

THE ROLE OF MANAGERS IN EFFECTIVE STRATEGY IMPLEMENTATION

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Abstract

Background. The subject of strategy execution is one of the current areas of research, and the role of managers responsible for a proper organization of the implementation process is mentioned among many barriers. Therefore, it seems reasonable to carry out analyses of both tasks and competencies that are essential for implementation effectiveness.

Research aims. The aim of this paper is to examine whether there is a relationship between individual tasks (which determines the success in the strategy implementation) and the level of effective implementation of this process, as well as to analyse the correlations between the competencies of managers and the effectiveness of the strategy implementation.

Method. The survey was conducted using the paper and pencil interview approach, and then Kendall's tau-b correlations were calculated. The respondents in the survey included managers from 200 companies listed in prestigious rankings, i.e. from companies achieving development success.

Findings. The surveys proved that in relation to the strategy implementation, adequate actions taken by managers were much more important than their competencies. Therefore, the strategic awareness that manifests itself by the assignment of tasks and decision making power is more important than their knowledge and additional skills.

Keywords: Strategy implementation, Role of managers, Leadership, Mid-level managers

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INTRODUCTION AND BACKGROUND

Many studies indicate the problem of the allocation of time between conceptual and implementation activities in the strategic management process and suggest the existence of a disproportion in relation to the strategy implementation stage. Most organizations devote much effort and time to create plans and analyse the competitive situation, because such activities are relatively more secure. In turn, the implementation is associated with a higher risk. It is primarily a real measure of the activities carried out by managers (House, 2004). Dobni (2003) seeks the causes of implementation difficulties also in the dissonance between the perception of the position of the organisation and the effectiveness of its operations. It means that the issue of strategy implementation becomes a serious challenge for managers.

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Considerations associated with the strategy and its implementation in a natural way must concern the role played in this process by the strategists who make decisions based on their experience, personality (including the risk propensity) or core values (Finkelstein, Borg, 2004). This translates into the selection of the organisation development concept and the manner of its operationalization. The purpose of this paper is to examine the correlation between the effectiveness of the strategy implementation and the role of managers.

As indicated critically by Alvesson and Willmott (1995), managers are perceived as having superhuman powers that allow them to identify sources of competitive advantage, create the strategy and pursue strategic objectives. The strategy implementation process alone requires extraordinary abilities, as it appears to be a much more difficult task than the strategy formulation. In the face of the circumstances accompanying this process, especially the rate of information exchange and analysis, it would be worth considering a change in the current operational approach. As suggested by Rylander and Peppard (2003), a standard planning approach to the strategy implementation should be replaced by the idea of realization by instilling shared values and beliefs. That could form a basis for the decisions about the effective use of resources. A change in competencies is also a derivative of the changes occurring in the course of the planning process itself, which so far has been relatively easily broken down into smaller, long-term tasks. Currently, it is rather necessary to employ strategic thinking and thus to modify the role of the manager and adopt a bottom-up approach to the decision-making process (Lorange, 1998). This requires a number of skills from the managers, such as creating an appropriate organizational culture and providing an adequate interpretation of the strategy (Ashforth & Kreiner, 1999). According to Bergeron (2004), this also incorporates a talent strategy, i.e. the ability to use the employee skills and competencies that determine the possibility of achieving the objectives.

Therefore, an effective implementation of the strategy requires an adequate adjustment of the capabilities of the organisation. This applies in particular to fundamental issues such as the collective experience and knowledge of managers and properly functioning decision-making mechanisms (Mezger & Viola, 2011). According to Håkansson, Burton, Obel and Lauridsen (2012), this is also affected by the management style and the ability to process and analyse information, which is also indirectly associated with the type of the implemented strategy itself. Therefore, an emphasis is put on the role of managers, which includes extensive cooperation, evaluation of emerging opportunities for building a competitive advantage and making the right decisions based on analyses (Forbes & Milliken, 1999). Thus, managers must assume an active executive role by



involving themselves in implementation activities (Hanley, 2007). Carpenter, Westphal (2001) also conduct studies concerning the manager's knowledge and information necessary to make effective strategic decisions.

As mentioned by Miller, Hickson and Wilson (2008) managers are supposed to have a set of diverse skills and abilities that allow them to make strategic decisions effectively. They should also be able to conduct a wide dialogue aimed not only at specifying the details of the strategy, but also at maintaining the consistency of the activities (Getz & Lee, 2011). Meldrum and Atkinson (1998) suggest that when implementing the strategy, it is important to have a set of meta-abilities, which include cognitive skills, self-knowledge, emotional resilience and personal drive.

