An examination of how organisations implementing strategy identify and align activities to achieve strategic objectives

Andrew Fyfe MacLennan

Submitted for the degree of Doctor of Philosophy

Heriot-Watt University

Edinburgh Business School

February 2009
Abstract

ABSTRACT

This study examines how organisations implementing strategy identify and align activities to achieve strategic objectives.

It is widely assumed that organisations define and design activities that will plausibly realise strategic objectives. However, neither the strategy implementation literature, nor any related streams of published research, inform how this should actually be done.

In three in-depth longitudinal case studies, selected using a theoretical sample frame, it was found that practitioners did not identify and align the construction of activities that plausibly or demonstrably would achieve strategic objectives. The study suggests this is a central barrier to successful strategy implementation, partially explaining the high strategy implementation failure rates reported in the literature.

The study reveals a series of problems relating to how initiatives, projects and activities are selected and planned that together cause ineffective activity identification and alignment. These problems include lack of strategic logic and clarity, inadequate breakdown of strategy, leaps of causal logic, the use of vague/ambiguous terminology, strategy that deals only with changes, strategy that is oriented to influence multiple stakeholders, confusion between causality and task dependency and confusion about the direction of causality.

This study develops, via action research, a causal mapping method oriented to overcoming these problems.
This thesis is dedicated to the memory of my mother, Dr. Diane MacLennan, whose belief and encouragement saw me embark on this research and whose enduring influence provided the determination to complete it.
ACKNOWLEDGEMENTS

I am sincerely grateful to the many people who have provided me with support and inspiration to undertake this research.

To Professor Alex Roberts who first ignited my interest in strategy implementation, encouraged me to pursue a doctorate in the field and co-supervised the early years of the study.

To Edinburgh Business School, and in particular its directors Professors Keith Lumsden and Alex Scott, for granting me a scholarship to begin the research. Without it, I could not have started on the journey.

To my supervisor, Professor Alex Scott, for bringing his fine intellect, exacting standards, saintly patience and warm encouragement to his role. Without him, I would never have seen the wood for the trees and still be stuck in one of the many dead ends my curiosity or inexperience drew me into.

To my supervisor, Dr. Iain Henderson, for his steady guidance, insightful challenges and unflinching support through the toughest stages of the research. I owe a great deal to his wisdom and generosity.

To the many academics and researchers who have given their valuable time and expertise without hesitation: Dr. John Desmond for his counsel on methodology; Dr. Nigel Shaw and Professor Graeme Martin for their boundless knowledge of the literature; Dr. Bill Wallace for his generous feedback on the emerging thesis; Dr. John Sanders for sharing his insights and giving endless encouragement; as well as Iain Lauder, Amos Haniff and researchers at other universities, conferences and in online communities who have shared valuable thoughts and suggestions.

To the staff at EBS, including the administration teams, IT wizards, receptionists, security staff and cleaners, all of whom brightened up many a day.

To the Heriot-Watt University Library staff for their unfailing professionalism and patience with my seemingly endless borrowing, in particular Anne Smith for tirelessly hunting down every Inter-Library Loan request I ever made – even the ones she must have thought I’d chosen especially to test her.

To the hundreds of management practitioners whom I have had the pleasure of observing at work, interviewing, conversing with and working alongside in pursuit of this research. Their generosity in allowing me access to their organisations, openness in
sharing their priceless perspectives and active interest in my research has been invaluable. Some executives and senior managers have made especially important contributions to this research. To protect their anonymity and that of their employers I will not name them here – but they know who they are.

To my many clients, colleagues, associates, friends and relatives who have lent their support in so many ways, be it forbearance with my distracted mind, enthusiasm to discuss what my thesis is all about or encouragement to complete it.

Last, but certainly not least, to Jane, Callum, Duncan and Isla for their wonderful support. My regular disappearances to battle with the thesis have robbed us of precious time together and I’m honoured by their selfless patience with me.

Of course the thesis that follows is entirely my responsibility, but I thank all these people and the others who have made this work possible.

Andrew MacLennan

February 2009
DECLARATION STATEMENT

ACADEMIC REGISTRY
Research Thesis Submission

Name: Andrew Fyfe MacLennan
School/PGI: Edinburgh Business School
Version: (i.e. First, Resubmission, Final) Final
Degree Sought (Award and Subject area) Doctor of Philosophy Management

Declaration

In accordance with the appropriate regulations I hereby submit my thesis and I declare that:

1) the thesis embodies the results of my own work and has been composed by myself
2) where appropriate, I have made acknowledgement of the work of others and have made reference to work carried out in collaboration with other persons
3) the thesis is the correct version of the thesis for submission and is the same version as any electronic versions submitted*.
4) my thesis for the award referred to, deposited in the Heriot-Watt University Library, should be made available for loan or photocopying and be available via the Institutional Repository, subject to such conditions as the Librarian may require
5) I understand that as a student of the University I am required to abide by the Regulations of the University and to conform to its discipline.

* Please note that it is the responsibility of the candidate to ensure that the correct version of the thesis is submitted.

Signature of Candidate: [Signature]
Date: [Date]

Submission

Submitted By (name in capitals): ANDREW FYFE MACLENNAN

Signature of Individual Submitting:
Date Submitted:

For Completion in Academic Registry

Received in the Academic Registry by (name in capitals):

Method of Submission
(Handed in to Academic Registry; posted through internal/external mail):

E-thesis Submitted (mandatory from January 2009)

Signature: [Signature]
Date: [Date]
# TABLE OF CONTENTS

Abstract..........................................................................................................................................................i
Dedication ....................................................................................................................................................ii
Acknowledgements.....................................................................................................................................iii
Declaration Statement .................................................................................................................................v
Table of Contents ......................................................................................................................................vi
Table of Figures ..........................................................................................................................................xiv
Table of Tables ..........................................................................................................................................xvi
Glossary .......................................................................................................................................................xviii
List of Abbreviations ...............................................................................................................................xxi

## Chapter 1: Introduction ..............................................................................................................................1

1.1 Overview ...............................................................................................................................................1
1.2 The strategy implementation challenge .............................................................................................1
1.3 Building theory through case studies .................................................................................................2
1.4 Early findings & research focus ............................................................................................................2
1.5 Identification & alignment of activities to achieve strategic objectives ..............................................3
   1.5.1 The emergent research question ....................................................................................................3
   1.5.2 Implications of ineffective activity identification & alignment .....................................................3
   1.5.3 Gap in the body of knowledge ......................................................................................................4
   1.5.4 Focus of the field study ................................................................................................................5
   1.5.5 Causes of ineffective activity identification & alignment .............................................................5
1.6 Using causal mapping for activity identification & alignment ...............................................................6
   1.6.1 Action research ............................................................................................................................6
   1.6.2 Benefits of causal mapping found .................................................................................................6
1.7 Structure of the thesis ..............................................................................................................................7

## Chapter 2: Initial Literature Review .........................................................................................................11

2.1 Overview ..............................................................................................................................................11
2.2 The strategy implementation literature ..............................................................................................11
   2.2.1 Literature history ..........................................................................................................................11
   2.2.2 Lack of attention to strategy implementation .............................................................................12
   2.2.3 Significance of the strategy implementation challenge ..............................................................13
   2.2.4 Difficulties researching strategy implementation ........................................................................22
   2.2.5 An additional challenge: Practical relevance .............................................................................24
   2.2.6 Wider sources of theory ..............................................................................................................26
   2.2.7 Defining strategy implementation ...............................................................................................27
   2.2.8 Strategy implementation: The content school ..........................................................................30
   2.2.9 Comparing the content school models .......................................................................................42
   2.2.10 Strategy implementation: The process school ..........................................................................45
   2.2.11 Strategy implementation barriers ..............................................................................................49
   2.2.12 Defining strategy implementation .............................................................................................53
   2.2.13 Identifying & aligning activities to achieve strategic objectives ..............................................54
2.3 Criticality Literature ..............................................................................................................................55
   2.3.1 Overview & relevance ..................................................................................................................55
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.2 Identifying CSFs</td>
<td>56</td>
</tr>
<tr>
<td>2.3.3 Application to strategic planning</td>
<td>58</td>
</tr>
<tr>
<td>2.3.4 Performance measures for CSFs</td>
<td>58</td>
</tr>
<tr>
<td>2.3.5 Application to strategy implementation</td>
<td>59</td>
</tr>
<tr>
<td>2.3.6 Criticality for identifying activities</td>
<td>60</td>
</tr>
<tr>
<td>2.3.7 Critique of the CSF concept</td>
<td>62</td>
</tr>
<tr>
<td>2.3.8 Implications for this study</td>
<td>65</td>
</tr>
<tr>
<td>2.4 Implications of initial literature review for the study</td>
<td>66</td>
</tr>
<tr>
<td>Chapter 3: Methodology</td>
<td>68</td>
</tr>
<tr>
<td>3.1 Overview &amp; justification of the research methodology</td>
<td>68</td>
</tr>
<tr>
<td>3.1.1 Implications of initial literature review</td>
<td>68</td>
</tr>
<tr>
<td>3.1.2 Qualitative orientation</td>
<td>68</td>
</tr>
<tr>
<td>3.1.3 Case study approach</td>
<td>70</td>
</tr>
<tr>
<td>3.1.4 Grounded theory</td>
<td>71</td>
</tr>
<tr>
<td>3.1.5 Real-time longitudinal study</td>
<td>71</td>
</tr>
<tr>
<td>3.1.6 Participatory &amp; action research</td>
<td>72</td>
</tr>
<tr>
<td>3.2 Eisenhardt’s case study framework</td>
<td>73</td>
</tr>
<tr>
<td>3.3 Getting started</td>
<td>75</td>
</tr>
<tr>
<td>3.4 Selecting cases</td>
<td>76</td>
</tr>
<tr>
<td>3.4.1 Theoretical sampling</td>
<td>76</td>
</tr>
<tr>
<td>3.4.2 Units of analysis</td>
<td>80</td>
</tr>
<tr>
<td>3.4.3 Within-case sampling</td>
<td>81</td>
</tr>
<tr>
<td>3.4.4 Preparatory studies</td>
<td>82</td>
</tr>
<tr>
<td>3.5 Crafting instruments &amp; protocols</td>
<td>83</td>
</tr>
<tr>
<td>3.5.1 Archival sources &amp; document review</td>
<td>85</td>
</tr>
<tr>
<td>3.5.2 Passive observation</td>
<td>86</td>
</tr>
<tr>
<td>3.5.3 In face-to-face interviews</td>
<td>87</td>
</tr>
<tr>
<td>3.5.4 Participant observation</td>
<td>89</td>
</tr>
<tr>
<td>3.5.5 Action research</td>
<td>90</td>
</tr>
<tr>
<td>3.6 Entering the field</td>
<td>91</td>
</tr>
<tr>
<td>3.7 Analysing data</td>
<td>91</td>
</tr>
<tr>
<td>3.7.1 Field notes &amp; data organisation</td>
<td>93</td>
</tr>
<tr>
<td>3.7.2 General review &amp; marginal notes</td>
<td>93</td>
</tr>
<tr>
<td>3.7.3 Initial sorting &amp; memos/remarks</td>
<td>93</td>
</tr>
<tr>
<td>3.7.4 Critical incidents isolated</td>
<td>94</td>
</tr>
<tr>
<td>3.7.5 Sequential analysis</td>
<td>95</td>
</tr>
<tr>
<td>3.7.6 Actor feedback</td>
<td>95</td>
</tr>
<tr>
<td>3.7.7 Open, axial &amp; selective coding</td>
<td>95</td>
</tr>
<tr>
<td>3.7.8 Peer review &amp; debriefing</td>
<td>97</td>
</tr>
<tr>
<td>3.7.9 Within- and cross-case analysis</td>
<td>97</td>
</tr>
<tr>
<td>3.7.10 Exiting the field</td>
<td>99</td>
</tr>
<tr>
<td>3.8 Shaping hypotheses</td>
<td>99</td>
</tr>
<tr>
<td>3.9 Enfolding literature</td>
<td>100</td>
</tr>
<tr>
<td>3.10 Reaching closure</td>
<td>101</td>
</tr>
<tr>
<td>3.11 Methodological strengths &amp; limitations</td>
<td>101</td>
</tr>
<tr>
<td>3.11.1 Criteria for assessment</td>
<td>101</td>
</tr>
<tr>
<td>3.11.2 Key strengths</td>
<td>102</td>
</tr>
<tr>
<td>3.11.3 Key limitations</td>
<td>104</td>
</tr>
<tr>
<td>3.12 Overview of the cases</td>
<td>106</td>
</tr>
</tbody>
</table>
Table of Contents

3.12.1 Confidentiality ......................................................................................................... 106
3.12.2 The cases selected .................................................................................................. 106
3.12.3 Sample frame ......................................................................................................... 108
3.12.4 The timescales of the study .................................................................................... 108

Chapter 4 : Findings: Agency B....................................................................................... 110

4.1 Background ............................................................................................................... 110
4.2 Critical incident chart ............................................................................................... 111
4.3 Overview of research activities .................................................................................. 113
4.4 Initial semi-structured interviews .............................................................................. 113
  4.4.1 Analysis ................................................................................................................ 113
  4.4.2 Implications for focus of the study ........................................................................ 121
  4.4.3 Concentration of data analysis on the central theme ............................................ 122
  4.4.4 An aside: Project selection .................................................................................... 122
4.5 Strategy implementation-related documentation ...................................................... 123
  4.5.1 Analysis ................................................................................................................ 123
  4.5.2 Lack of strategic logic & clarity ............................................................................. 126
  4.5.3 Inadequate breakdown of strategy ........................................................................ 127
  4.5.4 Strategy that deals only with changes .................................................................. 129
  4.5.5 Plans oriented to influence multiple stakeholders .................................................. 129
  4.5.6 Vague/ambiguous terminology .......................................................................... 130
  4.5.7 Confusion between causality & task dependency .................................................. 131
  4.5.8 Leaps of logic ...................................................................................................... 134
4.6 Causes of activity identification & alignment limitations ........................................... 135
  4.6.1 Structured strategy development framework ....................................................... 137
  4.6.2 Limited management visibility, control & feedback .............................................. 137
  4.6.3 Insufficient motivation to develop effective strategy ............................................. 138
  4.6.4 Other issues ........................................................................................................ 138
4.7 Participant observation & action research .................................................................. 140
  4.7.1 Confusion about the direction of causality ............................................................. 141
  4.7.2 Frequency of limitations ...................................................................................... 142
4.8 Feedback from workshop participants ...................................................................... 142
4.9 Summary of findings .................................................................................................. 143

Chapter 5 : Findings: Function A1.................................................................................. 147

5.1 Background ............................................................................................................... 147
5.2 Critical incident chart ............................................................................................... 152
5.3 Overview of research activities .................................................................................. 154
5.4 Initial semi-structured interviews .............................................................................. 155
  5.4.1 Limited organisational strategic clarity & unclear means of objective achievement .... 160
  5.4.2 Limited knowledge of business strategy ............................................................... 163
  5.4.3 Limited problem diagnosis, symptom-focused problem solving & suboptimal project selection.... 164
  5.4.4 Poor stakeholder engagement & management ....................................................... 170
  5.4.5 Implications for focus of the study ........................................................................ 171
  5.4.6 Concentration of data analysis on the central theme ............................................ 172
5.5 Strategy implementation-related documentation ...................................................... 172
  5.5.1 Lack of strategic logic & clarity ............................................................................. 175
  5.5.2 Inadequate breakdown of strategy ........................................................................ 178
  5.5.3 Strategy that deals only with changes .................................................................. 178
  5.5.4 Strategy oriented to influence multiple stakeholders ............................................. 178
Table of Contents

5.5.5 Vague/ambiguous terminology ................................................................. 179
5.5.6 Confusion between causality & task dependency ........................................... 180
5.5.7 Leaps of logic ......................................................................................... 181

5.6 Causes of activity identification & alignment limitations ..................................... 182
5.6.1 Structured strategy development framework .................................................. 183
5.6.2 Limited strategic awareness & skills ............................................................... 184
5.6.3 Insufficient motivation to develop effective strategy ....................................... 184

5.7 Passive & participant observation ..................................................................... 184
5.7.1 Strategy & co-ordinating frameworks .............................................................. 185
5.7.2 Stakeholder issues ....................................................................................... 185
5.7.3 Diagnosis & problem-solving ....................................................................... 189

5.8 Action research .............................................................................................. 190
5.8.1 Confusion about the direction of causality ..................................................... 197

5.9 Performance of Function A1 .......................................................................... 198

5.10 Feedback from workshop participants ........................................................... 200

5.11 Summary ...................................................................................................... 201

Chapter 6 : Findings: Function A2 ........................................................................ 204
6.1 Relationship with Company A & Function A1 .................................................. 204
6.2 Critical incident chart ..................................................................................... 205
6.3 Overview of research activities ........................................................................ 207

6.4 Initial semi-structured interviews .................................................................... 207
6.4.1 Limited organisational strategic clarity & unclear means of objective achievement 213
6.4.2 Limited knowledge of business strategy ......................................................... 214
6.4.3 Limited problem diagnosis, symptom-focused problem solving & suboptimal project selection 214
6.4.4 Poor stakeholder engagement & management ................................................. 218
6.4.5 Implications for focus of the study ................................................................. 219
6.4.6 Concentration of data analysis on the central theme ..................................... 220

6.5 Strategy implementation-related documentation .............................................. 220
6.5.1 Lack of strategic logic & clarity ................................................................. 223
6.5.2 Inadequate breakdown of strategy ................................................................. 225
6.5.3 Strategy that deals only with changes ............................................................ 225
6.5.4 Strategy oriented to influence multiple stakeholders ...................................... 226
6.5.5 Vague/ambiguous terminology ................................................................. 226
6.5.6 Confusion between causality & task dependency .......................................... 227
6.5.7 Leaps of logic ......................................................................................... 228

6.6 Causes of activity identification & alignment limitations .................................... 231
6.6.1 Structured strategy development framework ............................................... 233
6.6.2 Limited strategic awareness & skills ............................................................... 233
6.6.3 Insufficient motivation to develop effective strategy ...................................... 233
6.6.4 Overcoming the limitations ......................................................................... 234

6.7 Passive & participant observation .................................................................... 235
6.7.1 Strategy & co-ordinating frameworks .............................................................. 235
6.7.2 Stakeholder issues ....................................................................................... 236
6.7.3 Diagnosis & problem-solving ....................................................................... 237

6.8 Action research .............................................................................................. 237
6.8.1 Confusion about the direction of causality ..................................................... 243

6.9 Performance of Function A2 .......................................................................... 243

6.10 Feedback from workshop participants ........................................................... 245
Chapter 7 : Findings: Cross-case Analysis ................................................................. 249

7.1 Introduction ........................................................................................................... 249
7.2 Contextual comparison ......................................................................................... 249
7.3 Initial interviews ................................................................................................. 251
7.3.1 Causal maps ..................................................................................................... 251
7.3.2 Direct causes & effects of activity identification & alignment.......................... 251
7.4 Strategy implementation-related documentation .................................................. 254
7.5 Action research .................................................................................................... 255
7.6 Causes of activity identification & alignment limitations ....................................... 256
7.7 The value of using causal chains .......................................................................... 256
7.7.1 Risk identification ............................................................................................ 258
7.7.2 Performance measurement .............................................................................. 261
7.7.3 Assessing the value of using causal chains ...................................................... 263
7.8 Summary ............................................................................................................. 265
7.8.1 Ineffective activity identification & alignment ................................................ 265
7.8.2 Implications of ineffective activity identification & alignment ....................... 265
7.8.3 Causes of ineffective activity identification & alignment ................................ 265
7.8.4 Preventing activity identification & alignment limitations ................................ 266
7.8.5 The value of applied causal thinking ............................................................... 267

Chapter 8 : Extended Literature Review .................................................................. 268

8.1 Overview ............................................................................................................. 268
8.2 Performance Measurement Literature .................................................................. 268
8.2.1 Overview & relevance ..................................................................................... 268
8.2.2 The balanced scorecard .................................................................................. 269
8.2.3 Strategy Maps ................................................................................................ 273
8.2.4 The ‘Tableau de Bord’ .................................................................................... 281
8.2.5 The Performance Prism .................................................................................. 282
8.2.6 Kirkpatrick’s training evaluation model .......................................................... 283
8.2.7 Itner & Larker .................................................................................................. 284
8.3 Managerial & Organisational Cognition Literature ............................................. 285
8.3.1 Overview & relevance ..................................................................................... 285
8.3.2 The cognitive literature in behavioural decision theory .................................... 286
8.3.3 The literature examining linkages between ‘cognitive structures’ & strategic decision processes ............................................................... 289
8.3.4 The methodological literature detailing how cognitions may be elicited ............ 289
8.3.5 Individual decision makers’ cognitive maps .................................................... 291
8.3.6 Groups’ cognitive maps ................................................................................ 295
8.3.7 Organisations’ cognitive maps ....................................................................... 297
8.3.8 Industry cognitive maps ................................................................................ 298
8.3.9 The implications of cognitive maps ................................................................ 299
8.3.10 Eliciting causal maps .................................................................................... 299
8.3.11 Eden’s ‘strategy maps’ .................................................................................. 303
8.3.12 Analysing causal maps ................................................................................ 305
8.3.13 Accuracy of cognitive maps .......................................................................... 307
8.3.14 Limitations of the body of knowledge .......................................................... 311
8.3.15 Implications for this research ...................................................................... 312
8.4 Strategic Fit & Alignment Literature ................................................................... 314
8.4.1 Overview & relevance ..................................................................................... 314
Table of Contents

8.4.2 Shape of the literature ................................................................................. 316
8.4.3 Limitations of the body of knowledge .......................................................... 318
8.4.4 Implications for this research ...................................................................... 319

8.5 Strategic Change Literature ......................................................................... 320
8.5.1 Overview & relevance .................................................................................. 320
8.5.2 Shape of the literature .................................................................................. 321
8.5.3 The ‘Content’ School of Strategic Change ..................................................... 322
8.5.4 The ‘Process’ School of Strategic Change ..................................................... 325
8.5.5 The ‘Process’ School of Strategic Change: The ‘learning lens’ ...................... 325
8.5.6 The ‘Process’ School of Strategic Change: The ‘cognitive lens’ .................... 328
8.5.7 Conclusion .................................................................................................. 330

8.6 Strategy Process Literature ......................................................................... 331
8.6.1 Overview & relevance .................................................................................. 331
8.6.2 The rational perspective ............................................................................. 332
8.6.3 The political perspective ............................................................................ 334
8.6.4 The emergent/evolutionary perspective ....................................................... 334
8.6.5 Strategic decision-making .......................................................................... 335
8.6.6 Limitations of the body of knowledge ......................................................... 338
8.6.7 Summary & implications for this research .................................................. 339

8.7 Goal Setting Literature ............................................................................. 340
8.7.1 Overview & relevance .................................................................................. 340
8.7.2 Individual goal setting ................................................................................ 340
8.7.3 Organisational goal setting ....................................................................... 341
8.7.4 Management by Objectives ...................................................................... 342
8.7.5 Hoshin Planning ........................................................................................ 343
8.7.6 Implications for this research ................................................................... 344

8.8 Systems Thinking Literature ................................................................... 344

8.9 Implications of extended literature review for the study ............................ 344

Chapter 9 : Discussion ................................................................................ 346
9.1 Purpose ........................................................................................................ 346
9.2 Research question ........................................................................................ 346
9.3 Key findings ................................................................................................ 346
9.4 Activity identification & alignment: A key barrier to strategy implementation ........ 347
9.5 Identifying & aligning activities to achieve strategic objectives .................... 350
9.6 Causes of ineffective activity identification & alignment ............................... 352
9.6.1 Lack of strategic logic & clarity .................................................................. 353
9.6.2 Inadequate breakdown of strategy ............................................................. 355
9.6.3 Leaps of logic ............................................................................................ 356
9.6.4 The use of vague/ambiguous terminology ............................................... 358
9.6.5 Strategy that deals only with changes ....................................................... 360
9.6.6 Strategy oriented to influence multiple stakeholders .................................. 361
9.6.7 Confusion between causality & task dependency ...................................... 361
9.6.8 Confusion about the direction of causality .............................................. 362
9.7 Preventing ineffective activity identification & alignment ............................. 364
9.8 Using ‘causal chains’ in strategy implementation ......................................... 366
9.9 Integrating the findings ............................................................................... 370

Chapter 10 : Contributions to Knowledge .................................................... 372
10.1 Literature review ........................................................................................ 372
Table of Contents

10.2 Methodology ....................................................................................................................... 373
10.3 Findings & Theory Development ..................................................................................... 374
  10.3.1 Strategy implementation ............................................................................................. 375
  10.3.2 Strategy implementation barriers ............................................................................... 376
  10.3.3 Identifying & aligning activities to achieve strategic objectives ................................. 376
  10.3.4 Causes of ineffective activity identification & alignment ............................................. 376
  10.3.5 Using ‘top down’ causal maps for strategy implementation ........................................ 377
  10.3.6 Using ‘bottom-up’ causal chains for strategy implementation ..................................... 378
  10.3.7 Using causal chains to identify post-implementation risks ........................................... 379
  10.3.8 Using causal chains to identify performance measures ............................................... 379

Chapter 11: Recommendations .............................................................................................. 380
  11.1 Recommendations for managers .................................................................................... 380
  11.2 Recommendations for strategy implementation researchers ........................................ 381

Appendix A: Literature search method .................................................................................. 383
  A.1.1 Introduction .................................................................................................................. 383
  A.1.2 Databases used ............................................................................................................ 383
  A.1.3 Other sources ............................................................................................................... 383
  A.1.4 Examining the shape & scale of the relevant literature .................................................. 384

Appendix B: Literature Assessment Framework ...................................................................... 393

Appendix C: List of Documents Collected for Analysis ....................................................... 395
  C.1 Case A (i.e. relating to both Cases A1 & A2) ................................................................. 395
    C.1.1 Formal documentation .................................................................................................. 395
    C.1.2 Other documentation .................................................................................................. 395
  C.2 Case A1 ............................................................................................................................ 395
    C.2.1 Formal documentation ................................................................................................ 395
    C.2.2 Other documentation .................................................................................................. 399
  C.3 Case A2 ............................................................................................................................ 399
    C.3.1 Formal documentation ................................................................................................ 399
    C.3.2 Other documentation .................................................................................................. 402
  C.4 Case B ............................................................................................................................. 402
    C.4.1 Formal documentation ................................................................................................ 402
    C.4.2 Other documentation .................................................................................................. 402

Appendix D: Semi-structured Interview Questionnaires ...................................................... 404
  D.1 Case A1 & A2 .................................................................................................................. 404
    D.1.1 The interviewee ........................................................................................................... 404
    D.1.2 Personal role ............................................................................................................... 404
    D.1.3 Departmental structure etc. ....................................................................................... 404
    D.1.4 Departmental performance measurement .................................................................... 404
    D.1.5 Departmental reward systems .................................................................................. 404
    D.1.6 Departmental resource allocation ............................................................................. 405
    D.1.7 Departmental shared mindset .................................................................................... 405
    D.1.8 Departmental training, development & learning ......................................................... 405
    D.1.9 Departmental information management ................................................................. 405
    D.1.10 Departmental mission & strategy: content ............................................................... 406
    D.1.11 Departmental mission & strategy: process ............................................................... 406
    D.1.12 Functional mission & strategy: content .................................................................... 406
    D.1.13 Functional mission & strategy: process ................................................................. 406
    D.1.14 Customer business unit structure etc. ................................................................. 406

xii
Table of Contents

D.1.15 Customer business unit performance measurement ................................................................. 406
D.1.16 Customer business unit reward systems .................................................................................... 406
D.1.17 Customer business unit resource allocation ................................................................................ 407
D.1.18 Customer business unit shared mindset ...................................................................................... 407
D.1.19 Customer business unit training, development & learning .......................................................... 407
D.1.20 Customer business unit information management ...................................................................... 407
D.1.21 Customer business unit mission & strategy: content .................................................................. 407
D.1.22 Customer business unit mission & strategy: process .................................................................. 408
D.1.23 Organisational structure ........................................................................................................... 408
D.1.24 Organisational mission ............................................................................................................. 408
D.1.25 Organisational environmental scanning .................................................................................... 408
D.1.26 Organisational strategy: content ................................................................................................. 408
D.1.27 Organisational strategy: process ................................................................................................ 409
D.1.28 Organisational strategic change ................................................................................................. 409

D.2 Case B ............................................................................................................................................... 409
D.2.1 The interviewee ............................................................................................................................ 410
D.2.2 Personal role ............................................................................................................................... 410
D.2.3 Department - general .................................................................................................................. 410
D.2.4 Departmental performance measurement ................................................................................... 410
D.2.5 Departmental reward systems .................................................................................................... 411
D.2.6 Departmental resource allocation ............................................................................................... 411
D.2.7 Departmental shared mindset ..................................................................................................... 411
D.2.8 Departmental training, development & learning ....................................................................... 411
D.2.9 Departmental information management & reporting ............................................................... 411
D.2.10 Departmental mission & strategy: content ................................................................................ 412
D.2.11 Departmental mission & strategy: process ................................................................................ 412
D.2.12 Function - general ..................................................................................................................... 412
D.2.13 Functional mission & strategy: content ..................................................................................... 412
D.2.14 Functional mission & strategy: process .................................................................................... 412
D.2.15 Organisational - general ........................................................................................................... 413
D.2.16 Organisational mission .............................................................................................................. 413
D.2.17 Organisational environmental scanning ..................................................................................... 413
D.2.18 Organisational strategy: content ............................................................................................... 414
D.2.19 Organisational strategy: process ............................................................................................... 414
D.2.20 Top-down link to functional activities ....................................................................................... 415
D.2.21 Top-down link to departmental activities ................................................................................... 415
D.2.22 Organisational strategic change ............................................................................................... 415
D.2.23 Project management .................................................................................................................. 415
D.2.24 Closure ....................................................................................................................................... 416

Appendix E: Data Analysis Example ................................................................................................. 417

References ............................................................................................................................................ 420
TABLE OF FIGURES

Figure 1: Depiction of major phases in the study .......................................................... 8
Figure 2: Emergence of the research question ................................................................ 76
Figure 3: Representational profile of the introduction of various data collection methods used throughout study .......................................................... 85
Figure 4: Data reduction and analysis techniques employed in this study .................... 92
Figure 5: Structural relationships between the cases .................................................... 107
Figure 6: Key organisational problems revealed via initial interviews in Agency B ...... 116
Figure 7: Focus of study: Core problems revealed via initial interviews in Agency B .... 122
Figure 8: Initial causal chain attempted for new Agency B procurement strategy ......... 132
Figure 9: Second causal chain for new Agency B procurement strategy ..................... 132
Figure 10: Final causal chain for new Agency B procurement strategy, completed with researcher participation .................................................. 134
Figure 11: Likely causes of activity identification and alignment limitations affecting strategy implementation in Agency B .................................................. 136
Figure 12: Part of causal chain showing confusion about the direction of causality ....... 142
Figure 13: Summary of key findings from Case B ....................................................... 145
Figure 14: Company A’s interpretation of Ulrich’s four roles for HR & intended shift of focus .......................................................... 149
Figure 15: Key organisational problems revealed via initial interviews and passive observation in Function A1 .......................................................... 158
Figure 16: Limited diagnosis of performance problems in Division A1 ....................... 168
Figure 17: Focus of study: Core problems revealed via initial interviews in Function A1 .... 172
Figure 18: Attempted recruitment project causal chain in Function A1 showing typical ambiguity .......................................................... 179
Figure 19: Attempted causal chain actually showing sequential task dependency ......... 180
Figure 20: Attempted causal chain for a mentoring project in Function A1, showing ‘leaps of logic’ .......................................................... 182
Figure 21: Likely causes of activity identification and alignment limitations affecting strategy implementation in Function A1 .................................................. 183
Figure 22: Partial breakdown of Function A1’s strategy ................................................ 193
Figure 23: Summary of key findings from Case A1 ....................................................... 202
Figure 24: Key organisational problems revealed via initial interviews and passive observation in Function A2 .......................................................... 211
Figure 25: Focus of study: Core problems revealed via initial interviews in Function A2 .... 220
Figure 26: Attempted business drivers map in Function A2 showing typical ambiguity .... 227
Figure 27: Attempted causal chain, actually showing sequentially dependant tasks ....... 228
Figure 28: Attempted causal chain, actually showing sequentially dependant tasks ....... 228
Figure 29: Attempted business driver map, showing ‘leaps of logic’ ......................... 229
Figure 30: Attempted causal chain for specialist resourcing project in Function A2, showing ‘leaps of logic’ .......................................................... 230
Figure 31: Attempted causal chain for culture change project in Function A2, showing lack of strategic clarity .......................................................... 231
Figure 32: Likely causes of activity identification and alignment limitations affecting strategy implementation in Function A2 .................................................. 232
Figure 33: Example of a superior business drivers map developed in Function A2 ......... 235
Figure 34: Partial breakdown of Function A2’s strategy .............................................. 240
Figure 35: Summary of key findings from Case A2 ....................................................... 248
Figure 36: Focus of study: Core problems revealed via initial interviews across cases ........ 252
Figure 37: Causal chain developed in Function A1 for a management training project .... 259
Figure 38: Causal chain used to examine risks of failures in intended causality .......... 260
Figure 39: Causal chain developed used to examine risks of unintended negative effects .......................................................... 261
Figure 40: Causal chain used to identify performance measures .................................. 263
Figure 41: Individual, collective and common beliefs (adapted from Langfield-Smith, 1992) .......................................................... 296
Figure 42: Eden & Ackermann’s (1998b) strategy map framework (adapted summary) .... 304
Table of Figures

Figure 43: Example of strategy implementation barriers depicted using causal mapping ..................................................349
Figure 44: Leap of logic and the intermediate and alternative means ignored by it .........................................................357
Figure 45: Summary conceptual framework integrating propositions .................................................................................370
TABLE OF TABLES

Table 1: Overview of literature field’s coverage of key topics ................................................................. 9
Table 2: Comparison of the main strategy implementation ‘content school’ frameworks .............................. 43
Table 3: Barriers to strategy implementation identified in empirical studies .............................................. 52
Table 4: Eisenhardt’s (1989a) framework for building theory from case studies ....................................... 74
Table 5: Yin’s (1989) case study tactics for four design tests and their manifestations in this study .............. 102
Table 6: Profile of case studies against sample frame criteria ..................................................................... 108
Table 7: Critical incident chart for Agency B case study ........................................................................... 112
Table 8: Overview of research activities in Case B ................................................................................... 113
Table 9: Codes identified via open coding of data from initial interviews in Case B ................................. 115
Table 10: Frequency of documented activity identification and alignment limitations in Agency B .......... 125
Table 11: Cross reference of problems from key initial interview and strategy implementation-related document findings .............................................................................................................................................. 126
Table 12: Frequency of activity identification and alignment limitations in Agency B, observed in workshops .... 142
Table 13: Evaluation feedback from workshop respondents in Case B .................................................... 143
Table 14: Critical incident chart for Function A1 case study ...................................................................... 154
Table 15: Overview of research activities in Case A1 .............................................................................. 154
Table 16: Codes identified via open coding of data from initial interviews in Case A1 ............................ 157
Table 17: Frequency of documented activity identification and alignment limitations in Function A1 .......... 174
Table 18: Cross reference of problems from key initial interview and strategy implementation-related document findings .............................................................................................................................................. 175
Table 19: Frequency of activity identification and alignment limitations in Function A1, observed via workshops ................................................................. 198
Table 20: Evaluation feedback from workshop respondents in Case A1 ................................................. 201
Table 21: Critical incident chart for Function A2 case study ...................................................................... 207
Table 22: Overview of research activities in Case A2 .............................................................................. 207
Table 23: Codes identified via open coding of data from initial interviews in Case A2 ............................ 209
Table 24: Frequency of documented activity identification and alignment limitations in Function A2 .......... 222
Table 25: Cross reference of problems from key initial interview and strategy implementation-related document findings .............................................................................................................................................. 223
Table 26: Frequency of activity identification and alignment limitations in Function A2, observed via workshops ................................................................. 243
Table 27: Evaluation feedback from workshop respondents in Case A2 ................................................. 246
Table 28: Profile of case studies against sample frame criteria ................................................................... 250
Table 29: Direct causes and effects of ineffective activity identification and alignment from initial interviews across cases .............................................................................................................................................. 253
Table 30: Frequency of documented activity identification and alignment limitations across cases ........ 254
Table 31: Frequency of activity identification and alignment limitations across cases, observed via workshops .............................................................................................................................................. 255
Table 32: Summary of possible causes of activity identification and alignment limitations across cases 256
Table 33: Evaluation feedback from workshop respondents across cases .............................................. 264
Table 34: Empirical studies of individual-level cognition and principal variables studied .................... 295
Table 35: Empirical studies of group-level cognition and principal variables studied ............................ 297
Table 36: Empirical studies of organisation-level cognition and principal variables studied ................ 298
Table 37: Empirical studies of industry-level cognition and principal variables studied ........................ 299
Table 38: Fit and alignment literature and principal variables studied ...................................................... 317
Table 39: Strategy content (‘rational lens’) empirical research and principal variables studied .................. 323
Table 40: Strategic change ‘process school’ (‘learning lens’) empirical research and principal variables studied .. 328
Table of Tables

Table 41: Strategic change ‘process school’ (‘cognitive lens’) empirical research and principal variables studied ..330
Table 42: Strategy process (rational perspective) research and principal variables studied.........................333
Table 43: Strategy process (political perspective) research and principal variables studied.........................334
Table 44: Individual goal setting empirical research and principal variables studied........................................341
Table 45: Organisational goal setting empirical research and principal variables studied.................................342
Table 46: Key contributions informing topics relevant to the research question & this study’s contribution........375
Table 47: Database search terms used for literature search ..............................................................................388
Table 48: Search strings used to identify terms indicative of key concepts........................................................389
Table 49: Number of articles identified containing key concept terms in scholarly (top rows)..........................390
Table 50: Simplified search strings used to identify terms indicative of key concepts........................................391
Table 51: Article counts for inclusive multiple search term combinations.........................................................392
Table 52: Examples of data analysis process.....................................................................................................418
Glossary

GLOSSARY

As many authors in the literatures examined in this Thesis use terms different ways, it is useful for the purposes of clarity to define the key terms used. In this Thesis, where the following terms are used, it is intended that they will have the meanings set opposite them below, unless the context requires otherwise.

Alignment
The construction of organisational activities, structures, processes, systems, practices, policies, routines or resources to plausibly or demonstrably have a desired causal impact on strategic objectives.

Causality
Plausible or demonstrable means-ends relationships between variables (e.g. an organisation’s activities and strategic objectives).

Consistency
The compatibility of an organisation’s activities, structures, processes, control systems, management practices, policies, routines and resources such that they do not neutralise and ideally reinforce one another’s and their combined impact on strategic objectives.

Criticality
The concept of limiting attention, decisions and actions to manipulating only a limited number of performance variables plausibly or demonstrably the most important for (directly or indirectly) causing achievement of strategic objectives.

Critical success factors
The limited number of things that must go right to realise a related objective [see Rockart (1979)].

Emergent strategy
The pattern of interactions that an organisation has been and is having with its environment that has implications for the achievement of its mission.

