

# Building Blocks of Successful Strategy Implementation and Execution in the Management of Organisations

Anthony Igwe, Ph.D\*<sup>1</sup> J. U. J Onwumere, Ph.D\*\*<sup>2</sup> Obiamaka P. Egbo, Ph.D\*\*

## Abstract

The importance of building blocks of successful strategy in the perception and management of organizations and how the strategies are implemented and executed are the issues of concern in this paper. The distinctive features of an effective strategy were identified. The advantages of having a strategy driven budget and resource allocation were identified. The conclusion is reached that there is need for effective implementation of strategy in order to achieve the vision of the organization. No matter how good a strategy is, if not well implemented and executed, the desired goals and vision will not be realized.

## 1.0 INTRODUCTION

To survive in today's tidal wave of global economic, technological, and social dynamics, an entrepreneur must understand how powerful forces are increasing product and market competitions, breaking down geographical barriers in the process. An entrepreneur must, therefore, respond by adopting a new strategic approach that combines speed, openness, flexibility, and forward focused thinking, hence innovation. Innovation typically involves treading into uncertain waters. And as uncertainty increases, the value of a well-thought-out, but static, enterprise strategy drops. All that strategy can do is to give a good starting point. From there, an entrepreneur must experiment, learn, and adapt (Daaft, 2002).

A strategy is thus a plan of action desired to achieve a particular goal or goals, as different from tactics or immediate actions with resources at hand. Originally confined to military matters, the term, strategy, has become commonly used in many disparate fields today (Wikipedia). A strategy is typically an idea that distinguishes a course of action by its hypothesis that a certain future position offers an advantage for acquiring some designated gains. The description of the idea is generally prepared in prescriptive documentation. It is therefore an umbrella plan encompassing a number of smaller plans for some objectives. Strategy is derived from the Greek word, *strategos*, which refers to a military commander during the age of Athenian Democracy (Harrison, 2002).

Strategy formulation is the process of determining appropriate courses of action for achieving organizational objectives and thereby accomplishing organizational purpose. Stated simply, strategy is a road map or guide by which an organization moves from a current state of affairs to a future desired state. It is not only a template by which daily decisions are made, but also a tool with which long-range future plans and courses of action are constructed. Strategy allows a company to position itself effectively within its environment to reach its maximum potential, while constantly monitoring that environment for changes that can affect it, so as to make changes in its strategic plan accordingly. An organization's strategy must be appropriate for its resource, circumstances, and objectives. One major objective of an overall corporate strategy is to put the organization in a position to carry out its mission effectively and efficiently. A good corporate strategy should integrate an organization's goals, policies, and action sequences (tactics) into a cohesive whole, and must be based on business realities. Business enterprises can fail despite 'excellent' strategy because the world changes in a way they failed to understand. Strategy must connect with vision, purpose and likely future trends (Harrison and Frank, 1999).

Strategy formulation is both a skill and a process that leaders use to focus their organizations on the path of success. Strategy formulation involves making fundamental decisions about products and ideas. The leaders determine how much to stretch (the upper line), how to create the benefit for customers, how flexible to be, how to measure progress, and how to recognize when the strategy cannot be sustained (the lower line). Strategy formulation is an iterative process in which the key personnel assess, decide, act, and review how they are doing. The decisions are fundamental to the success of a business. The process prepares key people to take responsibility for the chosen route and like captains of sailing ships of old, they must adapt as the environment changes: To wind shifts, to currents, to shoals, to storms. They need to know when the company is making progress and when it is in trouble. Successful strategies rely on a judicious mix of analytical formulation, internal and external communication, and strong leadership. None of the elements in the trio can be left unattended, as doing so is a recipe for failure (Kono, 1994).

