Recognizing the Role of Strategic Commitment on Strategy Implementation Effectiveness from the Lens of Strategic Clarity

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Abstract
The paper intends to explore the strategic commitment in the relationship between strategic clarity and the effectiveness of strategy implementation. There have been many deliberations over the last decade on strategic clarity and strategic commitment of middle managers towards the effectiveness of strategic implementation, but this situation has attracted little academic attention. Therefore, this study provides critical review on the elements of strategic clarity that become the primary determinants of strategic commitment of middle managers which eventually may lead to the effectiveness of strategic implementation. This study adds to present literature by elaborating conceptually on the linkages between strategic clarity and strategic commitment of middle managers and the effectiveness of strategic implementation.

Keywords: strategic commitment, strategy implementation, strategic clarity

Introduction
For the past decades, strategic formulation has been widely regarded as the most important component of the strategic management process in the sense that more important than strategy implementation (Rameshesan, Ishak, & Rabbanee, 2013; Jooste and Fourie, 2009). Nevertheless, nowadays, strategy implementation, rather than strategy formulation alone, is a key requirement for superior business performance (Li et. al, 2008). In fact, there is a growing recognition that the most important problems in the field of strategic management are not related solely to strategy formulation, but rather to strategy implementation (Flood et al. 2000). This statement is fully supported by Hrebiniak (2006) in which he posits that formulating strategy is a difficult stage in strategic management process, however making that strategy work or implementing it through the organization is more difficult. Fortune magazine (Gurowitz, 2007) finds that less than 10% of strategy formulations are effectively implemented. Judson (1991) and Speculand (2006) also reported that only 10% of strategies being successfully executed. Similarly, a 2003 survey by the Economist Intelligence Unit and Makaron Associated (Mankina and Steele, 2005) informs that faintly better but very dissatisfying realization, ascertaining that average companies deliver mere 63% of the potential financial performance their strategies have promised. Finally, such deficient strategy implementation therefore inhibits future strategy formulation which creates a deadly spiral of two mutually enforcing factors poor planning and poor implementation (Cater and Pucko, 2010).

Over the last four decades, a substantial body of research has been accumulated on the subject of strategic clarity (Stam, van-Knippenderg & Wisse, 2010). The premise underlying this research is that a higher degree of strategic clarity is associated with improved synchronization and collaboration in implementing strategies, thus resulting in effective strategy implementation. However, Kellermanns et al., (2005) posit that empirical findings on this concept have been conflicting. Researches on the bivariate relationship between strategic clarity and effective strategy implementation have shown supportive results (Kellermanns et al., 2011; Parand, Burnett, Benn & Pinto, 2010; Homburg et al., 1999; Rapert et al., 1996) and partially supportive result (Bourgeois, 1980; Wooldridge & Floyd, 1990).

In spite of ambiguous empirical results, researchers continue to argue that research on strategic clarity requires grabbing-attention (Kohles, Bligh & Carsten, 2012, Albacete-Saez, Fuentes-Fuentes & Bojica, 2011). Guth and MacMillan (1986) posit that perception of middle managers on strategic vision have an impact on their involvement in strategy implementation. In addition, Alamjiah (2011) claims that the perception of middle managers on strategic clarity has an impact on the effectiveness of strategy implementation.

Furthermore, middle managers, in turn, are central to the internal selection process, providing seed resources for new initiatives, championing some of these to senior management (Burgelman, 1983) and potentially changing the intend strategy (Mintzberg & Waters, 1985). In addition, the common understanding on the definition of strategy indicates the need for a collective appreciation of the reasons behind a strategic implementation as well as common awareness of intended action (Kellermanns et, al, 2005). Thus, the level understanding of middle managers about strategic clarity has influenced successful strategy implementation (Andrews et al, 2012; Brenes, Mena & Molina, 2008).

In this respect, Wooldridge and Floyd (1989) propose two dimensions of strategic clarity, namely scope of strategy and content of strategy. However, Noble and Mokwa (1999) argued that there are three dimensions of strategic clarity, namely align with vision, scope of strategy and priority of strategy. Here, Noble and Mokwa (1999) had added the vision component because it is an important dimension of strategic vision in strategy implementation and it will be a guidance for middle managers when executing strategy.
Several researches emphasized the relationship between strategic clarity and strategy implementation effectiveness. Gaertner et al. (1984) suggests that the strategic clarity may be the most critical determinant of middle manager’s implementation effort to reach strategy implementation effectiveness. Also, Ritchie-Dunham and Puente (2008) point out that strategic clarity will influenced the inception, development and strategy implementation of managers. In brief, middle managers’ level of understanding about strategy likely influence on strategy implementation effectiveness (Brenes, Mena and Molina, 2008).

