managers right from the start in the strategy formulation process. Involvement and commitment should also be developed and maintained throughout the implementation process. If middle and lower level managers and key subordinates are permitted to be involved with the detailed implementation planning, their commitment will be likely to increase.

Guth & MacMillan (1986) suggest that there are three fundamentally different sources of low to negative individual manager commitment to implementing a particular strategy: low perceived ability to perform successfully in implementing that strategy; low perceived probability that the proposed outcomes will result, even if individual performance is successful; low capacity of the outcome to satisfy individual goals/needs. Middle managers with low or negative commitment to the strategies formulated by senior management create significant obstacles to effective implementation.

Noble & Mokwa (1999) put forward three dimensions of commitment that emerged as central factors which directly influence strategic outcomes: organizational commitment, strategy commitment and role commitment. Organizational commitment is defined as the extent to which a person identifies with and works toward organization-related goals and values (e.g., Michaels et al., 1988, cited in Noble and Mokwa, 1999). Strategy commitment is defined as the extent to which a manager comprehends and supports the goals and objectives of a marketing strategy. Role commitment is defined as the extent to which a manager is determined to perform his individual implementation responsibilities well, regardless of his beliefs about the overall strategy. The primary dependent variable in Noble and Mokwa's (1999) study is implementation success, which they define as the extent to which an implementation effort is considered successful by the organization. At the individual level, role performance is a critical outcome which they define as the degree to which a manager achieves the goals and objectives of a particular role and facilitates the overall success of the implementation effort. Noble and Mokwa's findings suggest that an individual manager's implementation role performance will influence the overall success of the implementation effort. Both, strategy commitment and role commitment, were shown to influence role performance. However, the most commonly studied dimension, organizational commitment, showed no relationship to role performance in either of their samples. Their results highlight the complexity of

the commitment construct and stress that the study of commitment to an organization alone does not explain this complicated variable fully.

VIII. Organizational Structure

Factors relating to the organizational structure are the second most important implementation barrier according to Heide & Grønhaug & Johannessen's (2002) study. Drazin and Howard (1984) see a proper strategy-structure alignment as a necessary precursor to the successful implementation of new business strategies (Noble, 1999b). They point out that changes in the competitive environment require adjustments to the organizational structure. If a firm lags in making this realignment, it may exhibit poor performance and be at a serious competitive disadvantage. Gupta (1987) examines the relationships between SBUs' strategies, aspects of the corporate-SBU relationship, and implementation and finds that structures that are more decentralized produce higher levels of SBU effectiveness, regardless of the strategic context. Schaap (2006) also suggests that adjusting organizational structure according to perfect strategy can ensure successful strategy implementation.

Different strategy types have different requirements regarding an adequate organizational structure (e.g., White, 1986; Olson & Slater & Hult, 2005). White (1986) points out that the fit between business unit strategy and the internal organization of multi-business companies does have an effect on business unit performance. Specifically, business units with pure cost strategies experience higher ROI when they have low autonomy. Pure differentiation strategies benefit, in terms of sales growth, from strong functional coordination (with responsibility for key functions unified under the business unit manager). Similarly, the ROI of cost strategies is, on average, higher when some functional responsibilities are shared.

Olson, Slater and Hult (2005) identify a taxonomy comprised of four different combinations of structure/behavior types, which they label as: management dominant, customer-centric innovators, customer-centric cost controllers and middle ground. These alternative structure/behavior types are then matched with specific business strategies (i.e., Prospectors, Analyzers, Low Cost Defenders, Differentiated Defenders) in order to identify which combination (s) of structures and behaviors best serve to facilitate the process of implementing a specific strategy.

IX. Administrative Systems

Govindarajan (1988) suggests that few researchers have focused on the design of differentiated administrative systems that can facilitate the implementation of a variety of SBU strategies pursued by diversified corporations. There are three key administrative mechanisms that firms can use to cope with uncertainty in this context: design of organizational structure (*decentralization*), design of control systems

(*budget evaluative style*) and selection of managers (*locus of control*). Based on these distinctions, Govindarajan identified the following constellations: High managerial internal locus of control and low emphasis on meeting a budget are associated with high performance in SBUs employing a strategy of differentiation. Bivariate results did not provide support for the interaction between SBU strategy, decentralization, and effectiveness. When budget evaluative style, decentralization, and locus of control were aligned appropriately to meet the requirements of SBU strategy, superior performance occurred. This systems fit was quite strong among differentiation SBUs but not so strong among low-cost units.

On the basis of above research, Govindarajan and Fisher (1990) believe that executive leadership characteristics, structural variables, and control systems contribute differentially to the effectiveness of SBUs practicing differentiation and low-cost strategies. The specific findings can be summarized as follows: (1) SBUs practicing a low-cost strategy tend to have a high level of resource sharing. (2) Output control combined with high resource sharing is associated with increased effectiveness for low-cost SBUs. (3) No conclusions can be drawn about the optimal control system for low-cost SBUs with low levels of resource sharing, since very few SBUs studied here had that combination. (4) SBUs practicing a differentiation strategy in general have lower levels of resource sharing than low-cost SBUs. (5) Differentiation SBUs have a wider range of levels of resource sharing than low cost SBUs. (6) Behavior control is associated with increased effectiveness for differentiation SBUs with high resource sharing. (7) Output control is associated with increased effectiveness for differentiation SBUs with low resource sharing. (8) The highest effectiveness for differentiation SBUs occurs when behavior control is used in combination with high resource sharing (Govindarajan & Fisher, 1990, P279).