Strategy formulation and implementation is an on-going, never ending integrated process requiring continuous reassessment and reformation. Strategic management is dynamic. It involves a complex pattern of

<sup>1</sup> Department of Management, University of Nigeria, Enugu Campus

<sup>2</sup> Department of Banking and Finance, University of Nigeria, Enugu Campus

actions and reactions. It is partially planned and partially unplanned. Strategy is both planned and emergent, dynamic, and interactive. This paper is divided into six sections. Section one is the introduction. Section two discusses strategy, its importance and distinguishing features. Section three concentrates on building capable organizations while section four focuses on the inhibitors of strategy execution. Section five examines the drivers of strategy execution while section six contains our remarks and conclusion.

## 2.0 WHAT IS STRATEGY AND WHY IS IT IMPORTANT?

A company's strategy is management's action plan for running the business and conducting operations. The formulation of a strategy represents a managerial commitment to pursue a particular set of actions in growing the business, attracting and satisfying customers, competing successfully, conducting operations, and improving the company's financial and market performance (Markides, 2004). A clear and logical strategy is management's roadmap to competitive advantage, its game plan for satisfying customers and improving financial performance (Porter, 1996).

Formulating and executing strategy are core management functions. Among all the things managers do, nothing affects a company's ultimate success or failure more fundamentally than how well its management team charts the company's direction, develops competitively effective strategic moves and business approaches, and pursues what needs to be done internally to produce good day in, day out strategy execution and operational excellence (Thompson, Strickland & Gamble, 2008). A winning strategy fits the circumstances of a company's external situation and its internal resource strengths and competitive capabilities, builds competitive advantage, and enhances company performance. Whether a company wins or loses in the marketplace is directly attributable to the quality of a company's strategy and the proficiency with which the strategy is executed (Miller, Eisenstat & Foote, 2002).

### The importance of strategy execution

Strategy execution is an integral component of the strategic management process and is viewed as the process that turns the formulated strategy into a series of actions and then results to ensure that the vision, mission, strategy and strategic objectives of the organisation are successfully achieved as planned (Hrebiniak, 2008; Thompson, Strickland, & Gamble, 2008; Bossidy & Charan, 2002). Research indicates that strategy execution, rather than strategy formulation alone, is a key requirement for superior business performance (Holman 1999; Flood, Dromgoole, Carroll & Gordon 2000; Kaplan & Norton 2001; Hrebiniak, 2008). Additionally, there is a growing recognition that the most important problems in the field of strategic management are not related to strategy formulation, but rather to strategy execution (Speculand, 2009), and that the high failure rate of organisational initiatives in a dynamic business environment is primarily due to poor execution of new strategies (Kaplan & Norton, 2008; Jooste & Fourie, 2009).

### Four distinctive Features of an Effective Strategy

1. **Strategies are goal-oriented:** They focus on the outcome of work rather than on work as an end itself. In a strategy driven enterprise, everyone in the company understands the why and what of their work. How people are trained and how performance is measured reinforce the outcome orientation of processes.
2. **Strategies are customer-focused:** Looking at strategy as a process compels a business to see itself and its work from the customer's perspective rather than from its own. Marketing and sell is viewed through the lens of forming partnerships with customers to solve their business problems. The old focus on optimizing your own production schedules is replaced by a new one on delivering solutions to customers on time. These new perspectives lead to new ways of working.
3. **Strategies are holistic:** Strategy driven process transcends individual activities. It concentrates instead on how activities fit together to achieve the key goal to deliver superior value to the customer. This goal is achieved by replacing a collection of competing departments with a seamless and synergistic web of strategically aligned collaborators working together for a purpose
4. **Strategies institutionalized:** They do not depend on luck, be it leadership, technological, or marketing one. Strategy oriented companies seek to institutionalize success by designing high-performance ways of working. They do not denigrate the talents of remarkable individuals, but they recognize that all human talent can and should be leveraged by an overall process. They believe that a company achieves its highest potential by designing processes that mobilize everyone's abilities rather than depending too much on any single individual, however gifted he or she may be (McCall, Kaplan and Robert, 1991)

## 3.0 Building Capable Organizations

In building a functional organization, there are few essential things that an entrepreneur needs to take into cognizance. These are discussed below:

**Good Leadership:** Sir Ranulph Fiennes defines leadership as “The total subjugation of self to cause”, and while most corporate leadership roles do not carry the mortal risk of some Sir Ranulph’s more extreme expeditions, “Total subjugation to cause to self” is too often the perceived behavior of poor leaders and may well be the reason behind the emerging mood of themselves without delivering result for others. Typically, the two key essential elements of good leadership are- (a) Vision identification of the commercial opportunity available and (b) Execution - the organization, direction and application of the resources (people, money and things) necessary to pursue the opportunity (Porter, 2000).

**Clarity of Purpose:** At the highest level, purpose may be referred to as the “Mission” or the Strategic intent of the company to achieve some clearly defined objective. It may encompass a belief in the potential capability of the business to create or meet an identified need. At an operational level clarity of purpose is important to ensure that those responsible for delivering the resources necessary to realize the potential are all clear about what, how and when it should be done. Since strategy is a very broad term which commonly describes any thinking that focus their efforts strategically. To meet an overall organizational strategy a business team needs to follow an overall organizational strategy. A successful strategy adds value for the targeted customers over the long run by consistently meeting their needs better than the competition does (Forest, 2012).

**Real Customer Focus:** The difference between customer focus and real customer focus is that companies adopting the former claim they direct their business to meet customer’s needs. The real recognition of the imperative of this characteristic is that after years of lip service it is finally becoming a practical, competitive dimension of successful business.

**Readiness to Reinvent:** This is based on the belief that the present business model could not sustain growth in the future, and making the intellectual and resource investment to the reinvention process and doing that in a way which allowed the business to continue to function through the change. The readiness required reinventing business and also making fundamental strategic shifts to reposition companies in the market is a crucial one (Zabra, 2001).

### 3.1 Developing Strategy Driven Organisational Structure

Developing strategy driven organizational structure is about developing a strategy based framework for managing organizational activities in a given company. This will involve the preliminary layout of the detailed paths by which the company plans to fulfil its mission and vision. This step involves five major elements: identification of the major lines of business (LOBs), development of the vision and mission statement, establishment of critical success indicators(CSIs), identification of strategic thrust to pursue and the determination of the necessary culture.

**Identification of Major Line of Business:** A line of business is an activity that produces either dramatically different products or services or that are geared towards very different markets. When considering the addition of a new line of business, it should be based on existing core competencies of the organization, its potential contribution to the bottom line, and its fit with the firm’s value system

**Vision and Mission Formulation:** This step of the planning process is critical in that it serves as the foundation upon which the remainder of the plan is built. A vision is a statement that identifies where an organization wants to be at some point in the future. It functions to provide a company with directionality, stress management, justification and quantification of resources, enhancement of professional growth, motivational standards, and succession planning. Williams (2002) point-outs that a well-conceived vision consists of two major components: a core ideology and the envisioned future. A core ideology is the enduring character of an organization; it provides the glue that holds an organization together. It is composed of core values and a core purpose. The core purpose is the organization’s entire reason for being. The envisioned future involves a conception of the organization at a specified future date inclusive of its aspirations and ambitions.

Once an agreed-upon vision is implemented, it is time to move on to the creation of a mission statement.

An explicit mission statement ensures the unanimity of purpose, provides the basis for resources allocation, guides organizational boundaries, facilitates accountability, and facilitates control of cost, time, and performance. When formulating a mission statement, it is vital that it specifies six specific elements including the basic product or service, employee orientation, primary market(s), customer orientation, principle technologies, and standards of quality. With all of these elements incorporated, a mission statement should still remain memorable. Other functions of a mission statement should still remain short and memorable. Other functions of a mission statement include setting the mounds for development of company philosophy, values, aspirations, and priorities (policy); establishing a positive public image; justifying business operations; and providing a corporate identity internal and external stakeholders. For example, the mission statement of the American Red Cross, reads: The mission of the American Red Cross is to improve the quality of human life; to enhance self-reliance and concern for others; and to help people avoid, prepare for, and cope with emergencies (Daaft, 2002).