The analysis of the role of managers in the strategy implementation process should also concern the involvement of mid-level managers whose support for the implementation of the development concept is often essential. Many authors emphasize that the perspectives of these leaders of changes have to be considered (Wooldridge, Schmidt, & Floyd, 2008). Hutzschenreuter and Kleindienst (2006) underline, *inter alia*, the need to analyse their impact on the actions preceding and following the actual process of making strategic decisions. In the literature, mid-level managers are often referred to as agents of changes, i.e. the persons who use both internal and external social relations to support strategic changes (Shi, Markoczy, & Dess, 2009). As proved also by Rouleau and Balogun (2011), their role and importance increase significantly, if an organization decides to implement expansive strategies, including global strategies. This is probably associated with the specific functions connected with the relations inside the company's environment. Due to their tasks, they are closer to customers and other stakeholders than top-level managers. At the same time, they are current participants in internal processes, which results also from the frequency and character of the relations with lower-level employees. Floyd and Wooldridge (1994) distinguish three types of tasks performed by mid-level managers:

1. Communicating the tactical objectives and allocating the financial resources necessary for the implementation the strategy,
2. Monitoring the implementation work,
3. Responding to emerging deviations from the objectives.

Their informative function is also indicated – they perform the role of a carrier of operational information and draw attention of the management to the most important operational issues (Dutton & Ashford, 1993). According to Thakur (1998), they often assume the position of a leader (formal or informal) and provide information support for top-level managers.

As emphasized by Raps (2005), the role of mid-level managers is therefore unquestionable, while their support may determine the possibility of achieving the desired results, because it builds a strategic consensus. This



results from the existence of a relationship between the level of the involvement in the actions aimed at the strategy implementation in given conditions prevailing in the organization and the range of control powers. Ahearne, Lam and Kraus (2013) claim that particularly those managers who have a large number of subordinates should be characterized by a more open and creative attitude. A participative style of management is much more conducive to the involvement of the persons responsible for the strategy implementation than a directive style (Northouse, 2004). As indicated by the research conducted by Ogbeide and Harrington (2011), this is true irrespective of the organization size. Due to the position of such managers in the organizational structure, they play a key role in the processes of managing various resources, providing information to decision-makers, providing support to subordinates and, most importantly – communicating the strategic intentions agreed by managers at all levels of the organization (Salih & Doll, 2013). In turn, Hun (2011) notes that decision-makers in many organizations do not take into account the role of mid-level managers. Moreover they underestimate the impact of emotions that are transferred by them to employees which is connected with their involvement. They often lack self-confidence and have neither experience nor the tools that would allow them to perform their functions effectively (Haudan, 2007). As indicated by the studies conducted by Mair and Thurner (2008), if such managers are to be actively involved, they must have a sense of full responsibility for the outcome of the implementation of strategic initiatives.

On the other hand, an adequate structure of the incentive system seems to be important, because, as it appears from the research by Kaplan and Norton (2005), on average, 70% of mid-level managers and over 90% of line employees receive a salary regardless of the outcome of the implementation process.

To sum up, it seems important to conduct studies aimed at diagnosing the influence of the tasks and competencies of managers at different levels of the organizational structure on the effectiveness of the strategy implementation.

METHOD

The group of respondents included managers of 200 companies that have been operating for at least 5 years and which are listed among the 500 largest Polish companies according to "Polityka" weekly magazine (101 entities) and in "Forbes Diamonds 2013" ranking (99 companies). The first ranking takes into account sales revenue, total revenue, gross and net profit, as well as employment level. The "Diamonds" list included the companies with the fastest increase in value. The group of respondents included 68



small businesses (up to 49 employees), 63 medium-sized companies (50-249 employees) and 69 large enterprises (employing over 250 people).

The study was conducted using the PAPI (Paper and Pencil Interview) technique – the quantitative survey was carried out with the use of a method based on collecting the data in an open (overt) and standardized way. The questions in the questionnaire were of nominal nature (the respondents declared the existence of specific obstacles) and of ordinal variable nature (the respondents indicated the strength of their impact in a 5-point scale). In order to test the hypotheses, Kendall's tau-b correlation coefficient was calculated.

In order to achieve the goal of this paper, there were formulated research hypotheses broken down into two aspects – tasks and competencies of managers. These hypotheses are presented in the table 1.

Table 1. Research Hypotheses

| Aspect | Hypotheses |
|--------------|---|
| Tasks | H1: A lack of the actions supporting the strategy implementation has a negative impact on the implementation effectiveness. H2: Assignment of decision-making power to leaders at different levels of the organizational structure increases the effectiveness of the strategy implementation. H3: Actions taken by the management to reduce the employee resistance to changes increase the effectiveness of the strategy implementation. H4: Appointment of a person or a special team responsible for supervising and coordinating the strategy implementation process increases its effectiveness. |
| Competencies | H5: Inability to prioritize strategic issues in relation to operational issues reduces the effectiveness of the strategy implementation. H6: A lack of management's experience in the strategy implementation reduces the chances of successful execution. H7: A lack of the ability to effectively motivate employees to realize the strategy has a negative impact on the results achieved. H8: A lack of knowledge required by senior managers to implement the strategy has a negative impact on the effectiveness of strategy implementation. |

Source: own study.