Roth, Schweiger & Morrison (1991) have different explanations regarding the content of administrative systems. Their study suggests that business units utilize three administrative mechanisms – formalization, integrating mechanisms, and centralization – to create operational capabilities of configuration, coordination, and managerial philosophy – to support the international strategy choice.

There also have some researches focusing on control systems which one of important ingredient of administrative systems (Drazin & Howard, 1984; Nilsson & Rapp, 1999). Drazin and Howard (1984) discuss about the role of formal control system in the process of strategy implementation, and suggest that the fluidity of control system contribute to strategy implementation (Noble, 1999b).

Nilsson and Rapp (1999) study a related question: how are control systems designed and used at the management and operational levels with respect to implementing a given business strategy? They have found that control systems at management and operational levels are based on different logics and should have a

different design. In addition, it is important to create a meaningful dialogue between the two organizational levels to facilitate the choice for a strategic orientation and its implementation.

We have now discussed nine key factors that can determine the success of strategy implementation. Of course this list cannot be comprehensive, as many other issues potentially affect strategy implementation. These other factors, however, are less mentioned or not analyzed in-depth, as many of them are also much harder to control or modify. These important other factors include *culture* (Heracleous, 2000; Heide & Grønhaug & Johannessen, 2002; Schaap, 2006), *firm size* (Harrington, 2006), the *external environment* (Alexander, 1985) or the general *market environment* (Wernham, 1985), the implementation *stages* (Wernham, 1985), internal *guidelines* (Alexander, 1985; Govindarajan & Fisher, 1990; Hrebiniak, 2006), the *power structure* (Hrebiniak, 2006), *material resources* (Wernham, 1985; Alexander, 1985), a company's *market orientation* (Homburg & Krohmer & Workman, 2004), and rewards or *incentives* (Schaap, 2006).

4.2.2 Studies Focusing on Multiple Related Factors

The studies reviewed in this section approach the factors that influence strategy implementation from a holistic or 'big picture' perspective. They do so in two distinct ways: either through the simple categorization of various factors into groups or categories (such as the studies of Skivington & Daft, 1991; Noble, 1999b; Noble & Mokwa, 1999; Beer & Eisenstat, 2000; Okumus, 2001), or by relating them in a (often graphic) framework (as in Noble, 1999a; Higgins, 2005; Qi, 2005; Brenes & Mena & Molina, 2007). Both kinds of studies are summarized below.

Both Skivington & Daft (1991) and Noble (1999b) classify implementation variables into two dimensions: *framework* and *process*, but with different content in their categories. Skivington and Daft (1991) stipulate two generic types of strategic decisions – low cost and differentiation – that need to be implemented through two organizational modalities, namely framework and process. An organization's framework is represented by its rules and resources. The organization's process is represented by interactions, meanings, and sanctions. Skivington and Daft's findings begin to bridge the gap empirically between framework and process views to capture the multidimensionality of business level strategy implementation. Their findings indicate that low cost and differentiation strategy implementation employ different variables, and that a specific pattern (or gestalt) of variables may exist for each type of strategy.

Based on the study of Skivington and Daft (1991), Noble (1999b) reviews strategy implementation research from a *structural view* (emphasizing organizational structure and control mechanisms) and an *interpersonal process view* (emphasizing strategic consensus, autonomous strategic behaviors, diffusion perspectives, leadership and implementation style, communication and interaction processes). Noble & Mokwa (1999) add a third view – the *individual-level processes view*, emphasizing cognition, organizational roles and commitment besides the structural and interpersonal process view.

Beer and Eisenstat (2000) examine 12 profiles in depth from 4 companies – 10 for business units and 2 for corporate. They put forward six silent killers of strategy implementation which are “rarely publicly acknowledged or explicitly addressed” just as follows: top-down or laissez-faire senior management style (9 of 12 cases); unclear strategy and conflicting priorities (12 of 12 cases); an ineffective senior management team (10 of 12 cases); poor vertical communication (9 of 12 cases); poor coordination across functions, businesses or borders (9 of 12 cases); inadequate down-the-line leadership skills and development (8 of 12 cases). Among them, poor vertical communication is treated as a core barrier which not only hinders strategy implementation but also impedes discussion of the barriers themselves. The six killers are grouped into three categories: quality of direction, quality of learning and quality of implementation.

Earlier studies lead by Pettigrew (e.g., Pettigrew, 1985; Pettigrew et al., 1992) group implementation variables into a larger number of categories. These categories are: *strategic content, context* (consisting of organizational context: organizational structure, organizational culture; and environmental context: uncertainty in the general and uncertainty in the task environment), *process* (operational planning, resources, people, communication, control and feedback) and *strategic outcome* (Okumus, 2001).

Okumus (2001) also adopts the above framework, but adds three new variables. The revised implementation framework includes four parts: *content* (strategic decision, multiple project implementation), *context* (internal context: organizational structure, organizational culture, organizational learning; external context: environmental uncertainty in the general and task environment), *process* (operational planning, resources allocation, people, communication, monitoring and feedback, external partners) and *outcome* (tangible and intangible outcomes of the project). The framework is depicted in the diagram below.