**Establishing of Critical Success Indicators:** The establishment of critical success factors must be completed

for the organization as a whole as well as for each line of business. A critical success indicator is a gauge by which to measure the progress toward achieving the company's mission and vision. In order to serve as a motivational tool, critical success indicators must be accomplished at a given year. This allows for easy tracking of the indicated targets. These indicators are typically a mixture of financial figures and ratios (i.e. return on investment, return on equity, profit margins, etc.) and softer indicators such as customer loyalty, employee retention/turnover, and so on.

**Identification of Strategic Thrusts to Pursue:** Strategic thrusts are the most well-known methods for accomplishing the mission of an organization. Generally speaking, there is a handful of commonly used strategic thrusts, which have been so aptly named grand strategies. They include the concentration on existing products or services: vertical/horizontal integration; the development of joint ventures; diversification; retrenchment/turnaround (usually through cost reduction); and divestment/liquidation (known as the final solution (Harrison, 2002).

**Determination of the Necessary Culture:** Finally, in designing strategy, it is necessary to determine the necessary culture with which to support the achievement of the lines of business, critical success indicators and strategic thrusts. Harrison and Stokes (1992) defined four major types of organizational cultures: First, Power Orientation, which is based on the inequality of access to resources, and leadership based on strength from those individuals who control the organization from the top. Two, Role orientation which carefully defines the roles and duties of each member of the organization; it is a bureaucracy. Three, the achievement orientation which aligns people with a common vision or purpose. It uses the mission to attract and release the personal energy of organizational members in the pursuit of common goals. Finally, there is the support orientation. The organizational climate is based on mutual trust between the individual and the organization. More emphasis is placed on people being valued more as human beings rather than employees. Typically an organization will choose some mixture of these or other predefined culture roles that it feels is suitable in helping it to achieve its mission and the other components of strategy design (Harrison and Frank, 1999).

**3.2 Strategy Driven Budgets and Resources Allocations:** Budgeting and resources allocation based on strategically organized business entity has the following advantages inherent in it:

**a). Cost Reduction:** The cost reduction would arise from the way the organizational structure is derived strategically. Cost and resources can be allocated based on the focus and expected outcome of each product line.

**b). Rational Resources and Cost Allocation:** Rational allocation of resources is also based on the optimal allocation of available resources in an organization.

**c). Help to Monitor Progress:** Since resources are allocated on the basis of the structural arrangement of the organization, it then becomes so easy for management to monitor progress of each sub unit in the organization in terms of their contribution to the overall corporate pursue.

**d). Strategy Supportive Policies and Commitment to Continuous Improvement:** This involves the development of supportive policies that are driven principally by effective strategy. Commitment to continuous improvement is indeed one of the products of an effective policy. Others are discussed briefly below:

**e). Environmental Scanning:** This element of strategy formulation is one of the two continuous processes. Consistently scanning its surroundings services the distinct purposes of allowing a company to survey a variety of order to conduct subsequent pieces of the planning process. There are several specific areas that should be considered, including the overall environment, the specific industry itself, competition, and the internal environment of the firm.

**f). Creativity:** Creativity in business is a term traditionally misconstrued and normally assigned to the creative arts and the advertising industry. However, creativity (the Power of creating) is the force behind innovation. This should therefore be encouraged and simulated as a part of the role of everyone in an organization. Today, an increasing number of businesses are embracing creativity as a "free service" which all companies can tap into and increasing numbers of businesses are benefiting already from this innovative organizations continue to find not only new ideas, but also new and better ways of doing what they already do (Kono, 1994).