RESULTS

The results of the studies are shown in the table 2. An analysis of the results should take into account the level of effectiveness of the strategy implementation process, which on average is 74%. This should be considered as a good result, especially when compared to other studies in which this percentage is much lower. Attention should be drawn to considerable differences in the number of companies declaring the occurrence of the examined aspect, which undoubtedly affects the results and does not allow generalizing all the hypotheses. Only the hypotheses 2, 3 and 4 are statistically significant. However, the differences in the number



of respondents are consistent with the declared level of the effectiveness in the strategy implementation – most of them did not notice significant barriers to the implementation associated with the role of managers, which may indicate that this is not the main factor determining the success of implementation activities.

Table 2. Research results

| Hypothesis | Correlation coefficient | p | n |
|------------|-------------------------|------|-----|
| H1 | -.060 | .837 | 10 |
| H2 | .202** | .005 | 137 |
| H3 | .195* | .012 | 117 |
| H4 | .262** | .001 | 114 |
| H5 | -.042 | .704 | 57 |
| H6 | .286 | .088 | 26 |
| H7 | -.033 | .804 | 39 |
| H8 | -.248 | .269 | 14 |

* Significant correlation at the level of 0.05 (two-sided). ** Significant correlation at the level of 0.01 (two-sided).

Source: own study.

DISCUSSION AND CONCLUSIONS

As already mentioned, three out of the eight hypotheses are statistically significant. They indicate the existence of an average positive correlation between the effectiveness of the strategy implementation and the examined aspects. It can therefore be concluded that an increase in the probability of implementing the development concept according to the assumptions is affected by actions taken by the management to reduce the employee's resistance to changes. In this regard, the role of managers may include different levels of employee involvement – from an extensive information policy, through participation in strategic projects or budget building, to decision-making powers associated with the manner of strategy implementation. It also appears that an important role is played by operational activities aimed at ensuring a clear delegation of power by appointing a person or a special team responsible for overseeing and coordinating the strategy implementation process. Such a team may include both mid-level managers and informal leaders whose support for the strategy often determines the outcomes of its implementation. These actions also include the transfer of the responsibility for executive actions to leaders at different levels of the organizational structure, including mid-level managers. The decision-making process delegated by the management on the one hand require an adequate strategic readiness of the entire organization, but at the same time they increase the sense of shared responsibility.

As proved by the research results, the managers' competencies analysed here have no impact on the effectiveness of the strategy



implementation. But this does not mean that a lack of knowledge or experience and the ability to separate operational tasks from strategic issues do not affect the strategy implementation process. Certainly, these factors should not be ignored in the analyses. However, it seems that these are not key elements that determine the success of the process. They perform a rather secondary meaning in relation to other implementation barriers or actions supporting the strategy implementation.

The role of managers in the strategy implementation process is complex and involves many aspects both of operational and strategic nature. Therefore it is essential to ensure the consistency of the actions taken. As shown by the results of this study, this is not determined by the knowledge or experience, but rather by the awareness of how the functions performed may contribute to the achievement of a long-term success. It can be stated that the following tasks seem to be most important in this respect:

1. Competent delegation of decision-making power to leaders from different levels of the organizational structure;
2. Taking action aimed at reducing the resistance of employees by involving them in the implementation actions;
3. Clear segregation of powers by appointing a person or a special team, whose task will be to monitor and coordinate the strategy implementation process.

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ROLA MENADŻERÓW W REALIZACJI SKUTECZNEJ STRATEGII

Abstrakt

Tło badań. Przedmiotem realizacji strategii jest obszar jednego z obecnych badań, a rola menadżerów odpowiedzialnych za stosowną organizację procesu wdrożenia jest wymieniana jako jedna z wielu barier. Dlatego też, zasadne wydaje się przeprowadzenie analizy obu zadań i kompetencji, które są niezbędne dla realizacyjnej skuteczności.

Cel badań. Celem tej pracy jest zbadanie czy istnieje związek pomiędzy poszczególnymi zadaniami (który determinuje powodzenie realizowanej strategii) a poziomem skutecznej realizacji tego procesu, a także analiza powiązań pomiędzy kompetencjami menadżerów a skutecznością w realizacji strategii.

Metodyka. Badanie było przeprowadzone przy wykorzystaniu techniki wywiadów bezpośrednich w oparciu o drukowane ankiety, a następnie obliczono powiązania Kendalla tau-b. Respondentami ankiety byli menadżerowie z 200 firm z listy najbardziej prestiżowych rankingów, np. spośród firm, które osiągnęły sukces w rozwoju swojej działalności.

Kluczowe wnioski. Badanie dowiodło, że w odniesieniu do wdrożenia strategii odpowiednie działania, podejmowane przez menadżerów, były znacznie ważniejsze niż ich kompetencje. Dlatego też, świadomość strategiczna, która przejawia się poprzez podział zadań i siłę w podejmowaniu decyzji jest ważniejsza niż wiedza i dodatkowe umiejętności.

Słowa kluczowe: realizacji strategii, rola menadżerów, przywództwo, menadżerowie średniego szczebla.