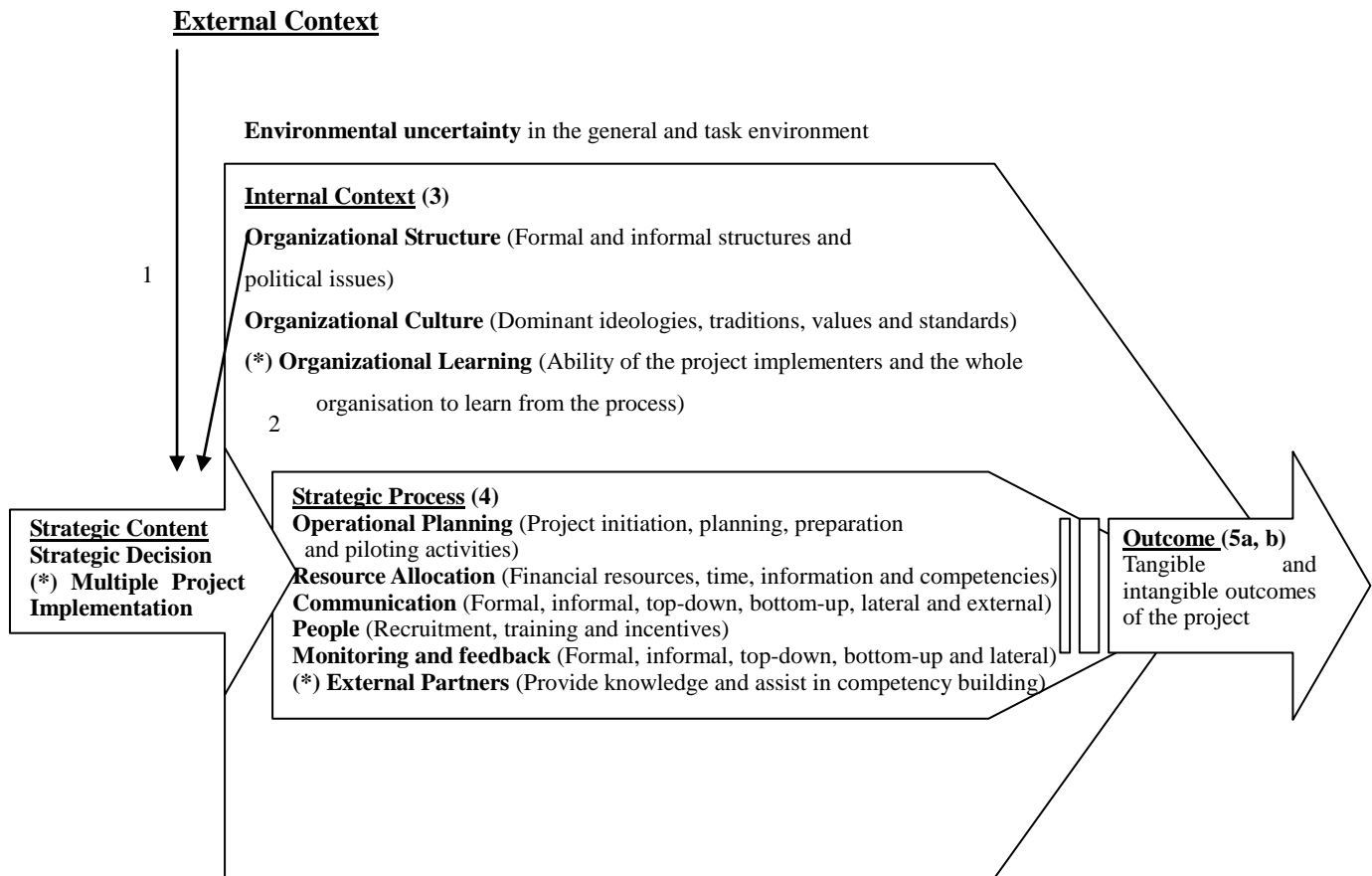


Figure 1: The strategy implementation framework by Okumus (2001)

The findings of this study indicate that both strategic projects examined in the study had to be implemented without having a proper “fit” between the strategy and the implementation variables. It appears that any problem or inconsistency with one variable influences other variables and subsequently the success of the implementation process. Consequently, it seems an almost insurmountable challenge to achieve coherence among all relevant implementation variables in dynamic and complex contexts. Yet, it is the combination of all variables working together which

makes a successful implementation process possible. In addition the study emphasizes the importance of contextual variables: The internal context plays a key role in implementing strategic decisions. Focusing on the implementation process alone and ignoring the wider context does not provide a clear and holistic picture of the implementation process and its challenges.

Studies in the second group compile multiple factors in a *framework* or model (Noble, 1999a; Higgins, 2005; Qi, 2005; Brenes & Mena & Molina, 2007), thus not only grouping implementation variables but organizing them in a web of causal or temporal relationships. Noble’s (1999a) strategy implementation framework is organized around four major stages of the implementation effort – pre-implementation, organizing the implementation effort, managing the implementation process, maximizing cross-functional performance. There are five managerial levers for these implementation phases: *goals, organizational structure, leadership, communications, and incentives*. According to Noble, the management of these factors changes through the implementation stages (although they are all important in every single phase). Considering these factors in combination with each major stage provides a useful heuristic to improve strategy implementation. The framework is depicted in the table below.