**Focus on Growth:** Successful companies recognize the fact that a business cannot be managed to stand still as revenue and profit will naturally decline as a result of erosive effects of the uncontrollable Political, Economic, Social, and Technological (P.E.S.T) factors and controllable Strengths, Weaknesses, Opportunities and Threats (S.W.O.T) factors in the market. The growth equation has to include the impact of such factors when establishing the growth targets for the business that are vital to its future prosperity and success. Furthermore, what chief executives and boards are there to do is to ensure that they grow the brands and the businesses under their stewardship. That is what management is there to do. The focus on growth is an instinctive characteristic of all successful businesses. Perhaps it is taken as a given for every business, but the factors that drive it and its need and role in business appears as an automatic assumption, perhaps for the reason above, and so it is built into the business planning process. The question, "why growth?" is not asked because it appears to require no answer.

**Strategy Supportive Work Environment and Corporate Culture:** The biggest impediment to strategy

implementation is the traditional functional mindset, prevalent since the industrial revolution, promotes attitudes and behaviours that are counterproductive in the current business environment. Functional thinking is based on an inside-out view in which departmental focus, reporting relations, and the flow of authority are predominant factors. This drives a disproportional preoccupation with company structure and leads to frequent restructuring in the hope that if the organization's chart were properly defined and filled, the organization's performance would automatically improve. Functional view also reinforces the traditional view of performance measurement in which the dominant factors are actual-budget performance by department and a conservative view of technology.

**Values Assessment:** All business decisions are fundamentally based on some set of values, whether they are personal or-organisational values. The implication here is that since the strategic plan is used as a guide for daily decision making, the plan itself should be aligned with those personal and organizational values. To delve even further, a value assessment should include an in-depth analysis of several elements: personal values, organizational values, operating philosophy organization culture, and stakeholders. This allows the company to take a macro look at the organization and how it functions as a whole. Strategic planning that does not integrate a values assessment into the process is use to encounter severe implementation and functionality problems if not outright failure. Briefly put, form follows function; the form of the strategic plan must follow the functionality of the organization part feels that his or her values have been neglected, her or she will not adopt the plan into daily work procedures and the benefits will not be obtained.

**Strong Culture:** The culture of a business can be described as the sum and priority of its values (beliefs). The leaders of a company are usually the authors, owners or guardians of such a value set and are those that allow such values to be a driving force in the way the business conducts itself. The values extant in a company can be either "expressed" (formalized, communicated to all and an integral part of the decision making processes of the business) or "implied" (implemented by practice or example by the leaders/owners of the business and replicated to a greater or lesser degree by staff). Where the actions and behaviours of companies are consistent with their values, the beneficial outcomes is seen to be greater, there is increased stakeholder trust, less cultural hypocrisy and a more open and innovative working environment (McCall, et al, 1990).

**Effective Strategic Leadership:** An effective leader combines the power of effective strategy formulation with that of strategic management process that comprises three phases: diagnosis, formulation, and implementation. Indeed, it should be noted that strategic management is an ongoing process to 'develop and revise future-oriented strategies that allow an organization to achieve its objectives, considering its capabilities, constraints, and the environment in which it operates.

**Diagnosis includes:** (a) performing a situation analysis (analysis of the internal environment of the organization), including identification and evaluation of current mission, strategic objectives, strategies, and results, plus major strengths and weakness; (b) analyzing the organization's external environment, including major opportunities and threats; and (c) identifying the major critical issues, which are a small set, typically two to five, of major problems, threats, weaknesses, and/or opportunities that require particularly high priority attention by management.

**Formulation:** The second phase in the strategic management process, produces a clear set of recommendations, with supporting justification, that revise as necessary the mission and objectives of the organization, and supply the strategies for accomplishing them. In formulation, we are trying to modify the current objectives and strategies in ways to make the organization more successful. This includes trying to create "sustainable" competitive advantages-although most competitive advantages are eroded steadily by the efforts of competitors.

A good recommendation should be: effective in solving the stated problem (s), practical (can be implemented in this situation, with the resources available), feasible within a reasonable time frame, cost-effective, not overly disruptive, and acceptable to key "stakeholders" in the organization. It is important to consider "fits" between resources plus competencies with opportunities fits between risks and expectations.