On the issue of commitment, previous scholars have elaborated on the commitment demonstrated by middle managers, which is incidentally, very beneficial in reducing turnover and absenteeism as well as to enhance the organisation’s performance (Kohtamaki, Kraus, Makela, Ronkko, 2012; Loi, Lai & Lam, 2012; Mowday, 1998). Indeed, the reason for widespread interest in the commitment concept in the field of organisational behavior has been assumed to be related with turnover behavior and performance (Benkhoff, 1997). Siswanto (2011) found that psychological empowerment programs are likely to enhance commitment of managers. Hence, commitment is identification and engagement of middle managers to the strategy and goals and then the commitment is shown by achieving the organization's strategy. Therefore, the role the middle manager’s commitment is significant in order to achieve the strategy implementations (Misbach et al, 2013; Hakim, 2012).

**Literature Review**

**Strategy Implementation Effectiveness**

Despite the perceived significance of strategy implementation, inadequate research has been carried out on this strategic management process component. Noble (1999) pointed out that deep and cohesive bodies of strategy implementation research still do not exist. In fact, strategy implementation is viewed as the most difficult component of the strategic management process (Thompson et al, 2011; Alio, 2005; David, 2010; Hrebiniak, 2006; Thompson & Strickland, 2003) and the bulk of good strategic planning has failed in its implementation (Alamsjah, 2011; Alghamdi, 1998; Beer & Eisenstat, 2000; Kopl & Norton, 2004; Mankins & Steele, 2005). Nevertheless, Ramaseshan et al., (2013) stated that there exist a small number of guidelines for successful strategy implementation.

In the last two decades, the formulation strategy has been broadly considered as the most important component in strategic management, even more important than strategy implementation. However, research highlights that the capability to implement strategy is viewed as very important in order to achieve superior business performance (Faure & Rouleau, 2011; Kaplan & Norton; 2001; Mankin & Steele, 2005). In the same vein, Parnell (2011) argues that strategy formulation only produces superior performance for an organisation when it is successfully implemented.

**Strategic Commitment of Middle Manager**

Moreover, many scholars have also come out with the classification schemes for commitment. Ghemawat (1991) describes commitment from the middle managers perspective in relation to the strategic management process. He argues that managers must change the way they have traditionally thought about strategy. There are three points to the argument. First, managers have thought of strategy as a search for timeless bases of success, it is important for managers to be commitment and realize the strategy’s success. Second, managers have to concentrate on choosing strategic principles for the betterment of the organization by subordinating individual choices. Managers should allot more attention to envisage the choices that embody significant commitment. Third, strategic analyses show that managers should focus on long-run competitive positions.

Furthermore, Ramaseshan et al., (2013) and Ghemawat (1991) explains that the consequences of commitment when making business decision are largely based on research into business economics. Thus, industrial economists have demonstrated that it is costly to reverse commitment to durable and specialized factors that are necessary for sustained differences in the performance of competing organisations, and have explored conditions under which they are sufficient as well.

**Strategic Commitment of Middle Manager and Strategy Implementation Effectiveness**

Successful implementation of corporate strategies requires visible commitment from senior managements (Maxwell et al. 1997). Various studies have provided strong evidence that strong commitment from managers is essential for the successful implementation of strategies (Birken, Lee, & Weiner, 2012; Wilkinson, Nutley & Davies, 2011; Carney, 2011; Dooley, Fryxell & Judge, 2000). It has been noted that lack of management team commitment might undermine the success of implementation stage (Riehl, 1988)

Therefore, commitment should promote effective strategy implementation by utilizing the middle managers’s role of coordinating diverse activities in strategy implementation (Rameshesan, et. al, 2013; Kissi, Dainty & Liu, 2012; Wooldridge & Floyd, 1990). Indeed, Guth and MacMillan (1986) explain the lack of such commitment of middle managers can occur, taking the form of rendering low priority to implementation actions, resulting in unnecessary delays and in “foot dragging”, all of which can seriously compromise the quality of the
implementation, if not, postpone it beyond the period of efficacy. Thus, the significance of the middle managers’ strategic commitment is to enhance effective strategy implementation (Rameshesan et al., 2013; Kohtamaki, Krause, Makela & Ronkko, 2012; Floyd & Wooldridge, 1992, 1997). Furthermore, Guth and MacMillan (1986) have emphasised that commitment theory provides a relatively simple explanation for the level of an individual manager’s strategic commitment towards the implementation of a strategy. Hence, if the perceived degree of goal alignment is low, the individual’s commitment will be low, so the amount of effort a middle manager is willing to put forward to implement the strategy will be low too.