LEVERS	STAGES			
	Pre-Implementation	Organizing the Implementation Effort	Managing the Implementation Process	Maximizing Cross-functional Performance
Goals	Ensure that all managers are aware of the strategic goals of the firm	Introduce goals of the strategy being implemented, incl. fit within firm’s broader strategic vision	Maintain the flexibility to adapt goals based on environmental changes	Develop and focus on common goals to encourage cross-functional cohesiveness
Organizational structure	Ensure that functional areas have the slack resources needed to be able to contribute to an implementation effort	Establish a formal implementation unit and ensure its visibility throughout the firm	Ensure equal representation by all affected functional areas	Temporarily suspend key implementation team members’ normal responsibilities to allow them to focus on the implementation effort
Leadership	Develop employees’ knowledge and appreciation of multiple functional areas	Establish a “champion” who has both official cross-functional authority and general respect in the firm	Ensure that leaders show equal attention to all functional-level concerns	Balance visible and charismatic leadership with a maintenance of autonomy for functional-level implementation efforts
Communications	Maintain regular cross-functional	Discuss and resolve implementation	Update implementation	Communicate implementation

	communications to foster understanding and appreciation	details early in the process	team frequently on progress and changes in objectives	progress across the entire organization to foster buy-in
Incentives	Reward the development of cross-functional skills	Develop time and performance-based incentives for implementation team while lessening traditional functional incentives	Adjust incentives as strategy and environmental conditions change during implementation	Establish visible and consistent cross-functional rewards for successful implementation efforts

Table 2: Noble’s (1999a) Strategy Implementation Framework

Higgins (2005) sets up an “8‘S’ s” framework of strategy implementation, including *strategy and purposes structure, resources, shared values, style, staff, systems and processes, and strategic performance*. The “8‘S’s” of strategy execution is an approach that enables senior management to enact, monitor, and assess the cross functional execution of strategies. The ‘8‘S’s of strategy execution’ are a revision of the original McKinsey 7‘S’s model. Higgins has deleted skills from the McKinsey framework and he has added resources in their place. He also added strategic performance in order to help focus the strategy execution process. As always, if there isn’t a good match or alignment among these factors, performance in strategy implementation will suffer.

Qi (2005) puts forward seven factors for successful strategy implementation namely adequate feedback systems, sufficient resources, good leadership and direction skills, motivation for all involved staff, communication and coordination, an appropriate company structure, an appropriate company culture.

Brenes, Mena and Molina (2007) point out five key dimensions of successful implementation of business strategy. These five dimensions are the *strategy formulation process, systematic execution, implementation control and follow-up, CEO’s leadership and suitable, motivated management and employees, and, finally, corporate governance* (board and shareholders) leading the change. All five dimensions must be managed comprehensibly to align them with the firm’s strategic choices. Their framework arranges these factors in a simple value chain model.

The following preliminary conclusions can be drawn regarding the results documented in the sixty articles through single factor discussions or framework proposals:

First of all, *executors or people* issues receive the most attention. This is especially true with regard to *middle managers* whose role is analyzed in depth in many studies (Gupta & Govindarajan, 1984; Guth & MacMillan, 1986; Govindarajan,

1989; Judge & Stahl, 1995; Heracleous, 2000; Waldersee & Sheather, 1996; Wooldridge & Floyd, 1990, 1992b, 1997; Qi, 2005). However, the role of *non-management* is frequently ignored by researchers.

Second, the reviewed studies do not present a clear picture regarding the relationships among the implementation variables of *communication*, *commitment* and *consensus*. Communication is treated as a premise to realize commitment and consensus. Rapert, Velliquette & Garretson (2002) find that the viability of frequent vertical communication is a means by which strategic consensus may be enhanced. When vertical communication is frequent, strategic consensus is enhanced and organizational performance improves. MacMillan & Guth (1985) and McDermott & Boyer (1999) think that adequate communication with functional managers about the reasons for the selected or sponsored strategy is a key to gaining this shared understanding (Rapert & Velliquette & Garretson, 2002). Building understanding requires frequent and constant communication when strategic-change evolves one step at a time. An important key to building the seeds of understanding, identity, and commitment is communication between and among top and functional-level management. Several researchers just point out that communication is an important factor, but there are no in-depth analyses about how exactly communication influences strategy implementation. There is disagreement in relation to the variables' exact meanings, content, relationships and influence on strategy implementation. As far as the relationships between commitment and consensus are concerned, some researchers take commitment as a single factor influencing strategy implementation (Alexander, 1985; Guth & MacMillan, 1986; Noble & Mokwa, 1999; Heracleous, 2000), while other researches take it as an ingredient prompting consensus (Noble, 1999b; Floyd & Wooldridge, 1992a) or as something that goes deeper than consensus (Rapert & Lynch & Suter, 1996) or even the outcome of consensus (Dess & Priem, 1995; Dooley & Fryxell & Judge, 2000).

In some instances, the same term used by different researchers assumes a different meaning, for example Floyd & Wooldridge's (1992a) concept of '*strategic consensus*', which includes 'shared understanding and commitment', i.e., both cognitive and emotional dimensions. Noble (1999b) conceptualizes strategic consensus as a shared understanding and commitment to a strategic directive between individuals or groups within an organization. In contrast, Rapert, Velliquette & Garretson (2002) define consensus as shared understanding about strategic priorities.

Third, regarding the relationships among different unit/department levels (Walker & Ruekert, 1987; Gupta, 1987; Chimhanzi, 2004; Chimhanzi & Morgan,

2005), few studies focus on the effect on implementation that the relationships among different strategy levels have. Only Slater & Olson (2001) examine the relationships between marketing strategy and business strategy. It should be an interesting point to consider the relationships among the different levels of strategy (i.e., functional, business, corporate) on implementation success.