There are four primary steps in this phase:

- Reviewing the current key objectives and strategies of the organization, which usually would have been identified and evaluated as part of the diagnosis.
- Identifying a rich range of strategic alternatives to address the three levels of strategy formulation outlined below, including but not limited to dealing with the critical issues.
- Doing a balanced evaluation of advantages and disadvantages of the alternatives relative to their feasibility plus expected effects on the issues and contributions to the success of the organization.
- Deciding on the alternatives that should be implemented or recommended (Porter, 2000).

In organizations, and in the practice of strategic management, strategies must be implemented to achieve the intended results. The most wonderful strategy in the history of the world is useless if not implemented successfully. This third and final stage in the strategic management process involves developing an implementation plan and then doing whatever it takes to make the new strategy operational and effective in achieving the organization's objectives.

**Action plan development:** Strategic leadership involves the development of an effective action plan. Action

plan ties all other strategic issues that are involved in the development and positioning of an organization together. First, an action plan must be developed for each line of business, both existing and proposed. It is here that the goals and objectives for the organization are developed. Goals are statements of desired future end-states. They are derived from the vision and mission statements and are consistent with organizational culture, ethics, and time bounded. In strategic planning. It is essential to concentrate on only two or three goals rather than a great many. The idea is that leadership can do a better job on a few rather than on many. There should never be more than seven goals. Ideally, the near-term goals should link each long-term goal with functional areas, such as operations, human resources, finance, etc., and keep processes such as information, leadership, etc. Specifically, each objective statement must indicate what is to be done, what will be measured, the expected standards for the measurement, and a time frame less than one year (usually tied to the budget cycle). Objectives are dynamic in that they can and do change if the measurements indicate that progress toward the accomplishment of the goal at hand is deficient in any manner. Simply, objectives spell out the step-by-step sequences of actions necessary to achieve the related goals. With a thorough understanding of how these particular elements fit and work together, an action plan is developed. If carefully and exactly completed, it will serve as the implementation tool for each established goal and its corresponding objectives as well as a gauge for the standards of their completion.

**Contingency Planning:** This is one of the foresights that distinguish a strategic leader from other types of leaders. The key to contingency planning is to establish a reactionary plan for high impact events that cannot necessarily be anticipated. Contingency impacts events that cannot necessarily be anticipated. Contingency plans should identify a number of key indicators that will create awareness of the need to re-evaluate the applicability and effectiveness of the strategy currently being followed. When a raised flag is raised, there should either be a higher level of monitoring established or immediate action should be taken.

**Implementation:** Effective Implementation of the strategic plan is perhaps one of the most critical responsibilities of strategic leader. This is the final step in putting it to work for an organization. The top office must be involved from the beginning. A company's leader is its most influential member. Positive reception and implementation of the strategic plan into daily activities by this office greatly increases the likelihood that others will do the same. Advertising is key to successful implementation of the strategic plan. The more often employees hear about the plan, its elements, and ways to measure its success, the greater the possibility that they will undertake it as part of their daily work lives. It is especially important that employees are aware of the measurement systems and that significant achievements be rewarded and celebrated. This positive reinforcement increases support of the plan and belief in its possibilities. Strategic implementation, therefore, involves:

1. Allocation of sufficient resources (financial, personnel, time, computer system support).
2. Establishing a chain of command or some alternative structure (such as cross functional teams).
3. Assigning responsibility of specific tasks or processes to specific individuals or groups.
4. It also involves managing the process. This includes monitoring results, comparing to benchmarks and best practices, evaluating the efficacy and efficiency of the process, controlling for variances, and making adjustments to the process as necessary
5. When implementing specific programs, this involves acquiring the requisite resources, developing the process, training, process testing, documentation, and integration with (and/or conversion from) legacy processes.) (Forest, 2012).