---

1 For the avoidance of doubt, where the words or language of fieldwork respondents and subjects is quoted or discussed, the assumption should not be made that the respondents or subjects attributed the meanings below to these terms or similar ones, or that the researcher makes the assumption that they did.
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fit</td>
<td>A combination of Alignment [as defined above] and Consistency [as defined above].</td>
</tr>
<tr>
<td>Intended strategy</td>
<td>Planned strategy [as defined below].</td>
</tr>
<tr>
<td>Key business activity</td>
<td>The limited number of things that must go right to realise a critical success factor [as defined above].</td>
</tr>
<tr>
<td>Key success factor</td>
<td>Critical success factor [as defined above].</td>
</tr>
<tr>
<td>Key performance indicator</td>
<td>Performance measure [as defined below], relating to a critical success factor [as defined above] or other important performance variable [as defined below] that has implications for the achievement of a strategic objective.</td>
</tr>
<tr>
<td>Mission</td>
<td>An organisation’s overall or ultimate objective, essentially the prime reason for its existence.</td>
</tr>
<tr>
<td>Performance measure</td>
<td>A quantification of a performance variable [as defined below] allowing its calibration and comparison with relevant benchmarks and over time.</td>
</tr>
<tr>
<td>Performance variable</td>
<td>Factors plausibly or demonstrably causing (directly or indirectly) the achievement of an organisation’s mission [thus defining, in a given context, ‘performance’].</td>
</tr>
<tr>
<td>Planned strategy</td>
<td>The pattern of interactions an organisation plans to have with its environment in order to achieve its mission.</td>
</tr>
<tr>
<td>Risk</td>
<td>A future event or situation that would prevent or limit the achievement of a strategic objective [as defined below].</td>
</tr>
<tr>
<td>Strategic decision</td>
<td>A decision relating to planned strategy [as defined above].</td>
</tr>
<tr>
<td>Strategic change</td>
<td>Alterations to the content of an organisation’s planned strategy [as defined above].</td>
</tr>
<tr>
<td>Glossary</td>
<td>Definition</td>
</tr>
<tr>
<td>------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Strategy</td>
<td>The pattern of interactions an organisation has with its environment that have implications for the achievement of its mission¹.</td>
</tr>
<tr>
<td>Strategic alignment</td>
<td>Alignment [as defined above].</td>
</tr>
<tr>
<td>Strategy content</td>
<td>Planned strategy [as defined above].</td>
</tr>
<tr>
<td>Strategy execution</td>
<td>Strategy implementation [as defined below].</td>
</tr>
<tr>
<td>Strategic fit</td>
<td>Fit [as defined above].</td>
</tr>
<tr>
<td>Strategic objective</td>
<td>An important organisational goal, close in terms of the directness of its causal impact to an organisation’s Mission [as defined above].</td>
</tr>
<tr>
<td>Strategy formation</td>
<td>The process of determining planned strategy.</td>
</tr>
<tr>
<td>Strategy implementation</td>
<td>The process of manipulating the pattern of interactions an organisation has with its environment, in order to achieve its mission.</td>
</tr>
<tr>
<td>Strategy process</td>
<td>The mechanism and/or events through which an organisation’s strategy content is determined or changed and that strategy is implemented.</td>
</tr>
</tbody>
</table>

¹ Of course, strategy can apply to varying levels and units of analysis. For example, business strategy might normally encompass choices in terms of products, markets, channels and related resources or capabilities. However, a departmental strategy may be framed via a more contextually-specific set of parameters. Strategy can also be viewed through many lenses (e.g., planned strategy or emergent strategy), and insofar as such distinctions are relevant to this study, definitions of such differing lenses are provided.
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>API</td>
<td>Activity performance indicator</td>
</tr>
<tr>
<td>BPR</td>
<td>Business process reengineering</td>
</tr>
<tr>
<td>BSC</td>
<td>Balanced scorecard</td>
</tr>
<tr>
<td>BTF</td>
<td>Behavioural theory of the firm (Cyert &amp; March, 1963)</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief executive officer</td>
</tr>
<tr>
<td>CMT</td>
<td>Corporate Management Team</td>
</tr>
<tr>
<td>CSF</td>
<td>Critical success factor</td>
</tr>
<tr>
<td>HR</td>
<td>Human resources</td>
</tr>
<tr>
<td>HRD</td>
<td>Human resources director</td>
</tr>
<tr>
<td>HRMC</td>
<td>Human Resources Management Committee</td>
</tr>
<tr>
<td>HRM</td>
<td>Human resources management</td>
</tr>
<tr>
<td>KBA</td>
<td>Key business activity</td>
</tr>
<tr>
<td>KEI</td>
<td>Key environmental indicator</td>
</tr>
<tr>
<td>KPI</td>
<td>Key performance indicator</td>
</tr>
<tr>
<td>KSF</td>
<td>Key success factor</td>
</tr>
<tr>
<td>MBO</td>
<td>Management by objectives</td>
</tr>
<tr>
<td>MOC</td>
<td>Managerial and organisational cognition</td>
</tr>
<tr>
<td>OD</td>
<td>Organisation development</td>
</tr>
<tr>
<td>PRP</td>
<td>Performance-related pay</td>
</tr>
<tr>
<td>SBU</td>
<td>Strategic business unit</td>
</tr>
<tr>
<td>SID</td>
<td>Strategic issue diagnosis</td>
</tr>
<tr>
<td>SMP</td>
<td>Sense-making processes</td>
</tr>
<tr>
<td>SWOT</td>
<td>Strengths, Weaknesses, Opportunities, Threats</td>
</tr>
<tr>
<td>TMT</td>
<td>Top management team</td>
</tr>
<tr>
<td>TQM</td>
<td>Total quality management</td>
</tr>
<tr>
<td>TRS/TSR</td>
<td>Total return to shareholders/Total shareholder return</td>
</tr>
</tbody>
</table>
CHAPTER 1: INTRODUCTION

1.1 Overview

This study examines how organisations implementing strategy identify and align activities to achieve strategic objectives.

It is widely assumed that organisations seeking to implement strategy define and design day-to-day activities that will plausibly result (albeit indirectly) in the realisation of strategic objectives. However, neither the strategy implementation literature nor any related streams of published research, inform how this should actually be done.

In three in-depth longitudinal case studies, selected using a theoretical sample frame, it was found that practitioners did not identify and align the construction of activities that plausibly or demonstrably would achieve strategic objectives. The study suggests that this is a central barrier to successful strategy implementation, partially explaining the very high rate of strategy implementation failure reported in the literature.

The study reveals a series of problems relating to how strategies, initiatives, projects and activities are selected and planned that together cause ineffective activity identification and alignment. It also develops, via action research, a causal mapping method to overcome this problem.

1.2 The strategy implementation challenge

Strategy implementation has long been recognised as an important but difficult challenge for managers in large or complex organisations. In comparison with other areas such as strategic planning, it has received very little attention from theorists and researchers. The body of knowledge relating to strategy implementation is small, fragmented, theoretically underdeveloped and mainly includes research that is either non-empirical or empirical but seriously methodologically flawed. The need for further rigorous empirical research in this area is established. So too are the many difficulties in researching the subject.

A significant proportion of the empirical research in the field examines barriers to successful strategy implementation. A series of studies have identified a diverse, but not inconsistent, set of barriers that appear to prevent implementation of intended strategy. In some cases, the findings from these research streams have been used, albeit loosely, to inform the design of integrated frameworks to guide strategy implementation in practice and further research in the area. The primitive stage of theory development
in the field and methodological limitations of these empirical studies casts doubt on the validity of these integrated models and the framing of the barriers they seek to address.

These challenges offered the motivation to this researcher to examine the field. Observations of the limitations of the academic literature and difficulties faced by practitioners highlighted the need to conduct strategy implementation research.

1.3 Building theory through case studies

Given this backdrop, this study adopted a phenomenological orientation and a grounded theory approach. The initial field research was framed broadly, intended to explore strategy implementation in general, with a slant towards exploring how strategy was translated into activities.

This study reports three cases that were selected using a theoretical sample frame. Data were collected over six years in two cases and five years in the third. A wide mix of data collection methods were used, including document review, interviews, observation, participant observation and action research (mainly in the form of facilitated workshops). Low contamination methods were adopted in the early stages of the research, and as theoretical saturation was reached, the level of researcher intervention increased to secure more data and further develop emerging theories. Data were collected from multiple data sources, including respondents at multiple levels of seniority and across a wide range of structural units. The extended time in the field, depth of researcher involvement and triangulation afforded by using multiple sources of data and multiple collection methods produced rich case studies and high levels of within-case data consistency.

The length and depth of continuous immersion in the field sets this study apart from the vast majority in the strategy area and perhaps makes it unique within the strategy implementation field. Most academic researchers are able to spend much less time in the field, inevitably leading to more superficial data collection and limited analysis.

1.4 Early findings & research focus

Early data analysis of semi-structured interview data (using open, axial and selective coding) was used to develop causal maps of strategy implementation barriers in each case. This method was employed because of many interrelationships between the various barriers, apparent at the case level. The existence of such interrelationships and value of this analysis method for this purpose constituted an early finding. Previous studies, which mainly use large scale surveys to identify common barriers, ignore the interrelationships between strategy implementation barriers. Understanding these
relationships is crucial to allow effective analysis of and management of barriers. Hence, previous studies of barriers do little to address the concern that, “practitioners complain not about too much theory but actually about the paucity of good (and therefore useful) theories” (Chakravarthy, Mueller-Stewens, Lorange, & Lechner, 2003: 234). Recognition of this subtlety supported the identification of a specific research question for this study.

1.5 Identification & alignment of activities to achieve strategic objectives

1.5.1 The emergent research question

As the case studies progressed and early data analysis was completed, an apparently important issue emerged and was adopted as the central research question for this study: how organisations implementing strategy identify and align activities to achieve strategic objectives. This research question was established as it became clear from the field data that managers in each case had difficulty in or did not attempt:

1. identifying activities that might plausibly cause the achievement of strategic objectives; and/or
2. aligning activities, through refining their design, to ensure that they might plausibly cause the achievement of strategic objectives.

This phenomenon – in itself an important finding – was observed both when managers were seeking to translate strategy into activities (‘top-down’) and when they were considering the potential strategic value of proposed activities (‘bottom-up’).

With the research question established through grounded research, the study did not seek to examine in any depth the content of organisational strategies, the overall effectiveness of the strategy implementation process or organisational performance outcomes or objective achievement. These issues lay outside the scope of the study, which instead focused upon one specific element of the strategy implementation process – the actual identification and alignment of activities to achieve strategic objectives. The research was not concerned with whether activities were implemented as intended or their actual outcomes, but rather how they were identified and aligned to achieve strategic objectives, prior to their physical implementation.

1.5.2 Implications of ineffective activity identification & alignment

It seemed evident that if organisations did not effectively identify and align activities to achieve strategic objectives, these strategies would likely not be implemented as intended. It also seemed likely that many of the barriers to strategy implementation identified in the literature might be symptoms of this more fundamental problem. A
great deal of the existing strategy implementation literature relates to how organisations organise and carry out activities, for example through designing structures (e.g. Galbraith, 1977; Gupta & Govindarajan, 1984), allocating responsibilities (e.g. Galbraith, 1977), managing resource allocation systems (e.g. Stonich, 1982) and designing incentive and control systems (e.g. Hrebinia, 2005; Stonich, 1981).

However, if organisations do not effectively identify and align (the design of) activities to achieve strategic objectives, it seems likely that they would experience limited success in each of these areas. One might question, for example, the value of allocating responsibilities for activities that have not been effectively identified and aligned to achieve strategic objectives. Indeed, in each of the cases studied, ineffective activity identification and alignment caused suboptimal project selection, ineffective stakeholder engagement and management, ineffective responsibility allocation and ineffective resource allocation.

1.5.3 Gap in the body of knowledge

Further review of the strategy implementation literature revealed that virtually no researchers address the question of how to identify and align activities to achieve strategic objectives, although some researchers do hint at the problem. For example:

[The often-heard complaint about the failure of new strategies may be related to the inability of these strategies to move “beyond words and intents” and make a dent on organizational process (Chakravarthy, Mueller-Stewens, Lorange, & Lechner, 2003: 236).

Similarly, Olsen, Slater and Hult argue that, “a critical task for senior managers is to define the key success activities for their organizational strategy and develop an organizational system that promotes those same activities” (2005: 47).

None of the integrated strategy implementation frameworks address this challenge directly. It appears that most researchers, if they are aware of this issue, assume managers are able to identify and align activities to achieve strategic objectives successfully and without guidance.

The literature review was extended to examine a series of related fields that might be expected to inform the research question. However, researchers in most of these areas are also silent on the issue. Some partially relevant theory was uncovered in the literatures relating to criticality, performance measurement and managerial and organisational cognition (MOC). However, this fragmentated body of knowledge rarely
addresses strategy implementation directly, and suffers from theoretical underdevelopment and largely non-empirical or methodologically flawed research.

1.5.4 Focus of the field study

The field study was thus latterly oriented to focus specifically on the research question that emerged. Via researcher interventions, managers were observed in the act of attempting to identifying and aligning activities to achieve strategic objectives and a series of related problems was identified. The design of this fieldwork followed the advice that, “it is useful to focus theory building effort on the “everyday organizational processes” of idea generation, learning, decision-making, and action taking” (Chakravarthy, Mueller-Stewens, Lorange, & Lechner, 2003: 236).

1.5.5 Causes of ineffective activity identification & alignment

The study found that the following problems contributed to ineffective activity identification and alignment:

1. lack of strategic logic and clarity, informing why activities should be carried out and how they might best be;
2. inadequate breakdown of strategy, informing the trade-offs necessary to identify ideal activities and align them;
3. leaps of logic, producing highly indirect assertions about causality between performance variables, thus failing to explore an appropriate range of alternative options and inform why activities should be carried out and how they might best be executed;
4. vague/ambiguous terminology, creating confusion over important performance variables and the causal relationships between them;
5. strategy that deals only with changes, thus failing to consider existing business activities and the relationships between them and proposed new initiatives;
6. strategy oriented to influence multiple stakeholders, thus presented in such a way as to influence behaviour rather than properly communicate strategic options or intentions and inform activity identification and alignment;
7. confusion between causality and task dependency, i.e. articulating how activities may be undertaken (in particular the logical sequence of tasks given dependencies between them), rather than confirming why they should be undertaken at all (which itself ought to inform how they might best be undertaken); and
8. confusion about the direction of causality, relatively rarely causing confusion about the purpose of objectives or activities.

In most cases these problems were detected via more than one data collection method. They were all detected in each of the three cases.

It was observed that these problems arose in situations where there was no structured strategy development framework in use, insufficient motivation to develop effective strategy, limited strategic awareness and skills and limited management visibility, control and feedback.

Although the absence of these factors would be unlikely to compensate for the eight problems identified above, it seems likely that they would be necessary to influence and enforce effective activity identification and alignment.

1.6 Using causal mapping for activity identification & alignment

1.6.1 Action research

Action research conducted in the latter stages of the study allowed the researcher and actors to generate together an approach that enabled effective activity identification and alignment. Significantly extending and adapting ideas espoused by researchers in other fields, causal mapping was employed as a tool for this purpose.

1.6.2 Benefits of causal mapping found

Effective mapping of apparent causal relationships between strategic objectives and activities (both top-down and bottom-up) enabled the effective identification and alignment of activities to achieve strategic objectives. Specifically, it helped managers:

1. define strategic objectives through distilling them into their component elements and considering the trade-offs between them;
2. explore different means of achieving strategic objectives at multiple levels of abstraction within a hierarchy of causal relationships;
3. identify critical performance variables and prioritise attention and resources for these;
4. assess the extent to which proposed activities might plausibly achieve strategic objectives;
5. challenge and test the assumptions they made about the way in which a proposed activity/project might impact upon strategic objectives;
6. determine how activities (once identified) should be carried out;
7. communicate to others objectives and their means of achievement, often informing individuals and teams about how their activities contribute towards the achievement of abstract objectives;

8. diagnose performance problems more effectively, through using the frameworks generated via cause and effect hierarchies and causal chains;

9. identify post-implementation risks of failures in intended causality and of negative unintended affects; and

10. identify performance measures.

Existing forms of causal mapping in the literature (Ackermann, Eden, & Brown, 2005; Bryson, Ackermann, Eden, & Finn, 2004; Eden & Ackermann, 1998a; Eden & Ackermann, 1998b; Eden, Ackermann, & Cropper, 1992; Huff, 1990b; Jenkins & Johnson, 1997b; Kaplan & Norton, 2004b; Kaplan & Norton, 2004c), which were not developed to identify and align activities to achieve strategic objectives, are not suitable for this purpose as they generally would fail to overcome the eight problems with activity identification and alignment noted above.

This research offers detailed explanations for failures to effectively identify and align activities to achieve strategic objectives. This detailed understanding holds the potential to inform strategy development and implementation (using tools such as causal mapping) in such a way as to avoid the pitfalls identified.

1.7 Structure of the thesis

The remainder of this thesis is set out as follows.

Chapter 2 introduces the initial literature review. Conducted mainly before the fieldwork commenced, it provides an overview of the strategy implementation literature, focusing upon the lack of attention paid to it, some of the reasons for this, the underlying nature of strategy implementation and the major frameworks proposed in relation to it. The literature relating to criticality was also examined, this appearing to be relevant to the strategy implementation ‘process school’.

Building on this literature, it was from the data collection and analysis that a specific research issue emerged: how organisations implementing strategy identify and align activities to achieve strategic objectives\(^1\).

\(^1\) A full explanation of how this research question was determined is provided in following Chapters.
Chapter 3 presents the methodology, providing an overview and justification for the selected approach. It also introduces Eisenhardt’s case study framework, which was used to guide each of the cases. Key strengths and limitations of the methodology are examined and the sample frame described.

Chapter 4, Chapter 5 and Chapter 6 present the within-case data analysis and findings from the three cases and Chapter 7 sets out the cross-case analysis.

Chapter 8 provides the extended literature review, conducting following the data collection. Figure 1 provides a broad graphical representation of how this and the initial literature review overlapped with the other activities during the study. Naturally, the study’s evolution was slightly more iterative than Figure 1 strictly suggests, for example with the initial literature review being updated as new publications came to light.

Figure 1: Depiction of major phases in the study

As a consequence of the fieldwork, definition of the research question and data analysis, the literature examined was broadened to include:

1. performance measurement (Section 8.2);
2. managerial and organisational cognition (Section 8.3);
3. strategic fit and alignment (Section 8.4);
4. strategic change (Section 8.5);
5. strategy process (Section 8.6);
6. goal setting (Section 8.7); and
7. systems thinking (Section 8.8).

The selection of these literature streams was based on the expectation that they may inform the research issue identified. In some cases, the researcher’s knowledge of these literatures drove that assumption; in others, links from the strategy implementation literature were made. By way of an overview, Table 1 provides an overview of the extent to which each of these areas (and those covered in the initial literature review) relate to strategy implementation generally and the identification and alignment of activities that might achieve strategic objectives.

<table>
<thead>
<tr>
<th>Literature field</th>
<th>Issues covered in literature field</th>
<th>Identification and alignment of activities to achieve strategic objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy implementation</td>
<td>Very high</td>
<td>Low</td>
</tr>
<tr>
<td>Strategic fit and alignment</td>
<td>Very low</td>
<td>Very low/none</td>
</tr>
<tr>
<td>Strategic change</td>
<td>Very low</td>
<td>Very low/none</td>
</tr>
<tr>
<td>Strategy process</td>
<td>Very low</td>
<td>Very low/none</td>
</tr>
<tr>
<td>Managerial and organisational cognition</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>Criticality</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td>Goal setting</td>
<td>Very low</td>
<td>Very low</td>
</tr>
<tr>
<td>Systems thinking</td>
<td>Very low</td>
<td>Very low/none</td>
</tr>
<tr>
<td>Performance measurement</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>

Table 1: Overview of literature field’s coverage of key topics

As Table 1 shows, the literature contains virtually very little direct guidance on the identification and alignment of activities to achieve strategic objectives. Some of the literature fields examined did not directly inform this issue at all. These literature streams were included in the review where it was useful to:

1. demonstrate explicitly and rigorously, via outlining the shape of literature areas and their limitations, that despite their apparent likely relevance to the study, their contributions are negligible or non-existent; and
2. provide useful context within which the wider aspects of each case may be understood.

Chapter 9 provides the discussion, tying the findings back into the literature and developing propositions to formalise the developed theory.

Chapter 10 defines the specific contributions to knowledge made by the study.

Chapter 11 sets out recommendations for various groups likely to be interested in its findings.
Chapter 1: Introduction

Appendix A presents the literature search method, used both for the initial and extended literature reviews.

Appendix B summarises the Literature Assessment Framework employed.

Appendix C provides a list of documents collected in each case study.

Appendix D presents the semi-structured interview questionnaires used in each case study.

Appendix E provides an example of the data analysis process, linking an example of raw data with some of the findings presented herein.
CHAPTER 2: INITIAL LITERATURE REVIEW

2.1 Overview

The initial literature review, conducted mainly before the fieldwork commenced, provides an overview of the strategy implementation literature, focusing upon the lack of attention paid to it, some of the reasons for this, the underlying nature of strategy implementation and the major frameworks proposed in relation to it.

The literature relating to criticality (in particular the concept of ‘critical success factors’) is then examined, this overlapping with the strategy implementation ‘process school’ and potentially relevant to the research question that emerged in the study.

2.2 The strategy implementation literature

2.2.1 Literature history

The strategic management field has developed rapidly over the last forty years. Early prescriptions detailing methods of strategy formulation (e.g. Ansoff, 1965) have been supplemented by notions of emergent strategy (Mintzberg & Waters, 1985) and “logical incrementalism” (Quinn, 1980). Porter’s work turned attention to competitive advantage (Porter, 1980) and the resource-based view of the firm has re-surfaced (e.g. Amit & Schoemaker, 1993; Peteraf, 1993; Prahalad & Hamel, 1990; Wernerfelt, 1984). The development of theory has been complemented by interest from practitioners. The majority of large organisations now undertake some form of strategic planning. As Hrebiniak says, “a vast array of planning models and techniques as been paraded before managers over the years, and manager for the most part understand them and know how to use them effectively” (2005: xvii).

Although Andrews (1971) gave it some attention (when he made the distinction with strategic planning), it was not until the late 1970s that writers began to focus specifically on the issue of strategy implementation (Galbraith & Nathanson, 1978; Hobbs & Heany, 1977). Since then, a handful of researchers have attempted to develop models for dealing with strategy implementation (Galbraith & Kazanjian, 1986; Galbraith & Nathanson, 1978; Hrebiniak, 2005; Hrebiniak & Joyce, 1984; Stonich, 1982). Other researchers have selected specific management issues and explored their significance to strategy implementation (e.g. Argyris, 1989; Beer & Eisenstat, 1996; Selznick (1949; 1957) appears to be the earliest proponent of the resource-based view.

4 See, for example, the Bain & Company report on management tools (Rigby, 2005), suggesting usage by around 80 percent of respondents in this global survey.
Chapter 2: Initial Literature Review

Collier, 1984; Davis, 1983; Fulmer, 1990; Govindarajan, 1988; Hambrick & Cannella, 1989; Nutt, 1989; Roth & Morrison, 1992; Skivington, 1986; Woolridge & Floyd, 1989). Some theorists have also discussed strategy implementation in short contributions in magazines aimed at practitioners (e.g. Frigo, 2002).

2.2.2 Lack of attention to strategy implementation

However, the literature on strategic management is littered with complaints from academics and practitioners that the attention paid to strategic planning for exceeds that paid to strategy implementation. Thompson and Strickland say:

Unfortunately, there are no 10-step checklists, no proven paths, and few concrete guidelines for tackling the job - strategy implementation is the least charted, most open-ended part of strategic management. … Implementing strategy is more art than science (1998: 269-70).

The relevance of the literature is also questionable. Eccles says, “[t]here are few books written on strategy implementation and some of those discuss the genesis of strategy as much as they concern themselves with implementation (1994: 1). Irons postulates that “[m]aybe because [strategy implementation] is such an emotive subject, stirring up passions and prejudices, few planners are prepared to write about it” (1991: 1). Hrebiniak and Joyce also recognise the problem:

…strategy implementation is still a neglected area in the literature of strategic management. Despite the volume of work published, implementation studies and theoretical frameworks have not received even a modest share of the literature on strategic management. Even a cursory review of the published research reveals the clear emphasis on strategy formation issues to the neglect of implementation research (2001: 602, emphasis original).

Wernham notes the lack of empirical research into strategy implementation saying, “little field research has so far been undertaken on implementation” (1984: 25). This review of the literature reveals that little has changed since Wernham’s observation.

It is interesting to note that in Chong and Vitton’s (1992) survey of strategic management faculty at American business schools, only 4 percent of 149 respondents perceived that strategy implementation was of similar importance to strategic planning or strategic control. 60 percent of the same agreed or strongly agreed that strategy implementation was hardest of these topics to teach. Chong and Vitton say, “American business schools are increasingly criticized for producing graduates incapable of meeting the needs of action-oriented employers (1992: 115).
2.2.3 Significance of the strategy implementation challenge

It seems self-evident that organisations undertaking strategic planning should be interested in strategy implementation. Creating strategic plans that cannot be implemented would yield little benefit. In addition, a superior ability to implement strategy should provide competitive advantage through providing scope for first-mover advantage, lower costs, reduced risk, more effective positioning or some combination of these. Eccles says:

If the managers of two competing companies have the same intended and sensible strategy and one firm can implement its intentions better, faster and with less cost than its rival, then it can win the competitive battle by virtue of those superior implementation skills (1994: 23).

Eccles’s argument flows logically from Porter’s (1980; 1985; 1996; 1998) frameworks which isolate industry choice, strategic positioning, and the fit between activities, as being the key sources of competitive advantage. It certainly seems logical that, other things being equal, successful strategy implementation should cause good ‘fit’ between activities and thus in turn support optimal strategic positioning. It is interesting to note that there has been no research examining how Porter’s widely used ‘generic strategies’ may be implemented (Akan, Allen, Helms, & Spralls, 2006). Akan et al. attempted to set out an approach following their survey research of over 200 organisations. However, their theoretical grounding was weak, research methodology flawed in numerous ways (e.g. no sample rationale, non-respondent follow-up, insufficient respondents per organisation) and conclusions unsupported.

Because strategy implementation has received little attention, managers in organisations are left with little guidance on how they should proceed once strategic plans have been developed. In his revised edition of his classic text, Corporate Strategy, Igor Ansoff states:

The past thirty years of experience have shown that strategic planning works poorly, if it works at all, when it is confined to analytical decision-making without recognition of the enormous influence which the firm’s leadership, power structure, and organisational dynamics exert on both directions and implementations (Ansoff, 1987: 13).

The lack of attention to strategy implementation is perplexing given the empirical evidence of the extent of strategy implementation failures. A handful of studies, each with some methodological limitations, together paint a fairly consistent picture of strategy implementation success in practice. Corby and O’Corrbui (1999) report research findings that 70 percent of strategies fail, a statistic that has been widely repeated by other writers. Corby and O’Corrbui provide no details of the research but in
personal correspondence with this researcher, O’Corrbui wrote, “[t]hat statistic was based on a series of annual surveys Prospectus [the consultancy firm for which he worked] used to conduct in the Financial Services sector during the 1990s, whereby, in the questionnaire respondents were asked to state what % of their organisation’s strategy were fully implemented”. From this description of the research, the validity of the findings may be called into question. For example, the sample, though not fully explained, includes only financial services firms and likely only those in a small geographical region. The reporting by managers of their perceived levels of strategy failure is also liable to various biases, including underreporting by managers seeking to appear more successful than they were, and limitations whereby managers without sufficient knowledgeability of the phenomena investigated were surveyed.

A survey by the *Economist Intelligence Unit* of executives in the U.S. and Canada found that “[o]nly 43% rate their companies as having been successful or very successful at executing strategic initiatives over the past three years” (2004: 2). The same survey reports, “forty-five percent of executives say their company’s or business unit’s strategic initiatives have performed below plan” (2004: 5). This survey – presumably a questionnaire – of “276 senior operations executives in the U.S. and Canada targeted eight key industries: manufacturing, oil & gas, life sciences, chemicals, telecoms, healthcare, consumer goods and retail” (2004: 2). The companies involved had a wide range of annual turnovers (from below $10m to above $10bn). The rationale for this sample selection is not provided, but learning curve theory would suggest that as a theoretical sample, organisations in these mature industries in these highly developed countries could reasonably be expected to have developed their capabilities to implement strategy effectively at least as much as have organisations in general. A demographic breakdown of the respondents is provided, confirming that a range of actors from board members to middle managers completed the questionnaires, thus indicating elite bias (Miles & Huberman, 1994) is unlikely to have been a significant problem. This is corroborated by respondents’ high self-reported involvement in both developing and executing strategic objectives.

Another survey, conducted by companies *Business Intelligence* and *Renaissance Worldwide* reportedly found that “only 33% of 272 responding UK companies achieved all of their objectives when implementing initiatives to improve their strategic capability. 85% achieved none of their objective” (Lloyd, 1999: 547), despite 97 percent of them reporting having a strategic vision and 80 percent reporting having clear
strategic plans. The original survey, which is understood to have been undertaken in 1997, cannot be traced, so no assessment can be made of its validity.

Mankins and Steele (2005) suggest that companies typically realise only about 60 percent of their strategies’ potential value because of breakdowns in both planning and execution. Their observations arise from their survey of (an unspecified number of) senior executives in 197 companies, who attributed an average 37 percent “performance loss” (2005: 68) to eleven problems, most of which relate to strategy execution. Although this research is one of only a handful of empirical studies examining strategy implementation challenges and it makes some valuable points, significant methodological problems limit its validity. The study was conducted by leading management consulting firm Marakon Associates and the Economist Intelligence Unit. It examined the extent to which strategy implementation attempts are followed by anticipated performance increases. Few details of the research methodology are provided, but it appears that a structured survey was developed to explore complex and ill-defined phenomena including the reasons for lower-than-anticipated performance. It is questionable if a positivist approach was suited to the research questions posed, and notable that the survey was the only source of data (precluding triangulation). A theoretical sample including companies worldwide with “sales exceeding $500 million” (Mankins & Steele, 2005: 66) was used, though the rationale for this sample frame is not given. No details were provided of the response rate or any follow-up of non-responses. Nor are details of the data analysis method given. Of particular concern, given the research questions and methodology employed, are the three following issues. First, it is not clear how the respondents assessed (accurately) the performance variations from plans, particularly given Mankins and Steele’s experience-based observation that “fewer than 15% of companies make it a regular practice to go back and compare the business’s results with the performance forecast for each unit in its prior years’ strategic plans” (2005: 66). Second, the survey was only of “senior executives” (2005: 66) and it is therefore likely that that the findings were affected by elite bias (Miles & Huberman, 1994), particularly given that effective examinations of strategy execution necessitate gathering data from middle managers and others, because of likely problems with senior executives’ knowledgeability and reliability (see, for example, Roberts, 1997). Third, and related to this second point, it seems most unlikely that the respondents would have had sufficient knowledge to attribute (with performance loss quantifications) strategy execution failures to the eleven problems noted, particularly given Mankins and Steele’s separate observation that executives
have “no way of knowing whether critical actions were carried out as expected, resources were deployed on schedule, competitors responded as anticipated, and so on” (2005: 68). The dubiety of these data is reinforced by the fact that performance losses are not attributed to any external environmental factors at all, which one would logically expect. Mankins and Steele’s contribution is not grounded in the existing literature and in view of the foregoing methodological problems, has not been used to shape this study of strategy implementation.

Effectively translating strategic plans formulated at corporate and business levels into improved business performance is evidently difficult. A small number of authors – particularly practitioners – have drawn attention to the criticality of this challenge (e.g. Corfield, 1984; Irons, 1991; Sterling, 2005; Wernham, 1984).

The importance of execution ability has been the focus of various authors in the mainstream literature (e.g. Bossidy, Charan, & Burch, 2002; Collins, 2001; Hartman, 2004).

Bossidy, Charan and Burch’s (2002) hugely popular book is based upon the empirical observations made during the authors’ management and consulting careers and employs numerous anecdotes from a small number of large US-based companies. However, these observations are not systematic or based on any formal research. Nor are the ideas presented by the authors grounded in any existing theory or conceptual development. Only limited details of examples are provided, no alternative hypotheses to explain observations are proposed and guidance provided is rather vague. The authors do not deal at all with strategy implementation but focus on operational challenges facing executives. For all of these reasons, this work has not been used to underpin this research.

Hartman (2004) reports findings of a three-year study into execution in companies that had at one time or another suffered setbacks. He reports examining an unspecified number of firms in diverse industries and of all sizes, using surveys, company documents, research reports, public financial data and “where possible interviews with key business leaders” (2004: 10). He also developed case studies when working with some of these companies as a consultant. No further details of the methodology are disclosed, and the author is silent on sample selection, data verification, data analysis and so on. However, obvious potential methodological limitations include lack of primary data and elite bias (Miles & Huberman, 1994) through only interviewing (where possible) senior executives. Hartman does not ground his work in the existing
Chapter 2: Initial Literature Review

literature, define key terms, develop clear constructs or explain how his conclusions are reached following his research. Many of the issues he discusses are more normally associated with strategic planning, he focuses almost exclusively upon the domain of CEOs and generalises findings to wide populations without supporting evidence. For all of these reasons, Hartman’s work has not been used to underpin this research.

One recent high-profile study (Joyce, 2005; Joyce, Nohria, & Roberson, 2003) lends some empirical weight to the argument that strategy implementation ability affects organisational success. Its authors say they found that commercial success was strongly associated with strategy implementation effectiveness. The scale and prominence of this study and the relevance of its findings make it worthy of particular attention.

Joyce, Nohria and Robertson claim to have written the first book “identifying the fundamental practices that create business success – the ones that do indeed really matter” through “the world’s most systematic, large-scale study of practices that create business winners…it is based on a massive research project conducted with scientific rigor and verified by fact” (2003: 5-6). In what they called the Evergreen Project, more than fifty academics and consultants were reportedly involved to identify, collate and analyse events at hundreds of companies over the period 1986-1996. The companies selected had varying levels of Total Return to Shareholders (TRS) over that period, and the study sought to uncover the reasons for TRS variations within the industries represented (recognising that TRS would vary partly because of industry conditions).

Joyce, Nohria and Robertson identified 200 “management practices” that “turned out to have no cause-and-effect connection to sustainable, superior returns” but identified eight elements from which they argue four are always necessary for success, along with two from the other four (hence the 4+2 formula, famously associated with their publications). Of particular relevance to this study, one of the essential four elements is developing and maintaining “flawless operational execution” (2003: 17).

This study did not fall into the trap of only examining ‘winning’ firms, as other well-known studies have done (e.g. Peters & Waterman, 1982), which fail to confirm whether ‘losing’ companies are any different and leaves the ‘winning’ qualities or practices in question.

Large-scale empirical studies are welcome in the literature, which is littered with non-empirical works. However, it is important to recognise some of the limitations of this study, as these may constrain the extent to which Joyce, Nohria and Robertson’s observations about strategy implementation (which on the surface might be very
important additions to the body of knowledge) may be relied upon. The following potential problems are worthy of note.

1. The study sought to uncover the reasons for TRS variations within the industries represented. The way in which industries were defined is not explained, despite the potential blurring of industry boundaries and the fact that some firms might (according to the categorisations used) be involved in more than one industry.

2. The construction of the initial sample of “hundreds” (2003: 9) of companies is not explained. The obvious point of concern is that the sample may not be representative, in respect of the phenomena investigated, of the population to which the authors generalise their findings – i.e. at least including commercial organisations in general.

3. From the initial sample, 160 companies were selected for “detailed study”. This sample was made up from four organisations in each of 40 industries represented, selected because at the start of the study period (1986), they were reasonably similar to one another in terms of “scale, scope, financial numbers, TRS, and future prospects” (2003: 10). Exact details of this sample reduction method are not provided, but a potentially significant sampling problem is revealed. Although selecting four similar firms in each industry provided the researchers with a commonly ‘based’ sample in 1986, this sample reduction presumably caused the exclusion of firms that were not fairly similar to others in their industries. The study can thus be seen as one of the four most similar firms in each industry, thus providing no insights into whether or how substantially different firms (in terms of “scale, scope, financial numbers, TRS, and future prospects”) outperform or underperform their competitors in subsequent years.

4. The 160 firms in the smaller sample were classified into four categories – winners, climbers, tumblers and losers – intended to reflect the pattern of their performance over the ten-year period. This was done by splitting the 1986-1996 period into two five-year periods, and then comparing TRS levels relative to peers in each of the five-year periods. Winners outperformed peers in both five-year periods; losers underperformed peers in each; climbers lagged peers in the first period but outperformed them in the next; tumblers did the opposite. More potential problems surface when this categorisation (which is
fundamental to the findings of the study) is used. Presumably, ‘peers’ means the three ‘similar’ firms in the reduced sample. If so, are Joyce, Nohria and Robertson suggesting that in every industry sample there was one winner, one climber, one tumbler and one loser? Surely this would not represent reality across every one of the 40 industries identified.

5. The authors identified the 200 management practices themselves from their own experience and expertise and this positivist approach may have been satisfactory. However, an initial survey using a more phenomenological approach would have probably strengthened the methodology, by allowing for the initial identification of management practices by a wider group of respondents with more varied experience and knowledgeability than the three researchers alone could offer. This is especially the case given that the phenomena under investigation are so poorly understood and the possibility that the researchers might have omitted certain management practices from their analysis.

6. It is not clear how the management practices were assessed, defined, linked or analysed. It may be that this was all done adequately, but obvious questions are left unanswered by the published study. Were the practices really different or were some similar/overlapping in their construction? It is noted that they ranged from “broad areas such as strategy, innovation and business processes, to specific practices…” (2003: 12). It is dubious whether the ‘presence’ of such practices equates to similar usage and implementation of them. Also, usage of some practices may have caused the usage of others, introducing a systematic bias in the data. Finally, whether all the practices were feasible options for each firm is not explored.

7. It appears that contextual information about each firm was collected, but it is not clear whether it was analysed so as to allow cross-subject comparisons of context. It does seem likely that different contexts would affect the selection, usage, implementation and success of the management practices used and this is not addressed.

8. Moreover, it is clear that publicly available documents (such as newspaper and magazine articles, business school case studies and analysts reports) were used to determine the use of practices by the firms in question. The researchers were thus forced to rely heavily upon the interpretations of writers from a great
many sources, the quality and reliability of which would have varied widely. In particular, it is of concern that many of these sources may have reiterated other published materials and reinforced ‘public’ interpretations and success/failure attributions rather than have used original empirical and systematically collected and analysed data. No details of whether these data, or samples of them, were validated are provided by the researchers.

9. A further complication arises when the impact of publicly available analyses on TRS is considered. No explanation is provided for how the effects of statements made by those interpreting company performance are disentangled from the effects of the management practices themselves. For example, if market analysts applauded a company’s decision to diversify and its stock price subsequently rose, is this attributable to the diversification or the analysts’ praise?

10. It appears that the academics and consultants involved with the study created historical case studies for the firms involved, in each case looking back at the period 1986-1996. Using a defined period from some time ago may have offered some research advantages. For intra-industry comparisons in particular, using a common and fixed period was helpful. Firms were ‘scored’ on a 5-point Likert-type scale by coders trained to assess their application of each of the 200 management practices. This was done using “[a]ll publicly available information” (2003: 12). These assessments were “verified by obtaining information from dozens of people familiar with each company” (2003: 13). It also appears that some much more recent basic data relating to the subject firms was also collected (e.g. in relation to recent general performance), thus in some cases further informing the conclusions drawn. However, there are obvious problems with such historical studies. The researchers were constrained in terms of what sources were available to them. Many organisational actors would have been ‘lost’ over the intervening years – particularly junior ones (thus introducing the additional common problem of elite bias (Miles & Huberman, 1994)). Some public documentation would remain accessible after the passing of time, some would not. Memory lapses and the post hoc rationalisation of events by actors and observers may all have contributed to skewing the data collected.

11. The study of organisations over long time periods such as ten years is useful. However splitting this into two five-year periods to identify ‘climbers’ and
‘tumblers’ is potentially problematic. Joyce, Nohria and Robertson point out that examining changes in practices and identifying correlations with changing performance increases the scope to isolate cause and effect relationships, ambitiously stating that “we could now say that improving upon specific management practices virtually guarantees a company’s superior performance” (2003: 12). However, using this method to construct the firm performance categories may actually increase the chances of making inaccurate attributions of cause and effect. Presumably a very minor change in real performance, or a very minor change in performance relative to only one peer company, could turn a company from a ‘winner’ into a ‘tumbler’. Any linkage between this and a change in management practices would be a tenuous one, particularly when the additional complication of the time series is considered. Presumably very few of the management practices were commenced or dispensed with by companies in 1991 (at the end of the first five year period and beginning of the second). How, it was possible for confident assertions to be made about which management practices did or did not cause performance changes, is far from clear.

12. Further compounding this problem is the issue of time lag. Various management practices might be expected to have an impact on performance, but in many cases one would expect some delay between the use of the practice and the desired result. This is likely to vary from one management practice to another, as well as between organisations and industries. There is no evidence that the authors accounted for time lag.

13. A fundamental problem with this research is the assumption of causality (and its direction) from association of variables tested very imprecisely. There is no evidence that Joyce, Nohria and Robertson recognised this issue or collected and analysed such data as would have been necessary to attempt to identify potential cause and effect relationships between management practices and organisational performance, establish the direction(s) of this causality and disentangle these relationships from any co-variables present so as to establish their true relative importance (as opposed to strength of correlations).

14. An obvious limitation of Joyce, Nohria and Robertson’s findings is that they are so generic and high-level that they might become meaningless when the question of how to achieve them arises. For example, one might struggle to find a manager who does not agree that having a strong ability to execute
operations is important in business. The challenge facing most managers is working out how to generate that ability. The discussion of execution ability does not go very far towards informing this, relying heavily upon highly contextual examples and failing to locate any of the points made in existing implementation theory.

15. A disturbing aspect of Joyce, Nohria and Robertson’s interpretation of performance relates to their use of example companies. They present some ‘winning’ companies (such as Campbell Soup and Home Depot) and the CEOs that ran them as virtually perfect exemplars who failed at nothing. Conversely, some companies and CEOs are derided for failing in every respect. This ultra-polemic stance seems unlikely to reflect reality.

It is unfortunate that despite the substantial empirical evidence collected and analysed by Joyce, Nohria and Robertson (and the many others who assisted them), the methodological challenges associated with large-scale quantitative studies have not been overcome. Indeed, a strong case can be made that the methodological approach was highly inappropriate, given the fragmented and fragile state of theory in relation to the research question posed and phenomena investigated.

In conclusion, a basic premise of this work is that there is a significant need for greater understanding of strategy implementation. Managers require a better understanding of how to ‘make strategy work’. There is a significant gap in the academic literature that represents an opportunity for research to add relevant and substantial theory to the body of knowledge. This study responds to calls for further research into strategy implementation. For example, Alexander writes:

> Although strategy implementation is viewed as an integral part of the strategic management process, little has been written or researched on it. The overwhelming majority of the literature so far has been on the long-range planning process itself or on the actual content of strategy being formed. We have so far been giving lip service to the other side of the coin, namely strategy implementation (Alexander, 1997: 174).