Fourth, there is a clear trend towards (more elaborate) frameworks and model-based approaches to strategy implementation. For example, Noble & Mokwa (1999) put forward three dimensions including a structural view, an interpersonal process view and an individual-level processes view. Okumus (2001) also adds new variables to previous studies (e.g., Pettigrew, 1985; Pettigrew et al., 1992). In our view, however, these frameworks do not yet add a lot of value to the current debate and this for two reasons: first, they do not sufficiently profit from previous *empirical* research on strategy implementation, and secondly they do not *relate* the variables to each other in a sufficiently informative way. As a call for action, future strategy implementation frameworks must be based on prior causal analysis (regarding individual factors and their relations) and they should make research results accessible to practitioners by visualizing their findings in an intriguing (non-trivial) manner.

4.3 Theoretical bases

The premise behind this section is that different theoretical bases emphasize different issues regarding strategy implementation. Hence we will now examine the underlying theoretical bases of the studies reviewed in this article. In order to analyze strategy implementation the researchers reviewed here make use of a variety of theories, including *agency theory* (Govindarajan & Fisher, 1990), *organization theory* (Govindarajan & Fisher, 1990), *psychology* (Kim & Mauborgne, 1991, 1993), *social system theory* (Walker & Ruekert, 1987), *social learning theory* (Govindarajan, 1988), *expectancy theory* (Guth & MacMillan, 1986; Judge & Stahl, 1995). The more exotic of these theories provide surprising and useful additional insights regarding strategy implementation: Guth and MacMillan (1986) point out that a richer, if more complex, explanation for individual managers' commitment to a strategy comes from the *expectancy theory of motivation*. They draw on an expectancy model and find three fundamentally different sources of low to negative individual manager commitment to implementing a particular strategy: perceived inability to execute strategy, low perceived probability that a strategy will work and perception that outcomes will not satisfy individual goals. Kim & Mauborgne (1991, 1993) bring the scope of *procedural justice judgments* as a psychological phenomenon from legal settings to social settings to analyze the effect of procedural justice on strategy decision-making

and implementation. It thus seems that strategy implementation lends itself to a multitude of theories that could also be employed in an interdisciplinary manner, thus mutually enriching our understanding of this complex phenomenon. In our review of literature we have not found such explicitly interdisciplinary studies of strategy implementation (although Govindarajan & Fisher (1990) combine two theories elegantly).

4.4 Research and Analytical Methods

With regard to the research methods used to explore strategy implementation, we distinguish among the following frequently used methods: questionnaire and/or interviews, conceptual analysis, case analysis, field investigation and other methods (such as hypothetical scenario, literature review, a laboratory setting, intervention method comprising of a set of meetings, archival and records analysis). In table II we group the reviewed studies by the methods used in order to identify patterns regarding the employed research methodologies.

Research methods	Authors
Questionnaire (23)	Gupta & Govindarajan (1984), Guth & MacMillan (1986), White (1986), Gupta (1987), Govindarajan (1988, 1989), Govindarajan & Fisher (1990), Roth & Schweiger & Morrison, (1991), Kim & Mauborgne (1991), Rapert et al. (1996), Floyd & Wooldridge (1997), Bantel (1997), Dooley & Fryxell & Judge (2000), Slater & Olson (2001), Rapert & Velliquette & Garretson (2002), Chimhanzi (2004), Homburg & Krohmer & Workman Jr (2004), Viseras & Baines & Sweeney (2005), Olson & Slater & Hult (2005), Qi (2005), Schaap (2006), Hrebiniak (2006), Brenes & Mena & Molina (2007).
Interviews (4)	Wernham (1985), Skivington & Daft (1991), Kim & Mauborgne (1993), Sashittal & Wilemon (1996)
Questionnaire and interviews (6)	Alexander (1985), Wooldridge & Floyd (1990), Floyd & Wooldridge (1992a), Judge & Stahl (1995), Lehner (2004), Akan & Allen & Helms & Spralls III (2006).
Conceptual analysis (6)	Guth & MacMillan (1986), Dess & Priem (1995), Smith & Kofron (1996), Heracleous (2000), Allio (2005), Schmidt & Brauer (2006)
Case analysis (9)	Nutt (1986, 1987, 1989), Waldersee & Sheather (1996), Nilsson & Rapp (1999), Okumus (2001), Heide & Grønhaug & Johannessen (2002), Lehner (2004), Higgins (2005)
Field investigation (4)	Dess & Priem (1995), Noble & Mokwa (1999b), Peng & Litteljohn (2001), Forman & Argenti (2005)
Other methods (10)	hypothetical scenario (Bourgeois III & Brodwin, 1984), Literature review (Walker, & Ruekert, 1987; Noble, 1999b), a laboratory setting (Singh, 1998), Intervention method comprising of a set of meetings (Beer & Eisenstat, 2000) and archival and records analysis

Table 3: Research methods used in the reviewed studies

Questionnaire is a method which is frequently used by researchers in this domain (23 articles) followed by case studies (9 articles). It is the most frequently used method in our review sample. The most rarely used methods, by contrast, are hypothetical scenario (1 article), literature review (2 articles), a laboratory setting (1 article), and intervention method (1 article). There is a trend to combine different research methods. Wernham (1985) for example employs interview and archival and records analysis in his study; Alexander (1985), Wooldridge & Floyd (1990), Floyd & Wooldridge (1992a), Judge & Stahl (1995), Lehner (2004), Akan & Allen & Helms & Spralls III (2006) combine questionnaires and interviews in their studies. However, using these methods to triangulate findings and thus increase their validity remains a difficult endeavor. Nevertheless, such a combined research approach would lend itself to variables such as strategic consensus or communication that can be researched both experimentally (in terms of direct effects) and through observation in the field (with regard to longer term effects). The combination of field studies to validate results obtained in a laboratory or vice versa is a good way to compensate for the respective weakness of each research method.