#### 4.0 THE INHIBITORS OF STRATEGY EXECUTION

Previous studies (Alexander, 1991; Kotter, 2007; Strabel, 1996; Eisenhardt, 2002; Okumus, 2003; Atkinson, 2006; Hrebiniak, 2008; Speculand, 2009) have established that the main inhibitors to the execution of strategies include execution taking more time than planned, lack of communication, lack of coordination and support from other levels of management, resistance from lower levels, lack of control systems and execution being viewed as a set of discrete, isolated tasks.

Furthermore, executives need to balance the demands of successfully executing complex change programmes with the demands of managing today's business performance. In situations where management is strongly tied to reward schemes based on today's performance, it is challenging to achieve active participation for the creation of tomorrow's organisation. However, as a result of the relentless pressure from stakeholders for continual high performance, executives cannot afford to dedicate their time, effort and resources to one set of demands exclusively (Franken, Edwards & Lambert, 2009). Often, as a result of the large number of concurrent change programmes, it is difficult to secure the resources to execute the strategy as most of the organisation's resources have already been allocated. Furthermore, as such resources are limited, executives will compete fiercely for them, and once within their control, will endeavour to own them to secure their own goals (Lovallo & Kahneman, 2003).

Strategy execution always involves more people than strategy formulation. This presents problems. Communication down the organisation or across different functions becomes a challenge. Linking strategic

objectives with day-to-day objectives at different organisational levels and locations becomes a challenging task. The larger the number of people involved, the greater the challenge to execute strategy effectively (Hrebiniak, 2008). Another problem is that some top level managers believe that strategy execution is below them, something best left to lower level employees. This view holds that one group of manager's does innovative, challenging work, and then hands over the plan to lower levels to implement. If things go wrong, the lower level employees are held responsible. Execution demands ownership at all levels of management. The execution tasks, jobs, and responsibilities vary across levels, but they are interdependent and important. Execution is a key responsibility of all managers, not something that lower level employees do or worry about (Kaplan & Norton, 2008; Hrebiniak, 2008). Notable barriers to successful strategy execution about which there appears to be a degree of agreement include Beer and Eisenstat's (2000), six silent killers of strategy execution. These comprise: a top-down/laissez-faire senior management style; unclear strategic intentions and conflicting priorities; an ineffective senior management team; poor vertical communication; weak co-ordination across functions, businesses or borders; and inadequate down-the-line leadership skills development (Beer & Eisenstat, 2000). Corboy and O'Corrbui (1999), meanwhile, identify the deadly sins of strategy execution as: lack of understanding of how the strategy should be executed; staff not fully appreciating the strategy; unclear individual responsibilities in the change process; difficulties and obstacles not acknowledged, recognised or acted upon; and ignoring the day-to-day business imperatives.

## 5.0 THE DRIVERS OF STRATEGY EXECUTION

From a strategic management perspective, research suggests that adopting and executing the right practices is essential to attaining world-class performance (Brown, 2007; Laugen, 2005). While research has investigated leading practices in determining strategic content, it is only recently that processes for executing strategy have begun to be examined (Brown and Blackmon, 2005; Ketokivi and Schroeder, 2004; Minarro-Viseras, 2005).

Strategy execution has been studied from a single management perspective such as project management (Minarro-Viseras, 2005) or as a component of performance management or strategic control (Chenhall, 2003; Langfield-Smith, 1997). Such studies have focused on single projects or initiatives, but practitioners typically work in a dynamic and complex environment where there are multiple initiatives being implemented (Dawson, 2003; Pettigrew, 2003). Management approaches to strategy execution can be placed on a continuum with prescriptive planning at one end and process approaches at the other (Saunders, Mann, & Smith, 2008). Perspective planning involves moving from strategies to action planning, through the process of setting objectives and performance controls, allocating resources, and motivating employees (Mintzberg, 1994). In contrast, the process approach emphasises that successful execution depends on people changing their behaviour (Saunders, Mann, & Smith, 2008). This involves changing the assumptions and routines of people in the organisation, including managers (Dawson & Palmer, 1995; Lorange, 1998; Miller, 2002). Many studies support the process view, which focuses on managing the interpersonal and intragroup conflicts that can derive from defensive behaviours, personality differences and poor communication (Argyris, 1999; Balogun, 2006).