### 2.2.4 Difficulties researching strategy implementation

Hrebiniak and Joyce (2001) propose explanations for the limited research in and knowledge (amongst researchers and practitioners alike) about strategy implementation. They argue that strategy implementation is much more difficult than formulation and this creates three research-related challenges.

First, strategy implementation activities occur over extended timeframes. Whereas planning may occur over a relatively short period (i.e. weeks or months), strategy
implementation often takes place over years. This creates significant challenges for researchers in that:

1. ideally access to subjects should be maintained for long periods and this is often difficult to secure or may prejudicially affect the selection of subjects available;
2. the level of resources and commitment required for the research naturally increases markedly; and
3. over prolonged periods an increased number of variables (many of them unforeseen factors such as competitor activity, personnel turnover, resource reallocations, restructures and so on) become relevant, potentially corrupting the unit of analysis selected and creating uncontrollable ‘noise’, compounding the effect of time lag and thus making the disentangling of different causes and effects even more tricky.

Second, strategy implementation activities involve many actors and enormous task complexity. Whereas strategic planning, for example, may involve a handful of people, strategy implementation usually requires the attention of and actions from many more. Tracking these people’s contributions, the multitude of varied and potentially very complex tasks they carry out, and the impact of these is an ambitious goal. This problem is compounded by the fact that usually implementation tasks are allocated across many departments or functions within organisations (as well as to individuals at many hierarchical levels) and the increased number of total variables involved masks cause and effect relationships.

Third, strategy implementation is also made complex by the need to think sequentially and simultaneously about the factors in the implementation process. For example, a strategy may have implications for both structure and resource allocation systems. Whilst reductionism is a helpful approach to factor decisions about changes into manageable ‘chunks’, it ignores potential interdependencies between, using this example, the structure and the resource allocation systems. Those implementing strategy must thus maintain a holistic perspective even when considering detailed issues. However, as Hrebiniak and Joyce say, “[m]anagers and researchers tend logically to focus on small manageable problems or short causal chains to control the number of variables and clarify cause-effect relationships. These actions militate against simultaneous thinking, detracting from the efficacy of implementation activities and research” (2001: 608).
Of course, none of these problems is wholly exclusive to strategy implementation research and practice; however these challenges seem particularly pronounced in this case. Hrebiniak and Joyce’s observations tally closely with the empirical observations of this researcher.

Hrebiniak makes the additional observations that “…managers know more about strategy formulation than implementation. They are trained to plan, not execute plans” (2005: 5) and “execution is learned in the “school of hard knocks”” (2005: 6). This is obviously a challenge for managers and organisations seeking to implement strategy but it also creates an additional challenge for researchers in that managers’ knowledgeability about implementation issues is limited.

2.2.5 An additional challenge: Practical relevance

Strategy implementation by its nature is a practical problem, which addresses the needs of practitioners. Whatever its importance, strategy formulation has been limited in terms of its impact on actual organisational management because of a lack of understanding of strategy implementation. It seems logical that strategy implementation research should be oriented to deliver practical value for practitioners, as well as inform researchers for the future. Hrebiniak and Joyce are examples of researchers explicitly driven by this need, saying that in developing their core conceptual model in 1984, they were “guided by issues of both theoretical and practical usefulness. Attempts at conceptual or theoretical integration that do not meet this test simply will be ignored by the very people they purport to help, and will be irrelevant to both theory and practice” (2001: 611). They go on to set out six specific criteria of usefulness which, they argue, should be applied to strategy implementation research (the first four being appropriate for a theory building in management, generally): -

1. Hrebiniak and Joyce argue that problems must be cast in a logical framework to make decisions about complex problems manageable (2001: 612). They say that logical frameworks enable better prediction [of the consequences of managers’ actions] via deductive reasoning and that logical frameworks allow decision makers to draw upon a large knowledge basis (‘collective wisdom’) than individuals alone are otherwise able to. They describe a logical model as one “that follows logical rules or prescribes logical relationships among its components. It offers a reasonable expectation of what will happen when model components are manipulated, and this requires knowledge of interactions of fit.” (2001: 615). The issue of fit is discussed later.
2. Hrebiniak and Joyce agree with Argyris and Schon (Argyris & Schon, 1996) that models should help managers in “producing solutions” and facilitating purposive change via levering variables that can be manipulated (2001: 612). They say, “variables which can never be seen, heard or touched are less accessible to change or managerial intervention.”

3. Hrebiniak and Joyce (2001: 612) think parsimony facilitates cognitive manageability and refer to Homans’ advice regarding the number of variables researchers should study: “As few as you may, as many as you must” (1959: 15). This criterion implies a necessary trade-off between the depth and breadth of models and their succinctness. It seems logical that excessively complex models are less likely to be applied successfully by practitioners.

4. The final generic criterion Hrebiniak and Joyce consider important in researching the subject is contingent prescription (2001: 612). They acknowledge that contingent models have become popular, as theories have replaced laws in organisation studies. However, they counsel that contingency theories must go beyond explaining, “it all depends” and say “managers need to know what it all depends on, how, and what they can do about it” (2001: 613).

5. In relation to strategy implementation models in particular, Hrebiniak and Joyce reiterate their (1984) observations that managers face an impossible variety and volume of potentially relevant variables when making decisions in organisations (an issue well explored since March and Simon’s (1958) work) and must use bounded but intended rationality as a result. They say, “the problem becomes one of making sense of this complexity and operating within it to obtain the strategic objectives of the organization” (2001: 612). This problem – often seen retrospectively as one of success (or failure) attribution – is a recognised challenge for managers. It seems logical that models assisting decision-making must reduce this complexity effectively if they are to work in practice.

6. Finally, Hrebiniak and Joyce essentially reiterate again one of their (1984) observations, that managers should make the minimum intervention required in their organisations to achieve objectives, thus being efficient in terms of securing an adequate return on investment. However they also introduce the idea of ‘cognitive efficiency’, arguing that the challenge of bounded rationality
signals the need to allocate scarce resources – in other words, the scope of planning must be constrained through subjective judgements because it could otherwise consume all available resources. Indeed, the search for solutions to problems (or strategic options) itself consumes resources (as noted by Cyert & March, 1963). ‘Cognitive efficiency’ is essential because bounded rationality means ideal solutions are only achievable by chance, and all resources could be exhausted in the search for them. The question faced here is essentially one of seeking the ideal balance between ‘doing the right things’ and ‘doing things right’ (or indeed being in a position to do them at all). Lindblom suggests that managers’ concerns about expending too many resources on the search for solutions can encourage the adoption of only incremental changes, which “immediately reduces the number of alternatives to be investigated and also drastically simplifies the character of the investigation of each” (Lindblom & Cohen, 1979: 55). Hrebiniak and Joyce also raise the notion of ‘ethical efficiency’, acknowledging again Harrison’s suggestion that with increasing depth and scale of organisational intervention, the risk of unintended effects that may include negative impacts on individual employees, grows. For example, employees may be subject to high levels of personal stress. In a similar vein to their suggested approach to achieving ‘economic efficiency’, Harrison suggested that interventions should be no deeper than necessary to “produce enduring solutions to the problems at hand” (Harrison, 1970: 280).6

Hrebiniak and Joyce’s criteria are based entirely on their own perceptions and experience, rather than any wider reference base or empirical study. However, in the absence of better guidance, they provide a pragmatic and logical set of principles against which to test strategy implementation models. They also provide greater insights to the challenges facing researchers and practitioners in the strategy implementation field.

2.2.6 **Wider sources of theory**

To suggest that there has been little literature that may help managers to implement strategy would be wrong. Several fields of management study explore issues that clearly are relevant to strategy implementation. These include organisation theory,  

---

6 Hrebiniak and Joyce (2001) incorrectly cite Harrison’s work as being entitled ‘Determining the depth of intervention’. The correct title of the article is ‘Choosing the depth of intervention’.
organisational behaviour, cognitive science, human resource management, strategic and organisational change, and operations management.

However, these disciplines tend to address strategy implementation indirectly and in relative isolation of strategic and specific implementation challenges. This is a recognised problem within the strategy implementation literature. Galbraith pointed out that “the division of labor used by behavioural scientists does not reflect the nature of organization design choices” (Galbraith, 1977, quoted in Hrebiniak and Joyce, 2001) and Hrebiniak and Joyce say the “threat of reductionism coupled with the natural consequences of division of labor has resulted in parochialism in addressing problems of strategy implementation” (2001: 609).

Dubin provides a general insight as to why such problems may emerge, saying, “[l]argely for imperialistic reasons, each social science discipline seeks to keep its theory from being “debased” to a different level of explanation…the ranting has contributed nothing to the issue of whether or not there is some linkage between the various levels of analysis” (Dubin, 1969: 14). This research revealed the same findings as those of Hrebiniak and Joyce:

We believe, however, that much more has been written about strategy implementation than is apparent from a survey of books and articles in academic and professional journals. The problem is not that we know too little about strategy implementation but that what we do know is fragmented among several “fields” of organization and management study. The result has been several, somewhat one-sided, views of the implementation process with little constructive integration of the many important perspectives on the topic (Hrebiniak & Joyce, 1984: 2).

### 2.2.7 Defining strategy implementation

Despite the obvious importance of strategy implementation, the academic and professional literature is unclear about what it actually means. The various aforementioned authors vary widely in their approach to and explanation of the subject. Despite there being dozens of articles and several books with strategy implementation in their titles, the term has been formally defined in very few of them. Eccles makes the general observation, “…[a] striking thing is the large number of texts by reputable authors in which they shy away from all definitions. You can look in vain for a definition of the key words in a book’s title” (1994: 8-9).

Hrebiniak and Joyce do attempt to clarify the meaning of strategy implementation with the following statement, which follows a definition of strategy formulation: “[s]trategy implementation will be defined as all the remaining components of the basic
implementation model defined in chapter 1” (1984: 29). The remaining components of their basic model, which do not follow the form of a typical definition, are as follows:

1. Planning:
   a. operating level objectives; and
   b. incentives and controls.

2. Design:
   a. primary structure; and
   b. operating structure.

Stonich makes a useful distinction between strategy formulation and implementation explaining, “[s]trategy formulation is deciding where your company is today and where your company should be tomorrow” whereas “[i]mplementation is deciding how to get your company from where it is today to where it should be tomorrow” (1982: xvii, emphasis original). Stonich’s definition implies implementation to be a decision-making activity and focuses on the process involved, rather than the content issues. He does however go on to explore strategy implementation through several elements that focus on the content of decisions.

Chakravarthy et al. similarly state that, “[w]hile the emphasis in the formulation phase is on decision-making, the implementation phase deals with how to convert these decisions into actions and thus achieve a predefined goal” (2003: 2).

After making the point that definitions are important, Eccles provides some suggestions as to the meaning of strategy implementation “…strategy implementation is the action that moves the organization along its choice of route towards its goal – the fulfilment of its mission, the achievement of its vision…” (1994: 10). Discussing intentionality, he says: “[t]he view here is that strategy implementation is the realization of intentions” (1994: 13, emphasis original).

Vancil also provides a hint of how strategy implementation might be defined in his short introduction to a selection of Harvard Business School cases intended to demonstrate the challenge of implementation:

Each case presents a top manager working with subordinates to resolve a minor issue, but the focal point is on how they work it out rather than what the resulting action is. Working it out is really what strategy implementation means… (1982: 1).

More recently, Hrebiniai provides a description of strategy implementation, saying “execution represents a disciplined process or logical set of connected activities that
enables an organization to take a strategy and make it work” (2005: 3). Again, this perhaps falls short of providing a solid formal definition, but does help to clarify Hrebiniak’s view of the phenomenon.

It is a contention of this research that the varying definitions of strategy implementation, whilst representing important progressions in the field, are not sufficiently robust foundations on which to develop further research.

Singh does provide a deliberate definition of “strategy execution”, suggesting that it is “the step-by-step implementation of the various activities that make up a formulated decision-making strategy” (1998: 146). Her offering must immediately be treated with caution, as her research – which is focused primarily on decision support systems – is in no way grounded in the strategy implementation literature. By way of calibrating this, five of the 57 references she cites relate to management; the others all relating to decision-making and decision support systems. Examination of the construction of the definition reveals that it uses the word “implementation” and “strategy”, which are too indistinct from the term being defined to be illuminating.

There are a number of factors that make it essential to define strategy implementation unambiguously and these are explored below, before a working definition is established.

Chakravarthy et al. make the point that the distinction between planning and implementation has long been a key assumption made by researchers in the strategy process field (2003: 3). This approach is typified by Huff & Reger’s (1987) formulation-integration-implementation model, for example.

It has been proposed by some proponents of ‘emergent’ strategy (for example, Mintzberg & Waters, 1985; Mintzberg, 1987) that strategy formation and implementation are essentially the same thing and there is not a need for specific strategy implementation research. Hrebiniak and Joyce (2001) present a forceful set of arguments against this view. They point out the logically equivalent conclusion that strategy formation research is redundant, but are convincing as to why a distinction is useful. Planning and implementation are logically distinguishable; failure to separate them is unhelpful for scientific enquiry. Most importantly, however, the implementation research that does exist deals with a swathe of issues not dealt with in the strategic planning literature. Hrebiniak and Joyce do point out, rather convincingly, “[i]f formulation and implementation were synonymous, formulation, at the very minimum, would include a very wide range of activities” (2001: 603). Obvious examples include organisation structure, action planning, performance measurement
systems, incentive systems and management control systems. These variables are important for explaining firm performance. Of course, some of these topics are addressed in other disciplines such as organisation behaviour. However, these disciplines tend to address these issues in relative isolation of the strategic content and strategy implementation challenge, because of the fragmented nature of research across the various disciplines as discussed above.

As Hrebiniak and Joyce (2001: 603) note, distinguishing planning and implementation is not to argue that they are not interdependent. They go so far as to say, “[i]t is silly to argue that [strategy formulation and implementation] stands alone or that one or the other is more or less vital to company performance”. Chakravarthy et al. also note that strategy formation and implementation are closely intertwined (2003: 6).

It certainly seems that the black and white distinctions between these two phases may be unhelpful, particularly in light of the research into emergent strategy, which indicates that in practice strategies are at least in part developed in less formal settings than ‘strategic planning’ meetings. However, there can be little doubt that relying on the strategic planning literature alone will not address the challenges posed in practice by the need to translate ideas to action.

2.2.8 Strategy implementation: The content school

‘Content’ and ‘process’ distinctions in the wider strategy and strategic change literature are common, though perhaps sometimes best treated with caution. However, the strategy implementation literature can, apparently usefully, be split between ‘content’ and ‘process’ contributions (this does not appear to have been done before by authors in the field). The ‘content’ literature focuses on specific organisational designs, process and systems that are apparently important to consider, align and modify when attempting strategy implementation, and as such is normative in its style. The much smaller ‘process’ literature is oriented to providing decision-making models or frameworks, intended to allow managers to identify for themselves what, in any given circumstance, is most worthy of attention when implementing strategy.

This distinction is potentially very important. As this literature review will show, the empirical underpinnings of the field are weak and one might argue that ‘content school’ models are somewhat premature under such circumstances. These relatively normative models draw the attention of managers to specific organisational designs and processes with little acknowledgement of contextual or contingent factors. ‘Process’ models may
be better suited to accommodate the idiosyncratic characteristics of any one case and thus more appropriate to the fragile state of theory currently observed.

In the content school, there are four contributions which stand out as having made the greatest impact on thinking in this area Galbraith and Nathanson (1978) (revised by Galbraith & Kazanjian, 1986), Stonich (1982), Hrebi niak and Joyce (1984) and Hrebiniak (2005) (which is to some extent an update of his earlier work with Joyce, and was published and thus reviewed after the fieldwork for this study was completed).

Each of these authors proposes a framework for implementing strategy. This does seem like a logical and practically useful approach but Hrebiniak says:

> Development of a logical overview is a step that has been ignored by practitioners, academics, and management consultants alike. Execution problems or issues typically have been handled separately or in an ad-hoc fashion, supported by a few anecdotes or case studies. This is not sufficient. Execution is too complex to be approached without guidelines or a roadmap (2005: 27).

There are others who have developed frameworks for tackling strategy implementation (e.g. Bigler & Norris, 2004; Brache & Bodley-Scott, 2007; Fogg, 1999; Galpin, 1997; Wall, 2004) but have failed to locate their work in existing theory and/or underpin it with any systematic empirical research. There are others still who explore implementation but do not address strategy implementation (e.g. Flood, Domgoole, Carroll, & Gorman, 2000; Hartman, 2004; Neiman, 2004). The work of these authors has been examined but does not inform the course of this study because of these critical limitations.

Galbraith and Nathanson (1978) provided the first major contribution in the management literature that dealt specifically with strategy implementation. It set out to deal with issues related to organisational design and in doing so, relied heavily on the previous seminal work of Chandler (1962). It also provides and excellent review of some of the initial work in this area. Galbraith and Nathanson say:

> Our basic premise is that effective financial performance is obtained by the achievement of congruence between strategy, structure, processes, rewards, and people. This is an equilibrium-like state that is never achieved but always sought. The move from one strategy to another requires a disengagement, realignment, and a reconnecting of all these factors (1978: xiii-xiv).

In discussing disengagement, realignment and reconnection, they almost certainly draw upon Lewin’s (1958) unfreeze-change-refreeze prescription for organisational change. They do identify what organisational factors should be changed. Galbraith and
Nathanson present an overall framework which includes all the “major design variables” (1978: 2) which represent choices for organisations attempting to implement strategy:

1. product/market strategy;
2. task;
3. structure;
4. information and decision processes;
5. people;
6. reward system; and
7. performance measurement.

Galbraith and Nathanson’s work stands as a seminal contribution to strategy implementation. It is richly grounded in the pre-existing literature and often logically coherent and persuasive. However, it is not based on any original empirical work, and arguably suffers an associated lack of practical applicability. This limits the extent to which it can be relied upon as providing a useful or generalisable framework to guide implementation thinking.

In particular, Galbraith and his colleagues provide little explanation of the choice for and relationships between the elements of their model. Although it may be seen as a decision-making rather than causal model, with so many interrelationships identified, a logical sequence to decision making is arguably required. This criticism is similar to that levelled at the McKinsey 7-S model by Hrebiniaik and Joyce (2001) (see Section 8.4.2).

Given the focus of this study, it is also important to note Galbraith and Nathanson’s (and Galbraith and Kazanjian’s) omission to explain how to identify or align activities that might plausibly achieve strategic objectives. Although their model implies that product/market strategy must be translated into tasks, no guidance is provided to explain how this might be done, how this process may go wrong, who should do it and so on. Nor are any examples provided of this process occurring in practice. It appears that these authors did not intend to examine this issue at all, focusing instead on organisation structure, systems and processes (as indeed the subtitles of the two books suggest).

Stonich (1982) presents a model for strategy implementation that includes the following ‘elements’:
Chapter 2: Initial Literature Review

1. strategy formulation;
2. culture;
3. organisation structure;
4. human resources; and
5. management process:
   a. planning,
   b. programming,
   c. budgeting, and
   d. measurement and reward systems.

Stonich depicts culture, organisation structure, human resources and management process as being interdependent. He also hints at the importance of resource assessment within the planning process (in sympathy with what is now known as the resource-based view of strategy). He says:

…[the] external focus of strategy must be balanced by assessments of internal capabilities - the organization’s structure, human resources, management processes, and culture - in order to implement strategy effectively. … The appropriate process involves not only developing the “right” economic answer, but also ensuring that it can be implemented within the particular company (1982: xviii).

Stonich also suggests that not only must implementation be considered at the planning stage, but also the process must be sufficiently detailed:

Because these implementation aspects are difficult to quantify and cost out, they are too frequently excluded from the analytical process, even though they can radically alter the economic assumptions on which the conclusions are based (1982: 24).

Equally, he pays particular attention to the business definition and segmentation within a discussion of strategy formulation, saying, “[i]f the business is not defined properly, it is impossible to develop a coherent strategy” (1982: 16).

However, Stonich’s model suffers from similar problems to Galbraith and Nathanson’s, failing to define in detail the nature of the relationships between its elements. Furthermore, Stonich, like Galbraith and Nathanson, overlooks the question of how strategy is translated into activities, leaping instead to the question of structure. Stonich does not even note tasks or activities as an element within his model or the theory developed from it.

Stonich’s contribution to the early strategy implementation is a significant one, in that it added further structure to what was only an emerging discipline. However, it is
much less well grounded in the pre-existing literature than Galbraith and Nathanson’s work and similarly is not based on any original empirical studies. This limits the extent to which it can be relied upon as providing a useful or generalisable framework to guide implementation thinking.

Hrebiniak and Joyce (1984) provide another model for strategy implementation that represents a more prescriptive series of steps required to implement strategy. Their model includes five basic elements, the latter four of which make up their definition of strategy implementation: -

1. Planning:
   a. strategy formulation;
   b. operating level objectives; and
   c. incentives and controls.

2. Design:
   a. primary structure; and
   b. operating structure.

Hrebiniak and Joyce suggest that planning and organisation design are interdependent and recognise that the distinction is not a clear one, pointing out that previous literature has dealt with the same issues under both headings. However, they give a stronger indication than other theorists about the relationships they believe exist between the elements of their model, indicating a logically-sequential decision-making process via their model.

They introduce a number of concepts from various literature streams that appear to be useful to support their strategy implementation model, applying Simon’s (1957a) notion of bounded rationality, Lindblom’s (1959) “muddling through”, Quinn’s (1980) “logical incrementalism”, and the principle of minimum intervention (e.g. Chandler, 1962; Harrison, 1970; Lawrence & Lorsch, 1967). They also introduce implementation horizons and intervention sequences and complexity, which enriches their discussion about the nature of strategy implementation.

Hrebiniak and Joyce’s contribution to the emerging strategy implementation field is a highly significant one, in that it is well grounded in the pre-existing literature, theoretically rich and logically persuasive and fairly practically-oriented.
However, as with the previous contributions, is not based on any original empirical work and this limits the extent to which it can be relied upon as providing a useful or generalisable framework to guide implementation thinking.

Despite the strength of Hrebiniak and Joyce’s work, it has important limitations. Like earlier works, it is not grounded in any empirical research. Also in common with previous contributions, it overlooks the question of how to identify and align activities that will achieve strategic objectives. Hrebiniak and Joyce’s model does include ‘operating level objectives’, which does imply some breakdown of strategy towards activities. Indeed, Hrebiniak and Joyce say:

> The process of setting operating-level objectives also includes the translation of long-term strategic aims into specific short-term objectives for the operating units. Rather than trying to focus on the entire implementation process, managers at this stage are concerned with more local problems and objectives. Specific action plans are developed to implement portions of the strategy determined in the formulation process. Structure now constrains strategy implementation because managers focus on strategic issues relating only to their segments of the business. Complex strategic issues cannot be easily elaborated into consistent, operational objectives and action plans without first establishing a zone of discretion within which managers can take action and commit resources (1984: 13).

In this statement Hrebiniak and Joyce suggest that for ‘action planning’ to be feasible and realistic, managers need structures to limit their spans of attention and responsibility, but do not cite or present any supporting empirical evidence for their solution. Hrebiniak and Joyce, like Galbraith (1973; 1977), are concerned to manage the problem of bounded rationality by reducing “the information that must be processed during the establishment of operating objectives by reducing the number of inputs and outputs that must be considered” (1984: 13). However, they do not examine alternative approaches to resolving this challenge, such as using criticality (see Section 2.3), or specify any contingent considerations (such as organisational size, complexity or diversity).

Within their discussion about operating-level objectives, Hrebiniak and Joyce explore how “plans and objectives are handled by successively lower levels in the organization, often within increasingly shorter time frames” (1984: 96) and the way in which objectives are negotiated, determined and presented. They make a distinction between strategic and short-term operating-level objectives and highlight the importance of integrating short- and long-term objectives for successful strategy implementation. However, Hrebiniak and Joyce’s discussion is focused on objectives,
rather than activities. Their ‘short-term objectives’ are too abstract to be considered activities, two examples they provide being, “[t]o increase earnings per share by 10% next year” and “[t]o reduce the long-term debt-to-equity ratio by 8% next year and a total of 20% in the next two years” (1984: 108). Hrebiniak and Joyce demonstrate awareness that this process must be continued into greater detail, consistent with the notion of using “means-ends” chains (1984: 110). Their discussion is made a little confusing by them saying, “[t]asks of activities identified on the plan then become operating objectives on the next level down, within the functional areas, and so on” (1984: 110). This implies that in using the word ‘task’ or ‘activity’, Hrebiniak and Joyce are not necessarily referring to concrete actions that could be undertaken by competent individuals or teams.

They also set out criteria for setting sound objectives (closely reflecting Drucker’s (1954) criteria for goal setting in his description of Management By Objectives), saying they should be:

1. negotiated;
2. above standard (i.e. stretching);
3. measurable;
4. realistic and challenging;
5. consistent;
6. time-bound in generating benefits; and
7. prioritised.

Overall, Hrebiniak and Joyce make numerous useful observations about setting short-term objectives and provide a strong conceptual model for how strategy might be translated into action, but they do not detail how activities should be identified and how the means-ends chains to which they refer, should best be constructed. Their contribution is significant, but clearly can usefully be extended to inform the practicalities of identifying and aligning activities to achieve strategic objectives.

Hrebiniak’s latest contribution (published and thus reviewed after the fieldwork for this study was completed7) seeks to update the model he earlier developed with Joyce, and provide greater empirical underpinning of the ideas presented. Hrebiniak says his

---

7 Hrebiniak’s (2005) work is critiqued in this chapter to allow its inclusion with the comparison of the main strategy implementation ‘content school’ frameworks (see Table 2).
book is “based on data” as well as being “action- and results-oriented” (2005: xviii). Hrebiniak’s (2005) contribution is the first ‘content’ framework, specifically intended to be a comprehensive roadmap for strategy implementation, that is supported explicitly by empirical research. Hrebiniak outlines two surveys he has used to provide support for his model. Both examine perceived barriers to strategy implementation. Hrebiniak synthesises the findings from the two surveys and an informal panel discussion data to list the following “eight areas of obstacles or challenges to strategy execution” (2005: 22):

1. developing a model to guide execution;
2. understanding how strategy creation affects its execution;
3. managing change effectively (including cultural change);
4. understanding and using power and influence for execution;
5. developing organisational structures that foster information sharing, coordination and clear accountability;
6. developing effective controls and feedback mechanisms;
7. knowing how to create an execution-supportive culture; and
8. exercising execution-biased leadership.

Hrebiniak uses this list to inform what he describes as a “unifying, integrated approach to execution” (2005: xviii) that it can be applied “across the board in virtually all organizations and industry settings” (2005: 32). The core of his model is, as he acknowledges, essentially a new version of Hrebiniak and Joyce’s (1984) model, incorporating:

1. corporate strategy;
2. business strategy and short-term operating objectives;
3. corporate structure/integration;
4. business structure integration; and
5. incentives and controls.

Hrebiniak develops this model by adding several ‘contextual factors’ that reflect the findings of his surveys:

1. power and influence;
2. organizational culture;
3. leadership; and
4. change management.

Hrebiniak’s model was informed by two surveys. The first (Wharton-Gartner), conducted in 2003, was a short online survey which targeted 1,000 managers on the Gartner E-panel database who self-reported involvement in strategy formulation and implementation. 243 respondents (giving a 24.3 percent response rate) rated 12 pre-determined barriers to strategy implementation on a Likert-type scale ranging from “not at all a problem” to “a major problem”. “Don’t know” was an additional option made available. They were also invited to answer 18 more detailed questions, again using Likert-type scales, related to the effectiveness of information sharing and coordination, and symptoms of strategy execution problems. Finally, two open ended questions asked about the relative difficulty of strategy execution over planning and other factors making it challenging.

The second (Wharton Executive Education) survey questioned attendees of Hrebiniak’s executive education programme on strategy implementation. This forum has enabled Hrebiniak to hear first hand about execution challenges, and he has formalised this information by asking attendees to rank the predetermined but evolving list of strategy implementation obstacles in order of importance. A sample of 200 managers have undertaken this exercise and provided answers to open-ended questions about “execution issues, problems, and opportunities” (2005: 15). It is not clear how formally these rankings and responses were provided (e.g. whether they are collected on paper/verbally or by individual/in groups). This was followed by informal panel discussions that enabled probing of the initial results and explorations of potential solutions to problems. It is not clear when and over what period this exercise was undertaken.

The two surveys reveal somewhat different rankings of the 12 barriers. The mean difference in the rankings of the twelve barriers is 2.42 (the maximum possible difference obviously being 11). Only one issue is ranked equally between the surveys, as the most important issue: “inability to manage change effectively or to overcome resistance to change”. At the other extreme, “not having guidelines or a model to guide strategy-execution efforts” is ranked seventh by in the Wharton-Gartner survey and second in the Wharton Executive Education survey. (This difference is perhaps unsurprising, as the programme attendees were presumably seeking or had just been exposed to a strategy implementation framework.)
Chapter 2: Initial Literature Review

The use of empirical data in exploring the challenging issue of strategy implementation is of course welcome, and in many respects long overdue. Hrebiniak’s research lends some weight to the list of key strategy implementation barriers he provides. However, there are a number of limitations with Hrebiniak’s research.

The fact that the core elements of Hrebiniak’s (2005) model are essentially the same as Hrebiniak and Joyce’s (1984) framework suggests that Hrebiniak used the list of barriers above (deduced from the survey findings) only very loosely to inform his new model. Furthermore, as Hrebiniak and Joyce’s original model was not induced from empirical work, the empirical grounding of Hrebiniak’s (2005) model must at best be seen as incomplete.

Hrebiniak chose to ask managers primarily about barriers to strategy implementation. This seems a valuable thing to do to ensure frameworks help address the problems managers face. However, because of the way the data were collected, this may produce skewed results. For example, managers working in organisations that had overcome particular potential barriers (perhaps some time ago) may be unlikely to report these issues as being barriers, since for them, the issues are no longer obstacles. Had they been asked what was important to make strategy implementation effective, they may well have identified these as critical components⁸. Hrebiniak’s resulting list might therefore be seen as the ‘existing barriers in the eyes of many’ rather than the issues most worth of attention. It is impossible to tell if the impact of this factor would have changed Hrebiniak’s list of barriers, but it is likely to have altered the relative importance attached to each one.

Related to this, the online survey in particular used a highly positivistic approach to frame data collection. It might have provided reliable data on the limited number of issues explored, but the two open-ended questions were unlikely to have drawn out significant additional insights, even into barriers to implementation. The use of a range of differently constructed questions, seeking to approach the relevant phenomena from a number of angles and using varying language would have been more reliable. Additionally, this survey approach did not allow for the collection of data relating to the context in which each manager operated, timeframes or outcomes. The online survey

---

⁸ For example, the Economist Intelligence Unit (2004) asked respondents what factors were most important to get right and what factors represented the greatest challenge for their companies or business units.
does not even appear to collect demographic data about respondents, such as their levels of seniority, lengths of service or roles types.

Related to this point is the question of respondent knowledgeability. As Hrebiniak himself says, “…managers know more about strategy formulation than implementation. They are trained to plan, not execute plans.” (2005: 5). It seems doubtful that the large number of respondents, especially those working without the benefit of attendance on Wharton’s executive education programme, would share a well-informed view of what strategy implementation actually is, let alone a consistently high capability to consider a wide range of potential barriers. After all, Hrebi niak and Joyce (2001) identify that strategy implementation is a challenge for managers and researchers because of: extended timeframes; multiple actors and high task complexity; and the need to think sequentially and simultaneously. Short online surveys are generally not ideal for testing respondent knowledgeability or providing verifications about the meanings of questions asked, and it is clear that they would have been limited in these respects in this case.

A further related issue is the construction of questions. As is to some extent inevitable with surveys exploring such complex issues, the meaning of some phrases is potentially ambiguous. For example, “Poor or vague strategy” is identified as a key barrier to successful implementation (2005: 17). Strategy is a complex concept, which is defined in many different ways within the scholarly literature, and used and interpreted, in an even wider range of ways by practitioners. As no definition or clarification was provided in the survey used, it must be assumed that the responses reflect this wide range of interpretations. Thus, for example, some respondents may have been thinking about corporate strategy, whereas others may have been considering project management tactics. A further potential problem relates to ‘leading’ questions. For example, one of the open-ended questions reads “Managers have told us that executing strategy is more challenging than formulating strategy. Please tell us whether you agree with this view and briefly explain your answer.” (2005: 367). The framing of this question requires a respondent who feels planning is more difficult than implementation to ‘disagree’ with the ‘managers’ to whom the survey refers. A balanced question, for example asking, “Which is more difficult, formulating or implementing strategy?” would have been preferable to invite unbiased responses.

It is difficult to assess the appropriateness of Hrebi niak’s samples without more detail. The Gartner E-panel database may be large enough or constructed to represent an appropriate theoretical sample, but any problems with it may have been compounded
by the self-reporting of involvement in planning and implementation (which was presumably managed in a rather simple way) and the fact that fewer than a quarter of these managers responded to the survey. Obvious potential co-variables that may have affected the final sample include computer or Internet literacy and the extent to which managers were busy and under pressure. It is possible that co-variables such as the latter would make the response rate unacceptable, particularly as no follow-up of non-respondents was reported. In respect of the executive education programme attendees, there are obvious potential co-variables that might affect the representativeness of respondents, including training budget allocations, manager seniority and their perceived need to attend a strategy execution executive course. These limitations do cast doubt on Hrebinik’s assertion that his guide to strategy execution can be applied “across the board in virtually all organizations and industry settings” (2005: 32).

Hrebinik’s informal panel discussions used for the executive education programme respondents are likely to have mitigated several of these problems, to some extent. These are likely to have provided a balance to the inflexibility imposed by surveys, and although informal they would almost certainly produce more reliable findings than anecdotes from single respondents (which are used liberally by many management writers). The addition of this step may go some way to explaining the variance in the ranked lists of implementation barriers produced from the two surveys.

Hrebinik’s conceptual offerings are a very useful contribution to strategy implementation research, and he usefully adds to the existing empirical work, much of which is too narrowly focused in scope to inform a strategy implementation framework. However, further research is required to validate these findings, and this might ideally come in the form of more in-depth probing of managers’ views and the contexts in which they are formed.

In relation to identifying and aligning activities to achieve strategic objectives, Hrebinik is clearly aware of the challenge, but provides few details of how to tackle it. He says that “to execute business strategy, … strategic plans and objectives must be translated into short-term operating objectives” and that “this translation process is an integral and vital part of the execution process” (2005: 49). He specifies short-term objectives as an element of his integrated model, bundled with business strategy.

Hrebinik acknowledges that without the coordination and control afforded by such a translation process, middle managers and those below them are liable to focus on the “wrong things” (2005: 49). This is a more specific issue than the Principal-Agent
problem (Ross, 1973). This misalignment between organisational objectives and the activities of staff members is caused by failure to identify appropriate activities, rather than a failure to motivate staff members to undertake specific activities.

Hrebiniak also reports commonly hearing from organisational members that they are unaware of how their own objectives relate to their organisations’ strategies. This echoes the findings of Boswell (2000), who examined this issue from an HRM perspective in her doctoral study (she and others have called this a failure of “line of sight”).

Hrebiniak suggests that MBO programmes and Enterprise Performance Management Systems such as the Balanced Scorecard exist to help managers integrate long-term and short-term business objectives. However, Hrebiniak himself provides no guidance on exactly how activities (that might achieve strategic objectives) can be identified. He diagrammatically depicts the process for defining the operational components of strategy but implies a leap from strategic objectives to “short-term metrics” (2005: 86), providing no detail of how this cognitive step should be made. He says, “[s]hort-term operating objectives represent the grist of the strategic mill. Strategic plans are “ground” or refined into smaller, more manageable pieces, which become the operating criteria to guide short-term behavior” (2005: 86). The assumption appears to be made that readers will know how to ‘grind’ or ‘refine’ strategic plans without explicit guidance.

It is notable that Hrebiniak, as with many other writers, often describes the process of operationalising strategic objectives in terms of producing short-term ‘metrics’, rather than activities. This tendency has perhaps been shaped by:

1. the recognition that whereas strategic goals are long-term, they need to be broken down into shorter-term objectives, which necessitates constraining them with measures of time;
2. the common test for defining objectives that they should be measurable; and
3. the widespread use of systems such as the balanced scorecard for measurement purposes.

2.2.9 Comparing the content school models

There are clear similarities between the integrated strategy implementation models posed by the various ‘content school’ authors. These are highlighted in Table 2. Minor differences are recorded in how each element is named, and these are detailed.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy formulation</td>
<td>• Product/Market Strategy</td>
<td>• Strategy Formulation</td>
<td>• Strategy Formulation</td>
<td>• Product/Market Strategy</td>
<td>• Corporate Strategy</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Business Strategy</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>[&amp; Short-term Operating Objectives]</td>
</tr>
<tr>
<td>Organisational culture</td>
<td></td>
<td>• Culture</td>
<td></td>
<td></td>
<td>• Organizational Culture</td>
</tr>
<tr>
<td>Organisational structure</td>
<td></td>
<td>• Structure</td>
<td>• Organization Structure</td>
<td>• Primary Structure</td>
<td>• Structure</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Corporate Structure/ Integration</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Business Structure Integration</td>
</tr>
<tr>
<td>Operating objectives</td>
<td>• Management Processes: Planning</td>
<td>• Operating Level Objectives</td>
<td>• [Business Strategy &amp;] Short-term Operating Objectives</td>
<td>• [Business Structure/] Integration</td>
<td>• [Business Structure/] Integration</td>
</tr>
<tr>
<td>Information processes</td>
<td>• Information &amp; Decision Processes</td>
<td>• Information &amp; Decision Processes</td>
<td>• Business Processes</td>
<td>• Operating Structure</td>
<td>• Business Structure [// Integration]</td>
</tr>
<tr>
<td>Operating structures</td>
<td>• Operating Structure</td>
<td>• Operating Structure</td>
<td>• Integration Mechanisms</td>
<td>• Integration Mechanisms</td>
<td>• [Corporate Structure/] Integration</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• [Business Structure/] Integration</td>
</tr>
<tr>
<td>Integration of parts</td>
<td>• Integration Mechanisms</td>
<td>• Management Processes: Measurement &amp; Reward Systems</td>
<td>• Incentives &amp; Controls</td>
<td>• Reward System</td>
<td>• Incentives &amp; Controls</td>
</tr>
<tr>
<td>Performance measurement &amp; rewards</td>
<td>• Reward System</td>
<td>• Management Processes: Measurement &amp; Reward Systems</td>
<td>• Incentives &amp; Controls</td>
<td>• Reward System</td>
<td>• Incentives &amp; Controls</td>
</tr>
<tr>
<td>Human resources</td>
<td>• People</td>
<td>• Human Resources</td>
<td>• People</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing change</td>
<td>• Making Strategy Happen</td>
<td>• Strategic Change</td>
<td>• Strategic Adaption</td>
<td>• Change Management</td>
<td>• Change Management</td>
</tr>
<tr>
<td>Organisational politics</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Power &amp; Influence</td>
</tr>
<tr>
<td>Leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Leadership</td>
</tr>
</tbody>
</table>

Table 2: Comparison of the main strategy implementation ‘content school’ frameworks

Although each of the authors uses slightly different elements, it appears that the strategy implementation models are similar. Most of them include consideration of:

1. strategic planning;
2. organisation structure;
3. operating objectives/decision-making processes;
4. operating structures and re-integration;
5. performance measurement/reward systems;
6. human resource issues; and
7. resource allocation.
In relation to organisation structure, Olsen, Slater and Hult (2005) conducted a survey questionnaire of over 200 senior marketing managers which sought to determine the importance of organisation structure (and ‘strategic behaviour orientation’) on strategy implementation. Unfortunately, their study is supported by very limited theoretical grounding and lacks definition of key terms such as strategy implementation. They did not identify or examine any other elements of strategy implementation, and it is questionable if the positivist approach they adopted was suited to examination of this complex and poorly understood phenomenon. Their low response rate was not augmented by any follow up of non-respondents and the possibility that using senior marketing managers as respondents may have skewed their results through functional and elite bias (Miles & Huberman, 1994) is not explored. The authors appear to have assumed intra-organisational uniformity in respect of organisation structure and ‘strategic behaviour orientation’, though they present no evidence that this rather unlikely scenario is the case. The method of organisational performance measurement is not detailed, and the assumption is made that high performance equates to effective strategy implementation (thus ignoring potential effects of environment, for example through industry structure or competitive activity). Precisely quantified details of the statistical relationships uncovered are not divulged and no consideration is given to the potentially infinite number of co-variables that may condition the relationships between structure, ‘strategic behaviour orientation’, strategy implementation effectiveness and organisation performance.