Analytical techniques:

Based on research methods, there are many statistical methods just as table III lists. Analytical techniques include theory discussion and analysis and quantitative or statistical analysis (correlation, zero-order correlation, partial correlation analysis, analysis of variance, multivariate analysis of variance, t-test, chi-square test, regression, multiple regression analysis, linear regression, ols regression, hierarchical regression analysis, factor analysis, confirmatory factor analysis, content analysis, path analysis).

Theory analysis (21)	Bourgeois III & Brodwin (1984), Walker & Ruekert (1987), Floyd & Wooldridge (1992a), Dess & Priem (1995), Sashittal & Wilemon (1996), Smith & Kofron (1996), Piercy (1998), Noble (1999a, 1999b), Nilsson & Rapp (1999), Beer & Eisenstat (2000), Heracleous (2000), Okumus (2001), Peng & Litteljohn (2001), Sashittal & Jassawalla (2001), Higgins (2005), Forman & Argenti (2005), Allio (2005), Hrebiniak (2006), Schmidt & Brauer (2006), Brenes & Mena & Molina (2007).
	Gupta & Govindarajan (1984), White (1986), Gupta (1987), Govindarajan (1988), Govindarajan (1989), Wooldridge & Floyd

Quantitative analysis (39)	Correlation	(1990), Skivington & Daft (1991), Wooldridge & Floyd (1992b), Waldersee & Sheather (1996), Floyd & Wooldridge (1997), Bantel (1997), Dooley & Fryxell & Judge (2000), Chimhanzi (2004), Viseras & Baines & Sweeney (2005), Chimhanzi & Morgan (2005), Harrington (2006), Schaap (2006)
	Zero-order correlation	Gupta & Govindarajan (1984), Gupta (1987), Govindarajan (1988), Govindarajan (1989), Wooldridge & Floyd (1990), Roth & Schweiger & Morrison (1991)
	Partial correlation analysis	Wooldridge & Floyd (1990), Skivington & Daft (1991)
	Cluster analysis	Slater & Olson (2001), Olson & Slater & Hult (2005)
	Analysis of variance (ANOVA)	Alexander (1985), Nutt (1987), Roth & Schweiger & Morrison (1991), Floyd & Wooldridge (1997), Singh (1998), Slater & Olson (2001), Olson & Slater & Hult (2005)
	Multivariate analysis of variance (MANOVA)	Wooldridge & Floyd (1992a)
	T-test	Alexander (1985), Guth & MacMillan (1986), Slater & Olson (2001), Homburg & Krohmer & Workman (2004), Qi (2005)
	Chi-square test	Wernham (1985), Nutt (1987, 1989), Bantel (1997), Noble & Mokwa (1999), Slater & Olson (2001), Heide & Grønhaug & Johannessen (2002)
	Regression analysis	Nutt (1987), Kim & Mauborgne (1991, 1993), Bantel (1997), Chimhanzi (2004), Chimhanzi & Morgan (2005), Akan & Allen & Helms & Spralls III (2006)
	Multiple regression analysis	Gupta & Govindarajan (1984), Gupta (1987), Govindarajan (1988), Govindarajan (1989), Govindarajan & Fisher (1990), Roth & Schweiger & Morrison (1991), Floyd & Wooldridge (1997)
	Linear regression	Harrington (2006)
	Ols regression	Dooley & Fryxell & Judge (2000)
	Hierarchical regression analysis	Kim & Mauborgne (1991)
	Factor analysis	Skivington & Daft (1991), Wooldridge & Floyd (1992b), Slater & Olson (2001), Lehner (2004), Akan & Allen & Helms & Spralls III (2006)
	Confirmatory factor analysis	Rapert & Lynch & Suter (1996), Noble & Mokwa (1999), Dooley & Fryxel & Judge (2000), Rapert & Velliquette & Garretson (2002), Homburg & Krohmer & Workman (2004), Olson & Slater & Hult (2005)
Content analysis	Guth & MacMillan (1986), Nutt (1989)	
Path analysis	Kim & Mauborgne (1991), Noble & Mokwa (1999)	

Table 4: Analytical techniques used in the reviewed studies

5. Discussion

Based on the above analysis, we can see that there are positive and negative patterns emerging from the body of literature on strategy implementation. We will summarize these findings as major contributions and shortcomings. This will help us delineate future research directions for strategy implementation research.

(1) Contributions

Having reviewed the research contexts, results, theoretical bases, employed methods and analytical techniques used in the 60 articles, we can now generalize regarding their main contributions. The research contexts of existing research on strategy implementation cover diverse organizational levels and organizational types. Several studies span different organizational levels, including corporate-level, SBU-level, functional-level, operational-level and mixed level. Among them, SBU-level, functional-level and mixed level foci have received more attention than the other two. In addition, the subjects of many studies are not only private corporations, but also public ones, not only local firms but multinational firms as well.