Beer and Nohria (2000) and Johnson and Scholes (2002) argue that the successful execution of strategy requires a combination of three critical elements taken from the prescriptive planning (hard) and process (soft) approaches. Two elements are from the planning approach: having appropriate organisational design and structure to execute strategy; and having appropriate resource allocation and control. The third critical element is managing change, from the process approach. It focuses on diagnosing barriers to change; managing political issues, communication, and changes to organisational routines (Kotter, 2007; Saunders, Mann, & Smith, 2008). The balanced scorecard technique has also been linked to strategy execution (Kaplan & Norton, 2001). This technique aims to provide executives with a concise summary of the key success factors of a business, and to facilitate the alignment of business operations with the overall strategy (Okumus, 2003). The developers of the technique, Kaplan and Norton (2001, 2008) suggested five principles:

- Translate the strategy to operational terms.
- Align the organisation to the strategy.
- Make strategy everyone's job.
- Make strategy a continual process.
- Mobilise change through leadership.

### Frameworks to execute strategy

Although there are many frameworks used for strategic analysis and strategy development, such as SWOT, five forces and value chain analysis, relatively few models have been developed for strategy execution and been widely accepted by practitioners (Voss, 2005). Researchers have noted for more than a decade that no generally accepted or dominant framework has emerged for executing strategy at either corporate or business operations levels (Minarro-Viseras, 2005; Noble, 1999; Okumus, 2003).

Researchers have identified many factors or variables that influence the outcome of strategy executions. Typical factors in frameworks of strategy executions proposed in the 1980s were organisational structure, culture,

people, communication, control and outcome (Okumus, 2003; Reed & Buckley, 1988; Galbraith & Kazanjian, 1986; Hrebiniak & Joyce, 1984; Waterman, 1980). These were the first execution frameworks to have appeared in the field of strategic management; however, none has subsequently been empirically tested. While there were no studies found that benchmarked execution practices, studies of implementing leading practices in other functional areas of organisations have identified important cultural and organisational elements (Saunders, Mann & Smith, 2008). These include: leadership championing the implementation effort, market constraints, and recognising that deploying leading practices is dependent on resolving people, process and technology issues (Detert, 2000; Jarrar and Zairi, 2000; Prajogo and McDermott, 2005). Recent research suggests that linking manufacturing/operations strategy content and process aids strategy execution and improves performance (Brown, 2007; Kotha and Swamidass, 2000; Papke-Shields and Malhotra, 2001).

Recurring elements or constructs of strategy execution in the literature include communication, people, alignment, the influence of organisational values, and learning. Frameworks of strategy execution based on empirical studies include many of the above factors, and have been produced by a number of researchers (Roth, 1991; Hrebiniak, 1992; Schmelzer & Olsen, 1994; Feurer, 1995; Miller, 2002; Noble, 1999; Okumus, 2003; Kaplan & Norton, 2001; Aaltonen & Ikavalko, 2002; Freedman, 2003). A limitation of many of these frameworks is their step by step approach in which execution is represented as a sequential process. Some researchers (Collins, 1998; Dawson, 2003; McAdam & Bailie, 2002) have questioned logical sequential frameworks of change for not reflecting the complex and dynamic nature of change initiatives.

## 6.0 REMARKS AND CONCLUSION

Every organization wants to survive and grow. All organizations in pursuit of their visions, aspire to record performances that will surpass the expectations of stake holders. For businesses, the environments in which they operate are challenging due to competition and ever presence of regulators. Change remains the constant that becomes a part of their existence. Products and services are expectedly improving for the better due to continuous innovations. The business environment is also changing, always between good and bad and business must respond to these changes. Strategies therefore become very critical. How far they can be effective, leading to desired outcomes depends on the extent to which they are implemented and executed.

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