Each of the models in the content school implies that the relationships between the elements within them are important – in particular the ‘fit’ between them. However, as Okumus says, none of these authors “provide in-depth discussion of and evaluation related to how these variables interact with and influence other variables and how these interactions impact on and influence the whole implementation process and outcome” (2001: 327). Okumus (2001) investigates strategy implementation through case studies in two major hotel chains (selected using a theoretical sample). However, he does not define strategy implementation and examines only one (albeit ‘strategic’) project in each case. He does not appear to establish what ‘strategy’ each organisation was seeking to implement, and rather, examined tactical implementation of projects rather than strategy. He conducts a large number of multi-level interviews, observations and document review. However, for data analysis he uses a coding system developed from the literature, which he establishes as being underdeveloped (in common with this review). His findings are not explicitly supported by the data.
If there are important differences in the models, some of these are not clear from an analysis of their *content*. However, a slightly different analytical approach reveals a different picture. In assessing the strategy implementation *process* in each model, differences are revealed. In short, these prescriptive models vary little in respect of *what* they recommend managers manage, but do vary in respect of *how* they should manage the parts of the process. To put it another way, they identify the levers to pull, but don’t explain *how* to pull them in sufficient detail to allow managers to actually make decisions.

### 2.2.10 Strategy implementation: The process school

In addition to the initial contribution that Hrebiniak and Joyce (1984) make, a small number of authors from various areas have contributed to an understanding of the process of strategy implementation. In other words, rather than simply identifying what things to think about, they have explained how to think about them.

Hrebiniak argues that, “To be action oriented, a model must also be prescriptive. It must tell us what should be done, when, why, and in what order” (2005: 34). This is perhaps an argument in favour of ‘content’ models that assert which organisational components are successful for strategy implementation. This reflects a rather different approach to ‘telling us how to decide what should be done, when, why, and in what order’. This latter approach is characteristic of the ‘process school’ of strategy implementation.

Reed and Buckley present a series of arguments and a fairly rudimentary model to facilitate strategy formulation aimed at implementation “problem avoidance” (1988: 68). They seek to link:

1. corporate goals and objectives;
2. strategy selection;
3. strategic intent;
4. resource allocation/structure fitting/systems design;
5. performance appraisal;
6. goal setting;
7. critical success factors;
8. action plans; and
9. output feedback mechanisms.
Reed and Buckley do not provide sufficient details of their approach to enable a thorough critique of it, but it marks a clear departure from the ‘content’ school approach. Reed and Buckley’s work is lightly grounded in the literature but based on no empirical research. It does not address the actual identification or alignment of activities with strategic objectives.

Roberts and Pitt (1990) propose a more developed contribution to the ‘process’ literature on strategy implementation. They provide almost no discussion of the ‘content’ issues identified above, but rather focus on the way in which the planning and implementation processes might be undertaken. Their ‘dynamic process model’ introduces strategy implementation as the “holy grail of strategy planning” (1990: 6) and includes the following steps:

1. review of current strategy and environmental factors;
2. creating of Key Environmental Indicators (KEIs);
3. identification of Critical Success Factors (CSFs);
4. creating of Key Performance Indicators (KPIs);
5. definition of Critical Business Activities (CBAs);
6. creation of Activity Performance Indicators (APIs);
7. analysing the human factors of the organisation; and
8. creating the implementation plan.

Roberts and Pitt use elements of the well-established strategic planning process (e.g. strategy review and environmental analysis), the notion of criticality (KEIs, CSFs and CBAs) and performance measures (KPIs and APIs) to build their model. With the exception of the reference to human factors, the model does not prescribe which aspects of organisations should be manipulated. Instead, it provides a framework for thinking about the reduction of complexity to turn conceptual ideas (like strategy) into concrete manifestations (like actions).

Although not explicitly based on any empirical work, Roberts and Pitt’s contribution is significant, moving the strategy implementation literature in a different direction, and augmenting the ‘content’ work with a ‘process’ view of how strategy execution might be tackled.

A number of other authors have provided contributions to an understanding of the process of strategy implementation, but these have focused on small elements rather than the development of a model that addresses implementation comprehensively.
Through the use of the notion of criticality, the Roberts and Pitt (1990) model implicitly draws upon a number of broader concepts that are useful to strategy implementation, including criticality, bounded rationality and alignment.

Roberts and Pitt do to some extent address the issue of identifying and aligning of activities to achieve strategic objectives. They build upon Rockart’s (1979) use of critical success factors to ‘break down’ strategies (see Section 2.3) and note the importance of linking them to the key activities underpinning them. They note that, “[v]ery little, if any, published work makes the direct linkage between CSFs and the CBAs which underpin them” (1990: 12). Roberts and Pitt suggest, “[t]he process of isolating the CBAs underpinning each CSF is again achieved by management workshops” (1990: 11) but do not give specific details of how activities should be identified and aligned to achieve strategic objectives, or any problems that might be encountered in doing this.

Grady (1991) outlines a very similar hierarchical process model to Roberts and Pitt, including:

1. vision – business objectives;
2. strategic goals;
3. critical success factors;
4. critical tasks (action plans);
5. accountability system; and
6. performance measures.

However, Grady provides virtually no details of these elements of his graphically depicted model, focusing instead on the feedback of performance measurement data to each stage. His work is neither empirical, nor grounded in the existing literature.

Related to these obvious ‘process school’ contributions, there are various suggestions (both explicit and implicit) in the management literature that management control systems have a part to play in implementing intended strategies. All the abovenoted authors who have developed ‘content’ frameworks for strategy implementation (Galbraith & Nathanson, 1978; Hrebinjak, 2005; Hrebinjak & Joyce, 1984; Stonich, 1982) include management control systems within these and many others have focused on control systems for specific aspects of strategy implementation (e.g. Bungay & Goold, 1991; Daft & Macintosh, 1984; Kerr, 1988; Nilsson & Rapp, 1999; Simons, 1994; Simons, 1995).
Chapter 2: Initial Literature Review

Roush and Ball (1980) were probably the first to discuss specifically the role of management control systems in the implementation of strategy. Though their contribution is not explicitly empirically based and lack strong theoretical underpinning, it introduces ideas that at the time were innovative. Many of the observations made are consistent with those made by this researcher in this study and others. They suggest that CEOs “can exert increased control over the implementation of a strategy through a strategic control system” (1980) and make a number of observations:

1. control systems allow managers to:
   a. assess if the assumptions underlying a strategy are still valid, and
   b. assess whether satisfactory progress is being made toward strategic objectives;

2. strategy must be re-examined in the light of determining what must be changed in order to implement it, to determine if it is still reasonable;

3. a strategic control system strengthens the strategy formulation process by ensuring strategic objectives are described in terms of actions;

4. strategic control systems allow managers to adopt more aggressive change initiatives;

5. traditional management control systems are often institutionalised to the point where no need is perceived to alter them to match a change in strategy; and

6. one common reason for the failure of strategic change initiatives is that responsibilities for implementation are spread across many organisational units making accountability unclear.

Daft and Macintosh (1984) specifically consider the role of control systems in strategy implementation. Their exploratory research set out to “define the scope and characteristics of formal control systems actually used by managers and define the role of formal systems in the organizational control and strategy implementation process” (1984: 4). Applying the qualitative technique of direct research (Mintzberg, 1979a) in twenty-nine firms (nine in the first stage and twenty in the second), Daft and Macintosh found that the control systems in use could be categorised in to six sub-sets:

1. strategic plan;
2. long-range plan;
3. annual operating budget;
4. periodic statistical reports;
5. performance appraisal; and
6. policies and procedures.

The authors suggest that the strategic and long-range plans are primarily used by senior management for strategy formulation purposes and the other four are primarily used by middle managers for strategy implementation and performance evaluation. They note that the different control systems originate in different departments and detected “no formal effort in these organisations to co-ordinate information laterally across [them]” (1984: 52). Daft and Macintosh also note that, contrary to typical prescriptions from policy books, middle managers use budgets for planning rather than evaluation, for which statistical reports are preferred (1984: 54).

Whilst Daft and Macintosh’s findings are of interest and potential value, they do have to be treated with some caution. This exploratory research involved only 3-4 interviews per firm (1984: 49) and only at controller and manager level in the first stage and only departmental head in the second stage. Failing to interview individuals at a variety of levels in the hierarchy of organisations may have led to a systematic bias in the data collected. In addition, insufficient data are provided to assess the validity of the data collection tools or the techniques applied to analyse the data. Finally, a number of assumptions are made in the reported findings that can be addressed in a better-informed fashion in the light of later research.

Daft and Macintosh identify the need to communicate to middle managers the consequences of strategic and long-range planning (1984: 62). However, they mention neither of the effects of middle management self interest (e.g. Guth & MacMillan, 1986; Schilit, 1987) nor the potential value of middle management inclusion in the strategic planning process (Floyd & Woolridge, 1992; Guth & MacMillan, 1986).

In summary the management control systems literature provides a limited contribution to the strategy implementation field and does not inform the area of focus for this study.

2.2.11 **Strategy implementation barriers**

Various authors, mostly in the ‘content school’, have explored barriers to strategy implementation and some have used their analysis of these to inform the development of strategy implementation models. Thus, it is useful to present a brief analysis of the key empirical studies examining barriers. Table 3 summarises these, using appropriately restated descriptions of barriers where two or more studies cited barriers
that were clearly the same. The problems have been categorised to aid interpretation. However, it is important to note that such categorisations are highly problematic and subjective, because of the variation of ways in which implementation problems can be framed.

It is clear from this analysis that the identification of problems varies to some extent based upon the level of abstraction at which they are articulated. Many barriers could be located as subsets of others. For example, insufficient ‘market validity’ could be seen as subset of the ‘strategy not worth implementing’.

Furthermore, it is clear that some problems are expressions of gaps or problems, whereas others are expressions of inadequate actions or solutions to address such gaps. For example, ‘insufficient employee capabilities’ might have been overcome were it not for ‘inadequate training/instruction for junior employees’. These are essentially articulations of issues at different points in chains of causal reasoning, and might be seen as somewhat arbitrary focal points within an unarticulated ‘hierarchy of problems’.
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Problems with strategy content</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategy not worth implementing</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inadequate ‘market validity’</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inadequate ‘technical validity’</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insufficient understanding of how strategy creation affects its execution</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inadequate ‘organisational validity’</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insufficient clarity of how the strategy will be implemented</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Problems with implementation planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation took longer than allocated</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unanticipated problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No model to guide execution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insufficient recognition of blockers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Insufficient involvement of staff/inclusion of their recommendations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Problems with coordination of activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ineffective budgeting</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Ineffective organisational structures for fostering information sharing, coordination and clear accountability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Lack of information/timing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Ineffective coordination of activities</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Key implementation tasks and activities insufficiently well defined</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Unclear individual responsibilities for implementing changes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Problems with feedback &amp; control</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inadequate information systems for effective monitoring</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inadequate metrics, reports &amp; consensus around these</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ineffective controls and feedback mechanisms</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Problems requiring top management interventions not escalated quickly enough</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Socio-political problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ineffective top team functioning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Political turbulence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Inter-functional conflicts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insufficient understanding and use of power and influence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>History/confidence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Leadership/management problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excessively top down management style</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Inadequate management development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Insufficient chief executive/senior manager involvement in implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Leadership and direction from departmental managers insufficient</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insufficiently execution-biased leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Communication problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poor vertical communications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Customers and staff do not fully understand the strategy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Prioritisation problems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Too many priorities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Conflicting priorities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Competing activities created distractions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>
Table 3: Barriers to strategy implementation identified in empirical studies

In addition to the problems noted above, many of these studies of strategy implementation barriers do suffer from methodological limitations.

Alexander (1985) surveyed 93 CEOs running Strategic Business Units in larger firms, using a (highly structured) questionnaire testing perceptions about strategy implementation barriers and implementation success in each firm. He followed this up with 21 telephone interviews to examine the barriers in greater depth. Limited details of the sample frame are provided, and no information on response rates is provided. The risk of elite bias (Miles & Huberman, 1994) produced by CEOs’ lack of knowledgeability of the reasons for strategy implementation failure is not discussed. Nor is the extent to which the quantitative results were supported, enriched or disconfirmed by the qualitative work.

Al-Ghamdi (1998) to some extent replicated Alexander’s (1985) study, mailing a slightly further developed (highly structured) survey questionnaire to 100 business in the Bradford area of the UK (the rationale for using this sample is not provided). Only 27 responses were received, only 24 of which were usable. No follow-up of non-respondents is reported. No details of individual respondents were collected, precluding any validation of their knowledgeability about the phenomena under investigation. The analysis of the results is weakened by the unnecessary binary separation of the firms into ‘successful’ and ‘unsuccessful’ ones. A small number of largely unsupported conclusions are drawn. The similarity between Al-Ghamdi’s (1998) findings and Alexander’s (1985) findings, but difference between these and those of other researchers examining barriers, underlines the likelihood that, when adopting such a
positivist stance to explore poorly defined and understood phenomena, you ‘get what data you ask for’.

Wernham (1984) reports his doctoral study which examined several projects being implemented in a single organisation (British Telecommunications plc). Besides the obvious limitations of a single organisation sample (an issue not discussed by Wernham), it is unclear whether the projects Wernham studied adequately represented the organisation’s strategy (no mention is made of the many other critical initiatives that presumably were underway in the organisation). Wernham’s interviewee sample of 64 was sizable, but unfortunately included only relatively senior personnel, introducing the likelihood of elite bias (Miles & Huberman, 1994). Finally, Wernham apparently failed to triangulate his interview data with data from any other sources, thus limiting its verification. The barriers he identifies are very broad, and without presence in a structured hierarchy, it is difficult to assess their relative importance or any relationships that might exist between them. How they were identified and isolated is not clear, perhaps because Wernham does not present a clearly defined conceptual framework, any definitions or clear research questions.

Corboy and O’Corrbui (1999) do not report any empirical research or ground their work in any existing theory, making their list of strategy implementation problems unreliable. Further details are provided in Section 2.2.3.

The Economist Intelligence Unit’s (2004) study, details of which are provided in Section 2.2.3, involved an appropriate sample of organisations and respondents. However, no rationale for the breakdown and wording of potential implementation barriers included in the questionnaire is provided.

2.2.12 Defining strategy implementation

Returning to the issue of a definition of strategy implementation (raised in Section 2.2.7), it is obvious that exact nature of strategy implementation is not clear from the small body of literature that has developed. This has devalued otherwise useful contributions, because a definition of strategy implementation is important for the development of a theoretical framework. In order to avoid falling foul of this problem in this research, strategy implementation is here clarified and defined for the purposes of this study.

Porter argues that:
Strategy, in modern language, is a solution to the agency problem that arises because senior management cannot participate in or monitor all decisions and directly ensure the consistency of the myriad of individual actions and choices that make up a firm's ongoing activities (1994: 425-6).

This view is consistent with the view of strategy as an organising pattern of decisions and actions, designed to cause the achievement of organisation mission. These themes are common in definitions of strategy, for example:

...the pattern of objectives, purposes, or goals and major policies and plans for achieving these goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be (Andrews, 1971: 15).

...the fundamental pattern of present and planned resource deployments and environmental interactions that indicates how the organization will achieve its objectives (Hofer & Schendel, 1978: 25).

...the pattern or plan that integrates an organization's major goals, policies, and action sequences into a cohesive whole (Quinn, 1980: 5).

Strategy is the pattern of organizational moves and managerial approaches used to achieve organizational objectives, and to pursue the organization's mission (Thompson & Strickland, 1981).

These definitions vary mainly in respect of the level of specificity they offer regarding the subject of decisions. Building upon these definitions, for the purpose of this study, strategy is defined as the pattern of interactions an organisation has with its environment, in order to achieve its mission.

Strategy implementation can be thought of as the process that translates intended strategy into concrete manifestations that strategy – i.e. activities and organisational designs, processes and systems that shape activities on an ongoing basis. Thus, for the purpose of this study, strategy implementation is defined as the process of manipulating the pattern of interactions an organisation has with its environment in order to achieve its mission.

2.2.13 Identifying & aligning activities to achieve strategic objectives

Having provided an overview of the strategy implementation literature, classified it into its two key streams and defined the strategy implementation concept clearly for the purposes of this research, it is necessary to consider how the literature deals with the specific phenomenon upon which this research is focused.

The strategy implementation literature is the most obvious place to locate research examining how organisations implementing strategy identify and align activities to
achieve strategic objectives. However, this literature barely addresses this issue, so a wider range of literature streams were examined to determine what other sources of relevance guidance may exist.

2.3 Criticality Literature

2.3.1 Overview & relevance

As noted earlier, the area of criticality became of interest as the initial literature review reached closure. This was because it was used by both Roberts and Pitt (1990) and Grady (1991) in their ‘process school’ strategy implementation models.

Recognising the need to reduce the conceptual complexity of strategy implementation, a small number of authors have suggested focusing on the critical elements of intended strategy to aid successful execution. In particular, the identification of critical success factors (CSFs) or key success factors (KSFs) is prescribed by some theorists. The concept of critical/key success factors has developed within a number of areas including:

1. management information systems;
2. management control systems;
3. strategic analysis and planning; and finally
4. strategy implementation.

Theorists in these areas have borrowed the concept from one other over time, giving the concept a chequered history. Daniel, who saw success factors as being based at the industry level, first discussed the importance of success factors, saying:

[...]In reporting internal data, a company’s information system must be discriminating and selective. It should focus on “success factors.” In most industries there are usually three to six factors that determine success; these key jobs must be done exceedingly well for a company to be successful (1961: 116).

The use of CSFs was later recommended by Rockart (1979) as a tool for defining the data requirements of chief executives. Various authors have relied upon Rockart’s definition of CSFs, which has also been distilled to define the term for the purposes of this research:

Critical success factors thus are, for any business, the limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance for the organization. They are the few areas where “things must go right” for the business to flourish. If results in these areas are not adequate, the organization’s efforts for the period will be less than desired (1979: 85).
The CSF/KSF concept was thereafter explored by Munro and Wheeler (1980) who report an exercise identifying CSFs to inform management information system design. Their study of a single company involved interviews with two managers, following a training event at which some observations were made. Although empirical, their research was not designed using a systematic sampling frame and data were collected from only a very small number of sources. The theoretical groundings of the study are very limited and no details of the data analysis is provided. Their findings must be treated with these methodological limitations in mind. The study does not address strategy implementation.

Ferguson and Dickinson (1982) suggested the use of CSFs to guide boards. However, their contribution is entirely theoretical and not grounded in the criticality literature or any other body of theory. It does not address strategy implementation.

2.3.2 Identifying CSFs

Rockart outlined a process by which an ‘analyst’ can work with a manager to identify CSFs to establish management information needs (Bullen & Rockart, 1986; Rockart, 1981), mainly through using interviews. This process, heavily reliant on the skills of the analyst, seeks to make explicit managers’ implicit understanding of what success factors matter most to their organisations. This process focuses mainly on explaining what CSFs are and asking managers to prioritise what they see as success factors, accordingly. This is followed-up with an attempt to identify measures for each CSF. Finally, CSFs are “aggregated” across managers to determine patterns and overall information system needs and then finalise associated measures of CSFs.

Hardaker and Ward report their application of the CSF method within project planning, using it as a tool to ensure that project participants are aware of and in agreement with the purpose and details of the project. They provide suggestions as to how CSFs should be presented and thought about:

...CSFs are not the how to of the enterprise, and they are not directly manageable. Often they are statements of hope or fear. ... In a sense, every CSF should be viewed as beginning with the words “We need...” or “We must...”... In naming its CSFs, a team should be guided by the necessary-and-sufficient rule. That is, the group must agree that each CSF listed is necessary to the mission and that together they are sufficient to achieve the mission (1987: 114, emphasis original).

Hardaker and Ward stipulate that the maximum number of CSFs is eight, “[a]nd if your mission is survival, four is the limit – you don’t worry about whether your tie is straight when you are drowning” (1987: 114).
Hardaker and Ward summarise the use of a prescriptive methodology (“Process Quality Management”) by IBM for whom the authors worked as consultants. They do not set out a research question, explain their sampling, discuss data collection and analysis or ground their work in the existing literature. Their suggestions must be treated with these methodological limitations in mind.

Between them, most authors writing about the use of CSFs suggest that they may usefully be identified at four levels of analysis:

1. individual manager (e.g. Anthony, Deardon, & Vancil, 1972);
2. firm specific (e.g. Anthony, Deardon, & Vancil, 1972; Leidecker & Bruno, 1984);
3. industry level (e.g. Daniel, 1961; Hofer & Schendel, 1978; Leidecker & Bruno, 1984); and
4. macro environmental (Leidecker & Bruno, 1984).

However, Bullen and Rockart (1986) say that there are five prime sources of CSFs:

1. the industry;
2. competitive strategy and industry position;
3. environmental factors;
4. temporal factors (important only for a short time); and
5. managerial position.

In addition, they suggest that there are two other dynamics on which CSFs can be usefully classified (for the researcher), these being ‘internal versus external’ and ‘monitoring versus building-adapting’.

Bullen and Rockart also suggest that from an organisational perspective, and there are four hierarchical levels of CSFs:

1. industry CSFs;
2. corporate CSFs;
3. sub-organisational CSFs (for as many levels of sub-organisation as exist in the organisation); and
4. individual CSFs.

This hierarchical series of goals is very similar in design to Drucker’s Management By Objectives (MBO) (see Appendix Section 8.7.4), a point not noted by Rockart.
2.3.3 Application to strategic planning

Rockart notes that CSFs would be useful in strategic planning, saying, “…an area which can be improved through the use of CSFs is the planning process. CSFs can be arrayed hierarchically and used as an important vehicle of communication for management, either as an informal planning aid or as a part of the formal planning process” (1978: 88).

Hofer and Schendel (1978) explicitly suggested that the identification of key success factors for industries in which an organisation may compete, is the first step in the assessment of competitive position within corporate strategic analysis. They went so far as to suggest weighting each KSF to establish the strength of the organisation’s competitive position. They define KSFs as “those variables which management can influence through its decisions that can affect significantly the overall competitive positions of the various firms in an industry” (1978: 77).

Munro and Wheeler (1980) similarly suggest that CSFs may help to direct an organisation’s efforts when formulating strategy and Leidecker and Bruno say, “CSFs can aid the strategy development process” (1984: 25).

Boynton and Zmud (1984) assess the use and value of CSFs in two case studies and conclude that they can be applied both in the identification of management information requirements and in supporting the planning process. They report the findings of two case studies, one conducted in a financial services firm, the other in a university. In each case CSFs were identified for management information system design purposes. Although the authors ground their work in the existing literature reasonably well, they provide no logic for the organisations sampled, explicit research question or details of data analysis. Although multi-level interviews were conducted in the financial services firm, only one was conducted in the university. It is not clear how the researchers reached their numerous prescriptive findings. These methodological limitations constrain the extent to which the findings can be relied upon. The study does not address strategy implementation.

Bullen and Rockart (1986) also note that CSFs are also useful for general planning, as well as defining management information system needs.

2.3.4 Performance measures for CSFs

Rockart suggested that CSFs should be measured, saying:
...critical success factors are the areas of activity that should receive constant and careful attention from management. The current status of performance in each area should be continually measured, and that information should be made available (1979: 85).

Munro and Wheeler (1980: 32), Jenster (1987: 107) and Roberts and Pitt (1990: 11) agree that it is important to develop measures for each CSF. Munro and Wheeler write, “[h]aving identified critical success factors, the manager and analyst attempt to identify specific performance measures for each CSF” (1980: 32). The concept of criticality has also been implied by Kaplan and Norton in relation to the performance measurement tool, the balanced scorecard. In their discussion of how to identify key performance measures, they make a distinction between diagnostic and strategic measures (similar to monitoring versus building-adapting distinction made by Bullen and Rockart (1986), noted above):

- **diagnostic measures** – those measures that monitor whether the business remains in control and can signal when unusual events are occurring that require immediate attention...

- **strategic measures** – those that define a strategy designed for competitive excellence (1996c: 163).

Kaplan and Norton’s distinction helps to clarify an important point. The identification of CSFs (or in this case strategic measures) does not imply that other factors are not important. Rather, it indicates that for the purposes of managing the business, these are the issues that are thought to be the ones that will deliver success within the current environment. Although other factors may be essential for survival, they have usually been incorporated into existing organisational systems and processes, and need not be given such great attention.

**2.3.5 Application to strategy implementation**

Anthony, Dearden and Vancil (1972) used the concept of criticality within the context of developing management control systems and suggested that CSFs could usefully be identified at the organisation and even manager level as well as in industries. Writing in the same field, Simons similarly defines “critical performance variables” as “those factors that must be achieved or implemented successfully for the intended strategy of the business to succeed” (2000: 209).

Munro and Wheeler make a suggestion regarding the use of CSFs as a step to implementation, saying:
...it is clear that managers must also identify the decisions, which must be made to implement the plan developed. These decisions can be identified by the managers and the analyst considering each CSF identified earlier. This examination and discussion will result in the identification of a set of decision areas in which managers must act to achieve business unit objectives (1980: 33).

Oliver (1981) was probably the first to mention the use of CSFs in relation to strategy implementation. However, his MSc study was limited to monitoring performance gaps between planned and emergent strategy in a single firm. He does not examine strategy implementation as it been framed in the wider literature or consider the identification or alignment of activities with strategic objectives.

Hrebiniak and Joyce imply the need for criticality for implementing strategy in their discussion of bounded rationality:

The major consequence of limited rationality is to require that large strategic problems be “factored” into smaller, more manageable proportions for implementation. This process delimits the “candidates” for attention, allowing more rational decision given limited decision capacity (1984: 5).

Hrebiniak more recently implied the importance of criticality in strategy execution, saying “[t]ackling too many execution decisions or actions at once will surely create problems. When everything is important, then nothing is important,” is a clear but simple way of expressing the issue” (2005: 27).

Reed and Buckley (1988) specifically apply the concept of CSFs for implementing strategy. They suggest that CSFs help to specify objectives:

Essentially, CSFs constitute intermediate goals, the completion of which will lead to the superordinate goal – successful strategy implementation and achievement of the strategy’s benefits. When these strategy-driven CSFs are identified, pure managerial talent and expertise becomes necessary in order to develop and carry through a satisfactory action plan to tie down the detail of implementation (1988: 72, emphasis original).

Reed and Buckley’s approach is similar to that of Roberts and Pitt (1990), who also apply the use of CSFs to strategy implementation via a process model (as outlined in Section 2.2.10).

2.3.6 Criticality for identifying activities

Munro and Wheeler discussed the need to develop CSFs into a “set of decision area in which managers must act to achieve business unit objectives” (1980: 33), but note that their field study did not extend to examine this. However, Hardaker and Ward
extended the concept of criticality beyond CSFs, indicating the value of the ‘necessary-and-sufficient rule’ for this purpose:

The third step...is to identify and list what has to be done so that a company can meet its critical success factors. ... We recommend a more rigorous approach, one that draws on our necessary-and-sufficient rule. As with CSFs in relation to the mission, each process necessary for a given CSF must be indicated, and together all these processes must be sufficient to accomplish it (1987: 114).

Hardaker and Ward (1987) recommended the use of CSFs in translating quality initiative missions into actions and Jenster (1987: 102) suggests the use of CSFs to develop “an information-based approach to strategy development and control which can aid managers in turning their strategies into action”, however, he does not examine how managers should identify these actions or align them with their strategies.

As outlined in Section 2.2.10, Roberts and Pitt (1990) also further apply the critical planning concept and advocate the development of every CSF into critical business activities (CBAs), which they make an explicit step in their process.

Hardaker and Ward (1987) go on to say that business processes should have an owner (responsible for carrying it out), who should be a member of the management team that agreed to the CSFs. They say that no owner should have more than three or four processes to manage. Roberts and Pitt also recommend that CBAs should be allocated for responsibility. They state, “[c]ritical business activities define where operational management takes responsibility for the delivery of strategy. The direct link between strategy and day to day operations management is thereby established” (1990: 13).

The use of CSFs to identify activities necessary for strategy implementation reveals a conceptual inconsistency with which the literature does not deal. CSFs have clearly been defined in the literature to include not only things that organisations must actively do to realise the strategies but also conditions that must exist in the environment for strategic success. Authors lean on the notion of criticality as being a useful way to reduce complexity and imply that the notion of causality should drive the identification of activities that will achieve CSFs and strategic objectives in turn. However, it is not logical to suggest that organisation can determine activities that will cause (usually uncontrollable) external events.

In other words, the principles of causality and criticality together seem very useful for identifying and possibly aligning activities that might plausibly achieve strategic objectives. However, the existing conception of CSFs in the literature does not appear
to support this particular application of these principles. It could be argued that Roberts and Pitt and Hardaker and Ward have mis-applied the CSF concept (which, of course, was originally intended to inform information system development), but in doing so have pointed to the value of criticality and by implication to the value of causality to identify and align activities to achieve strategic objectives.

2.3.7 **Critique of the CSF concept**

In summarising the value of using CSFs, Boynton and Zmud (1984) allude to several key strengths:

1. senior managers intuitively understand and accept the concept of using CSFs;
2. CSFs identify important organisational issues;
3. CSFs provide a common language for the parties involved;
4. CSFs provide a structured approach to planning;
5. CSFs help to keep planning discussions at the high-level (i.e. not operational); and
6. CSF analysis does not require significant commitment of organisational resources.

They also suggest that the flexibility of CSFs means the method can be applied across a number of organisational areas, from information requirements analysis to strategic planning and implementation saying, “in summary, CSFs appear valuable as a means of building a conceptual model of the key facets of an organization or of a manager’s role in an organization” (1984: 21).

Criticisms of the use of CSFs are rather limited in the literature. However, Davis (1979) in a short contribution in response to Rockart’s (1979) advocacy of CSFs outlined a number of potential weaknesses about which he was concerned. His criticisms are based not around the concept of using CSFs, but the problems involved in identifying them with executives. His criticisms are summarised below.

1. **Bounded Rationality** – Humans suffer from a limited capacity for logical reasoning (in ways that computers, for instance, do not), which might restrict CSF identification.
2. **Sample Problems** – Humans are prone to make inferences (about critical factors) from small and unrepresentative samples.
3. **Association vs Causality** – Humans are prone to equate causality with joint occurrence.
4. Integrating Information – Humans have difficulty integrating information from multiple sources.

5. Biased Judgements of Importance – Humans are influenced in their judgements by biasing factors such as availability of data.

As a result, argues Davis, the CSFs identified by executives may be ‘wrong’. Davis’ criticisms, which perhaps hint at a positivist stance, seem to identify the potential biases that may be introduced to any process where managers are required to make subjective judgements. These criticisms could equally be made of the process by which managers determine organisational purpose, analyse their environments, formulate strategy, make operational decisions and so on. Unfortunately, Davis does not make any recommendations for improving the process of identifying CSFs, nor does he suggest any alternative methods from breaking down or prioritising information requirements (or strategy). When Davis made his comments, there was little, if any, empirical research into this area. Perhaps it would have been more appropriate to carry out a study to assess the value of using critical planning or to frame a methodology for so doing. Subsequent to these criticisms having been made, some anecdotal and empirical research was carried out into the value of using critical planning. Although not entirely conclusive, there is some reasonable evidence that similar CSFs are identified by managers in separate instances, suggesting that the method of obtaining CSFs is fairly reliable. Munro and Wheeler say:

Identifying CSF’s [sic] and information for management control purposes in the context of an organization’s planning processes seems to overcome some of the potential difficulties…the manager/analyst discussion is structured by the presence of goals and objectives identified earlier in the planning process. As a consequence, CSF’s [sic] are generated in response to stimuli, i.e., goals and objectives, as opposed to the analyst relying solely on the individual manager’s limited processing abilities (1980: 36).

In addition, Munro (1982) compared the CSFs identified by Management Information System executives in the US with those identified by their counterparts in nine UK organisations. Significant similarities were established. Munro also compared the CSFs identified by different managers for the same industry, reported by different researches. Although he stresses the limitations of his small study, his findings provide some support for using the CSF method with managers (for identifying information requirements). As Munro says, “This exercise is hardly conclusive, but it does seem to indicate that the Critical Success Factors approach provides reasonably reliable results” (1983: 68). Boynton and Zmud (1984: 22) note that where interviews are conducted
with many managers, to establish CSFs, aggregation of their suggestions should overcome many of the limitations and biases identified by Davis.

Jenster provides some empirical evidence for the application of critical planning. He reports that his:

[s]tudy of 128 firms in mature manufacturing industries found a number of interesting results. In particular, this research indicates that the firms which had a higher return on equity:

1) formally identified their critical success factors;
2) used these factors to monitor their progress in the implementation of strategic changes;
3) benefited from formally integrating reporting and information systems (1987: 103).

Although empirical evidence is welcome in a literature stream where it is very scarce, firm conclusions about causality cannot be drawn from Jenster’s findings, which examine variables that can only be very indirectly causally related. The theoretical development of the field is nowhere near strong enough to support causal inferences using Jenster’s data.

One additional criticism that is made by several authors is that the CSF method is hard to use. This is not denied by any advocates of the method. It is suggested that it is for that reason a skilled analyst is required, and noted that any alternative methods of planning is similarly difficult to apply effectively.

A number of authors point out that it is necessary to re-visit and update CSFs (because as the environment and organisation changes, so too will the critical success factors) (e.g. Hardaker & Ward, 1987; Munro & Wheeler, 1980; Rockart, 1979).

One issue not explicitly raised in the literature is the question of at what level of abstraction CSFs should be defined. Most theorists imply (perhaps inadvertently) that CSFs should be defined at one level. For example, for any given strategy, a limited number of related CSFs should be identified. On the other hand, Bullen and Rockart’s suggestion that there are four levels of CSFs implies a form of hierarchy. They do not specify if it is a causal hierarchy, but if this is to be assumed, it is confusing as to why the CSFs should relate to these different units of analysis (e.g. the organisation or an individual manager) at all, and why there must only be a small number of CSFs pertaining to each – if it is the causal relationships, rather than the structural relationships, that link the CSFs at different levels.

In short, authors do not deal adequately with the question of how CSFs should be identified at different levels of abstraction, and hence their suggestions – and any CSFs
identified using their methods – may be viewed as somewhat arbitrary. It is concerning, for example, if in order to identify an appropriately small number of CSFs, managers are led simply to define success factors at such a high level of abstraction as to make their success factors highly generic and, of course, causally distant from activities. By way of an example, all profit-seeking organisations could establish increasing revenue and decreasing relative costs as CSFs, but this is so abstract as to be virtually pointless for strategy implementation.

2.3.8 Implications for this study

The literature on criticality is theoretically fragmented and largely non-empirical. The criticality literature did not originally address strategy implementation, but several authors have leaned upon it to help inform how to break down strategic objectives and in some cases, go so far as to identify activities to achieve them. Although useful in terms of signposting theoretical potential, none of the literature that relates most closely to this study (Hardaker and Ward (1987) and Roberts and Pitt (1990)) introduces systematic empirical research, and thus must be treated with this limitation in mind.

There is no doubt that the idea of using criticality to reduce the complexity involved in identifying activities – thus helping to overcome the problem of bounded rationality – is a useful notion. Although no authors refer to it explicitly, the implied notion of using causality alongside criticality, to determine what activities will achieve strategic objectives is also promising, and reflects the slightly more explicit suggestions of Hrebiniak and Joyce (1984) on developing means-end chains.

With reference to the research question that evolved in this study (after this literature review was conducted), the criticality literature provides very little detail about exactly how to identify and align activities that plausibly or demonstrably will achieve strategic objectives. Only very general advice about focusing on necessary and sufficient success factors is given, and it is clear from the foregoing discussion that the CSF concept, as it has been operationalised, is not wholly suited to identifying concrete activities.

No authors provide detailed examples of how CSFs may be used to identify and align activities to achieve strategic objectives or discuss what problems managers may encounter as they try to do this. In summary, the criticality literature provides clues and highlights some promising concepts to inform the study of strategy implementation, but does not adequately address the central question in this study.
2.4 Implications of initial literature review for the study

The foregoing literature review not only shaped the initial research topic for this study but also reached conclusions with direct implications for its methodology. In summary, these conclusions are as follows.

It is clear that the quantity of academic literature directly relating to strategy implementation is very limited (e.g. Hrebiniak & Joyce, 1984; 2001). It is at a relatively primitive stage of theoretical development and very little of this theory is supported by empirical research. Much of this empirical research suffers from significant limitations. In short, the strategy implementation literature generally lacks the necessary rigour required for reliance upon it. It is also clear that researching strategy implementation is highly challenging.

Whist a wider range of literary contributions may assist in an examination of strategy implementation, problems exist with these too. There is no framework drawing these diverse literatures together to inform phenomena related to strategy implementation. Additionally, the literature in many of these areas also lacks sound theoretical and empirical underpinning (e.g. Hrebiniak & Joyce, 2001; Nutt, 2001a; Rajagopalan & Spreitzer, 1997; Roberts, 1997).

The way in which the existing literature has examined barriers to strategy implementation is problematic. A handful of studies, most with significant methodological limitations, have identified lists of barriers but do not inform how these might causally relate. These lists may represent nothing more than the unreliable pinpointing of arbitrary focal points within an unarticulated ‘hierarchy of problems’.

An underlying problem may be that strategy implementation is not well-defined within the literature. No researchers have presented adequate definitions of the term. The field’s ‘content school’ models give some definition to the concept through their (fairly consistent) scopes, however these models are generally not supported by empirical evidence and are arguably prematurely normative. A small number of ‘process school’ models exist, along with a related stream of literature on criticality, but these contributions are similarly limited in terms of their empirical underpinning.

Finally, turning to the specific issue of how organisations identify and align activities to achieve strategic objectives, this chapter and the extended literature review (see Chapter 8) confirm that there is virtually no literature that informs this. Despite the numerous literature streams that might reasonably be expected to provide guidance, very few deal directly with this issue and virtually no empirical evidence is provided to
support what ideas are presented. Much of the empirical evidence that is available suffers from significant limitations.

Two authors have recognised the challenge. Hrebiniak observes in passing that, “linking strategic objectives with the day-to-day objectives and concerns of personnel; at different organizational levels and locations becomes a legitimate but challenging task” (2005: 12). Eccles goes further whilst discussing the need to build common purpose, saying:

[...]he trick for the leader is to be able to turn the broad single goal into more detailed plans and specific actions without derailing the consensus that backs the goal. He or she has to slim down many agendas and resolve the problem of priorities so that the general thrust of the chosen strategy can be translated into those specific actions. Without that translation, little can be expected to happen. It is important that strategy implementation can be seen to follow a clear path because major changes in direction are unsettling, promote unease and create a lack of certainty or commitment which can readily lead to failure (1994: 137).

However, neither these authors nor any others in the strategy implementation field explore how linking strategic objectives and specific actions might actually be accomplished.
CHAPTER 3: METHODOLOGY

3.1 Overview & justification of the research methodology

3.1.1 Implications of initial literature review

It is clear from examining the foregoing literatures that there are crucial gaps in the theory, empirical evidence and practical guidance from some important and relatively mainstream management areas. Poor conceptual and methodological integration, combined with perhaps premature use of narrow positivist studies has thwarted progress in the field. Dubin illuminates this phenomenon in research by making a useful distinction between ‘proving’ and ‘improving’ theory:

...if the purpose is to prove the adequacy of the theoretical model...data are likely to be collected for the values on only those units incorporated in the theoretical model. This usually means that, either experimentally or by discarding data, attention in the empirical research is focused solely upon values measured on units incorporated in the theory (1976: 33).

Although a range of methodologies could plausibly be employed to examine particular aspects of strategy implementation, these conclusions highlight the potential value of using an exploratory research methodology to explore the fundamental issues in the field. The state of development of the strategy implementation literature provides justification for the use of grounded theory (Glaser & Strauss, 1967). The literature review, in the words of Creswell, “shows gaps or biases in existing knowledge, thus providing a rationale for a grounded theory study” (1998: 179).

3.1.2 Qualitative orientation

The adoption of a qualitative research mode is consistent with the growing recognition of its value in this field of study. The increasing use of qualitative research marks a return to the preferred methodology of early strategy scholars (e.g. Chandler, 1962). Hoskisson et al. (1999) note the increasing use of qualitative approaches to examine strategic management issues in particular. Miles & Huberman are similarly supportive of this kind of enquiry, saying “...the findings from qualitative studies have a quality of “undeniability”” (1994: 10) and qualitative data “focus on naturally occurring, ordinary events in natural settings, so that we have a strong handle on what “real life” is like” (1994: 10). They say “confidence is buttressed by local groundedness” and that “another feature of qualitative data is their richness and holism” (1994: 10, emphasis original). Critically for this study, they also note “the fact that such data are typically collected over a sustained period makes them powerful for studying any process...we can...even assess causality” (1994: 10, emphasis original). Miles &
Huberman also note the value of flexibility and using qualitative data for developing hypotheses (as well as testing hypotheses and supplementing, validating, explaining, illuminating or reinterpreting qualitative data. They do also say that “[t]he strengths of qualitative data rest very centrally on the competence with which their analysis is carried out” (1994: 10).

Ragin (1987) characterises quantitative inquiry as the examination of a few variables and many cases and qualitative inquiry as the study of a few cases and many variables. The latter is highly appropriate in a setting where theoretical and empirical grounding is so limited. As Creswell (1998) illustrates, qualitative studies are uniquely placed to:

1. collect multiple forms of data;
2. spend extended periods in the field;
3. present multiple realities;
4. be oriented by a single idea or problem, rather than a speculated causal relationship;
5. verify data using multiple techniques; and
6. analyse data using multiple levels of abstraction.