In terms of results, the articles we have reviewed not only discuss single factors that affect strategy implementation success (they are: strategy formulation and relationships among different units/departments and different strategy levels as mixed factors; soft factors: executors, communication, implementation tactics, consensus, commitment; hard factors: organizational structure, administrative systems), they also synthesize findings into elaborate (for example phase-based) frameworks and models – this, however with less rigor regarding the employed methods than the studies focusing on individual factors. The diagram below (Figure 2) summarizes our review of these nine factors and frameworks in a framework. It is briefly described below.

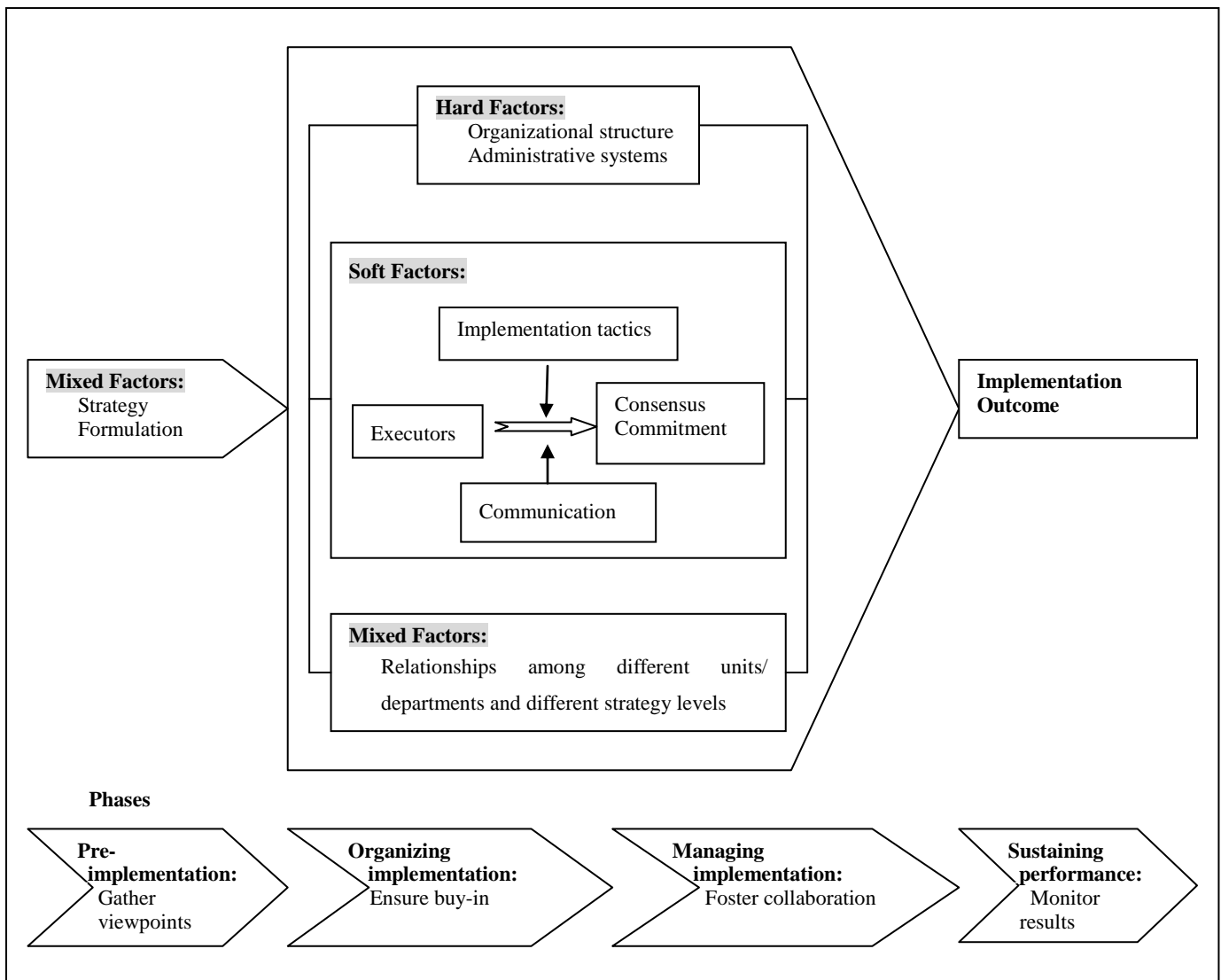


Figure 2: A framework of strategy implementation research

As a mixed factor, strategy formulation is both an institutional and an interpersonal process that gathers data and viewpoints and ultimately results in strategic decisions. These strategic decisions and how they have been reached have a major impact on strategy implementation success. Hard, institutional, factors (organizational structure, administrative systems) and soft, people-oriented factors (executors, communication, implementation tactics, consensus, and commitment) influence implementation outcome dialectically. Consensus and commitment can be achieved with the help of proper implementation tactics and communication activities. There are complex mutual influence among mixed factor (relationships among different units/departments and different strategy levels), soft factors (executors, communication, implementation tactics, consensus, and commitment) and Hard, factors (organizational structure, administrative systems). These factors in turn are influenced by four generic phases of strategy implementation: pre-implementation,

organizing implementation, managing implementation, and sustaining performance. This sequence is based on Noble's (1999) framework and revised. We have allocated key success factors mentioned in several studies to the respective steps.

With regard to the used methods, questionnaire is a method which is frequently used (23 articles). More than half of the reviewed articles use questionnaire and/or interviews as their research method. Rarely used methods are hypothetical scenarios (1 article), literature reviews (2 articles), a laboratory experiments (1 article), and intervention methods (1 article).