From the above discussions on the link between strategic commitment of middle managers and effectiveness of strategy implementation, it is hypothesized that:

**P1:** Strategic commitment of middle managers is positively related to the effectiveness of strategy implementation.

### Strategic Clarity

Research into strategic management process emphasises the significance of strategic outcomes in understanding the successful implementation of strategic decisions (Schwenk, 1995). Consequently, understanding how managers interpret and react to strategic decisions has become increasingly important (Kohles, Bligh & Carsten, 2013; Strange & Mumford, 2005; Daft & Weick, 1984; Dutton, Fahey & Narayanan, 1983; Frederickson, 1983). Wooldridge and Floyd (1990) have argued that while strategic decisions reflect the belief that the chosen strategy is the appropriate one to pursue, strategic commitment evaluates the depth of the willingness to expend the resources related to that strategy. In the same manner, Noble and Mokwa (1999) suggest that the significant aspects of clarity of the strategy appear to influence the extent to which middle managers are committed to its implementation.

The first dimension of strategic clarity is to align it with the vision, whereby it analyses the extent to which a strategy being implemented is perceived to be aligned with the strategic direction of the organisation (Slack, Orife & Anderson, 2010; Dvir, Kass & Shamir, 2004; Noble & Mokwa, 1999). In addition, strategic vision provides guidance and overarching direction for managers charged with the task of implementation (Oswald, Mossholder & Harris, 1994). Moreover, Fusco (1997) argues that the presence of an articulated vision can act as a point of comparison for individual strategies and may serve as a validating purpose for managers. In which may foster strategic commitment among middle managers, it is clear that understanding how a given strategy aligns with the overall vision of an organisation influences the middle manager’s commitment to perceive that the strategy is effectively implemented particularly in banks industry (Kohles, Bligh and Carsten, 2013, Siswanto, 2012). This suggests the following:

**P 2.1:** Strategic clarity of aligned with vision is positively related to the strategic commitment of middle managers

The second dimension of strategic clarity that is expected to affect role commitment is priority of strategy. When strategy is viewed as a pattern in a stream of decisions, the priority of strategy becomes the guidance for middle managers to make decisions regarding strategy implementation (Wooldridge & Floyd, 1989). Furthermore, the clear communication of ‘priority of strategy’ by middle management has a significant impact on the middle managers’ commitment to strategy implementation (Kohles et al., 2012; Albacete-Saez, Fuentes-Fuentes and Bojica, 2011). Smith, Mitchell and Summer (1985) have argued that the ‘priority of strategy’ reflects what is significant to decisions makers and can be observed by focusing on how managers pay attention to, weigh and actually use certain types of information when making decisions. Strategies that are perceived as having greater organisational consequences produce a high level of priority, more priorities and creates attention during the interpretation stage of cognitive processing, should be associated with higher levels of personal involvement and commitment towards the success of the strategy (Slack, Orife & Anderson, 2010; Sproull & Hofmeister, 1986). Thus,

**Hypothesis 2.2.** Strategic clarity of priority of strategy is positively related to the strategic commitment of the middle managers

The final dimension of strategic clarity is the scope of the strategy. On the issue of the scope of the strategy, Floyd and Wooldridge (1992b) have found that direct exposure to the ‘scope of strategy’ and ‘priority of strategy’ facilitates the shared understanding of strategic decisions. In line with this, Narayanan, Zane and Kemmerer (2011) have studied the relationship between perception of middle managers towards ‘scope of strategy’ and their commitment in efforts to implement strategies. Their study found that the broader the scope of strategy, greater the impact on middle manager’s commitment in strategy implementation responsibilities. Similarly, Noble and Mokwa (1999) have found that the broader the scope of implementing strategies, the more likely it would enhance the middle manager’s commitment towards the strategy implementation process. Hence, the broader scope in strategy implementation responsibilities has an impact on the middle manager’s cross-functional involvement and decreases the inter-functional political and resource efforts (Noble and Mokwa, 1999). Therefore,
Hypothesis 2.3: Strategic clarity of scope of strategy is positively related to the strategic commitment of the middle managers