Creswell, describing phenomenology, says it is a “philosophy without presuppositions” and its approach is “to suspend all judgements about what is real – the “natural attitude” – until they are focused on a more certain basis” (1998: 52, emphasis original). He also makes the important ontological point that such a philosophy involves “the refusal of the subject-object dichotomy…[t]he reality of an object is only perceived within the meaning of the experience of an individual” (1998: 53, emphasis original). Even if such an ontologically polemic view is not accepted, there can be little doubt that where phenomena are as poorly defined and understood as in the current study, a positivist approach is much less likely to be conducive to examining these.

It worth reiterating Hrebiniak’s observations that “…managers know more about strategy formulation than implementation. They are trained to plan, not execute plans” (2005: 5) and “execution is learned in the “school of hard knocks”” (2005: 6). Although primarily a challenge for managers and organisations, these observations imply that managers’ knowledgeability about implementation issues is limited, thus creating an additional challenge for researchers and implying that positivist studies could be undermined, since non-existent or shaky knowledge cannot readily be ‘excavated’.
Chapter 3: Methodology

3.1.3 Case study approach

Specifically, this study makes use of case study research. Poor theoretical and empirical underpinnings in the strategy implementation area make case studies an appropriate methodology. Yin says, “[a] case study is an empirical inquiry that investigates a contemporary phenomena within its real-life context, especially when the boundaries between the phenomena and context are not clearly evident” (1994: 13).

The specific research question addressed by this study also supports the use of a case study. Schramm notes, “…the essence of a case study, the central tendency among all types of case study, is that it tries to illuminate a decision or a set of decisions: why they were taken, how they were implemented, and with what results” (Schramm, 1971).

Argyris, quoted in Lawler et al. (Lawler, Mohrman, Mohrman, Ledford, & Cummings, 1985), states that the justification for undertaking case studies is well established and no longer requires to be repeated. Indeed, there is a substantial body of literature supporting the use of case studies and providing detailed guidance on maximising the potential of this approach. Porter is clear about the need for the use of case studies in the strategy field:

> Academic journals have traditionally not accepted or encouraged the deep examination of case studies, but the nature of strategy requires it. The greater use of case studies in both books and articles will be necessary for real progress at this stage in the field’s development (1994: 431).

Porter also comments “[t]he complexity, situation specificity, and changing nature of the firm and its environment strains conventional approaches to theory building and hypothesis testing” (1994: 427). He notes that econometric models for studying firm performance are highly sensitive to the assumptions underlying them and explains why his own research went on to develop the broader frameworks9. Brewster, Regaskis, Hegewisch and Mayne say “[t]he case-study approach is better suited to the study of complex qualitative relationships (Morris & Wood, 1991): it is a more flexible and more informative way of exploring and defining and re-defining concepts than the survey (Yin, 1994)” (1996: 588). “The most important [application of the case study] is to explain the causal links in real-life interventions that are too complex for the survey or experimental strategies” (Yin, 1994: 15, emphasis original).

9 These frameworks include the Strategy Diamond (for examining the competitive forces in the environment), generic strategies (categorising strategic choices) and the Value Chain (analysing activities and the way they interplay to create competitive advantage).
Examining phenomena similar to those examined in this research, Johnson, Melin and Whittington are clear about the validity of and heightened need for in-depth qualitative studies, saying:

Single case studies such as Pettigrew’s (1985) or the close observation of managerial work by Mintzberg (1973) have proved to be the source of rich and enduring insight. Such an approach allows us to develop the holistic and contextual understanding essential to unpacking the complex driving forces of strategic change and stability...in-depth studies are not only valid in themselves, but vital complements to the large-scale, aprocessual studies typical of traditional strategy performance studies. In-depth studies will be a necessary feature of the micro-strategy and strategizing perspective as well (2003: 11).

3.1.4 **Grounded theory**

In view of the lack of theoretical and empirical underpinning relating to the question this research addresses, this study sought to build theory. Eisenhardt says:

...there are times when little is known about a phenomenon, current perspectives seem inadequate because they have little empirical substantiation, or they conflict with each other or common sense. ... In these situations, theory building from case study research is particularly appropriate because theory building from case studies does not rely on previous literature or prior empirical evidence (1989a: 548).

It is for this reason that no hypothesis or even propositions were developed at the start of this study. Eisenhardt says:

...most importantly, theory-building research is begun as close as possible to the ideal of no theory under consideration and no hypotheses to test. Admittedly, it is impossible to achieve this ideal of a clean slate. Nonetheless, attempting to approach this ideal is important because preordained theoretical perspectives or propositions may bias and limit the findings (1989a: 536).

Eisenhardt’s model for building theory using case studies – which builds upon Glaser and Strauss’s (1967) pioneering work – is employed for this study and outlined in detail in Section 3.2.

3.1.5 **Real-time longitudinal study**

In addition, there is specific support within the literature for longitudinal studies in the strategy field, which is an aspect of the methodology used in this study. Hall says:

...in researching organizational policy making, there is a basic problem of gathering data over a sufficient period of time that are also rich detail about the internal organization, external events and other such qualitative aspects bearing on major policies taken. It presents the researcher with a formidable task ... The lack of an integrated and coherent theory of organizational decision making poses an additional problem since, when longitudinal data are available with, hopefully, the requisite amount of richness, there is little or no structure for making sense of the data (1984: 905).
As noted in Section 2.2.4, Hrebiniak and Joyce (2001) argue that because strategy implementation activities occur over extended timeframes and typically involve many actors and enormous task complexity researchers, should ideally maintain access to subjects for long periods.

The value of real-time longitudinal studies in related areas, such as strategic change, has been demonstrated by researchers such as Pettigrew (1985), who notes, “[t]here are remarkably few studies of change that actually allow the change process to reveal itself in any kind of substantially temporal or contextual manner” (1990: 269) and suggests, “[t]ruth is the daughter of time” (1990: 271).

Miller & Friesen (1982) suggest that longitudinal research can help to mitigate many of the shortcomings of cross-sectional organisational research, such as:

1. invalid models being created because too few variables are examined;
2. assumptions about multivariate linearity and normality being falsified by changes in relationships between variables over time;
3. the problems specifying causal relationships without tracking time leads and lags; and
4. the detachment of researchers precluding direct collection of anecdotal and observational data, that might otherwise enrich findings.

3.1.6 Participatory & action research

Participant observation (Burrell & Morgan, 1979; Denzin, 1989; Lincoln & Guba, 1985; Patton, 1990; Spradley, 1980) and action theory (Argyris, Putnam, & Smith, 1987; Cooperrider & Srivastra, 1987; Harmon, 1981) provide researchers with the special opportunity to make sense of decisions and actions as they occur in their actual setting (as well as providing tremendous data for later reflection).

Nutt suggests that strategic decision making can be investigated using retrospective and prospective approaches, noting that “prospective methods try out some of the process ideas and report on results” and these “could use action theory … [which] calls on the researcher to go into the world and make changes, drawing insight from the creation of action (2001a: 61).” Turning to the literature relating to causal maps (highly relevant to this study), Eden and Ackermann note that “[t]he process of capturing cognitive maps is akin to undertaking ‘action research’…where the aim is to find out what actually happens during organizational change” (1998b: 89).

Johnson, Melin and Whittington say in relation to studies of micro strategy:
Chapter 3: Methodology

Such work also requires a *close engagement with practice* rather than a reliance on surrogate measures. The challenge is to uncover strategic activities in their real rather than just their reported form. Most process studies actually rely on retrospective accounts of process by the actors involved. As anthropologists have long known, such accounts do not always reflect what actually goes on. ... In any case, engaging closely with practice at this micro level will typically require the cooperation of practitioners (2003: 17, emphasis original).

Various researches have pointed out that in field-based research, developing strong relationships and high levels of trust with participants and respondents is important (Buchanan, Boddy, & McCalman, 1988; Lofland & Lofland, 1984). Longitudinal studies and action research certainly present many opportunities for researchers to earn the trust of actors in subject organisations, and this certainly appeared to be the case in this study.

3.2 Eisenhardt’s case study framework

This study draws upon a number of different methodological approaches, including review of archival data, interviews, direct observation, participant observation and action research. However, all these mechanisms for collecting and analysing data have been brought together under the umbrella of a case study. It is worth noting that as L.M.Smith (quoted in Miles & Huberman, 1994: 1) observed, “the terms *ethnography, field methods, qualitative inquiry, participant observation, case study, naturalistic methods,* and *responsive evaluation* have become practically synonymous” (emphasis original). Although in practice this observation is probably accurate, technically case studies remain distinct from but may include elements of ethnography or participant-observation. Depending on what is being studied, case studies could be conducted without the kind of engagement in the field necessary using ethnography or participant-observation (Yin, 1994).

In relation to this particular study, the lack of a rigorous theoretical basis in the literature makes the case study an appealing option. It also raises another challenge: how the case study may be used to build theory. Eisenhardt (1989a) provides perhaps the best and most widely used framework for building theory from case study research. Both her framework and others’ more general guidance have been used to shape the research methodology of this investigation.

Eisenhardt proposes an eight-stage model, which is summarised in Table 4.
### Chapter 3: Methodology

<table>
<thead>
<tr>
<th>Step (relevant Chapter Sections shown in brackets)</th>
<th>Activity</th>
<th>Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Getting started (3.3)</strong></td>
<td>Definition of research question</td>
<td>Focuses effort</td>
</tr>
<tr>
<td></td>
<td>Possibly a priori constructs</td>
<td>Provides better grounding of construct measures</td>
</tr>
<tr>
<td></td>
<td>Neither theory nor hypotheses</td>
<td>Retains theoretical flexibility</td>
</tr>
<tr>
<td><strong>Selecting cases (3.4)</strong></td>
<td>Specified population</td>
<td>Constraints extraneous variation and sharpens external validity</td>
</tr>
<tr>
<td></td>
<td>Theoretical, not random, sampling</td>
<td>Focuses effort on theoretically useful cases - i.e., those that replicate our extend theory by filling conceptual categories</td>
</tr>
<tr>
<td><strong>Crafting instruments &amp; protocols (3.5)</strong></td>
<td>Multiple data collection methods</td>
<td>Strengthens grounding of theory by triangular issue of evidence</td>
</tr>
<tr>
<td></td>
<td>Qualitative and quantitative data combined</td>
<td>Synergistic view of evidence</td>
</tr>
<tr>
<td></td>
<td>Multiple investigators</td>
<td>Fosters divergent perspectives and strengthens grounding</td>
</tr>
<tr>
<td><strong>Entering the field (3.6)</strong></td>
<td>Overlap data collection and analysis, including field notes</td>
<td>Speeds analyses and reveals helpful adjustments to data collection</td>
</tr>
<tr>
<td></td>
<td>Flexible and opportunistic data collection methods</td>
<td>Allows investigators to take advantage of emergent themes and unique case features</td>
</tr>
<tr>
<td><strong>Analyzing data (3.7)</strong></td>
<td>Within-case analysis</td>
<td>Against familiarity with data and preliminary theory generation</td>
</tr>
<tr>
<td></td>
<td>Cross-case pattern search using diverging techniques</td>
<td>Forces investigators to look beyond initial impressions and see evidence thru multiple lenses</td>
</tr>
<tr>
<td><strong>Shaping hypotheses (3.8)</strong></td>
<td>Iterative population of evidence for each construct</td>
<td>Sharpens construct definition, validity, and measurability</td>
</tr>
<tr>
<td></td>
<td>Replication, not sampling, logic across cases</td>
<td>Confirms, explains, and sharpens theory</td>
</tr>
<tr>
<td></td>
<td>Search evidence for “why” behind relationships</td>
<td>Builds internal validity</td>
</tr>
<tr>
<td><strong>Enfolding literature (3.9)</strong></td>
<td>Comparison with conflicting literature</td>
<td>Builds internal validity, raises theoretical level, and sharpens construct definitions</td>
</tr>
<tr>
<td></td>
<td>Comparison with similar literature</td>
<td>Sharpens generalizability, improves construct definition, and raises theoretical level</td>
</tr>
<tr>
<td><strong>Reaching closure (3.10)</strong></td>
<td>Theoretical saturation when possible</td>
<td>Ends process when marginal improvement becomes small</td>
</tr>
</tbody>
</table>

Table 4: Eisenhardt’s (1989a) framework for building theory from case studies

Glaser and Strauss (1967) provide substantial support and guidance on the more general subject of building theory. They argue that research which deals with the intimate details of empirical reality can legitimately develop theory that is testable, relevant and valid. Indeed, Eisenhardt (1989a) builds upon Glaser and Strauss’s work in her case study-specific work. Eisenhardt also utilises Yin's (1989) and Miles and Huberman’s (1994) work on qualitative data analysis. The fact that the work of these researchers has been synthesised and applied widely provides a sound basis for using Eisenhardt's framework to structure this investigation.

The following sections explore the stages of Eisenhardt’s framework and outline how this study was shaped in line with them.
3.3 Getting started

Eisenhardt is adamant that at the start of case study investigation that seeks to build theory, neither theory nor hypotheses should be generated. Developing hypotheses would seem futile at this stage, as doing so is only of value if its shapes the direction of the study and variables selected for analysis. As was established above, where the phenomenon is little understood and not readily distinguished from its environment, this would be highly inappropriate.

Creswell observes that, “[i]n a grounded theory study, [the research question] is broad, and it will change several times during data collection and analysis” (1998: 179). Eisenhardt, concurring with Mintzberg (1979b), suggests that research questions are a valuable in guiding research development. This does become important as the study progresses. It is not untypical for case study researchers to become overwhelmed by the volume of data collected (Yin, 1989), and some narrowing of scope is always necessary to bring a research effort to a close.

This investigation set out to explore how organisations implemented strategy. This deliberately broad orientation was maintained until initial data had been collected and analysed, and a more focused issue emerged from the fieldwork. The study ultimately focused on examining **how organisations implementing strategy identify and align activities to achieve strategic objectives**. The research question did evolve as the study progressed, and this is consistent with the guidance provide by experts such as Eisenhardt, Yin, Stake and Miles and Huberman. The latter note that all researchers come to fieldwork with some orienting ideas (1994: 17) and it is acceptable and preferable to allow – within reason – the research question to emerge as a result of the “grounded” data gathering process.

Miles & Huberman suggest that where researchers have time available and are exploring exotic cultures, understudied phenomena, or very complex social phenomena, loosely designed studies make good sense (1994: 17). They do note that this can create a problem where there are multiple field workers, as “with no common framework or instrumentation, they are bound to end up with the double dilemma of data overload and lack of comparability across cases” (1994: 17). Clearly in this study this problem was not relevant.

---

10 A full explanation of how this research question was determined is provided in following Chapters.
Miles & Huberman also promote the use of (typically diagrammatic) conceptual frameworks to help shape the issues being explored to help formulate a clearer research question, focus the research and begin making (implicit) sampling decisions (Yin, 1994). Figure 2 summarises the broad development of research question as the study progressed, to some extent along with the theory development.

![Figure 2: Emergence of the research question](image)

### 3.4 Selecting cases

#### 3.4.1 Theoretical sampling

There is strong support for the use of theoretical sampling in case study research. In areas where theory is yet to become well developed through empirical research that tests not only association but also causality (and explores the exact mechanics of causality and its direction(s)), superficial examination of many subjects presents more serious methodological dangers than the deeper examination of only a few subjects.

The most important [application of the case study] is to explain the causal links in real-life interventions that are too complex for the survey or experimental strategies (Yin, 1994: 15, emphasis original).

With qualitative data one can preserve chronological flow, see precisely which events led to which consequences, and derive fruitful explanations (Miles & Huberman, 1994: 1).

The case study method has in the past been criticised by some, on the basis that it offers limited scope for making sound generalisations. However, this reasoning is based on the preconception that a sample should enable generalisation by virtue of its randomness. Campbell points out that this preconception is not valid, perhaps under any circumstances, saying “[r]andomization purports to control an infinite number of “rival hypotheses” without specifying what any of them are” (Campbell in Yin, 1994: x, emphasis original). Miles & Huberman note a similarly significant problem, saying
“...social processes have a logic and coherence that random sampling can reduce to uninterpretable sawdust” (1994: 27). Stake goes further, saying “[c]ase study research is not sampling research. We do not study a case primarily to understand other cases. Our first obligation is to understand this one case” (1995: 4) and “[t]he real business of case study is particularization, not generalization” (1995: 8). However, he also makes the points that case studies can produce “petite generalizations” and “[g]rand generalizations also can be modified by case study” (for example if the case undermines the assumptions underlying grand theories) (1995: 7, emphasis original). Stake also argues that “people can learn much that is general [even] from single cases. They do that partly because they are familiar with other cases and they add this one in, thus making a slightly new group from which to generalize, a new opportunity to modify old generalizations” (1995: 85). Apparently in support of this notion, Johnson, Melin and Whittington say in relation to micro studies of strategy:

> [a]lmost inevitably micro studies have to be constrained in terms of their scope and unit of analysis. However, it is possible for researchers to identify particular units of analysis that can contribute to the more general. These could include the events or episodes that are typically critical to strategy development, for instance board-meetings or away-days... (2003: 16-7).

An alternative approach to random sampling for case study research is now well established. It builds upon the notion that limited generalisability (insofar as that may be a worthwhile objective) can be drawn from small non-random samples and applied to theory, rather than populations. Yin states, “...case studies, like experiments, are generalisable to theoretical propositions and not to populations or universes” (1994: 10). He explains that “...survey research relies on statistical generalization, whereas case studies (as with experiments) rely on analytical generalization” (1994: 36). Eisenhardt agrees, saying, “[case study] research relies on theoretical sampling” (1989a: 527) and “...it is the intimate connection with empirical reality that permits the development of a testable, relevant, and valid theory” (1989a: 523). Pettigrew (1990) notes that random sampling does not support theory building, whereas theoretical sampling does. Miles & Huberman also support the use of this approach, saying “[q]ualitative sampling is often decidedly theory-driven, either “up-front” or progressively, as in grounded theory mode” (1994: 27, emphasis original).

Theoretical sampling utilises existing theory to select a sample of subjects based on particular characteristics. Eisenhardt and Bourgeois (1988) see theoretical sampling as superior to statistical sampling, for this purpose. Theoretical sampling uses replication
logic, applied to multiple cases to further strengthen generalisability. As Yin says, “[i]f two or more cases are shown to support the same theory, replication may be claimed” (1994: 31).

For the purposes of this research, a theoretical sampling frame was developed, using similar characteristics to select subject organisations as used by Roberts (1997), who studied reward alignment in organisations implementing strategy. This study initially examined two cases in an organisation that was large, long-established, performing adequately and seeking to implement new strategies.

Large, long-established organisations were selected on the basis that if, generally, organisations implementing strategy have discovered effective methods of identifying and aligning activities to achieve strategic objectives, then scale and learning curve theories suggest such organisations would have done so.

As Roberts (1997) notes, scale and learning curve theories are well established in the strategy, marketing and economics fields (e.g. Keat & Young, 1992; Porter, 1980; Porter, 1985) and these theories suggest that with greater scale, organisations benefit from greater specialisation of tasks. They also suggest that experience gained over time increases task efficiency and effectiveness as well as ensuring diseconomies of scale are avoided (Hax & Majluf, 1984; Hirschmann, 1964) and experiential learning increases with task repetition, whether these tasks relate to technical and operational activity or management and administration. Identification and alignment of activities to achieve strategic objectives could certainly be expected to fall within this scope.

The penultimate characteristic used, that the organisations should be performing adequately well, is a common selection criteria for case study work (e.g. Peters & Waterman, 1982) which is logical in that the effectiveness of planning and implementation together affect organisational performance. Whilst it is not possible to make assumptions about the extent or precise nature of the relationship between the phenomena under investigation and organisational performance, it makes sense to exclude organisations that might be performing poorly because they are less likely to have effectively identified and aligned activities to achieve strategic objectives

Selecting organisations seeking to implement strategy was necessary to ensure that (logically) the identification and alignment of activities to achieve strategic objectives,

---

11 This logic is not intended to imply a proposition testable within the scope of this research.
was a current and important issue for the subjects and one that managers could reasonably be expected to be addressing.

Some way into the study, it was decided to examine a third case in an organisation with one contrasting characteristic – that it was significantly smaller than the organisation from which the first two cases were drawn. This was because as data were collected from the first two cases, it was recognised that some problems relating to the identification and alignment of activities to achieve strategic objectives may be attributable, at least in part, to the size and corresponding complexity of the organisation studied. These problems, relating to management and coordination might arise in situations where diseconomies of scale exist. The data suggested it was possible that in relation to managing the identification of activities that would achieve strategic objectives, the subjects may have not recognised or been able to overcome diseconomies of scale. The other three criteria from the sample frame – maturity, adequate performance and seeking to implement strategy – were maintained\(^{12}\).

Altering the methodology in this way is recognised as being necessary in cases where empirically generated insights justify it. Yin says, “…the selection of cases may have to be modified because of new information about the cases. … This is an appropriate and desirable use of case studies” (1994: 52). Miles and Huberman also note, “[s]amples in qualitative studies are usually not wholly prespecified, but can evolve once fieldwork begins…[t]his is conceptually-driven sequential sampling” (1994: 27). Selecting a contrasting case is well-recognised as a potentially valuable research tactic (Pettigrew, 1990). Miles and Huberman say:

> [m]ultiple-case sampling adds confidence to findings. By looking at a range of similar and contrasting cases, we can understand a single-case finding, grounding it by specifying how and where and, if possible, why it carries on as it does. We can strengthen the validity, and the stability of the findings (1994: 29, emphasis original).

Yin also distinguishes “literal replication” for cases intended to be similar and “theoretical replication” of cases designed to address different theoretical conditions (1994: 46). Yin notes it is important to be clear that cases are carefully selected to

---

\(^{12}\) These observations raise an interesting potential conflict in scale and learning theory. Scale and the specialisation and concentrated learning resulting from it have the potential to generate superior management coordination and control. Scale also has the potential to create diseconomies of scale. However, superior management coordination and control ought logically to incorporate a heightened ability to recognise diseconomies of scale and overcome these. These theories appear to be characterised by complex and potentially conflicting ‘loops’ of cause and effect relationships.
achieve one or other of these replications. The examination of the first two cases falls under the definition of literal replication, whereas the third case is an example of theoretical replication (albeit the difference relates to only one of the four sample criteria).

Details of the actual cases selected in this study are provided in Section 3.12.

3.4.2 Units of analysis

The definition of the units of analysis (and thus boundaries) for the case studies was made in light of the organisation/organisational units being examined, the relevant activities in which they were involved and the research question posed (Yin, 1994).

In relation to the organisational units upon which the study focused, superficially these were readily defined. The first two cases were drawn from two divisional human resources functions within a large service sector company. The third case focused upon an entire, but much smaller, public sector organisation. Fuller details of these organisations are provided in 3.12.

The first complication to defining the units of analysis arises largely because of the extended engagement in the field. Within each of these organisational units, there were significant personnel changes throughout the study. This changed, to varying extents, the profile and make-up of these units of analysis. Perhaps more significantly, all of the organisational units were subject to wider structural changes, causing ‘acquisitions’ or ‘disposals’ of departments. This also altered their make-ups. An important question is whether the units of analysis changed in ways that fractured the logic of choosing them for the study. In each case, this logic remained intact and the structural changes were factored into the contextual analysis alongside the many other changes occurring in the units throughout the study.

The second complication relating to units of analysis arises from defining the programmes of activities undertaken by the organisational units, given the research question. The organisational units were selected for cases in part because they were seeking to implement new strategies. Yin advises that care must be taken with such units of analysis saying, “none is easily defined in terms of the beginning or end points of the “case”. For example, a case study of a specific program may reveal (a) variations in program definition, depending upon the perspective of different actors, and (b) program components that existed prior to the formal designation of the program” (1994: 22).
The commencement of these strategy implementation programmes was relatively easy to identify. Once new strategic objectives had been articulated, related activities in the organisational units could be traced and examined. However, defining the end of such programmes is more difficult. In each of the cases, no formal end to the programmes was predicted or announced by the organisations involved. This is perhaps unsurprising; the programmes were very broad, very long-term, heavily integrated with other activities (many of which continued independently) and so on. There was also perhaps recognition that these programmes were part of a ‘never-ending journey’ rather than bounded projects. This mindset is rather in keeping with the popular notion of continuous improvement. For the purposes of this study, definition of a clear end point was not necessary. Rather, the researcher adopted the stance that data collection should continue at a level of intensity commensurate with that of the programme being investigated. Over time, the amount of data collectable that was plausibly related to the case diminished, ultimately to the point that no further value could be gained by collecting further data. When this point of saturation and exhaustion had been reached, data collected ceased (with occasional returns to the field to collect historical data such as archival data, where any possible gaps appeared upon detailed analysis).

In the same vein, for the purposes of this study, the case was defined as broadly as the empirical evidence informed it should be. Hence, where actors had broad interpretations of the strategy implementation program, it was ensured that the case was at least broad enough to encompass the issues they raised. This ensured that an illegitimate framework was not being imposed upon the phenomena by the researcher’s expectations. The research methodology was also designed to elicit information from respondents about “program components that existed prior to the formal designation of the program” (Yin, 1994: 22).

3.4.3 **Within-case sampling**

Within each case, decisions had to be taken about what documents to analyse, which individuals to interview, meetings to attend and other events in which to participate. These decisions were made continually in the field on the basis of whether they were likely to help answer the research question. As Miles and Huberman note, within-case sampling is not intended to generate a ‘representative’ sample but should be theoretically driven, as was the choice of cases. This said, given the nature of the phenomena under investigation, certain conditions were important. For example, in order to avoid ‘elite bias’ (Miles & Huberman, 1994), interviewees were selected from
multiple levels in each organisation’s hierarchy. In the third case, interviews were carried out with respondents ranging from the Chief Executive to a receptionist (whose insights proved very valuable). In order to maximise the value of data source triangulation (see Section 3.5 below), data were drawn from interviews and events in a wide variety of functional, divisional and departmental areas, thus avoiding reliance on limited perspectives and potentially dominant paradigms.

3.4.4 Preparatory studies

Brewster, Regaskis, Hegewisch and Mayne say “[a]s the case-study approach tends to be more exploratory in nature, it relies heavily on the interviewing and analytical skills of the individual researchers” (1996: 588). In preparation for this research, the researcher took part in two studies undertaken in two entirely separate organisations in order to inform and refine:

1. the study’s initial orientation;
2. the research methodologies;
3. interview questions;
4. the data analysis techniques; and
5. the researcher’s case study research skills.

These studies examined related issues of strategic alignment and the planning and implementation of major projects. The studies differed in several ways to this research. First, they were retrospective case studies, examining historical documentation and recollections of participants (via semi-structured interviews). This research consisted of real-time longitudinal case studies using many more sources of evidence. Second the units of analysis in the preparatory studies were projects in one case and an entire organisation in the other. In this research the units of analysis were human resources functions in two cases and an entire organisation in the other. Thirdly, the researcher worked with two academic researchers in the preparatory studies (thus benefiting from their experience and expertise) whereas the main case studies were undertaken independently.

In both preparatory studies, a wide range of interviewees was selected on the basis of their involvement in and knowledge of the matters under investigation. All interviews were recorded to assist recollection of details from the interviews. The studies were valuable experiences in respect of this matter, as the researcher formed the view that recording interviews may have induced unnecessary reticence on the part of
interviewees, and encouraged ‘textbook’ answers to questions when a less-ideal truth existed. Indeed, in the main case study research recordings were not used and the openness of interviewees appeared to increase markedly.

Of course, other factors such as the interviewer’s ability to encourage openness and organisational norms may have played their part in causing this different behaviour. Having said this, other case study researchers seem to reach similar conclusions. Stake says “the cost in making transcripts and the annoyance for both respondent and researcher argue strongly against [audio taping]” (1995: 56). He also notes the danger of reliance on recording interviews as “the transcript arrives long after context and innuendo have slipped away…it is better to listen, to take a few notes, to ask for clarification” (1995: 66). The interruptions made necessary by changing tapes and the risks of technological failure (Eden & Ackermann, 1998b) also contributed to the decision to dispense with tape recording facilities.

In the preparatory studies where more than one interviewer was present in each interview, it was possible to follow the recommendation of Yin (1994) and others and perform within-case analysis by crosschecking details and interpretation of ambiguous commentary shortly after the interviews. The preparatory studies generated full interview transcripts and case study reports, which were circulated to all the interviewers and some of the interviewees for comments and checking.

The preparatory studies proved to be of some value in meeting the objectives set out above. However, they did not address the research question that ultimately was addressed in this study or directly related issues. Hence, no discussion of their findings is presented here.

3.5 Crafting instruments & protocols

Numerous authors note that triangulation verifies data and makes findings more credible if multiple data logically lead to the same conclusions (e.g. Creswell, 1998; Lincoln & Guba, 1985; Miles & Huberman, 1994; Patton, 1990; Stake, 1995; Yin, 1989; Yin, 1994).

It is worth noting that at one level, a constructivist approach and triangulation may seem incompatible: triangulation aims to confirm consistency whereas a constructionist approach assumes there are multiple realities. On the other hand, triangulation could be seen as an essential tactic to surface multiple meanings where they do exist, and support investigations of why these differences exist (and at what levels of abstraction). Triangulation is also useful to clarify relatively factual data that are not open to wide
interpretation. These concepts probably only conflict if a polemic ontological view is adopted.

Denzin (1984; 1989) sets out four protocols for ensure effective triangulation: -

1. Data source triangulation involves collecting data from a wide variety of sources (e.g. people, documents, publications) and at different points in time, to test the extent the phenomena under investigation appear the same from each ‘angle’.

2. Investigator triangulation involves the collection and/or interpretation of data by multiple researchers, to test the extent the phenomena appear the same through each ‘set of eyes’.

3. Theory triangulation is the application of different theoretical approaches to data, to test the extent the phenomena appear the same through each theoretical ‘lens’.

4. Methodological triangulation involves using different research methodologies (e.g. interviews, observation, document review) to collect data, to test the extent the phenomena appear the same when researched using different tools.

Yin, in making the case for methodological triangulation says, “…the case study’s unique strength is its ability to deal with a full variety of evidence–documents, artefacts, interviews and observations…” (1994: 8). This study made great use of data source triangulation, via collecting data at multiple levels in organisational hierarchies and a range of structural segments as well as through prolonged engagement in the field. Investigator triangulation was achieved through peer review and debriefing, although this form of triangulation was obviously more limited than would have been in a study conducted by a research team. Theory triangulation was supported by the initial and extended literature reviews that covered a number of diverse topics, each of which provided related theory or useful context to aid understanding of the phenomena investigated. The level of methodological triangulation was very high, with a wide range of data collection methods being considered and the following methods selected:

1. archival sources and document review;
2. passive observation;
3. face-to-face interviews
4. participant observation; and
5. action research.
Chapter 3: Methodology

Given the importance of these methods to triangulation and the quality of data collected, each of them is discussed in some detail below.

As the study progressed in each subject organisation, the level of participation did increase in many circumstances. This is in part a natural progression and possibly required in order to retain the interest of the subjects, thus allowing an elongated study that is of significant value in a study such as this. As Creswell argues, “[t]he field researcher is also concerned about reciprocity between the investigator and the subjects being studied, so that something will be returned to the people being studied in exchange for their information…” (1998: 60). Figure 3 depicts the introduction of different research methodologies as the study progressed. This was carefully structured to enable the early collection of data relating to a relatively ‘uncontaminated’ field. As saturation was reached using each method and little incremental gain was being made with one data collection method, a more participative technique was adopted to facilitate deeper engagement with subjects and exploit a more constructivist approach to theory building. For example, the field research began with the review of archival sources and documents, which involved very little interaction with subjects and thus was unlikely to give rise to any ‘contamination’. As this source was exhausted, passive observation commenced, which involved more subject interactions but yielded new data.

![Figure 3: Representational profile of the introduction of various data collection methods used throughout study](image)

3.5.1 Archival sources & document review

This study is exceptional given the sheer volume, depth and breadth of archival data and documentation available to the researcher. A practice was made of asking all interviewees and other contacts within the subject organisations for any documentation, historical or current, which may be of use in providing a background understanding of those issues under investigation. A checklist of the kinds of documents likely to be
informative about the phenomena under investigation was developed, and used to prompt respondents after they had been afforded the opportunity to identify such documents for themselves (this delay being intended not to introduce unnecessary bias to their selections). This checklist was developed initially based on the literature review and researcher’s experience and later refined as examples of informative documents were discovered.

The researcher’s long involvement with the organisations under study and the high levels of trust between those in the organisations and the researcher, meant that there were very nearly no restrictions on the data that was provided. In one subject organisation the researcher’s e-mail address was added to several circulation lists within the organisations; thus meaning that he received all documentation circulated to management teams in this way.

3.5.2 Passive observation

Within a short time of beginning field research, the researcher was invited to ‘sit in’ on meetings, conferences and workshops on a regular basis, though much more so in two cases than the other. This provided a unique opportunity to observe the activities of the various management teams and staff in the subject organisations: often with the scope to make copious notes to record observations and specific comments made by individuals. In the early stages of the research, the researcher made a deliberate effort to maintain a low profile in these circumstances, thus becoming a regular attendee but not influencing the direction or thinking of those involved. Whilst participation is a valid part of this type of research and was significantly increased in the latter stages of the study, it was of value to assess the ‘natural’ mode of operation in the organisations under study, prior to exploiting the benefits of participation. In this respect, anecdotal evidence is of value in demonstrating how comfortable the subjects became with the researcher's presence. Within the space of only a few weeks, the researcher witnessed behaviours including the deliberate withholding of important information from senior directors, politically driven sabotage of change efforts, heated arguments in meetings and clashes between executives that ended in tears. These behaviours are not necessarily typical of the subject organisations, but are cited as examples of behaviours seldom witnessed by organisational outsiders, and therefore indicative of the extent to which the researcher was able to examine the organisation operating as it truly does, despite the presence of an outsider.
3.5.3 **In face-to-face interviews**

Semi-structured interviews proved to be a useful method of collecting data given the phenomena under investigation had not been researched to the point where solid constructs and clear hypotheses had been developed. Using interviews provided the scope to exploit the following benefits:

1. the mutual presence of the researcher and the respondent allowed for clarification of understanding on the part of both parties, when required (this was essential given the complexity of the subject under study);
2. the researcher benefited from additional commentary (including unsolicited remarks) from respondents;
3. further detailed questioning was used if required, to follow lines of inquiry; and
4. the researcher had sufficient control to ensure that all appropriate questions were addressed.

It should be noted that over the lifetime of the case studies a number of interviews were used, and these were modified with experience and to meet changing data collection requirements. Not only was the content of interviews modified, but also the level of structure was also adapted to meet the demands of data collection and circumstance. The researcher was afforded exceptional access to managers in the organisations under study and contact was sometimes informal (perhaps on an air flight or in a chance corridor meeting). Not only do these contact points provide opportunities to collect additional data; they represent opportunities to collect unique data – of the sort that is readily communicated in informal settings.

Eisenhardt confirms that modifying data collection methods is acceptable for this kind of study:

> Is it legitimate to alter or even add data collection methods during a study? For theory building the answer is “yes”, because investigators are trying to understand each case individually and in as much depth as is feasible. The goal is not to produce a summary of statistics about a set of observations. Thus if a new data collection opportunity arises or if a new line of thinking emerges during the research, it makes sense to take advantage by altering data collection, if such an alteration is likely to better ground the theory or to provide new theoretical insight (1989: 539).

Of course, interviews have inherent weaknesses, including the dangers of:

1. misinterpretations of intended meaning by interviewers;
Chapter 3: Methodology

2. inadequate respondent ‘knowledgeability’, potentially leading to inaccurate statements;
3. interviewee reticence or dishonesty; and
4. bias being introduced through contaminations such as leading questions, body language and so on.

Basic safeguards against these problems were used. For example, key interview questions were tested in preparatory studies and in consultation with experienced researchers. The researcher’s interviewing skills were further developed through previous research and specific training in preparation for this study.

In order to maximise the benefits of interviewing and reduce some of the associated limitations, a particular interview design was adopted. This essentially involved sequencing topics addressed so they were progressively more conceptual and remote from respondents’ daily lives. For example, initial questions related to matters such as personal career history, length of service, existing role and so on. Thereafter, questions about work teams and the departments in which individuals worked would be asked. Then, the interviews tackled inevitably more conceptual functional or divisional issues, and finally organisation-wide ones. This progressive approach had several advantages.

First, it is important to put interviewees at ease early on, such that they develop trust with the interviewer and provide honest answers and generous insights. Beginning interviews with simple personal details and a discussion about the work environment most familiar to the interviewee facilitates this. Questions about issues such as performance measurements used in a function or the organisation’s strategy are inevitably more difficult and potentially threatening to some interviewees’ knowledgeability. In using a particular interview technique (laddering), Bourne and Jenkins say they “noticed that our informants appeared more confident and relaxed when laddering from relatively benign elements” (2005: 415).

Second, Kvale (1996) echoes the arguments of many when suggesting that interview data are “co-authored” rather than “collected”. Accepting that knowledge is to some extent constructed through the process of the interview, it made sense to use a logical and progressive framework – moving from the simple and small scale to the complex large-scale issues. This supports clear-headed thinking on the part of the interviewee and is more likely to lead to insightful interpretations of the phenomena under investigation.
Third, whether because of limited knowledgeability, evasiveness, misdirection, deception or simply a desire to be helpful, interviewees do not always provide accurate responses. Minimising the scope for this and recognising where it occurs is important and this interview design supports this. For example, if asked to explain organisational strategy first and then outline departmental activities undertaken, interviewees might be tempted to present artificial logic to justify the selection of activities described (or even present the activities themselves inaccurately). Whereas, having discussed the unthreatening issue of activities being undertaken at a departmental level, it is very much harder to present an artificially logical organisational strategy to retrospectively explain the choice of activities undertaken. Even where there is a logical alignment between strategy and activities, it is very important to distinguish the interviewee’s own understanding of (and perhaps involvement in shaping) that alignment.

The decision was taken before fieldwork commenced to use semi-structured interviews. With the theory in relevant literatures being insufficiently well developed to allow distillation of a clear set of interview questions, a tentative structure was designed and developed as the study unfolded. As Miles and Huberman note, “[i]f you are running an exploratory, largely descriptive study, you do not really know the parameters or dynamics of a social setting. So heavy initial instrumentation or closed-ended devices are inappropriate” (1994: 35, emphasis original).

3.5.4 Participant observation

Participation allows researchers more actively to explore specific issues relating to the phenomena under investigation, and is particularly useful when theoretical saturation has been reached using less participative methods. As with unstructured or semi-structured interviews, participant observation does not assume subjects to be ‘vessels of data awaiting excavation’ and allows for the researcher to provoke thinking and discourse which may both uncover and create ‘reality’. This is a manifestation of a constructivist approach, which recognises that complex phenomena such as the one under investigation have meaning (at least partially) only in the minds of subjects, and that knowledge is created rather than held. In the context of this research, participant observation involved making comments and, in particular, asking questions in meetings, workshops and at other events, as well as interacting socially with individuals (for instance going to the pub or having dinner with organisational actors).

The chapters that follow which present findings provide many specific examples of participant observation. In all cases, the researcher sought to explore the thoughts of
those involved (and in doing so clarify their thinking for their benefit), rather than make direct suggestions or recommendations.

3.5.5 Action research

Whyte (1991) records that action research has been undertaken at least since the 1920s and as Miles and Huberman note, “incorporates some of the features of naturalistic studies: participant observation, sensitivity to participants’ concerns, focus on descriptive data in the initial phases, nonstandardized instrumentation, a holistic perspective, the search for underlying themes or patterns” (1994: 9).

Once this study was well underway, and a great deal of descriptive data had been collected, it was recognised that the point of theoretical saturation (see Section 3.10) was being reached. The amount that could be learned from incremental data collection appeared to be low. At this point, it became appropriate for the researcher to engage in more proactive research. Although the risk of introducing researcher biases into the field is relatively high with action research, with an apparently satisfactory level of descriptive data collected, this additional method offered the possibility of further insights. Any such insights may be regarded as something of a ‘bonus’, following the ‘low-contamination’ research. Having said this, the ‘risks’ of action research should not be overstated. As commented already, it is recognised that the construction of knowledge through researcher-actor actions takes place even in interviews (though doubtless to a lesser extent).

Of course, the distinction between participant observation and some forms of action research is slightly artificial (an influential participant observer is arguably undertaking action research). However, this more proactive engagement in the field took two main forms – acting as a facilitator in workshops and facilitating the thinking and decision-making of individual actors on a one-to-one basis.

Again, the researcher primarily sought to explore the thoughts of those involved (and in doing so clarify their thinking for their own benefits). However, in action research mode, the researcher also made simple suggestions about options decision-makers might consider and responded to follow-up questions from actors. Often these suggestions were simply restatements of approaches other actors in the case had used, where these appeared to have adequately addressed the issues under investigation. This kind of action research enabled the researcher to collect the explicit observations of actors as they considered and used particular approaches, in addition to further
documentary data, passive observation and participant observation data, as actors implemented their decisions.