Based on these research methods, there are many analytical techniques, including theory analysis methods (such as theory analysis, 21 articles) and quantitative methods (correlation, zero-order correlation, partial correlation analysis, analysis of variance, multivariate analysis of variance, t-test, chi-square test, regression, multiple regression analysis, linear regression, ols regression, hierarchical regression analysis, factor analysis, confirmatory factor analysis, content analysis, path analysis).

(2) Shortcomings

There are several methodological and content-related shortcomings in the reviewed papers.

First, self-reported measures is a big problem in many studies (e.g., Gupta & Govindarajan, 1984; Gupta, 1987; Wooldridge & Floyd, 1990; Roth & Schweiger & Morrison, 1991; Floyd & Wooldridge, 1997; Bantel, 1997; Dooley & Fryxell & Judge, 2000; Rapert & Velliquette & Garretson, 2002). Secondly, questionable causation is mentioned by many researchers as a problem which needs to be resolved (e.g., Gupta & Govindarajan, 1984; Gupta, 1987; Wooldridge & Floyd, 1990, 1997; Noble & Mokwa, 1999; Heide & Grønhaug & Johannessen, 2002; Qi, 2005). The main causes for this problem are small sample sizes and short observation spans. Thirdly, limited external reliability/low universality is also a shortcoming which is mentioned by some authors (Qi, 2005; Schaap, 2006). Finally, Gupta & Govindarajan (1984), Noble & Mokwa (1999), Lehner (2004) treat small set of variables as one of the limitations of their studies.

6. Limitations and Future Research Avenues

Our own approach in conducting this literature review also has limitations which should be acknowledged. First of all, we have collected articles relying on the databases of EBSCOhost, ProQuest ABI, Sciencedirect, JSTOR and Wiley Interscience and we thus may have overlooked crucial viewpoints on strategy

implementation in monographs or practitioners' books. Some of the selected articles in our review, however, rely heavily on concepts from such monographs. This fact can thus make up for this shortcoming to a certain degree. Secondly, we have looked for articles using the keywords "strategy implementation" and "strategy execution". This procedure of gathering articles may omit some important articles. We have also excluded very specific strategy implementation contexts, such as post-merger integration implementation.

As mentioned at different points in this article, several implications for further research arise from our literature review:

First, most of the existing studies that examine the *functional* level of strategy implementation focus on marketing strategy. Other areas, however, seem equally crucial, and should receive more attention in the future (such as HR strategy implementation). The relationships between project management and strategy implementation which contain many opportunities for cross-fertilization should be further analysed. In addition comparative studies that examine strategy implementation in various types of companies could provide insightful results.

Second, we find that most studies focus on the influence of middle managers on strategy implementation. There is no special research relating to lower management and *non-management*, even if several authors state that it is important to consider their effect on strategy implementation, such as Alexander (1985), Rapert & Lynch & Suter (1996), Nutt (1986, 1987), Noble (1999b). Still none of them analyze the different ways in which *employees* enable or interfere with strategy implementation and why.

Another major research challenge consists of better understanding the *relationships* among several of the nine reviewed factors. There are, for example, major disagreements about the relationship between the variables of communication, commitment and consensus (Floyd & Wooldridge, 1992a; Rapert & Lynch & Suter, 1996; Noble, 1999b; Dooley & Fryxell & Judge, 2000; etc).

Fourth, there are still very few studies that systematically examine how different organizational units and strategy *levels* influence strategy implementation (Walker & Ruekert, 1987; Gupta, 1987; Slater & Olson, 2001; Chimhanzi, 2004; Chimhanzi & Morgan, 2005). Only Slater & Olson (2001) focus on the dialogue between marketing strategy and business strategy.

The fifth future point for research regards models and frameworks. Although there is a trend towards holistic frameworks of strategy implementation, most of them simply add new variable to previous frameworks (Skivington & Daft, 1991; Noble, 1999b; Noble & Mokwa, 1999; Beer & Eisenstat, 2000; Okumus, 2001)

or re-group variables from new angles (Noble & Mokwa, 1999; Higgins, 2005; Qi, 2005; Brenes & Mena & Molina, 2007). Some authors call their frameworks models although they cannot be tested empirically. Future research should thus focus on further developing both, focused models examining key relationships, as well as comprehensive strategy implementation frameworks that provide guidance to practitioners on different levels.

Sixth, strategy implementation involves many theories including agency theory, organization theory, social system theory, social learning theory, expectancy theory. Future research on strategy implementation could move beyond these approaches and consider the use of communication theory, innovation diffusion theory, actor network theory, or the strategy as practice paradigm, to name but a few of the possible *alternative paradigms* for the study of implementation processes (not to mention their careful combinations). Similarly, there is a trend in implementation research to *combine different research methods* (such as interviews and surveys) together in order to achieve more robust results. Effective combinations of different research methods (such as experiments and field observations) could provide more triangulated results on this complex issue.

In the sixty articles we have collected, there have only been two relatively old papers (Walker & Ruekert, 1987; Noble, 1999b) that have provided a review of the field of strategy implementation. Consequently, in our study, we have summarized the research contexts, research results, theoretical bases, research methods and analytical techniques used in this field to provide an overview and future direction for this crucial field of management research. We hope that our framework can provide guidance to practitioners and act as a checklist of factors to consider before and during the implementation process and we anticipate that many of the open research questions we have mentioned will be addressed in future research.

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