Strategic Commitment Mediates the Relationship between Strategic Clarity and the Effectiveness of Strategy Implementation

Brenes, Mena and Molina (2008) have proposed that strategy and the systematic formulation process are important dimensions needed to achieve a successful strategy implementation. The implementor degree of involvement is an important factor in strategy formulation. However, this factor is deemed important not only on the account of its potential contribution, but above all, because of its commitment to the strategy chosen by the firm. In fact, clarity and alignment with the vision of strategy are two factors most likely to enhance the commitment of managers in order to achieve effective of strategy implementation.

Subsequently, establishing the priority and scope of the strategy are key components that aid middle manager to take systematic execution towards implementing strategies (Kohles et al., 2012; Albacete-Saez, Fuentes-Fuentes & Bojica, 2011). Hence, with the clarity of priorities and scope of strategy, it is likely to build up the commitment of middle managers as implementors of strategy implementation (Stam, Knippenberg, and Wisse, 2010). In addition, Mintzberg (1990) and Rhyne (1986) support these arguments by affirming that successful strategy formulation and implementation requires the commitment and involvement of managers of all levels. Furthermore, Dess and Priem (1995) argue that strategy commitment of the implementer of strategies might play a strong intervening role in the relationship between strategic decisions and effective strategy implementation. Therefore, based on the above discussions, this study anticipates that the relationship between strategic clarity and effectiveness of strategy implementation will be mediated by the strategic commitment of middle managers;

P 3.1: The strategic commitment of middle managers mediates the relationship between the strategic clarity of aligned with vision and the effectiveness of strategy implementation
P 3.2: The strategic commitment of middle managers mediates the relationship between the strategic clarity of priority of strategy and the effectiveness of strategy implementation
P 3.3: The strategic commitment of middle managers mediates the relationship between the strategic clarity of scope of strategy and the effectiveness of strategy implementation

To address the above issues, the conceptual framework that will be used in this study is illustrated in Figure 1. The four strategic roles of middle managers in strategy implementation are identified as shown below.

![Conceptual Framework](image)

**Figure 1. Conceptual Framework**

**RESEARCH METHODOLOGY**

This empirical research is quantitative in nature and data will be collected by means of self-administered questionnaires which will be distributed to middle managers from Conventional Bank operating in Indonesia. This study is a cross-sectional type of enquiry in which data will be collected at one point of time in an uncontrolled setting. The measuring instrument is a structured questionnaire. Questionnaires will be designed in two languages-English and Indonesian. The participants will be invited to respond to the questionnaire in the language that they are most comfortable with and that they commonly used in their daily work life. Prior to conducting a pilot study and a quantitative data collection, preliminary interviews will be carried out among ten respondents to obtain a “fresh” view of their strategic clarity and strategic commitment of middle manager in strategy implementation.

**DISCUSSION**

The aim of this study has been to provide conceptually the role of strategic commitment of middle manager in the relationship between strategic clarity and the effectiveness of strategy implementation. The intention is to provide a critical explanation of the specific model on the role of strategic commitment of middle managers to achieve the effectiveness of strategy implementation. Existing literature on implementing strategy from middle management view appears to be rather limited in general. In fact, the research on the strategic commitment of middle managers in the banking industry is almost next to none. Therefore, the present study hopes to identify the strategic commitment in the relationship between strategic clarity and strategy implementation effectiveness from perspective of the middle managers.
It is evident that the strategic clarity is critical in ensuring the effectiveness of strategy implementation. In this respect, the perception of middle manager among strategic clarity can lead the strategy in a variety of ways, for instance, they can promote issues to top management, modify information on the issue, frame issues in a particular way, or mobilize others to shift top managers’ attention towards certain issues (Dutton and Ashford, 1993). Accordingly, middle managers’ level understanding about strategy has influence on successful strategy implementation (Brenes, Mena & Molina, 2008).

In consequences, strategic clarity from middle manager view is an issue that would benefit considerably from academic-led empirical research, and it is imperative that a comprehensive model needs to be developed on the effectiveness of implementing strategy among middle managers in banking industry.

References