3.6 **Entering the field**

It appears that Eisenhardt included this stage because she recognised that “[a] striking feature of research to build theory from case studies is the frequent overlap of data analysis with data collection” (1989: 538) and “overlapping data analysis with data collection not only gives the researcher a head start in analysis but, more importantly, allows researchers to take advantage of flexible data collection” (1989: 539). Eisenhardt cites the freedom to make adjustments to the data collection process as a key feature of theory-building case research, and it certainly was the case in this research that it would have been impossible fully to predict the opportunities which opened up over the course of the study to collect data in depth and breadth. In this case, questions were added to interviews guides, notes were made on informal conversations over dinner and subjects were assisted with the development of internal data collection tools that would provide valuable data for the research. The justification for making these (careful) changes is clear: “because investigators are trying to understand each case individually and in as much detail as is feasible” (Yin, 1989: 539).

3.7 **Analysing data**

The analysis of case study data for building theory is acknowledged as one of the most difficult research challenges. Eisenhardt says that “[a]nalysing data is the heart of building theory from case studies, but it is both the most difficult and the least codified part of the process” (1989: 539). Creswell notes that “[u]ndoubtedly, no consensus exists for the analysis of the forms of qualitative data” (1998: 140). Most published studies focus upon quantitative data rather than qualitative data and of those that deal with the latter, often little description is provided of exactly how data are manipulated and transformed into hypotheses or conclusions. Miles and Huberman say, “one cannot ordinarily follow how a researcher got from 3600 pages of field notes to the final conclusions” (1994: 16).

Miles & Huberman suggest that data reduction is an essential first step in data analysis, saying “[d]ata reduction refers to the process of simplifying, abstracting, and transforming the data that appear in written-up field notes or transcriptions. … Data reduction is not something separate from analysis. It is part of analysis” (1994: 10-1, emphasis original). Wolcott goes so far as to argue that “the critical task in qualitative
research is not to accumulate all the data you can, but to “can” (i.e. get rid of) most of the data you accumulate” (1990: 35).

This study incorporated multiple stages of data reduction, allowing vast amounts of field data to be systematically pruned to that necessary to address the research question. Besides the role that data collection plays in reducing potential data for analysis (by selecting cases, data sources, semi-structuring interviews, etc.) this study relied upon the following logically sequential (but in practice somewhat iterative) phases of data reduction and analysis: -

1. field notes and data organisation;
2. general review and marginal notes;
3. initial sorting and memos/remarks;
4. isolation of critical incidents;
5. sequential analysis;
6. actor feedback;
7. open, axial and selective coding;
8. peer review and debriefing;
9. data display; and
10. drawing of conclusions.

These techniques were used to ‘filter’ the data collected and, ultimately, draw conclusions from it, as depicted in Figure 4.

In order to manage this process, a computer database was developed. This incorporated a set of tables containing data, which were constructed to allow integration
and sophisticated analysis. Specific raw data, such as respondent details, document details and data creation dates were collected and used both for data management and to structure critical incident analysis, sequential analysis and coding. The use of a database ensured that there were minimal ‘breakages’ in the data trail and interpretations could be traced to the raw data supporting them. Interpretation itself was made powerful by the ability to present data in multiple forms through re-sorting and searches. A summary of each of the main elements of the data analysis is provided below. An example of the data analysis process, starting with some raw data, is provided in Appendix E.

3.7.1 **Field notes & data organisation**

Notes made in the field are perhaps the first and certainly a mandatory data reduction step. In both interviews and observation, it was impossible to record everything said or done by subjects. *In situ* judgements had to be made as to the relevance and criticality of the data available, and the focus of the researcher (and thus the study) applied to capturing those data that can best answer the research question.

All data collected was carefully recorded and indexed to ensure an audit trail between it and the later analysis. For example, standard notes were made on all documents received as to from whom they were supplied and when.

3.7.2 **General review & marginal notes**

Review of field notes as soon as practicable after collection was a crucial step in enriching the data recorded (where memory of interactions provided additional information) and beginning the process of reducing the data (Bogdan & Biklen, 1975). Marginal notes were made (in a different colour ink, such that they could be distinguished later) alongside field notes. This process also ensured that respondents’ suggestions (e.g. to retrieve additional documents or arrange interviews with additional respondents) could be followed-up systematically and in good time.

3.7.3 **Initial sorting & memos/remarks**

The organisation of data of all sorts using the database was central to the management of the study and enabled high researcher ‘visibility’ of the study’s progress and volume and quality of data being collected. The data collected were organised systematically with an archiving system. Exploiting the potential of the archiving system, data were reviewed for patterns and observations. For example, some gaps in the data were identified, which were filled via later collection of specific documentation.
Memos are notes made by the researcher, sometimes in the field following events where data were collected, sometimes during the review, sorting and analysis of data. These were systematically recorded in the database – as with all the empirical data – and coded to enable retrieval at later stages of the analysis process. Although many memos related to particular empirical data, they were specifically flagged as researcher reflections in the database.

### 3.7.4 Critical incidents isolated

The initial sorting was followed by the tentative isolation of critical data – that relating to incidents, interpretations and so on that in the context of the body of data emerging from the field appeared to be particularly relevant to addressing the research question. As Creswell (1998) notes, ‘winnowing’ the data is necessary, as not all information is used in qualitative studies and some may be excluded from further analysis on the basis that it is not sufficiently relevant to the focus of the study.

Critical incident technique is well established (Campbell, Dunnette, Lawler, & Weick, 1970; Flanagan, 1954). Critical incidents are events or occurrences that are particularly consequential. Eden & Ackermann (1998) provide a useful set of possible criteria for identifying critical incidents, suggesting that the following types of events are relevant:

1. ‘turning points’;
2. particularly memorable episodes;
3. ‘junction points’ where actors are presented with multiple choices;
4. points at which futures become apparent;
5. ‘fundamental’ events;
6. ‘milestones’ being reached;
7. things that stopped people (e.g. an interviewee) in their tracks;
8. decisions actors are very pleased to have ‘got right’ or ‘not got wrong’; and
9. decision actors are very displeased to have not ‘got right’.

Obviously, critical incidents can be defined narrowly or broadly and are highly contextually dependent. Flanagan notes critical incident technique “should be thought of as a flexible set of principles which must be modified and adapted to meet the specific situation at hand” (1954: 336). However, they form a powerful way to break up large amounts of qualitative data and develop a sense of the important sequences of events in a case. In this study, critical incident technique was applied initially by
physical highlighting of specific notes and text. These critical elements constituted ‘data fragments’ that were entered into the customised database (along with a great deal of contextual information) for coding and further analysis. An example of how these detailed ‘critical data fragments’ were analysed is included in Appendix E.

Each case also includes a critical incident chart (e.g. Table 7 in Section 4.2), detailing the broader developments within the case and enabled a richer understanding of the context for specific pieces of data.

3.7.5 **Sequential analysis**

Following initial sorting and isolation of critical incidents, chronological summaries of the cases were produced. These allowed possible frameworks to be developed and tested against the data. They also provided an ideal basis from which to develop summaries to invite feedback from organisational actors.

3.7.6 **Actor feedback**

Feedback from organisational actors was secured, to verify the meanings attached to the data. In line with the constructivist philosophy underlying phenomenological inquiry, it was recognised that organisational actors had a valuable role to play in the explicit interpretation of data collected. In Stake’s words, “[m]ost contemporary qualitative researchers nourish the belief that knowledge is constructed rather than discovered” (1995: 99). This movement probably began in the early 1980s (Guba & Lincoln, 1982).

Stake suggests that participants should “play a major role directing as well as acting in a case study” and provide “critical observations or interpretations” (Stake, 1995: 115). Providing summaries of the specific episodes maintained confidentiality for individual respondents but supported the identification of multiple realities and verified and enriched data and interpretations (e.g. Creswell, 1998; Lincoln & Guba, 1985).

3.7.7 **Open, axial & selective coding**

Building upon the procedures set out by Corbin and Strauss (1998) this study made use of open coding, axial coding and selective coding.

*Open coding* was performed, drawing principally on the data itself but also to some extent upon the strategy implementation literature for the framing codes. This process was continued to saturation – i.e. where no further insights to the categories created could be produced from the analysis of further data in these categories. Properties to describe each of these categories were developed, insofar as multiple perspectives on
these categories could be identified. Dimensions were created where appropriate, to explore these properties and present them on a continuum.

**Axial coding** was performed by generating a second ‘layer’ of codes that related to the subcategories developed in open coding (open and axial coding were to some extent carried out concurrently). “The purpose of axial coding is to begin the process of reassembling data that were fractured during open coding” (Strauss & Corbin, 1998: 124, emphasis original). Axial codes introduce important dimensions upon which the categorised items may vary. Creswell (1998) notes that ‘dimensionalising’ data allows demonstration of the extreme possibilities on a continuum. These dimensions ‘contextualise’ phenomena and move the analysis closer to the point at which meaningful interpretations can be made and theory inducted. Analysis using these ‘dimensions’ also enables clearer identification of conditions relevant to the phenomena.

**Selective coding** is the “process of integrating and refining theory” (Strauss & Corbin, 1998: 143). It refers to the phase of analysis whereby a central theme was identified in the data, creating a conceptual framework that structures the theory being inducted. This central theme – in this case the identification of activities to achieve strategic objectives – emerges as the primary issue informed by the research. Corbin and Strauss (1998) lay out clear criteria for the selection of this central theme. It should:

1. be central – i.e. all other major categories should link to it;
2. appear frequently in the data;
3. offer a logical and consistent explanation for the case data;
4. be sufficiently abstract that it can be used for research in other areas and produce general theory;
5. allow the theory to grow and deepen as analysis progresses; and
6. be able to explain variation in the phenomenon investigated.

Each of these criteria was met by the central theme selected in this study. The validity of the selective coding was tested through a re-examination of the raw data to test its fit with the theory being inducted and securing actor feedback from a small number of respondents. No justification could be found for making any alterations to the central theme and the theory emerging.
Care was taken not to rely excessively on coding in general, to that point that it became a substitute for the authenticity of carefully collected raw data. Elaborate coding brings with it the risk of an illusion of precision and control and as Stake says, “there is a limit to how far the researcher can get from the data” (1995: 32). This process of categorical aggregation (Stake, 1995) was augmented by direct interpretation, where meaning was drawn from single instances, in some cases, where unique instances were of sufficient apparent significance to justify this.

An example of the data analysis process, starting with some raw data, is provided in Appendix E.

3.7.8 Peer review & debriefing

In addition to these data analysis techniques, frequent use was made of peer review and debriefing. Various authors note that this increases the credibility of data interpretations and conceptual models, as peers can take a “devil’s advocate” role and question methods, meanings and interpretations (e.g. Creswell, 1998; Lincoln & Guba, 1985; Sutton & Callahan, 1987). Peer review was conducted via formal presentations in group settings and more regularly on a one-to-one basis with other researchers. Peers including researchers and other experts not involved in the study provided feedback.

These activities constituted one of several deliberate tactics to ensure, amongst other things, that the researcher did not make biased interpretations of the data by virtue of assuming the dominant paradigms – insofar as any operated – within the organisations studied.

3.7.9 Within- and cross- case analysis

Returning to the case study structure provided by Eisenhardt, she notes that there are two specific key features of data analysis: within-case analysis; and cross-case analysis.

The above analytical techniques were applied firstly within each individual case. With potentially open-ended cases and studying enormous organisations, researchers need a method to filter out meaningful information from the mounds of data initially collected, before practical cross-case analysis can be conducted. Writing-up summaries of early impressions and observations is useful for both directing further data collection and providing the platform upon which later higher-level analysis can begin. Researchers have approached this in a number of different ways, ranging from developing teaching cases through to producing a historical account and conducting sequence analysis. In most cases, however, the product is a case-specific analysis of the patterns emerging, which can then be used for the following comparative work.
Whilst noting that a single case is entirely valid in its own right, Miles and Huberman explain the value of cross-case analysis well, saying:

> One aim of studying multiple cases is to increase generalizability, reassuring yourself that the events and processes in one well-described setting are not wholly idiosyncratic. At a deeper level, the aim is to see processes and outcomes across many cases, to understand how they are qualified by local conditions, and thus to develop more sophisticated descriptions and more powerful explanations (1994: 172).

Miles and Huberman counsel that careful selections must be made between case-oriented strategies, variable-oriented strategies or some combination of the two. In case-oriented strategies, replication logic is used to test theories in each case. The integrity of each case is maintained through the analysis. Variable-oriented strategies, on the other hand, rely upon the identification of variables relating to the developed theory, which are examined via common measurements across the cases. Because these measurements are necessarily limited and surrogates for case-specific qualities, the integrity of each case is partially lost. However variable-oriented analysis may produce valuable insights, particularly into a large number of relatively similar or simple cases. This study made use primarily of case-oriented strategies because of the complexity and small number of cases involved.

Eisenhardt (1989a) suggests the following techniques for cross-case analysis:

1. the selection of categories or dimensions to surface similarities and differences between subjects;
2. the selection of pairs of cases and listing of similarities and differences between each pair, forcing even subtle distinctions to be framed systematically; and
3. the grouping of data by source or into cases, which can then be examined independently by different researchers to reinforce triangulation (discussed in Section 3.5) or expose conflicts.

In this study, the use of critical incident technique, sequential analysis, coding and peer review/debriefing represented use of each of Eisenhardt’s suggestions (although the later obviously limited by the nature of the study to patterns of data, rather than raw

---

13 This approach is essentially Repertory Grid analysis (developed by Kelly, 1955).

14 Eisenhardt (1989) does not describe this technique as reinforcing triangulation but it seems a logical extension of the approach, which was expounded by Yin in his publication of the same year.
analysis). A variety of tables were used to contrast case contexts and compare data across the cases.

3.7.10 Exiting the field

Withdrawal from the field was phased over many months. As theoretical saturation was reached in relation to data informing the research question, the amount of data collected naturally reduced. Also, over time each unit of analysis progressively changed (for example with staff turnover and organisational restructuring), becoming less like it was at the beginning of the study and making the collection of some data less relevant or practical. Some specific pieces of data and actor feedback were retrieved from the field in the final weeks of data collection, however ultimately formal data collection ceased in favour of completing the data analysis.

Progressive withdrawal from the field had advantages. As continued data analysis raised new questions, additional data could be collected to inform these issues. Also, the risks of researcher bias through adopting any dominant paradigms of organisational actors would likely have reduced as the researcher became distant from the field, but was still able to collect data and seek actor feedback.

3.8 Shaping hypotheses

Eisenhardt says that following the analysis “tentative themes, concepts, and possibly even relationships between variables begin to emerge” (1989a: 541). Thereafter, through an iterative process of comparing data and theory, it is possible to induct a theory that fits the data.

In this study, themes emerged following initial interviews, and the central research question was tentatively established from these. The legitimacy of this focus was reinforced by data collected using other methods and via replication of these emergent themes across each of the three cases. Additional themes were identified and the themes refined into more structured concepts as data were collected from documents, observation and ultimately, action research. Replication logic was applied to compare the emergent frame with data from each case, largely confirming the fit of the concepts with the wider data.

Constructs were sharpened through ongoing refinements to their definitions and developing measures which provided indicative calibrations of the phenomena in each case. Tentative propositions were thereafter formed.
3.9 Enfolding literature

As Eisenhardt says, “[a]n essential feature of theory building is comparison of the emergent concepts, theory, or hypotheses with the extant literature…a key to this process is to consider a broad range of literature” (1989a: 544). In this study, this highly iterative approach was adopted and led to an extended and very wide exploration of the literature in the following fields:

1. strategy implementation;
2. strategic fit and alignment;
3. strategic change;
4. strategy process;
5. managerial and organisational cognition;
6. criticality;
7. goal setting;
8. systems thinking; and
9. performance measurement.

An even wider range of literature was searched using key terms in the search databases, to initially orient the study of the extant theory.

Eisenhardt (1989a) highlights the importance of searching for and examining literature that conflicts with any emergent theory. This increases confidence in findings and achieves a constructive challenge, which can inform the direction of research in the field. Equally, supportive extant literature increases confidence in findings and can tie together similar theories that have emerged independently and often been reported in different literature streams. This can enable increased generalisability.

In this study, the original literature review was expanded, following the emergence of the research question and subsequent findings, to examine a range of potentially relevant literatures. Very little research – and even less sound empirical research – could be found that dealt with the central focus of the study. However, some studies and theories were found to provide tangential support for the concepts developed (often through applications of similar concepts in different disciplines). No literature directly contradicted the findings of the study, although a great deal of it ignored the issue that became the focus of this study, in retrospect this appearing to be a weakness of those literatures.
3.10 Reaching closure

Eisenhardt (1989a) advises that the decision to bring a study such as this one to an end should depend on when to stop adding cases and when to stop iterating between the data and theory. Glaser and Strauss (1967) suggest cases should not be added if theoretical saturation has been reached – i.e. incremental learning from each new case is minimal. In practice, it is difficult to be confident of when this point has been reached, and as Eisenhardt acknowledges, “theoretical saturation often combines with pragmatic considerations such as time and money to dictate when case collection ends” (1989a: 545). In this study, partly because of the sheer depth of the first two case studies, it was determined that theoretical saturation had been adequately achieved upon completion of the third case study. The examination of the extant literature in light of the emerging theory and peer review/debriefing provided further confidence for this decision.

3.11 Methodological strengths & limitations

3.11.1 Criteria for assessment

Creswell (1998) suggests that qualitative researchers employ at least two of the following methods to ensure credibility and confirmability of their studies:

1. prolonged engagement and persistent observation;
2. triangulation;
3. peer review or debriefing;
4. negative case analysis (i.e. the use of disconfirming evidence to reformulate conceptual frameworks or working hypotheses as the study evolves);
5. clarifying researcher bias;
6. member checks (i.e. actor feedback);
7. rich, thick description; and
8. external audits.

A review of the methodology employed reveals that almost all of these techniques have been employed in this study. External audits were not feasible given the scale of the study and confidentiality agreements with subject organisations.

Yin (1989) suggests that the quality of case studies be judged against four criteria:

1. construct validity;
2. internal validity;
3. external validity; and
4. reliability.

Table 5 reproduces Yin’s recommended tactics and additionally specifies how the various elements of the research methodology for this study align with each of these. Each of Yin’s requirements is addressed in several ways, in this study.

<table>
<thead>
<tr>
<th>Tests</th>
<th>Case study tactic</th>
<th>Please of research in which tactic occurs</th>
<th>Manifestations in this study</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Use multiple sources of evidence</td>
<td>Data collection</td>
<td>Use of archival records, passive observation, face-to-face interviews, participant observation and action research</td>
</tr>
<tr>
<td>Construct validity</td>
<td>Establish chain of evidence</td>
<td>Data collection</td>
<td>Interview notes &amp; data organisation, general review &amp; marginal notes, initial sorting &amp; memos/remarks, critical incident data analysis &amp; input, sequential analysis, summaries for actor feedback, customised database</td>
</tr>
<tr>
<td></td>
<td>Have key informants review draft study report</td>
<td>Composition</td>
<td>Actor feedback, peer review and debriefing</td>
</tr>
<tr>
<td>Internal validity</td>
<td>Do pattern-matching</td>
<td>Data analysis</td>
<td>Open coding, axial coding, selective coding</td>
</tr>
<tr>
<td></td>
<td>Do explanation-building</td>
<td>Data analysis</td>
<td>Conceptual framework development</td>
</tr>
<tr>
<td></td>
<td>Do time series analysis</td>
<td>Data analysis</td>
<td>Sequential analysis</td>
</tr>
<tr>
<td>External validity</td>
<td>Use replication logic in multiple-case studies</td>
<td>Research design</td>
<td>Three cases selected and analysed using replication logic</td>
</tr>
<tr>
<td>Reliability</td>
<td>Use case study protocol</td>
<td>Data collection</td>
<td>Consistent methodologies and tools used across cases</td>
</tr>
<tr>
<td></td>
<td>Develop case study database</td>
<td>Data collection</td>
<td>Customised database used to record all sources of evidence, critical incident data, sequential analysis and coding</td>
</tr>
</tbody>
</table>

Table 5: Yin’s (1989) case study tactics for four design tests and their manifestations in this study

Perhaps the ultimate test of a grounded theory study is the quality of the theory it produces. Pfeffer (1982) suggested that good theory should be parsimonious, testable and logically coherent. Assessing this research against these criteria is somewhat subjective, but the findings appear to meet them adequately (see Chapter 9).

Eisenhardt (1989a) suggests that good theory-building should also generate new insights. Given the lack of substantial or substantive theory in the strategy implementation field and almost total ignorance of the issue addressed by the research question in this study, generating new insights might be seen as almost inevitable achievement. However, Hrebiniak and Joyce’s (2001) identification of factors making strategy implementation research difficult perhaps explains why there is so little substantive theory in the field. In any case, the centrality of the findings of this study to effective strategy implementation and the hole exposed in existing theory would appear to make the theory generated an important contribution to the field.

3.11.2 Key strengths

Many of the strengths of the methodology adopted have been discussed throughout this chapter, but a summary of these is useful:

1. The much prolonged engagement in the field enabled:
103

Chapter 3: Methodology

a. the collection of a vast amount of data,
b. the collection of data on a broad context related to the phenomena under investigation,
c. sequential analysis of critical incidents and relatively confident conclusions about causality between events and variables,
d. the generation of in-depth longitudinal case studies of a sort that is very rare in the field of study.

2. The data collected are “buttressed by local groundedness” (Miles & Huberman, 1994: 10, emphasis original) and are rich and holistic.

3. A wide range of data collection methods were employed and data sources used, producing high levels of triangulation.

4. Data were collected from a wide range of sources, including senior-, middle- and junior-level managers. This improves triangulation and reduces the common risk of ‘elite bias’ (Miles & Huberman, 1994).

5. The study benefited both from low-researcher-contamination data collection in the early phases, and once theoretical saturation was reached, additional insights obtainable through greater researcher participation.

6. The wide literature review provided a diverse set of theoretical lenses through which data could be analysed, further enhancing triangulation and interpretation.

7. Using grounded theory has enabled the generation of novel theory. This provides insights to an issue that is central to successful strategy implementation. It also presents some contradictions to extant theories (or at any rate, the assumptions underlying them), which may support their refinement or adaptation. This has the potential to ‘unfreeze’ the preconceptions of many researchers (Eisenhardt, 1989a).

8. Emergent theory – such as that generated in this study – can usually be tested with measurable constructs and falsifiable hypotheses (Eisenhardt, 1989a). It is the development of theory directly from rich empirical data that enables this.

9. For the same reason, “the resultant theory is likely to be empirically valid” (Eisenhardt, 1989a: 547). Further studies building upon and testing the theory generated in this study have the potential to calibrate the validity of the theory more thoroughly.
The cross-case analysis used replication logic to demonstrate the existence of the phenomena uncovered in each of the three cases, reinforcing the validity of the findings within the theoretical sample frame and building limited generalisability.

### 3.11.3 Key limitations

Despite the alignment of this study’s methodology with the criteria set out in Section 3.11.1, as with all studies it has potential limitations. Weick has said it is not possible for a research framework “to be simultaneously general, accurate, and simple. If you try to secure any two of the virtues, you automatically sacrifice the third one” (1979: 35). It is thus important explicitly to recognise the trade-offs made in selecting a methodology. Having said that, several researchers have called for a multi-method approach to lessen the negative impact of adopting any given method, pointing out for example, that the strengths and weaknesses of retrospective and prospective approaches are complementary (e.g. Burrell & Morgan, 1979; Lincoln & Guba, 1985).

Perhaps the most common criticism of case studies relates to the sometimes anecdotal and non-generalisable insights conveyed by authors who may also be accused of introducing unnecessary bias to their investigations. Yin (1989) provides a particularly useful guide to ensure that these potential limitations are minimised and that the full value of this unique approach can be extracted. A discussion about generalisability is included above in Section 3.4 and deals in detail with this issue. In summary, this study is limited in that it was not designed or intended to produce findings generalisable to large populations. There is room for substantial development of tools and theories relating to the area the research question addresses and many complementary topics. Further studies can build upon the theory inducted in this study and ultimately, isolate legitimately narrow phenomena where studies of statistically representative samples can be carried out usefully. Formal recommendations for further research are discussed later.

Eisenhardt (1989a) notes two other potential limitations of grounded theory case studies, including the generation of overly complex theories and narrow or idiosyncratic theory (the generalisability of which cannot be raised). These limitations do not appear to apply to this study.

Besides sampling and generalisability issues, Miles & Huberman (1994) note that researchers must remain mindful of several other common limitations:

1. labour-intensiveness;
2. frequent data overload;
3. time demands of processing and coding data;
4. researcher bias; and
5. the credibility and quality of conclusions.

In this study, issues such as labour-intensiveness, frequent data overload and the time demands of processing and coding data were overcome in part through the elongated nature of the study providing sufficient time for a steady equilibrium (between data collection and effective analysis) to emerge. However, researcher bias is an important possibility to explore.

Creswell (1998) argues that it is important from the outset of a study to acknowledge the researcher’s past experiences, prejudices and orientations, such that any biases or assumptions may be clarified. Others note that researcher bias may cause disproportionate interpretations of causal relationships (Eisenhardt, 1989a). Miles and Huberman say:

\[[i]n qualitative research, issues of instrument validity and reliability ride largely on the skills of the researcher. Essentially a person – more or less fallibly – is observing, interviewing, and recording, while modifying the observation, interviewing, and recording devices from one field to the next. …

To us, some markers of a good qualitative researcher-as-instrument are:

- some familiarity with the phenomenon and the setting under study
- strong conceptual interests
- a multidisciplinary approach, as opposed to a narrow grounding or focus in a single discipline
- good “investigative” skills, including doggedness, the ability to draw people out, and the ability to ward off premature closure (1994: 38, emphasis original).

Assumptions about possessing such qualities are hazardous but on the face of it, the researcher in this study fits Miles and Huberman’s criteria fairly well. Prior to commencing the fieldwork, the researcher had spent several years professionally focused upon the field of strategy implementation (including the distillation of strategic objectives into activities) within his commercial career. Strategy implementation is by its very nature interdisciplinary (Hrebiniak & Joyce, 1984), and at the commencement of the study, this researcher had both a broadly based academic qualification in management science and commercial experience of a wide range of management disciplines. The literature reviews are representative of this broad conceptual base. ‘Investigative’ skills are much harder to calibrate, but were deliberately developed via the preparatory studies, as well as via other academic and commercial research.
One of the greatest risks in a study involving such prolonged engagement in the field is biased interpretations of the data by the researcher, who might to some or other extent ‘go native’ and be influenced by the dominant paradigm(s) present amongst organisation actors. This risk increases with participation and action research. In this study, several mechanisms were employed to mitigate this risk. First, the researcher undertook specific training and research, covering the use of all the key methodological tools employed in this study, to ensure high awareness of common problems with using these techniques. Second, a stream of the psychology literature relating to perception biases was studied, to ensure familiarity with these and alertness to them (see the summary of the cognitive literature in behavioural decision theory in Section 8.3.2). Third, peer review and debriefing was carried out regularly, as noted in Section 3.7.8 above. Finally, regular reference was made to the comments and memos noted at earlier stages in the research, thus maintaining a hold on the perspective of a ‘newcomer’ to the field and ensuring follow-up investigation of important issues arising.

3.12 Overview of the cases

The following chapters present a discussion of case study findings and a cross-case analysis.

3.12.1 Confidentiality

In the presentation of all case material, where necessary to preserve confidentiality of subject individuals and organisations, some details have been omitted from these descriptions, or left more imprecise than they would otherwise have been. Full contextual details were considered throughout the analysis work that generated these findings. The gender of individual respondents and actors has also been disguised. Disguising the identities of the individuals and organisations studied was part of the agreement with each organisation, and necessary to gain open access to gather data.

3.12.2 The cases selected

Over the first few years of the study, the researcher was able to generate around a dozen opportunities to collect data relating to units of analysis and situations that could have been used as cases. Each of these opportunities was developed through either approaching a personal contact within an appropriate organisation, with a specific request to collect data or being asked to assist an organisation as an external consultant/facilitator, and requesting permission to collect data for research purposes alongside this work.
A number of case opportunities fell away due to organisational changes and several others were rejected because they did not fit the theoretical sample. From the others, all but three were ultimately rejected as cases because the amount of data collected in these cases was dwarfed by that collected in the three that were fully developed. These three cases were also the ones where data were collected over the longest periods.

This study includes three cases studies, developed from data collection in two entirely separate entities:

1. Cases A1 and A2 come from the same large company (Company A), but reflect the events in two HR functions of separate business divisions (Function A1 and Function A2). The objectives of and context for these functions were thus to some extent related. Substantial data were collected relating to the group HR function in Company A, recognising that this had potential implications for Cases A1 and A2. It is also important to note that there were some limited interactions between Functions A1 and A2.

2. Case B was collected from a medium-sized public sector organisation (Agency B) and was entirely independent of Company A. The study of Case B dealt with the organisation as a whole, rather than a specific sub-structure such as a function.

Figure 5 depicts the structural relationships between the cases.

Company A granted the researcher permission to collect data for research purposes, but on the condition that the researcher would provide insights and facilitative guidance to the company’s HR Function, alongside the research process.
Chapter 3: Methodology

Agency B had requested consultancy support from the researcher, but agreed that data could be collect sufficiently widely and deeply to meet the requirements of the research, alongside the consultancy engagement.

3.12.3 Sample frame

Each of the cases selected fitted the sample frame, which was altered during the study to allow examination of an organisation with contrasting size and complexity to the first two cases (i.e. it was much smaller and less complex), as discussed in Section 3.4. Table 6 summarises the profile of the organisations studied in relation to the criteria set out (in Section 3.4) for the sample from.

<table>
<thead>
<tr>
<th>Sample frame criteria</th>
<th>Indicative variables</th>
<th>Company A (Cases A1 &amp; A2)</th>
<th>Agency B (Case B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very large (initial)</td>
<td>Turnover or equivalent</td>
<td>&gt; £2 billion</td>
<td>&lt; £15 million</td>
</tr>
<tr>
<td>Multinational operations</td>
<td>Yes</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Small-medium (contrasting)</td>
<td>Number of staff</td>
<td>&gt; 25,000</td>
<td>&lt; 500</td>
</tr>
<tr>
<td>Total assets</td>
<td>&gt; £50 billion</td>
<td></td>
<td>&lt; £75m</td>
</tr>
<tr>
<td>Long established</td>
<td>Been in existence &gt; 25 years</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>Adequately performing</td>
<td>Operating profit &gt; £1 billion</td>
<td>Audit Commission</td>
<td>Audit Commission</td>
</tr>
<tr>
<td></td>
<td>Cost:income ratio &lt; 50%</td>
<td>performance rating: fair</td>
<td>performance rating: fair</td>
</tr>
<tr>
<td></td>
<td>ROE (post tax) &gt; 30%</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash reserves &gt; £1 billion</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dividend cover &gt; 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seeking to implement strategy</td>
<td>Existence of formal new mission/strategy/strategic objectives</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Cash reserves: &gt; £10 million</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 6: Profile of case studies against sample frame criteria

3.12.4 The timescales of the study

Data relating to Cases A1 and A2 were collected over a six-year period. Data relating to Case B were collected over a five-year period. This prolonged engagement in the field provided – using Lincoln and Guba’s terminology – significant scope to increase the “credibility”, “transferability”, “dependability” and “confirmability” of the data collected and interpretations made, these being the “naturalist’s equivalents” for “external validity”, “reliability” and “objectivity” (Lincoln & Guba, 1985: 300). As

---

15 All data are based on figures relating to when each case was selected. Each organisation remained within the sample frame throughout the studies.

16 Cases A1 and A2 are profiled in relation to the characteristics of the organisation within which they belong. Even if they had been profiled according to the characteristics of the respective divisions within the organisation, they would have comfortably fitted the sample frame.

17 Organisational performance measures were compared with competitors and similar organisations to ensure that, in the context of the sectors the organisations were operating within, their performances were adequate. In each case, the subject organisations’ performance was consistently above average using all the measures identified.

18 A summary performance score based on a range including excellent, good, fair, weak and poor.
Lincon and Guba suggest, many other aspects of the methodology used, such as triangulation, also enhance these qualities. Creswell says, “*prolonged engagement* and *persistent observation* in the field include building trust with participants, learning the culture, and checking for misinformation that stems from distortions introduced by the researcher or informants” (1998: 201, emphasis original). Fetterman notes, “working with people day in and day out, for long period of time” is what gives this type of research its “validity and vitality” (1989: 46).

The following sections deal with each case, with an overview of Agency B and Company A, preceding presentations of the findings from the cases. Each section includes what Stake (1995) refers to as “uncontestable descriptions” of the three cases as introductions, before moving to material open to wider interpretation. These initial descriptions provide objective accounts of those data that are essentially facts and occurrences as would have been observed by any other researcher. Limited triangulation is required to verify these data and interpretation of them will be limited to the identification of issues worthy of deeper analysis.

The data collected from Agency B are presented first, as its analysis was concluded first, helping to shape the focus of the study and thus structure the analysis of data collected in Company A.
4.1 Background

Case B relates to a medium-sized public sector organisation, referred to here as Agency B. Case B dealt with the organisation as a whole, rather than a specific sub-structure such as a function.

Agency B had existed as an entity for approximately 30 years, having been created as a result of a reorganisation of previous government agencies. The organisation served members of the public in a specific region of the UK and provided a wide range of public services. Although as a public sector body it enjoyed a form of monopoly, a series of government reforms over the two decades prior to the fieldwork commencing had introduced to it various forms of free market competition, strong governance and open accountability that mirrored elements of private sector business practices.

Agency B’s staff of around 400 were spread throughout four directorates, each of which incorporated a number of departments. A moderately flat organisation structure was complemented by a multi-level job grading structure with corresponding salary bands. A legacy of career progression based on length of service and relatively informal individual performance management meant that there was a widespread view that seniority did not always reflect capability. However, the performance of the organisation as a whole was fairly good (as assessed by government auditors and with reference to a wide range of national standard performance indicators).

The years immediately preceding the commencement of Case B marked the beginning of a period of rapid change for Agency B. The organisation had developed a highly ambitious agenda, incorporating several major regeneration projects and significant internal change programmes such as the introduction of ‘e-Government’ (increasing use of IT and in particular, Internet-related technologies for completing transactions of all sorts). Agency B’s Corporate Management Team (CMT) recognised that the organisation needed to develop its capability to implement strategy and effective management of projects.

The fieldwork in Agency B commenced with document analysis and semi-structured interviews with 22 staff at a full range of seniority levels and from virtually every department in the organisation.
Chapter 4: Findings: Agency B

4.2 Critical incident chart

A critical incident chart detailing relevant events at Agency B during the case study is presented in Table 7. This provides an overview of the sequence of key events to give context to the analysis which follows.

The critical incident chart also reveals the steady flow of major new projects undertaken by the agency. This ambitious programme was picked up in the initial interviews, alongside consistent concerns about organisational capacity and project management capability. This was what led Agency B to seek to improve its ability to implement strategy.

| Year 1 | Q1 | • New Chief Executive joins agency. |
| Q2 | • New full-time Chairman appointed.  |
| | • Finance Director rejoins after secondment elsewhere.  |
| | • Head of Regeneration leaves (not to be replaced for approx. 2 years).  |
| Year 2 | Q4 | • Performance Improvement Unit created.  |
| | • CMT meeting structure changed to meet daily for operational issues & focus on a major project every month.  |
| | • 10 year finance plan developed for the first time – detected that significant overspend likely.  |
| | • Small number of redundancies announced to reduce payroll costs.  |
| Year 3 | Q1 | • New vision and aims developed and communicated.  |
| | • Agency heavily criticised by central government auditors for failings in one key service area.  |
| | • Redundancies implemented.  |
| | • Customer satisfaction survey reports high level of satisfaction with service (index of 83%).  |
| | • New HR Director joins.  |
| Q2 | • End of year accounts reveal reserves of > £10m.  |
| | • New risk management strategy adopted by CMT for major expenditures.  |
| | • Major rural regeneration project proposal developed. Decision to be taken pending further investigation.  |
| Q3 | • Discretionary funding amounts reduced by central government – funding provision more closely tied to demonstration of specific outcomes.  |
| | • Major urban regeneration project approved.  |
| | • Several important partnerships with external organisations created, requiring much better stakeholder management, but these are poorly defined.  |
| | • CMT discover that performance indicators gathered by Performance Improvement Unit not reliably being reported to CMT.  |
| | • CMT formally recognises capacity constraints and insufficient project management capability in Agency B.  |
| Q4 | • Service plans submitted by departments to Performance Improvement Unit. Managers asked for the first time to link plans to vision & aims. No feedback received by managers.  |
| | • CMT recognise need to create better linkages between vision and projects being undertaken – want focus on impact as well as delivery.  |
| Year 4 | Q3 | • Major change programme (introduction of e-Government) commences, following central government plan & associated funding. Process mapping exercise planned to assess ‘as is’ activities – about which very little is known.  |
| | • Case study research begins: document review & 22 initial interviews.  |
| | • e-Government process-mapping exercise delayed as IT programme manager recognises tasks clear but strategic outcomes not, following interview.  |
| Q2 | • Exercise commenced to identify Agency B’s values.  |
| | • Feedback given to CMT of initial interview & document review findings. Strong agreement with findings.  |
| | • CMT discuss privately possibility of introducing performance-related pay. Debate reveals perceived problem is not motivation-related performance but limitations of existing base pay levels for high-performing individuals.  |
| | • CMT report experiencing and seeing evidence of ‘strategic discomfort’ following initial interviews.  |
| | • Chairman leaves agency.  |
| | • Analysis of capacity constraints, allied with initial interview findings, leads Chief Executive to recognise major capacity increase would be required to tackle planned projects in planned timescales.  |
| | • Performance Improvement Unit tasked with developing new vision/aims and strategy for the agency, in recognition of the limitations of the existing vision.  |
| | • Comprehensive project management process & documents introduced to guide and govern diagnosis activity and project selection, planning, authorisation, management, reporting and control.  |
| | • New project management process used for major procurement project.  |
| Q3 | • Project management training launched based around need to link activity to strategic objectives and formally introducing new project management process. Evaluation by the (approx 30) attendees is highly positive.  |
| | • New project management process and governance framework refined in light of feedback.  |
| | • Responsibility for setting up a Programme Office given to the Performance Improvement Unit.  |
| | • Project management training rolled out further to approx. 30 more members of staff.  |
Chapter 4: Findings: Agency B

| Q4 | • Performance Improvement Unit are scheduled to launch Programme Office for organisational coordination & support of projects, but don’t; CMT do not follow-up.  
• Board approve plan to create 'contact centre' alongside implementation of e-Government as first point of contact for all customer queries.  
• CMT ask Board for permission to create e-Government Programme Manager role; approved in principle but further detail requested.  
• Board is widely criticised amongst staff for spending 30 minutes discussing the purchase of a lawnmower during a board meeting.  
• Board do not approve e-Government Programme Manager role because of perceived high cost and the possibility of reorganisation of various agencies by central government, which may make e-Government changes redundant. |
| Q1 | • Updated vision & strategy finalised and communicated widely. |
| Q2 | • Staff opinion survey results reveal significant increases in understanding of agency goals and strategy, confidence in them and sense of direction provided by senior management. |
| Q3 | • Strategy implementation and project management issues embedded in management performance appraisal process and documentation.  
• Scenario planning exercise undertaken by senior management in anticipation of reorganisation of various agencies by central government.  
• New values formally launched via publication sent to all staff. |
| Q4 | • Project management training delivered to approx. 15 more members of staff.  
• Chief Executive resigns. Fellow CMT member appointed acting Chief Executive. |
| Q1 | • Project management training delivered to approx. 15 more members of staff.  
• Appointment of new Chief Executive announced. |
| Q2 | • New Chief Executive takes up role.  
• Acting Chief Executive stays on for a short period for smooth hand-over. |
| Q3 | • Major IT migration programme goes “haywire”, with supplier confessing it cannot deliver and serious flaws in contract surfacing. Head of Audit appointed as project manager and backfilled at considerable cost. CMT members blame one another for the problems. One notes “it’s obvious now a Programme Manager for e-Government should have been appointed.”  
• CMT members report their surprise that Chief Executive “doesn’t know what a Programme Office is.”  
• Previously acting Chief Executive leaves. |
| Q4 | • New Chief Executive begins review with plans for major organisational redesign. |

Table 7: Critical incident chart for Agency B case study

The critical incident chart is useful for demonstrating another insight gained through the longitudinal case study. Leadership is often cited as important for effective strategy implementation (e.g. Al-Ghamdi, 1998; Alexander, 1985; Corboy & O’Corrbui, 1999; Hrebinia, 2005). The literature is vague on exactly what aspects or types of leadership are important and how this affects implementation. Nevertheless, this systematic analysis of the sequence of events in Agency B reinforces the researcher’s impression and the interviewee respondents’ views that the programmes of change in Agency B were highly dependent upon ongoing support and pressure from senior managers. Year 1 saw the arrival of a new Chairman and three new members of Agency B’s Corporate Management Team (which was made up of five directors). This appeared to galvanise that group and many senior managers reporting to set new strategic objectives and work hard towards them. However, the Chairman departed in Year 3, the Chief Executive resigned in Year 4 and both the Acting Chief Executive and HR Director left in Year 5. There can be little doubt that these personnel losses impacted heavily upon the momentum of implementation. Even programmes that might previously been seen as nearing completion or well-embedded within the day-to-day operations of Agency B suffered. Of course, there may be other causes of these problems besides senior staff turnover, some of which are explored later (e.g. the lack of management control systems).
4.3 Overview of research activities

Table 8 summarises the research activities undertaken in Case B, and provides references sections of this Chapter where key activities are described in detail. A sequential table such as this inevitably suggests a slightly more linear process than in reality occurred; some iteration between these phases was useful (for example, interviews were re-examined in the light of activity identification and alignment limitations being identified as a central theme).

<table>
<thead>
<tr>
<th>Research activities over time →</th>
<th>(relevant Chapter Sections shown in brackets)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Document review</strong></td>
<td></td>
</tr>
<tr>
<td>Archival documents analysis</td>
<td>Strategy implementation-related documents analysis (4.5)</td>
</tr>
<tr>
<td><strong>Interviews</strong></td>
<td></td>
</tr>
<tr>
<td>Initial semi-structured interviews &amp; analysis (4.4)</td>
<td>Unstructured interviews focused on specific issues &amp; analysis</td>
</tr>
<tr>
<td><strong>Participant observation</strong></td>
<td></td>
</tr>
<tr>
<td>Participation in meetings/ workshops/conferences &amp; analysis (4.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Action research</strong></td>
<td></td>
</tr>
<tr>
<td>Project–based workshops (4.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Integrating analysis</strong></td>
<td></td>
</tr>
<tr>
<td>Critical data identified &amp; sequential analysis</td>
<td></td>
</tr>
<tr>
<td>Open, axial &amp; selective coding &amp; analysis</td>
<td></td>
</tr>
<tr>
<td>Causal maps of strategy implementation barriers developed</td>
<td></td>
</tr>
<tr>
<td>Narrative development &amp; actor feedback sought</td>
<td></td>
</tr>
<tr>
<td>Activity identification &amp; alignment limitations identified</td>
<td></td>
</tr>
<tr>
<td>Likely causes of activity identification &amp; alignment limitations identified</td>
<td></td>
</tr>
</tbody>
</table>

Table 8: Overview of research activities in Case B

4.4 Initial semi-structured interviews

4.4.1 Analysis

The questionnaire used to guide the initial (semi-structured) interviews is provided in the Appendix Section D.2. It covered a wide range of issues relating to the implementation of strategy and its questions were categorised into broad topic areas. As outlined in the methodology section, the interview questionnaire was developed on the basis of topics addressed in the strategy implementation literature and the early findings from Cases A1 and A2. The questionnaire was applied flexibly. Questions were not always posed exactly as written, often being adapted slightly in terms of language to suit the knowledgeability of the interviewee. In some interviews, some questions were omitted for the same reason or because previous answers made these questions redundant. The initial interviews were carried out with 22 individuals across Agency B. The mean length of these interviews was 1.9 hours, with the shortest lasting 0.75 hours and longest 3.25 hours. 20 further (and on average slightly shorter) interviews were conducted later in the field study, along with the collection of data using other methods.

Data gathered via initial interviews were analysed through the identification of (a total of 450) critical incidents and comments. Each critical ‘data fragment’ was entered into a customised database and categorised according to:
Chapter 4: Findings: Agency B

1. the interview date;

2. respondent demographic information, including:
   a. name,
   b. directorate,
   c. department,
   d. team (if applicable),
   e. job title,
   f. seniority level,
   g. length of service, and
   h. time in current role;

3. subject matter organisation level coding (e.g. individual, team, department, function, organisation)\(^{19}\);

4. interview question topic area (e.g. organisation structure, project management\(^{20}\));

5. an assessment (on a 3-point scale) of its reliability (giving consideration to the nature of the data, length of service/length in role of the interviewee and any supporting evidence proffered by interviewees); and

6. an assessment (on a 3-point scale) of its apparent overall importance.

These somewhat subjective assessments of reliability and importance were performed to identify unreliable or irrelevant data and allow the researcher readily to isolate the most important data fragments\(^{21}\). The critical data fragments were initially analysed by sorting them using most of the categories listed above. In particular, examining the perspective of respondents grouped by directorate, seniority level and

\(^{19}\) This denoted the organisational unit of analysis to which interviewee comments related.

\(^{20}\) See the questionnaire in Appendix Section D.2 for a complete list of the topic areas.

\(^{21}\) Consideration was given to combining reliability and importance ratings with coding frequency counts to enrich the analysis. However, it became clear that this exercise would not generate sufficiently reliable insights. Problematic issues included the subjectivity of reliability and importance assessments, overlapping implications of reliability assessments and frequency counts (both per individual and across all respondents) and the question of weighting all these components. It seems unlikely that reliability, importance assessments and coding frequency counts are all equally relevant, but if a weighting system was used, it would be unclear how to justify assigning weightings (which have a major impact on the results). Ultimately, it was decided that the more laborious task of analysing the data at a less abstract level better supported axial coding.
length of service and sorting via the interview question topic area provided useful insights into where patterns did and did not exist.

These ‘critical data fragments’ were then open coded (Strauss & Corbin, 1998). 43 codes emerged, and these are summarised in Table 9 (frequency counts in brackets).

<table>
<thead>
<tr>
<th>Activity identification (20)</th>
<th>Organisation structure (5)</th>
<th>Recruitment (4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Bottom-up strategic’ rationale (30)</td>
<td>Organisational silos (5)</td>
<td>Resistance to change (1)</td>
</tr>
<tr>
<td>Career progression (4)</td>
<td>Performance criteria clarity (17)</td>
<td>Resource allocation (5)</td>
</tr>
<tr>
<td>Customer orientation (6)</td>
<td>Performance feedback (10)</td>
<td>Reward (15)</td>
</tr>
<tr>
<td>Diagnosis (7)</td>
<td>Performance management (13)</td>
<td>Risk management (5)</td>
</tr>
<tr>
<td>Environmental changes (5)</td>
<td>Politics/games (9)</td>
<td>Role clarity (25)</td>
</tr>
<tr>
<td>Feedback on planning (2)</td>
<td>Pressure on managers (1)</td>
<td>Staff capability (17)</td>
</tr>
<tr>
<td>Financial planning (14)</td>
<td>Process clarity (2)</td>
<td>Staff capacity (13)</td>
</tr>
<tr>
<td>Hinge players (2)</td>
<td>Project management experience (1)</td>
<td>Staff turnover (6)</td>
</tr>
<tr>
<td>Internal communication (8)</td>
<td>Project performance (5)</td>
<td>Stakeholder commitment (1)</td>
</tr>
<tr>
<td>Leadership involvement (4)</td>
<td>Project performance evaluation (14)</td>
<td>Stakeholder engagement (11)</td>
</tr>
<tr>
<td>Management controls (4)</td>
<td>Project performance reporting (18)</td>
<td>Strategic clarity (53)</td>
</tr>
<tr>
<td>Managing project interfaces (5)</td>
<td>Project product embedding (1)</td>
<td>Strategic prioritisation (13)</td>
</tr>
<tr>
<td>Motivation (28)</td>
<td>Recognition (5)</td>
<td>TMT consensus (1)</td>
</tr>
</tbody>
</table>

Table 9: Codes identified via open coding of data from initial interviews in Case B

An example of the data analysis process, starting with some raw data, is provided in Appendix E.

Although confirmatory evidence is required for more definitive interpretations, a number of codes emerge as reflecting commonly raised issues. In particular, interviewees commented on:

1. strategic clarity;
2. ‘bottom-up’ strategic rationale;
3. role clarity;
4. motivation; and
5. activity identification.

In virtually every case, critical comments related to a lack of or problem with these.

Axial coding (Strauss & Corbin, 1998) was then carried out to establish potential causal relationships operating in Agency B, which were of relevance to the study. Figure 6 displays these relationships via a causal map. As with other causal maps displayed, arrows indicate the direction of causality between the variables.

22 The frequency counts sum to 415, making the mean number of codes used per data fragment 0.92. Some critical data fragments could be categorised under more than one code, whereas others could not be meaningfully coded, often simply referring to general contextual issues.
This data display method was found to be far superior to textual summaries or matrices of strategy implementation barriers because of its ability to show chains of multiple causal relationships and the highly interrelated nature of them\(^2\).

For example, as Figure 6 depicts, interviewees believed that the limited participation of staff in planning meant that organisational strategic clarity was limited, this caused projects to be initiated in pursuit of funding (rather than legitimate organisational objectives) and this meant the organisation’s selection of projects to implement was suboptimal.

It is important to note that this summary largely reflected the espoused beliefs of the interviewees, without triangulation from additional types of data source (albeit the interviews themselves were informed by early document review and participant observation). Findings from these are introduced and woven in later on. However, Figure 6 is informative in two key ways.

---

\(^2\) For examples of conventional presentations of strategy implementation barriers, see Section 2.2.11.
First, Figure 6 usefully portrays the nature of the phenomena explored via the interviews, in particular highlighting what interviewees saw as important for successful strategy implementation (or, conversely, as major barriers to strategy implementation). A number of the issues identified reflect the findings of other researchers who have specifically examined strategy implementation barriers (see Section 2.2.11), for example:

1. limited strategic clarity (e.g. Corboy & O'Corrbui, 1999);
2. insufficient staff participation in planning (e.g. Economist Intelligence Unit, 2004);
3. unclear performance criteria (e.g. Economist Intelligence Unit, 2004);
4. poor internal communications (e.g. Wessel, 1993);
5. unclear roles and responsibilities (e.g. Corboy & O'Corrbui, 1999);
6. detrimental politics and influencing (e.g. McGrath, MacMillan, & Venkataraman, 1995);
7. poorly integrated structure (e.g. Economist Intelligence Unit, 2004; Hrebiniak, 2005);
8. poor reward systems (e.g. Kerr, 1975);
9. limited TMT visibility of performance (e.g. Al-Ghamdi, 1998);
10. poor reporting of performance (e.g. Hrebiniak, 2005); and
11. ineffective prioritisation (e.g. Wessel, 1993).

Figure 6 also identifies many barriers that have not been identified by other researchers, and does not identify others that have been, as being present in Case B.\(^a\) These issues are explored later, insofar as they pertain to the issue under study.

Figure 6 is arguably more useful than the lists of barriers provided by other researchers insofar as it depicts – albeit in relation to Case B specifically – causal relationships between strategy implementation barriers. An understanding of how strategy implementation barriers – which may be articulated at varying levels of abstraction – are causally related is potentially useful, particularly when the issue of how best to address these challenges arises. Figure 6 also highlights where the variables

\(^a\) For details of these, see Section 2.2.11, however as noted, the relevance of these is made questionable by the highly idiosyncratic nature of each case in this respect and failure of previous researchers to acknowledge the causal relationships between barriers.
isolated are affected by multiple causes or have multiple effects. This systemic view of the subject organisation is useful for providing context for and explaining the phenomena under investigation.

Second, Figure 6 provides an initial indication of the importance of activity identification and alignment. As Figure 6 depicts, the data suggest that interviewees thought that where this was ineffective, it caused (directly):

1. unclear roles and responsibilities;
2. poor stakeholder engagement and management;
3. poor cost-benefit analysis;
4. ineffective resource allocation;
5. suboptimal project selection; and
6. poor embedding of project products.

Superficially, the number of factors impacted by ineffective activity identification and alignment suggest that it is perhaps the most important barrier identified in Figure 6. However, simple analysis of this type does not take account of the number of interviewees observing these casual relationships\(^25\), whether their observations were accurate or the strength of these relationships and others. Each of these limitations is compensated for by the further data collected and the triangulation this afforded.

Interviewees thought ineffective activity identification and alignment were caused (directly) by the following interrelated issues, which are discussed below:

1. limited organisational strategic clarity;
2. unclear means of objective achievement;
3. a poorly-integrated functional structure; and
4. a ‘tick-box’ attitude to operational planning.

Numerous interviewees complained that they could not understand the rationale for organisation’s stated ‘vision’ and specifically that it was far too narrowly focused to

\(^{25}\) The frequency with which interviewees identify causal relationships is no doubt at least partially reflected by questionnaire focus, design and usage, as well as interviewer influences. For example, it is common for interviewers to ‘pick up’ on issues early on in interviews and seek confirmation or disconfirmation in subsequent interviews. This helps with triangulation but may orient interviews to exploring particular issues at the cost of others. In this case, each of these relationships (with the exception of poor cost-benefit analysis, which was mentioned by only one interviewee) was identified by multiple interviewees.
represent the overall aim of the organisation. The stated vision related to reducing unemployment in the geographic area covered by Agency B, rather than improving quality of life for the area’s citizens, which was widely suggested as an appropriate alternative. The rationale for this narrow focus, to quote a review document was the recognition that the organisation’s “attempts to realise the 99 aims supporting the previous Vision were resulting in a lack of strategic focus and associated outcomes” and the management thus “agreed a new and tightly focused Vision supported by just five aims.”

However, one senior manager noted, “I find the vision odd, being about increasing employment, rather than quality of life. I think it should be to create an ‘equitably prosperous [name of region].’” Another said, “[t]he vision is so narrow it has got us side-tracked” and yet another noted, “we don't know how the ship’s being steered.” A junior manager simply explained, “it’s difficult to relate to the vision – these things go whoosh over my head.” One department head said, “the organisation really doesn’t have a ‘big idea’. If it does, I don’t know what it is!”

A small number of interviewees speculated as to why the vision was so specific and seemed unrelated to many of the organisation’s activities. One noted, “[t]he vision was a case of ‘how are we going to dress it up to justify our own direction?’ – employment!” and another cited the “strong dissonance” between the visions and directions of different members of Agency B’s Corporate Management Team.

Many interviewees directly identified the implications this problem had on planning at the activity or project level. One department head explained, “[w]e need a ‘clear line of sight’ so that we can understand how we contribute to the bigger picture. We need to see the connections – if we’re a branch line there should be a main line.” Another pointed at the knock-on implications for cross-departmental work and clarity of roles and responsibilities, saying, “[w]e can’t see how we fit in. This is our fundamental weakness. If we could see the big picture, we could see who we should be working with and it would give us a greater sense of purpose.” One senior manager explained, “in the organisation, you work in a limbo land, not sure of your parameters, so just get the job done.” Another noted, “the organisation has a vision and its service plans [annual plans required from each department] but there is a yawning gap between the two. Service plans are about ticking boxes. They sit on the shelf. They are not inter-linked at all.”
Chapter 4: Findings: Agency B

The Chief Executive displayed a rather inconsistent set of views on strategic clarity and its implications for activity identification and alignment. Initially (s)he responded by asking, “if areas of the organisation can’t see how they contribute to the vision, why are they doing these things?” but later conceded that (s)he and his/her management team had “generated a lot of heat but not a lot of light” in relation to strategy. Other senior managers went some way to explaining the gap between the Chief Executive’s and others’ views of the vision’s validity. One noted, “[the Chief Executive]’s mantra is just f*****g do it!” which, (s)he suggested, made raising problems with the vision personally risky.

Some interviewees noted that the lack of strategic clarity not only failed actively to shape Agency B’s direction, but failed to prevent inappropriate activities arising. The Finance Director noted with some dismay that, “[d]ecisions are not taken as business cases. It doesn’t have to work for us to do it.” A head of department explained, “[p]rojects are started on the basis of opportunity or if financial resources become available, we try to spend it. These projects are less successful, as everything is done in haste and poorly planned. The temptation is to bid for money that doesn’t quite meet your objectives and then constraints your actions. This deflects you from the real purpose.”

The extent of the problem with the vision is partly demonstrated by events many months after the initial interviews. Amongst other things, the critical incident chart above notes the introduction of a new vision and strategy in Year 4, which was created as a consequence of actor feedback provided during the case study. This new vision reflected the broader role of the organisation, focusing upon its aim to ensure the area for which it was responsible was attractive to residents, employees, employers and tourists. The new vision was underpinned by a series of bullet point statements explaining the meanings of the words chosen, resolving much of the potential ambiguity over these. In Year 4, Agency B ran its annual staff opinion survey. This was distributed to all staff and achieved a 43 percent response rate (similar to previous years). The survey revealed significant improvements in respect of some key areas (previous year figures are shown in brackets):

---

26 The precise wording of the vision, which was made public, is not provided here to maintain confidentiality by concealing the identity of Agency B.
1. 84 percent of staff reported having a “clear understanding of the goals and objectives” of Agency B (76 percent);

2. 83 percent of staff said they had “confidence in/supported Agency B’s overall goals and objectives” (69 percent); and

3. 71 percent of staff thought that Agency B’s “senior management provided a clear sense of direction” (61 percent).

Noting the problems of suboptimal resource allocation, a poorly integrated structure and low visibility of activities, a senior manager said, “we could make much better use of resources, if we talk it through properly between departments. We don’t see what each others’ teams are doing.” Another noted, “communications are c**p” and cynically added, “the organisation has a new strategy for it...it’s a long report.”

4.4.2 Implications for focus of the study

There is wide recognition in the literature that failings in the various organisational components explored by the strategy implementation ‘content’ school (see Section 2.2.8) cause strategy execution problems. However, because strategy implementation barriers have thus far not been explored at multiple levels of abstraction and via chains of causality (as depicted in Figure 6), little consideration has been given to the underlying causes of these failures.

Although some authors have suggested that problems with planning itself cause implementation problems, explanations of how this relationship operates have been very limited. Additionally, the problem of unclear means of objective achievement is virtually unexplored. Corboy & O'Connor (1999) list this barrier as one of many but do not expand on it at all\(^2\). The issue of attitudes to activity identification and alignment is another largely ignored dimension, which may help explain the problems with this.

It is a major weakness of the literature that the underlying causes of the strategy implementation barriers commonly identified have not been explored. This fact and these initial findings in Agency B provided justification for the selection of the research question explored via this study. The next phase of data analysis was selective coding (Strauss & Corbin, 1998), which focused upon activity identification and alignment as the central theme warranting detailed further analysis. Data collection in the latter phases of the case study was also oriented to examine this issue in particular. Figure 7

\(^2\) Their study is summarised in Section 2.2.3.
highlights the central importance of ineffective activity identification and alignment by showing only these direct causes and effects of it (as depicted in Figure 6).

![Figure 7: Focus of study: Core problems revealed via initial interviews in Agency B](image)

### 4.4.3 Concentration of data analysis on the central theme

The initial interviews were crucially important to identify ineffective activity identification and alignment as a central issue worthy of closer attention. However, Figure 7 provides only an indication of what are likely to be fairly indirect causes of this problem. A more forensic examination of the issue was afforded by examination of the specific acts of activity identification and, initially, strategy implementation-related documentation.

### 4.4.4 An aside: Project selection

Although this study goes on to focus upon the causes of ineffective activity identification and alignment, it is worth noting one of its effects because of its sheer importance and lack of consideration in the strategy implementation literature. Specifically, ineffective activity identification and alignment caused suboptimal project selection. In Agency B, a great many projects emerged in a fairly organic fashion – often being responses to apparent problems or responses to apparent opportunities. Certainly not all projects were selected as a result of strategic planning activity. However, strategic planning might be expected to inform decisions about emergent projects, providing a context and set of criteria for attractive outcomes, against which the potential impact of projects may be assessed.

In Agency B, however, there was no way in which emergent projects were tested against or selected on the basis of higher-level strategic considerations. In fact, the analysis suggested that projects were often the results not of systematic diagnosis but of
knee-jerk reactions to perceived problems or opportunities. Thus, some projects – even substantial ones – were effectively the ‘wrong ones’, addressing superficial symptoms rather than their underlying causes or pursuing opportunities that were not the best options available to achieve objectives.

4.5 **Strategy implementation-related documentation**

4.5.1 **Analysis**

Analysis of the initial interviews in Agency B established tentatively that the identification and alignment of activities to achieve strategic objectives was an important issue, having an impact on a number of key issues, which often act as strategy implementation barriers.

A logical progression from analysing initial interviews was to examine the formal strategy implementation-related documentation available in Agency B, which ought to provide a record of the analysis and decisions managers made in relation to identifying and aligning activities to achieve strategic objectives\(^\text{28}\). Analysis of strategy implementation-related documentation corroborated many of the comments made about these processes by interviewees. This analysis was conducted by extending the database to capture:

1. basic information pertaining to the document, including:
   a. title/description,
   b. date,
   c. the organisation level of the unit of analysis to which the document pertained (e.g. whole organisation, specific department),
   d. the type(s) of plan addressed by the document (strategic, operational, project),
   e. the level of researcher participation affecting the document’s contents\(^\text{29}\);

2. specific codings developed to assess the presence and quality of the following\(^\text{30}\):
   a. link to higher level elements,

---

\(^{28}\) A complete list of all documents reviewed in the case is included within Appendix Section C.4.

\(^{29}\) Once the research had entered the phases where participant observation and action research was used, some plans were developed with the benefit of researcher feedback or advice. This was controlled for to allow distinction of the type and level of plan limitations before and after researcher intervention.

\(^{30}\) These factors were determined with reference to the literature and initial interview findings. They also evolved in response to the documentary data, using grounded theory method.
b. mission,
c. mission breakdown,
d. external environmental analysis,
e. internal environmental analysis,
f. strategy outline,
g. critical success factors/main strategy elements,
h. projects,
i. critical activities,
j. causality,
k. criticality,
l. matrix for alignment,
m. risks,
n. performance measures,
o. targets,
p. organisation design implications,
q. resource requirements,
r. financial implications,
s. linkages to other structural areas; and

3. specific codings for activity identification and alignment limitations.

Querying using these fields as they evolved enabled the addition of further codes (most notably the activity identification and alignment limitations) and recognition of patterns in the data (for example the reduction of certain problems once researcher interventions were made). A number of important issues emerged, central to which were the specific problems with activity identification and alignment, these being:

1. lack of strategic clarity;
2. inadequate breakdown of strategy;
3. strategy that deals only with changes;
4. strategy oriented to influence multiple stakeholders;

31 These emerged mainly from (a) observations of how written plans created or failed to address problems noted by interviewees and later (b) observations of real-time planning of programmes and projects.
Chapter 4: Findings: Agency B

5. vague/ambiguous terminology;
6. confusion between causality and task dependency; and
7. leaps of logic.

A total of 13 key strategy documents were analysed, with the above problems occurring with the frequencies listed in Table 10. Each of these is explained and explored below.

<table>
<thead>
<tr>
<th>Activity identification and alignment limitation</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of strategic logic and clarity</td>
<td>77%</td>
</tr>
<tr>
<td>Inadequate breakdown of strategy</td>
<td>92%</td>
</tr>
<tr>
<td>Strategy that deals only with changes</td>
<td>46%</td>
</tr>
<tr>
<td>Strategy oriented to influence multiple stakeholders</td>
<td>46%</td>
</tr>
<tr>
<td>Vague/ambiguous terminology</td>
<td>69%</td>
</tr>
<tr>
<td>Confusion between causality and task dependency</td>
<td>23%</td>
</tr>
<tr>
<td>Leaps of logic</td>
<td>85%</td>
</tr>
</tbody>
</table>

Table 10: Frequency of documented activity identification and alignment limitations in Agency B

It is immediately obvious that these findings reflect (and help to confirm via triangulation) the findings from the initial interviews. Table 11 cross-references the causes of ineffective activity identification and alignment emerging from the interview analysis with the limitations that emerged from the document analysis. ‘Limited organisational strategic clarity’ and ‘unclear means of objective achievement’ stand out as particularly important issues. However, it should be noted that it is perhaps unsurprising that ‘confusion between causality and task dependency’ and to a lesser extent ‘leaps of logic’ do not cross-reference strongly with the interview findings; these highly specific limitations were only identified after researcher interventions were made, prompting the application of a specific methodology for identifying and aligning activities to achieve strategic objectives (thus the initial interviews did not uncover this problem).

The problem of ‘a poorly-integrated functional structure’ is not reflected in the strategy implementation-related documentation, though perhaps because the documents themselves would not clearly reveal such a problem.
Chapter 4: Findings: Agency B

4.5.2 Lack of strategic logic & clarity

The majority of strategy implementation-related plans in Agency B – developed at the organisational and departmental levels – did not incorporate clear, plausible logic to underpin the orientations, choices, trade-offs and priorities implied by these plans. Plans rarely provided sufficient or clear enough guidance to inform what should happen as a consequence of the planning.

For example, the strategic planning work undertaken to establish Agency B’s vision had also identified five aims, intended to explain how the vision would be delivered. Analysis of these reveals specific problems:

1. Each of them was vague and ambiguous (for example, stating the intention to “be positive” about the good features of the area for which Agency B was responsible, and challenging people to improve local communities by “working together”). No additional commentary or detail was provided to clarify the intended meaning of the terms used.

2. It was only obvious how one of the five aims could plausibly be expected to cause the vision to be achieved. A rather implausible logic could be developed to explain how one other aim could (very indirectly) cause the vision to be achieved. The other three aims appeared causally unrelated to the stated vision.

3. No rationale for the choice of the aims or exclusion of other potential options was provided.
Thus, the limitations interviewees had noted with the organisational vision and aims were corroborated with an examination of the documentation relating to these. However, the documents revealed that the same limitations existing with most of the plans dealing with strategic issues. The plans developed by senior managers (those who had derided the organisational strategic planning during interviews) to guide departments and the services provided by them, also lacked strategic clarity. For example, a plan to develop leadership capacity cited the objectives of developing “three sets of management competency frameworks…which describe the competencies managers at [Agency B] need to deliver the organisation’s Vision” and to “develop a performance management framework…using competency frameworks”. The plan did not explain why these objectives should be sought, include any details of the organisation’s vision, or break the vision down into its component parts to relate leadership or competencies more directly to it. To use the parlance of project management, the plan revealed an apparent failure to distinguish this key strategic project’s objectives and its products. In other words, it described what the project would produce, but not why.

4.5.3 Inadequate breakdown of strategy

A common limitation of strategy implementation-related documentation was that strategies were not broken down below very high levels of abstraction. Only 46 percent of documents analysed included details of important activities, and all of these were project plans, rather than strategic planning documents. This meant that means of implementation were not specified or considered at the planning stage. Another evaluation document did state, “[m]anagers are asked to provide clear linkages and explicitly identify how their Service Plans support the Vision and Aims.” This statement underlines the approach the CMT had adopted to strategic planning: they set the vision and high-level aims and then invited senior managers to orient departmental planning around this. Senior managers had very limited involvement in developing the vision and aims (they were consulted along with other members of staff) and were provided with no guidance or assistance on how to develop their service plans. It seemed that in Agency B there was an implicit assumption that the senior managers would be able to create this alignment but the evaluation document goes on to state, “[a]lthough the framework for strategic focus therefore exists, in practical terms there is a need to make the linkages between the Vision and Service Plans and priorities more coherent and stronger.” The document went on to suggest that a “bottom-up” organisational values-setting exercise and a “top down” 10-year “Strategic Resources
Allocation Model” would assist with this. No explanation was provided for how they might create this alignment, and it was certainly unclear how an exercise on organisational values might shape critical activities and ensure their effects are the achievement of the organisation’s vision.

Of potential relevance, Agency B’s Corporate Management Team had about a year before the field research began decided to meet daily to deal with operational issues, setting aside a full day a month to focus on a “strategic project”. This monthly meeting – the most ‘strategically oriented’ gathering of the CMT was not intended to address the vision or aims set out, but rather addressed relatively specific programs of change. This indicates a disconnection between the chosen vision/aims and the actual activities underway in the organisation. It would not be reasonable to expect, if Agency B’s most senior management team were not tracking and reviewing progress towards achieving the vision, that others in the organisation would be performing this role or indeed, taking the vision seriously when making decisions. It is perhaps unsurprising, given this context, that many of the service plans (which, in theory, drive operational activity) are deficient in respect of strategic alignment.

A partial exception to the generally low quality of service plans was the one prepared by Agency B’s Internal Audit function. Although the department’s contribution to achieving the organisation’s vision was indirect (a fact explicitly recognised in the service plan), a structured explanation was provided for how Audit made its contribution. Although its analysis of the environment was limited, Audit’s strategy was well-structured and logical. Detailed and balanced performance measures and targets (as well as accompanying flow charts) illustrated reasonably well how the strategy had been translated into activities. Resource requirements, including budgets, were also included. An accompanying annual plan detailing intended audits had informed these. Internal Audit also kept an up-to-date Terms of Reference detailing its organisational role and the audit process, as well as a set of ‘frequently asked questions’ aimed at internal customers.

Of course, Internal Audit’s planning was arguably made easier by the inherently structured and predictable nature of its activities. Its stakeholders were almost entirely internal and Audit possessed considerable (statutory) power to conduct its business unfettered. In fact, it was noted by two interviewees that Audit’s impact on organisational performance was perhaps limited by poor management of internal stakeholders. However, there is no obvious reason why other departments could not
have sought to apply the same structured approach that Audit used to planning activities and projects. Of course, allowances would in many cases need to be made for unpredictable activities, and time horizons might necessarily be shorter. Arguably, a more structured approach is even more important under such circumstances.

A popular tool that may be seen as something of a ‘surrogate’ for breaking down strategies was a matrix, for example cross-referencing organisational aims with departmental ones. 23 percent of all the strategy implementation-related documents analysed included some form of matrix. However, each matrix was severely deficient in clearly explaining how lower-level objectives would plausibly cause higher-level objectives to be achieved. Most included simply bullet-points or ticks, implying an undefined relationship between the two. One matrix included a series of numbers, but no explanation as to their meaning (it seems likely they were assessments of the strength of causal relationship between lower- and higher-level objectives, but if so, the scale used could not be deduced).

4.5.4 *Strategy that deals only with changes*

A further limitation of key strategy implementation-related documentation was that it introduced only changes to direction and operations, rather than describing more holistically how the organisation, departments or initiatives were intended to achieve objectives. The strategies described in these documents apparently ignored all other strategic issues in the organisation or departments to which they referred, including many that might be central to existing performance.

An obvious potential problem with this was that when managers sought to translate such strategies into activities, interdependencies between what was required to bring about the changes specified and what was required to maintain existing operations might become more relevant as the level of planning detail developed.

4.5.5 *Plans oriented to influence multiple stakeholders*

A common problem in Agency B appeared to be the targeting of documentation at a very wide range of stakeholders. One service plan included detailed explanations of how the strategy of the department was ‘aligned’ with:

1. Agency B’s vision;
2. the legislation governing the powers of Agency B;
3. five separate strategic initiatives underway across government agencies;
4. the Corporate Strategy (which was not defined);
5. Agency B’s ‘Best Value Improvement Plan’ (a mandatory self-assessment exercise run by the Audit Commission);

6. ‘Best Value Performance Indicators’, related to specific performance criteria set by central government; and

7. Charter Mark (an awards scheme operated by central government) criteria.

It was recognised during the study that very clear plans using unambiguous terminology were necessary for good strategy breakdown and identification of activities for implementation. However, many plans appeared to have been developed primarily for consumption by (often several groups of diverse) stakeholders, rather than to structure the thinking and record the analysis and decisions of those managers responsible for planning and implementation.

It seems logical that strategic plans should be developed in such a way as to best support implementation, with the management of and communication with stakeholders being a secondary consideration. After all, appropriate stakeholders cannot be accurately identified and the best method of their management defined before strategy has been determined.

Plans reviewed that appeared to be intended to influence stakeholders were generally ambiguous but couched in terms that might be expected to please specific stakeholders. For example, the observations of interviewees that “[p]artnerships are important”, “[f]unding for e-Government is contingent upon partnership with other organisations” and “[t]he department has a major partnership development role and need to draw external funding in” was reflected in various strategy documents that might be viewed by funding agencies and potential partners, which very liberally extolled the virtues of partnership working.

4.5.6 Vague/ambiguous terminology

The use of vague or ambiguous terminology made large parts of some of Agency B’s strategy implementation-related documents virtually meaningless. For example, one plan made use of a highly structured table to record intended activities, with corresponding headings for noting contribution to key aims, performance targets, measurement and resources. One of the activities was described simply as “[b]enchmarking”, with no details of what this might involve. The performance target associated with this activity was “[b]enchmarking group identified and [Agency B’s] position established”, the measurement “[b]enchmarking group notes” and resources required simply, “time”.
This example, typical of the kind of specification of means within strategic plans in Agency B, leaves managers and departments open to undertaking an extremely wide range of activities at very varying degrees of comprehensiveness. Plans that use this kind of vague language and non-specific articulation of intended activities do not present logical predictions of what activities might plausibly cause strategic objectives to be achieved.

### 4.5.7 Confusion between causality & task dependency

Once researcher interventions were made in Agency B, outlining the explicit use of causality to link strategic objectives and activities, many attempts were made to develop ‘causal chains’ for projects. These causal chains were usually developed bottom-up, a potential project having been identified but its alignment with Agency B’s vision in question. It was intended that project managers should articulate the ‘product’ of their projects (e.g. “effective Freedom of Information Act training delivered to all staff”) and then identify the chain of means-end relationships that show how the project’s product might plausibly contribute towards Agency B’s vision. Causal chains proved to be useful for this and for identifying risks and performance measures related to the intended outcomes of projects and activities.

In practice, the majority of actors reported finding the development of causal chains very difficult. A very common problem was the inadvertent depiction of a series of sequentially dependent tasks (i.e. series of activities sequenced according to dependencies between them). As discussed later, this problem was commonly found during the action research phase of the case study. The relatively low frequency of this problem seen in the document analysis reflects the fact that few key strategy documents were produced (or rewritten) using causal chains during the period of the study.

Figure 8 reproduces an attempted causal chain developed by a capable and high-performing manager newly appointed to develop and implement Agency B’s procurement strategy. It is immediately obvious that this is not a true causal chain linking an activity to a strategic objective.

The intended ‘outcome’ on the right in no way reflects Agency B’s vision or aim (nor is it a high level organisational goal of any sort). Rather, it might have been the intended product of the project. This is best described as what the project was to deliver; not why the project was undertaken. Further analysis of Figure 8 reveals that it

---

32 These issues are discussed in more detail in the cross-case analysis (Chapter 7).
has been developed according to a logical sequencing of tasks. For example, it would be necessary to “[k]now options” before selecting the “right options”. Each of the tasks would have to be carried out as part of the project (i.e. would not result from it). However, none of the tasks depicted would actually cause the element(s) following it to occur, each of which would require additional resources and effort. Hence, Figure 8 is largely a representation of task dependencies, not a causal chain.

Figure 8: Initial causal chain attempted for new Agency B procurement strategy

The difficulty that managers experienced when developing causal chains is underlined by the fact that the procurement manager who developed the diagram reproduced in Figure 8 did so after structured training in and supervised practise at developing causal chains, which included a clear warning about the tendency to develop paths showing sequential task dependency.

Upon being given feedback from the researcher, the procurement manager immediately recognised the mistake and sought to correct it. (S)he produced a series of causal chains depicting different aspects of what the project was seeking to achieve; a key one is reproduced in Figure 9.

Figure 9: Second causal chain for new Agency B procurement strategy

This was a significant improvement. Although it deals (perhaps necessarily) with rather broad effects and general concepts, it does depict a series of causal relationships that might plausibly exist. It also links, through these relationships, the product of the project (“[p]rovide procurement expertise to the service areas”) with a high-level organisational objective (“[i]ncreased customer satisfaction”).
In producing the causal chain in Figure 9, the procurement manager had made use of a technique recommended by the researcher (which had occurred to him earlier in the research), which involved ensuring that all descriptions of the elements of the causal chain (perhaps excepting the project product on the far left) contained no verbs (e.g. “understand”, “know”, “identify”, as in Figure 8) but instead past participle adjectives (e.g. “increased”, “improved”). This oriented the design of the causal chain towards describing outcomes, rather than activities.

In fact, the causal chain in Figure 9 and the others developed by the procurement manager could be improved by:

1. being combined into an integrated chain that in a single diagram explained the rationale for the project; and
2. including more fundamental organisational objectives than simply “[i]ncreased customer satisfaction”.

With assistance from the researcher, the manager produced the causal chain depicted in Figure 10, which (s)he felt very accurately articulated the rationale for the project and demonstrated clearly how it was intended to indirectly affect the organisation’s overall objective.
4.5.8 Leaps of logic

Most strategy implementation-related documents analysed in Agency B included implied assertions about causality. The plausibility of these implied causal relationships was often questionable. However, making assessments of plausibility was frequently made problematic (both for managers in Agency B and the researcher) by ‘leaps of logic’. In other words, only indirect causal relationships were identified. Whilst these might ultimately be plausible, much more precise articulation of the mechanics of the intermediate means would be required to assess this.
For example, one service plan employed a matrix to link departmental objectives with Agency B’s key aims (it was found that matrices were commonly used for this purpose). In common with many other plans, this service plan simply used bullet points (check marks are a popular alternative) to indicate the links between corporate aims (noted along the top of the matrix) and the departmental objectives (noted down the side of the matrix). These bullet points were used to imply, for example, that:

1. ensuring Agency B’s “portfolio of industrial land and premises is adequate for the needs of business” would cause “raising the profile of the area”; and
2. maximising “the impact of [Agency B’s] resources through bids to maximise the take-up of external grant aid” would cause the creation of “more self reliant communities”.

In each case it is possible that some causal relationship may exist between the specified means and ends, but it is far too tenuous to properly inform any detailed planning. This problem is a significant one, as the way in which activities and projects might best be implemented is conditioned by their ultimate objectives.

### 4.6 Causes of activity identification & alignment limitations

Having isolated a limited number of key limitations that caused ineffective activity identification and alignment in Agency B, it is worth addressing the causes of these limitations. It was outside the scope of the case study to provide a definitive explanation of these limitations, which emerged only through the grounded research. However, the data collected provide indications of potential causes and these are discussed here.

Initial analysis of the causes of each strategy limitation in isolation quickly revealed that they might strongly related, both directly and via their causes. Hence the analysis examines them together. Figure 11 depicts the main likely causes of the limitations using a causal map. This map at first glance looks rather complex because of the high number of linkages between its elements. However, this reflects the disproportionate effect of a small number of key failings in Agency B.
It is obvious from Figure 11 that three interrelated causes of the limitations appear to be particularly important:

1. **no structured strategy development framework was in use**;
2. **there was limited management visibility of, control over and feedback on strategies developed by managers**; and **(partly as a consequence of these issues)**
3. **managers had insufficient motivation to develop effective strategy**.

Each of these is discussed below.

In respect of the first two causes, Figure 11 is not intended to imply that the existence of such a framework and management activity would have eradicated all the planning problems. Some of strategy problems were identified only via this research, and it would not be reasonable to expect Agency B to have designed frameworks and management controls to address these issues. However, in the light of these findings, a well-designed framework and management control system could reduce the risks of strategies falling into all these traps. Figure 11 is intended to reflect this.
4.6.1 **Structured strategy development framework**

Having a structured strategy development framework is perhaps a passive requirement (as opposed to active management reporting, control and feedback). In other words, it might be seen as a tool with which adequately skilled and motivated managers would endeavour to plan effective strategies that could plausibly be implemented. Agency B had no formal or structured approach to the development of strategy. No document templates, guidance notes, flow charts, example strategy documents or any other form of systematic process or advice was made available to those managers engaged in developing strategies at the organisational or departmental level. As implied by Figure 11 the existence of such a framework might feasibly have, amongst other things, mitigated against the tendency of managers in Agency B to develop strategies that were limited in any of the ways identified in this study. Recognition of these failings may have been behind the Chief Executive’s comment when interviewed, “I want a clear plan of the changes and clear lines of communication.”

4.6.2 **Limited management visibility, control & feedback**

Agency B did not use a properly functioning system to give senior management visibility of the strategies that were being developed across the organisation for different purposes. Nor did senior management have in place a control system to track progress towards achieving strategic goals and intervene where necessary. Finally, the evidence from the initial interviews was that management did not provide feedback to managers involved in developing departmental strategies.

Annual departmental service plans were mandatory, but no guidance was provided on how these should be produced and interviewees noted that no feedback was given once these had disappeared into what was commonly referred to as “the black hole” of the Performance Improvement Unit (the department responsible, in theory, for co-ordinating service planning). The ineffectiveness of this unit emerged as a significant barrier to effective management visibility, control and feedback. It appeared that, over time, managers had come to see strategy development as being necessary only for budget justification and to satisfy auditors, which no doubt affected their motivation to undertake effective planning.

It also appeared that performance measurement was highly inadequate. Asked whether projects got delivered to required standards, one very senior interviewee asked back, “[h]ow would we know?” and explained that no systematic process for assessing
project delivery or outcomes existed. Agency B was required to submit a very large number of standard performance indicators about various aspects of its operations and responsibilities to central government. However, many of these were not relevant to the specific priorities of Agency B. The agency augmented these with a relatively small number of ‘local’ performance measures, but it was not clear how any intelligence gained from these measures was actually used to inform decision making.

The lack of a system to provide visibility, control and feedback meant than strategies were developed without guidance, constraints, consistency, or explicit interdependencies. A good system to address these issues would have the potential to reduce all the problems identified above and improve the chances of successful implementation.

4.6.3 Insufficient motivation to develop effective strategy

There was no evidence that any managers in Agency B were motivated to develop strategy that would directly inform activity identification and alignment. Rather, strategy development and its outputs were seen as something more of a mandatory process, valuable insofar as it:

1. might provide some holistic sense of direction, thus indirectly influencing operational decisions;

2. provide justification for budgetary claims and negotiations; and

3. satisfy, or ideally impress, external stakeholders, notably auditors.

It did not appear that many managers in Agency B were motivated to perform the kind of deep thinking and analysis required to create properly integrated and comprehensive strategies that could be implemented. The aforementioned lack of management feedback was certainly a contributing factor to this (a common response to questions about strategic planning was “why bother?” or something of similar meaning. It is also notable that despite being expected to develop departmental strategic plans and input to the organisation’s strategy development, managers had never received any training or development related to this. Given its inherent difficulty, this is only likely to have constrained the confidence and motivation of managers to work hard at developing and implementing meaningful and well-integrated strategies.

4.6.4 Other issues

As Figure 11 shows, various other causes seem likely to have created the seven limitations that surfaced via the document analysis. These are discussed briefly below.
There was a general tendency to perform very limited analysis of the internal environment (pertaining to the unit of analysis to which the planning related). Amongst the strategy implementation-related plans reviewed in the case study, only 54 percent included some form of internal environmental analysis (compared to 77 percent that included a form of external environmental analysis). Without structured analysis, planners had little cause to consider the relevance of existing issues and their impact on strategy, and worked from something of a ‘blank sheet’. A more formal structured approach to strategy development would perhaps have guided planners to take better account of internal environmental issues and in particular blockers and constraints\(^3\). That might naturally have led them to develop clearer, more logical strategies and break these down into the detailed necessary for successful implementation.

Related to this was the possibility that poor or limited stakeholder analysis (an element of internal environmental analysis) contributed to the development of poor strategies. Agency B’s Finance Director, when asked whether projects began before stakeholders were engaged simply said, “[o]h yes!”

It also seems likely – particularly given the aforementioned confusion between project objectives and products – that the action orientation of managers limited their abilities to think abstractly and analyse complex situations to inform strategy development. Some managers in Agency B described repetitive operational activity as their “comfort zone” – providing both senses of familiarity and immediate progress – in contrast to what they saw as the ‘lofty’ and ‘academic’ world of strategy. The Chief Executive’s reported mantra of “just f*****g do it” can only have cemented the notion that ‘action speaks louder than words’ – and is a safer bet.

Finally, it is worth recognising that the development of effective strategy that can realistically be implemented is very difficult (see Section 2.2.3). This implies that for most managers, overcoming the challenge of developing good strategy is hard work and time consuming. Without support and relevant training – which was also absent in Agency B, it is perhaps unsurprising that few managers demonstrated a strong ability in this area.

\(^3\) Only 38 percent of the strategy-related documents included analysis of risks, and all bar one of these were project plans developed using a template designed with researcher participation.
4.7 Participant observation & action research

As explained in the methodology, once theoretical saturation had been reached, researcher interventions were made in Agency B via participant observation and action research (specifically researcher participation in meetings and facilitation of workshops).

As noted above, two limitations causing ineffective activity identification and alignment were identified via document review, but only after researcher interventions were made:

1. confusion between causality and task dependency; and
2. leaps of logic.

This was because these problems were highly specific to the use of ‘causal chains’ to link explicitly activities with strategic objectives. However, the facilitation of workshops in particular provided a valuable opportunity to observe activity identification and alignment as it occurred.

A series of workshops was conducted, each oriented around project planning as this was an important issue for Agency B and senior management were prepared to release large numbers of managers (including those charged with managing projects) to receive practical guidance on this issue. The researcher introduced the technique of using causal chains to link activities or the ‘products’ of projects with strategic objectives.

A total of eight workshops were held over an 18 month period, involving 93 managers from Agency B. The largest workshop was held with 14 participants and the smallest with nine, with the mean number of participants being 11.6. Attendees were split into groups of two or three (making up 42 groups in total) and requested to develop causal chains for projects that were being planned or had recently started.

Because the workshops focused on projects, they were not well suited to identify or corroborate the following limitations (previously identified via document analysis and interviews):

1. inadequate breakdown of strategy;
2. strategy that deals only with changes; and
3. strategy oriented to influence multiple stakeholders.

However, the workshops did enable observation of the emergence of the following previously identified limitations:
1. lack of strategic clarity;
2. vague/ambiguous terminology;
3. confusion between causality and task dependency; and
4. leaps of logic.

Lack of strategic clarity was readily observed when participants found it difficult or impossible to specify the strategic objectives their projects were intended to contribute towards (i.e. the last few elements of the ‘causal chain’). Some participants clearly identified high-level objectives that reflected Agency B’s vision and aims. Examples of these included “increased quality of life”, “increased road safety” and “improved health of citizens”. However, in many cases, participants were able to demonstrate virtually no knowledge or understanding of any objective relevant to their projects, that could be considered strategic. It appeared that they saw the projects in which they were involved as ends in themselves, not distinguishing delivery of the project product with outcomes related to impact on strategic objectives. Unsurprisingly, further exploration revealed in most cases that decisions about project tasks were difficult, as they were not well-informed by the context of what they together were intended to achieve. In light of the findings of the initial interview analysis and document analysis, the existence of this ‘strategic vacuum’ was not surprising.

The use of vague/ambiguous terminology, confusion between causality and task dependency and leaps of logic were also very commonly observed. Even when workshop participants were given detailed explanations of the ideal construction of causal chains and specifically warned of these problems (along with examples of ‘good’ and ‘bad’ causal chains), many still made some of these errors (albeit to different extents). Again, each of these limitations reflected very closely the findings of the initial interview analysis and document analysis.

### 4.7.1 Confusion about the direction of causality

A further limitation was recognised during the workshops, not previously evident from documents or interviews. Some groups became confused about the direction of causality when developing causal chains, particularly when dealing with relatively conceptual projects. For example, one group drew a causal chain which suggested that “[i]increased customer satisfaction” would be a direct cause of “[i]increased customer service quality” (see Figure 12). Clearly, this is implausible; however, that a causal relationship might operate in the opposite direction is entirely plausible.
Upon enquiring directly with the group that made this particular error about their logic, it became clear that the mistake resulted not simply from carelessness but partly because the group had experience of performance measurement. Their rationale had been that “[i]ncreased customer satisfaction” would be a prime indicator of “[i]ncreased customer service quality”. Upon the researcher’s intervention, the group did fully recognise their confusion. This confusion, sometimes based on experience of thinking about performance measurement, was fairly common, being observed in seven of the 42 groups participating in the workshops.

### 4.7.2 Frequency of limitations

A systematic record was made of the number of groups experiencing each of the above noted problems during the workshops, and this is presented in Table 12.

<table>
<thead>
<tr>
<th>Strategy implementation-related planning limitation</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of strategic logic and clarity</td>
<td>55%</td>
</tr>
<tr>
<td>Vague/ambiguous terminology</td>
<td>79%</td>
</tr>
<tr>
<td>Confusion between causality and task dependency</td>
<td>64%</td>
</tr>
<tr>
<td>Leaps of logic</td>
<td>60%</td>
</tr>
<tr>
<td>Confusion about the direction of causality</td>
<td>17%</td>
</tr>
</tbody>
</table>

Table 12: Frequency of activity identification and alignment limitations in Agency B, observed in workshops

### 4.8 Feedback from workshop participants

In Case B, every participant in the workshops was sent an evaluation form to gather feedback on the tools and methods introduced to them. The following question areas are of relevance to this study:

1. the use of causal chains to link strategic objectives with activities (‘top-down’ and ‘bottom-up’);
2. the use of causal chains to identify post delivery risks; and
3. the use of causal chains for performance measurement.

Respondents were also asked about problem diagnosis. This was highlighted as an area of common error within the workshops and the need to distinguish symptom from causes explored (thus ensuring that the causal chains developing were more likely to be appropriate ones). Feedback on this issue was also relevant in Case B (see Figure 6).
Chapter 4: Findings: Agency B

The use of causal chains to identify post delivery risks and for performance measurement is explained in more detail in the cross-case analysis in Chapter 7.

28 confidential evaluations were received, giving a 30% response rate. Respondents were asked to answer questions using a 6-point Likert-type scale. The questions and combined response rates are detailed in Table 14.

<table>
<thead>
<tr>
<th>Question</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic alignment: Top-down (i.e. cause &amp; effect hierarchies) &amp; Bottom-up (i.e. causal chains)</td>
<td>5.2</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Risk identification</td>
<td>4.9</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Measurement</td>
<td>4.7</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Problem diagnosis</td>
<td>4.8</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 13: Evaluation feedback from workshop respondents in Case B

These data provide an indication of how useful managers in Agency B found the key methods developed during the study to tackle the central problem it identified – ineffective activity identification and alignment. Although these data represent subjective opinions of participants and are liable to some biases, they provide support for the use of causal chains to identify and align activities that might plausibly cause the achievement of strategic objectives. The participants on average rated each of the topics and methodologies covered as being useful to help them add value in the future. This closely reflected the observations of the researcher and anecdotal feedback from participants.

4.9 Summary of findings

Case B examined strategy implementation within an entire organisation (Agency B) using a mixture of research methodologies. The following findings were produced:

1. The performance of Agency B was constrained by numerous closely interrelated strategy implementation problems. Central amongst these was ineffective activity identification and alignment.

2. Ineffective activity identification and alignment in Agency B was caused by:
   a. lack of strategic clarity;
   b. inadequate breakdown of strategy;

Respondents were not asked to provide their names on evaluation forms and could return them in a variety of ways, including methods that would veil their identities.

A 6-point scale was used to prevent central tendency and provide sufficiently finely calibrated responses given the nature of the question subjectmatter. In this scale, 1 = very low and 6 = very high.
Chapter 4: Findings: Agency B

3. There is some evidence that these causes of ineffective activity identification and alignment were in turn caused chiefly by the following interrelated issues:

a. there was no structured strategy development framework in use in Agency B\(^36\);
b. managers in Agency B had insufficient motivation to develop effective strategy;
c. Agency B’s senior management had limited management visibility of, control over and feedback from strategy implementation-related activity across the organisation\(^37\); and

d. limited strategic awareness and skills.

Figure 13 depicts the key findings from Case B in the form of causal map explaining the key causes of ineffective activity identification and alignment, and in turn, the (tentatively-identified) key causes of these.

\(^36\) Clearly, to be effective at preventing the strategy implementation-related problems identified, a structured framework for strategy development would have to be designed to help prevent these problems. Figure 13 implies that a good strategy development framework might reasonably reduce or prevent only the fairly generic strategy implementation-related problems.

\(^37\) Figure 13 implies that a good management visibility, control and feedback ought to reduce or eliminate all the strategy-implementation-related problems, including very specific ones such as confusion between causality and task dependency. Although the use of causal chains for planning implementation may be rare, where they – or some equivalent – are used, competent managers should have little problem identifying planning weaknesses.
The analysis of the data gathered at Agency B reveals the limitations of previous strategy implementation research which has produced lists of barriers to effective execution. This analysis makes use of causal maps to causally link direct barriers to implementation and their likely underlying causes. It was this approach that revealed the central importance of ineffective activity identification and alignment – an issue that has received extremely limited attention hitherto, and might partially explain the presence of many of the strategy implementation issues that have been the focus of previous studies.

The implications of this explanation are potentially far-reaching, implying that managers and researchers should pay greater attention to how activities that might plausibly achieve strategic objectives are identified and aligned with these objectives. If more appropriate activities are identified and aligned more effectively, the physical implementation that follows may suffer from fewer failures and avoid many of the obstacles commonly addressed in the literature.
Chapter 4: Findings: Agency B

Case B provides an indication of the causes of ineffective activity identification and alignment, offering scope for guidance for practitioners and isolating specific concepts for further study by researchers.

Case B also provides support for the use of causal chains to identify and align activities that might plausibly cause the achievement of strategic objectives.
CHAPTER 5: FINDINGS: FUNCTION A1

5.1 Background

Company A was a large commercial organisation in the service sector. It offered a wide range of products and services and its customers included many thousands of individuals as well as organisations of virtually every type. The company held a sizable but not dominant share in most of its markets. Although headquartered in the UK, it operated in many of the developed countries around the globe. Its total staff numbers varied widely over the period of the study (in part due to acquisition and disposal activities) but ran into tens of thousands. The organisation had been in existence for well over 25 years.

Case A1 and A2 deal with two separate divisional human resources (HR) functions operating within major SBUs within Company A. Insofar as specific further details of Company A are relevant to Cases A1 and A2, these are introduced in the following descriptions and analysis.

Company A’s structure, for the whole period of the case studies, included a group HR function headed by a director who reported directly to Company A’s group chief executive. Structural changes occurring during the study meant that Functions A1 and A2 were, technically speaking, originally subsets of this group HR function but later became part of their respective business divisions (SBUs) (although in each case, a matrix structure ensured a secondary reporting line to the SBUs initially, and thereafter the group HR director).

Throughout the period of the study there existed a number of departments within company’s group HR function that had group-wide responsibility for specific human resources issues (e.g. employment policy, reward, recruitment and organisation development). These departments interacted regularly with Functions A1 and A2. Additionally, the group HR function provided various means by which all the divisional HR functions in the group could interact. These interactions took many forms, but an obvious formal example was the right of divisional HR directors to sit on the group HR Management Committee (HRMC), which met regularly to review and make decisions relating to HR issues affecting Company A.

In the six months prior to this study commencing, Company A’s HRMC had embarked upon a programme of strategic change. The relatively new group HR director had arrived in the organisation with a new agenda and enthusiasm for change. (S)he reported directly to the group chief executive and was a member of the CEO’s top
management team. The new group HR director negotiated a temporary but substantial increase to the annual HR budget, arguing that with the necessary initial investments in technology and people, it would be possible to both increase the quality of the service delivered by HR to Company A and, in the medium term, reduce the costs of that service.

The new group HR director’s thinking was based in part on the ideas expounded by Ulrich (1997; 1998). Ulrich’s doctrine has since become highly influential in the HR community worldwide. Some of the ideas he expounds have existed in other forms for many years (e.g. Fombrum, Tichy, & Devanna, 1984; Tichy, Fombrun, & Devanna, 1982), but were not widely adopted by practitioners. A general critique of Ulrich’s theories is beyond the scope of this study. However, a description of the salient elements, as they were described by Company A’s HR Management Committee, is worthwhile, insofar as some of them are directly relevant to this study.

Ulrich argues that in order to add value to the organisations they serve, HR functions need to alter their focus from what they do to what they deliver and better ‘align’ their practices with the needs of internal and external customers. Ulrich suggests that HR functions extend their role beyond administration (e.g. of payroll and recruitment) and being ‘employee champions’ (i.e. increasing employee commitment and capability) and shift their focuses to being ‘change agents’ (i.e. helping with organisational renewal) and ‘strategic partners’ (i.e. helping define and execute strategy) (see Figure 14). This last role highlights the relevance of Ulrich’s mandate for HR to this study. He says, “[t]he deliverable from the management of strategic human resources is strategy execution” (1997: 26, emphasis original) and, of particular relevance to this research, “becoming a strategic partner means turning strategic statements into a set of organizational actions” (1997: 57). Correspondingly, in Company A, these renewed strategic objectives for HR and subsequent attempt to implement them, were in turn intended to help the organisation better plan and implement its wider strategy.
Ulrich does not discuss strategy implementation in any detail and provides very few clues about how HR functions or other can actually turn strategies into actions. He argues:

Translating strategy into action requires discipline. The concept for moving from strategy to action is organizational diagnosis, which is, the systematic assessment and alignment of organizational practices with business goals. … A complete organizational diagnosis requires four steps. …

- Define an organizational architecture.
- Create an assessment process.
- Provide leadership for improvement of practices.
- Set priorities (1997: 66-7, emphasis original).

In defining “organizational architecture” Ulrich refers to the McKinsey 7-S framework and Galbraith’s (1977) organisation design model, a development of which is outlined in Section 2.2.8. As with other authors who have proposed such models, Ulrich notes that there must be high ‘alignment’ between the elements, but does not explain how they individually relate or how this should be achieved. It is notable that Ulrich, as with other commentators on strategy implementation, identifies the importance of translating strategies into actions, but does not explain how this is done and does not address the identification of activities to achieve strategic objectives.

In relation to the administrative elements of HR’s work, Ulrich recommends the use of a mixture of the following key tactics:

1. A ‘people-aware’ version of business process reengineering (BPR) (Hammer & Champy, 1994), to redesign HR processes around business needs (ideally centred on end customers), and make these highly efficient.
2. Outsourcing of certain processing activities to external providers, where this improves effectiveness and/or efficiency.
3. The development of service centres in HR to act as centralised, specialised units focused on administrative processing.

4. Increased use of information technology to automate HR processes where possible (nowadays commonly referred to as ‘e-HR’).

5. The development of ‘centres of expertise’ in HR to act as centralised, specialised units dealing with policy issues.

6. The introduction of HR business professionals (nowadays commonly called ‘business partners’) – i.e. HR ‘account managers’ dedicated to serving senior managers responsible for specific structural parts of the customer organisation.

These elements make up Ulrich’s ‘shared service’ model, implementations of which are also widely known as ‘HR consultancy models’.

Company A’s new group HR director introduced Ulrich’s thinking to the HRMC before data collection for this study commenced. Many HR staff in Company A had a basic awareness of Ulrich’s ideas, his 1997 book having become “prescribed reading” according to one senior HR manager.

Shortly before data collection, Company A’s HRMC had initiated a major programme to implement their plans based on Ulrich’s model, the key elements of this being:

1. an ‘activity analysis’;
2. centralisation of some administrative HR processes;
3. restructuring to create ‘business partner’ roles;
4. the development of an HR consulting competency framework; and
5. the deployment of ‘development centres’ for all non-clerical HR staff.

Each of these changes – which affected the entire organisation’s HR population, including Functions A1 and A2 – is explored below. It was as these initiatives were underway that data collection for Cases A1 and A2 began.

Just prior to the researcher entering the field, an analysis of activities in the HR teams across the group had been undertaken. A survey instrument was developed internally and distributed to all non-clerical HR staff for self-reporting of activities carried out over the course of one week. Respondents self-categorised their activities according to Ulrich’s four HR roles: administrative expert, employee champion, change agent and strategic partner (see Figure 14). The results of this exercise provided
evidence that the amount of time being spent on activities that were primarily administrative was very high. Correspondingly, activities related to HR performing a ‘change agent’ or ‘strategic partner’ role were very limited. The group HR director saw this exercise as setting a baseline, and went on, with the group HRMC, to set targets for a change in the profile of HR activities undertaken across the group.

In a major project undertaken throughout year one of the study, a number of administrative HR processes were centralised. Most of these were the processes related to a new benefits scheme that was concurrently introduced. It was intended that sweeping away the administrative burden on divisional HR staff would ‘release’ them to focus on value-adding activities, as well as enable headcount reductions and associated cost reductions.

The HR functions were restructured to include ‘business partner’ roles, designed as the primary point of contact for senior managers in the business. Business partners were appointed for every senior manager in the business from the group chief executive (whose business partner was the group HR director) down to a given level (which varied from one business to another, depending upon its needs). Business partners were responsible for managing these key relationships, understanding the businesses served and co-ordinating HR’s interventions in the organisation.

A team of external consultants from a major firm were engaged to develop a competency framework for HR professionals in the organisation. This framework, which was largely based upon generic consulting skills (rather than a detailed examination of the specific context and objectives in Company A) set out six key areas of competence, intended to relate to all non-clerical HR staff:

1. problem-solving and providing business advice;
2. communication and influencing skills;
3. focus on delivering value;
4. developing professional skills;
5. change management; and
6. line management.

An assessment process was designed to enable the assessment of skills (using the competency framework) of all those in HR across the group (bar those in clerical roles).

---

*The exact descriptions of these competencies have been altered to protect the identity of Company A.*
The process was designed by another external consultancy firm, which administrated the assessments and worked with members of the group HRMC as assessors. Feedback was provided to staff after they had been assessed, profiling their competencies using the framework developed. The results suggested that consultancy skills were extremely limited across HR. The reactions of individuals to their personal feedback included a great deal of disbelief, dejection and anxiety.

Other events relating to Company A’s group HR function are explored within the sections below that deal specifically with Function A1. The following chapter introduces Case A2, which introduces data specific to Function A2.

Function A1 was the human resources function that served Division A1, a large SBU in Company A. Division A1 served a particular group of customers, offering a range of products in a specific geographic zone. The division had produced strong profits in recent years and this continued over the period of the case study. In terms of headcount, Division A1 grew substantially in size over the period, in part because of merger activity. Function A1 also grew its headcount in absolute terms because of a merger, but significantly reduced the proportional number of HR personnel serving Division A1 as a result of the changes made to HR’s operations.

For the first three years of the case study, Function A1 was headed up by a divisional HR director with a long career in Company A, including substantial time in line management and managing major change programs. In the fourth year of the study, (s)he left the division and was replaced by a similarly experienced HR director from another division of Company A.

5.2 Critical incident chart

A critical incident chart detailing relevant events in Function A1 during the case study is presented in Table 14. This provides an overview of the sequence of key events to give context to the analysis which follows.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>New benefits package launched across group.</td>
</tr>
<tr>
<td></td>
<td>Balanced Scorecard implemented across the group.</td>
</tr>
<tr>
<td></td>
<td>New staff engagement survey launched across group, and efforts to create ‘service-profit chain’ begin.</td>
</tr>
<tr>
<td>Q2</td>
<td>Exercise conducted reveals that the HR function has over 200 projects ongoing, group-wide.</td>
</tr>
<tr>
<td></td>
<td>Fieldwork commences with document review &amp; initial interviews.</td>
</tr>
<tr>
<td>Q3</td>
<td>Outsourcing of basic HR services implemented for core employee groups.</td>
</tr>
<tr>
<td></td>
<td>Group HRMC sees presentations from potential providers of HR consultancy training.</td>
</tr>
</tbody>
</table>
### Chapter 5: Findings: Function A1

<table>
<thead>
<tr>
<th>Year 3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Divisional HR directors meet to agree how to ensure central group specialist HR teams respond to business needs.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 begins strategy development process.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 starts providing detailed lists of projects and dependencies upon centralised group HR departments to the heads of these areas, to confirm deliverables required.</td>
<td></td>
</tr>
<tr>
<td>• Some Function A1 departments start developing their own strategies, reflecting Function A1’s overall strategy.</td>
<td></td>
</tr>
<tr>
<td>• Roles for new HR ‘consulting model’ defined.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 completes detailed stakeholder analysis.</td>
<td></td>
</tr>
<tr>
<td>• Major strategy road show launched in Division A1.</td>
<td></td>
</tr>
<tr>
<td>• Reports mount of junior staff in Function A1 becoming increasingly anxious about their futures.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 completes tools for customer analysis and segmentation of its internal market.</td>
<td></td>
</tr>
<tr>
<td>• Group HR Strategy for next 5 years determined via workshops.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 finalises its strategy.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 2</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Function A1 makes appointments to new senior HR consulting roles.</td>
<td></td>
</tr>
<tr>
<td>• Company A merges with major rival.</td>
<td></td>
</tr>
<tr>
<td>• New structures announced in business and HR functions (group-wide).</td>
<td></td>
</tr>
<tr>
<td>• Significant senior personnel changes occur, but the group, Function A1 and Function A2 HR directors remain in equivalent roles in the new structure.</td>
<td></td>
</tr>
<tr>
<td>• Major headcount reduction targets set across group.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 makes appointments to new junior HR consulting roles.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 2</th>
<th>Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Plans developed organisation-wide to merge functions and departments, removing scale-independent duplication following merger.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 HR director reports it’s still unclear whether HR will report via a divisional or functional line. Budgets also yet to be determined.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 HR director creates job descriptions for all Division A1 senior roles, but deliberately spoils one to stall it being signed-off by divisional CEO, to delay political interventions from rival department.</td>
<td></td>
</tr>
<tr>
<td>• Reports that staff in Function A1 becoming highly anxious again, having just had roles clarified following structural changes.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 develops ‘data provision matrix’, aligning people management information with key drivers of business performance.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 develops a written ‘service proposition’ to clarify its offering to its internal customers and templates to govern the provision of information to them.</td>
<td></td>
</tr>
<tr>
<td>• All new members of Function A1 from merged organisation put through selection centre.</td>
<td></td>
</tr>
<tr>
<td>• Reports that central group HR functions “log-jammed” handling changes from merger; not providing ‘business-as-usual’ support to divisional HR functions.</td>
<td></td>
</tr>
<tr>
<td>• Problems in Function A1 co-ordinating and prioritising projects, especially with resources stretched.</td>
<td></td>
</tr>
<tr>
<td>• Reports from senior staff in Function A1 that business units “do not want to talk about [balanced] scorecards” at board meetings. Scorecards “do not drive actions unless they are red”.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 rolls out workshops for all staff following merger, outlining strategy and key tools and inviting feedback.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 develops a cost-benefit model and project prioritisation framework.</td>
<td></td>
</tr>
<tr>
<td>• Function A1’s strategy used as key communication device for newly-merged teams and for supporting individual performance management tools.</td>
<td></td>
</tr>
<tr>
<td>• HR plans from newly merged reviewed by Function A1’s senior team and identified as being purely operational, with no links to business strategy, non-specific actions for delivery, no measures and no risk management.</td>
<td></td>
</tr>
<tr>
<td>• HR consulting skills development programme launched for all senior HR staff across group.</td>
<td></td>
</tr>
<tr>
<td>• Division A1 stops using balanced scorecard to monitor performance.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 2</th>
<th>Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Function A1 design performance measurement tool based around HR consulting process.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 creates and rolls out template for project &amp; planning initiation, standardising coverage of issues such as options development, scheduling, risk management, stakeholder management, cost-benefit analysis, responsibility allocation, etc..</td>
<td></td>
</tr>
<tr>
<td>• Group announces freeze on all product development to allow for IT integration.</td>
<td></td>
</tr>
<tr>
<td>• Results for group show very good performance and headcount reductions ahead of schedule.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 senior staff report new project planning template helpful for oversight, communicating to teams, scoping activities with business, tracking progress and performance measurement of consultants.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 2</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>• One major department in Function A1 fails to submit standard project reporting data for third month in a row.</td>
<td></td>
</tr>
<tr>
<td>• Reports of redundancy process problems – poor inter-divisional coordination means resources not being re-allocated optimally.</td>
<td></td>
</tr>
<tr>
<td>• Reports from Function A1 senior managers of very poor responsiveness from some central group HR departments, in particular not updating on key union negotiations.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 plans major integration of its departments, following merger.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 3</th>
<th>Q1</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Division A1 re-starts using scorecard to monitor performance.</td>
<td></td>
</tr>
<tr>
<td>• Internal Audit review Function A1’s project management reporting &amp; control process and say they are “highly impressed” with it.</td>
<td></td>
</tr>
<tr>
<td>• Division A1’s Finance function (with new responsibility for project governance) review Function A1’s project planning documentation and report it to be “perfect” for investment decision-making.</td>
<td></td>
</tr>
<tr>
<td>• Evidence that line managers are not filling vacancies in Division A1 because sales figures are good; but analysis reveals opportunity cost through lost sales opportunities.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year 3</th>
<th>Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td>• HR director of Function A1 uses series of performance measures to assess function’s performance implementing its strategy, and builds detailed profile of tools in use etc. by individual HR consultant across the function.</td>
<td></td>
</tr>
<tr>
<td>• External consultant review finds significant progress with HR consulting model implementation and examples of excellent practice across HR in the group – but also a blame culture, customer impatience, a lot of fire fighting and limited cooperation between group HR functions and divisional HR teams.</td>
<td></td>
</tr>
<tr>
<td>• Function A1 design internal customer survey to assess validity of function’s strategy and effectiveness of its implementation.</td>
<td></td>
</tr>
</tbody>
</table>

---

153
Chapter 5: Findings: Function A1

5.3 Overview of research activities

Table 15 summarises the research activities undertaken in Case A1, and provides references Sections of this Chapter where key activities are described in detail. A sequential table such as this inevitably suggests a slightly more linear process than in reality occurred; some iteration between these phases was useful (for example, interviews were re-examined in the light of activity identification and alignment limitations being identified).

Table 15: Overview of research activities in Case A1

| Research activities over time → (relevant Chapter Sections shown in brackets) |
|-----------------------------|----------------------------------|
| Document review             | Archival documents analysis      |
|                             | Strategy implementation-related documents analysis (5.5) |
| Passive observation         | Observation at meetings/workshops/conferences (5.7) |
| Interviews                  | Initial semi-structured interviews & analysis (5.4) |
|                             | Unstructured interviews focused on specific issues & analysis |
| Participant observation     | Participation in meetings/ workshops/conferences & analysis (5.7) |
| Action research             | Strategy development workshops (5.8) |
|                             | Project–based workshops (5.8) |
| Integrating analysis        | Critical data identified & sequential analysis |
|                             | Open, axial & selective coding |
|                             | Causal maps of strategy implementation barriers developed |
|                             | Narrative development & actor feedback sought |
|                             | Activity identification & alignment limitations identified |
|                             | Likely causes of activity identification & alignment limitations identified |

Table 14: Critical incident chart for Function A1 case study
5.4 Initial semi-structured interviews

At an early stage of Case A1, interviews were carried out with 14 individuals in Function A1, Function A and Division A1. The mean length of these interviews was 1.6 hours with the shortest lasting 0.5 hours and longest 2.25 hours. The questionnaire used to guide the initial (semi-structured) interviews is provided in the Appendix Section D.1. It covered a wide range of issues relating to the implementation of strategy and its questions were categorised into broad topic areas39. Numerous further (on average slightly shorter) interviews were conducted later in the field study, along with the collection of data using other methods. These later interviews included many repeat interviews and ones with new respondents. They generally gathered more heterogeneous data relating to specific issues and were necessarily less structured.

Data gathered via initial interviews was analysed through the identification of critical incidents and comments. Each critical ‘data fragment’ was entered into a customised database and categorised according to:

1. the interview date;
2. respondent demographic information, including:
   a. name,
   b. division,
   c. department,
   d. team (if applicable),
   e. job title,
   f. seniority level,
   g. length of service, and
   h. time in current role;
3. subject matter organisation level coding (e.g. individual, team, department, function, organisation)40;

39 As outlined in the methodology section, the interview questionnaire was developed on the basis of topics addressed in the strategy implementation literature and the questionnaire was applied flexibly. Questions were not always posed exactly as written, often being adapted slightly in terms of language to suit the knowledgability of the interviewee. In some interviews, some questions were omitted for the same reason or because previous answers made these questions redundant.

40 This denoted the organisational unit of analysis to which interviewee comments related.
4. interview question topic area (e.g. organisation structure, project management);

5. an assessment (on a 3-point scale) of its reliability (giving consideration to the nature of the data, length of service/length in role of the interviewee and any supporting evidence proffered by interviewees); and

6. an assessment (on a 3-point scale) of its apparent overall importance.

These somewhat subjective assessments of reliability and importance were performed to identify unreliable or irrelevant data and allow speedy isolation the most important data fragments. The critical data fragments were initially analysed by sorting them using most of the categories listed above. In particular, examining the perspective of respondents grouped by directorate, seniority level and length of service and sorting via the interview question topic area provided useful insights into where patterns did and did not exist.

These ‘critical data fragments’ were then open coded (Strauss & Corbin, 1998). 62 codes emerged, and these are summarised in Table 16 (frequency counts in brackets).

---

41 See the questionnaire in Appendix Section D.1 for a complete list of the topic areas.

42 Consideration was given to combining reliability and importance ratings with coding frequency counts to enrich the analysis. However, it became clear that this exercise would not generate sufficiently reliable insights. Problematic issues included the subjectivity of reliability and importance assessments, overlapping implications of reliability assessments and frequency counts (both per individual and across all respondents) and the question of weighting all these components. It seems unlikely that reliability, importance assessments and coding frequency counts are all equally relevant, but if a weighting system was used, it would be unclear how to justify assigning weightings (which have a major impact on the results). Ultimately, it was decided that the more laborious task of analysing the data at a less abstract level better supported axial coding.
Chapter 5: Findings: Function A1

Activity analysis (3)  Management information (5)  Resistance to change (9)
Activity identification (8) Management tools, theories, etc. (2) Responsibility split (5)
Balanced scorecard (5) Managing project interfaces (2) Reward (1)
Blame culture (4) Motivation (2) Risk management (1)
Budget process (5) Organisation structure (5) Role clarity (4)
Business alignment (10) Organisational silos (6) Role of HR (10)
Business understanding (6) Participation (5) Staff capability (5)
Bottom-up strategic rationale (3) Performance criteria clarity (3) Staff commitment (2)
Change communication (1) Performance feedback (6) Staff turnover (1)
Competencies (3) Performance measures (9) Stakeholder commitment (6)
Customer orientation (10) Performance management (5) Stakeholder engagement (12)
Criticality (7) Politic/games (8) Strategic clarity (7)
Diagnosis (12) Pressure on managers (5) Strategic discomfort (2)
Environmental changes (1) Process clarity (1) Strategic thinking (2)
Hinge players (3) Project coordination (3) Strategic prioritisation (11)
Information as power (2) Project performance (5) Strategy process (3)
Internal communication (2) Project performance evaluation (2) Structural integration (4)
Leadership focus (4) Project performance reporting (2) Targets (9)
Leadership involvement (2) Project product embedding (2) Time horizon (5)
Line manager systems playing (2) Recognition (1) TMT consensus (1)
Management controls (6) Relationships (6)  

<table>
<thead>
<tr>
<th>Table 16: Codes identified via open coding of data from initial interviews in Case A1</th>
</tr>
</thead>
<tbody>
<tr>
<td>An example of the data analysis process, starting with some raw data, is provided in Appendix E.</td>
</tr>
</tbody>
</table>

Although confirmatory evidence is required for more definitive interpretations, a number of codes emerge as reflecting commonly raised issues. In particular, interviewees commented on:

1. business alignment;
2. diagnosis;
3. customer orientation;
4. the role of HR;
5. stakeholder engagement; and
6. strategic prioritisation.

In virtually every case, critical comments related to a lack of or problem with these.

Axial coding (Strauss & Corbin, 1998) was then carried out to establish potential causal relationships operating in Function A1, which were of relevance to the study. Figure 15 displays these relationships via a causal map. As with other causal maps displayed, arrows indicate the direction of causality between the variables.
Chapter 5: Findings: Function A1

As with Case B, this data display method was found to be far superior to textual summaries or matrices of strategy implementation barriers because of its ability to show chains of multiple causal relationships and the highly interrelated nature of them.

It is important to note that this summary largely reflected the espoused beliefs of the interviewees, without triangulation from additional types of data source (albeit the interviews themselves were informed by early document review and participant observation). Findings from these are introduced and woven in later on. However, Figure 15 is informative in two key ways.

First, Figure 15 usefully portrays the nature of the phenomena explored via the interviews, in particular highlighting what interviewees saw as important for successful strategy implementation (or, conversely, as major barriers to strategy implementation). A number of the issues identified reflect the findings of other researchers who have...
specifically examined strategy implementation barriers (see Section 2.2.11), for example:

1. limited strategic clarity (e.g. Corboy & O'Corrbui, 1999);
2. insufficient staff participation in planning (e.g. Economist Intelligence Unit, 2004);
3. ineffective performance measures (e.g. Economist Intelligence Unit, 2004);
4. unclear roles and responsibilities (e.g. Corboy & O'Corrbui, 1999);
5. detrimental politics and influencing (e.g. McGrath, MacMillan, & Venkataraman, 1995);
6. poorly integrated structure (e.g. Economist Intelligence Unit, 2004; Hrebinia, 2005);
7. dysfunctional reward systems (e.g. Kerr, 1975); and
8. ineffective prioritisation (e.g. Wessel, 1993).

Figure 15 also identifies many barriers that have not been identified by other researchers\(^43\), and does not identify others that have been, as being present in Case A1. These issues are explored later, insofar as they pertain to the issue under study.

Second, Figure 15 provides an initial indication of the importance of activity identification and alignment, the issue that emerged as the focus of this study. As Figure 15 depicts, the data suggest that interviewees thought that where this was ineffective, it caused (directly):

1. unclear division of responsibilities;
2. poor stakeholder engagement and management;
3. poor resource allocation decisions;
4. suboptimal project selection; and
5. execution to be ignored in policy creation.

Superficially, the number of factors impacted by ineffective activity identification and alignment (five) suggest that it is perhaps the most important barrier identified in Figure 15. However, as discussed in Section 4.4.1, simple analysis of this type does not

\(^43\) For details of these, see Section 2.2.11, however as noted, the relevance of these is made questionable by the highly idiosyncratic nature of each case in this respect and failure of previous researchers to acknowledge the causal relationships between barriers.
take account of the number of interviewees observing these casual relationships, whether their observations were accurate or the strength of these relationships and others. Again, each of these limitations is compensated for by the further data collected and the triangulation this afforded.

Interviewees implied that ineffective activity identification and alignment were caused (directly) by the following interrelated issues, which are discussed below:

1. limited organisational strategic clarity;
2. unclear means of objective achievement;
3. limited knowledge of business strategy;
4. limited problem diagnosis;
5. symptom-focused problem solving;
6. suboptimal project selection; and
7. poor stakeholder engagement and management.

It is notable that some of the causes of ineffective activity identification and alignment are also affected by it. Reinforcing feedback loops such as these are not uncommon and their existence does not imply the false logic that effect can precede cause. Rather, the cycles appeared to affect different forms and stages of these activities and factors. For example, poor early stakeholder engagement meant that some key stakeholders were not involved in planning activities and projects, and this planning (because it was ineffective, for many reasons) did not result in effective stakeholder engagement as the activities/projects developed and were implemented.

5.4.1 Limited organisational strategic clarity & unclear means of objective achievement

Limited organisational strategic clarity appeared to be an enduring challenge in Company A. Its most senior executives were expressly dismissive of long-term strategic planning, suggesting that the future was insufficiently predictable to warrant such an approach. Instead, they communicated internally, the organisation’s strategy needed to centre on developing a range of options that could be pursued. Examining the validity of this approach is beyond the scope of this study. However, it is notable that, at a group level this ‘strategy’ was neither formally defined or recorded, nor was it systematically communicated or broken down. Certainly, none of the senior managers interviewed could explain how this adaptive strategy was to be implemented.
Nevertheless, some strategic planning was carried out within Division A1. In the year in which the study began, the divisional Chief Executive facilitated a strategy workshop with the division’s executive management team and produced a very large number of PowerPoint slides explaining the division’s strategy for the following five years. This strategy document was not disseminated beyond the division’s executive management team, through whom the necessary coordination between regions and functions was presumably expected to come.

The strategy document included a brief environmental assessment (focusing primarily on competitors), objectives, opportunity assessment, financial analysis and plans “to exploit the opportunities”. The objectives were highly abstract, being to improve the group’s shareholder value in three ways:

1. “grow [the business]”;
2. “grow income”; and
3. “manage costs”.

These objectives were broken down using a balanced scorecard format, which contained very little detail. For example, in the scorecard’s “customer” quadrant, the objectives were simply “acquisition”, “retention” and “cross sell”. The “people” quadrant included only one objective – “skills development”. These objectives were not broken down at all. Instead, three vague “strategic thrusts”, the origins of which are unclear, cross-referenced via a matrix (with ‘ticks’ used to denote some undefined relationship) with three equally vague themes. These themes were in turn cross-referenced in a matrix (with more ‘ticks’) with ten “action plans”. The rest of the strategy document expanded on these plans, which included changes to the distribution network, a new sales process and some new products.

It was impossible to follow the logic of the decision making reflected in Division A1’s strategy document, and see why the ten action plans were selected over and above other potential means of achieving the objectives. Indeed, it was not clear that the action plans might plausibly cause the objectives to be achieved. Not only was the linkage between these too convoluted and vague to be testable but also the objectives were too vague to assess this. Given these problems and the fact that this strategy was not communicated directly (or via a systematically managed exercise), it is unsurprising that within the division’s HR function, strategic clarity was limited.
Division 1’s HR director, who participated in the planning exercises, detected major misalignments between the division’s objectives, “action plans” and ultimately, HR initiatives. Noting the lack of clarity, (s)he explained its impact, saying, “[t]he further down you go, the more disjointed it becomes because as more people get involved, it gets harder to align activities with the objectives. You just have to follow your nose and do what seems right.”

Division A1 was the only division in the group that had a formal strategy at that time. Another function’s HR director suggested, “HR initiatives are planned in a vacuum” because of the lack of clear strategic direction at a group or divisional level. (S)he noted there was no group strategy to “latch on to” and, partly because of this, all the HR functions did “their own thing – there is no integration”. Function A2’s HR director similarly noted, “[t]here is very little strategic thinking in [Division A2].

Given the lack of strategic clarity in Division A1, Function A1 might have looked to the group HR function for strategic guidance. However, at the beginning of the study, the function had no formal strategy. (About a year after the study started, in response to a new group-wide budgetary process (which required the submission of a strategic plan) the group HR function set about developing a formal strategy. This process and its output are analysed later.) Its strategic intentions, insofar as they could be defined, were contained within numerous presentation documents and ‘Terms of Reference’ documents for projects introducing the ‘HR consultancy model’. All these documents focused very heavily on changes to HR’s activities and not necessarily provide an overview of its role in the organisation. Interviewees confirmed that in terms of strategy, the HR function offered no guidance. One HR director noted being “unable to tell the division what HR will be doing that will affect them over the next year”, because of the lack of visibility of HR’s strategy.

This lack of strategic clarity in the group HR function extended to defining what was perhaps the most important strategic initiative – the implementation of the ‘HR consultancy model’, based on Ulrich’s doctrine. The head of one of the central group HR functions observed that “HR staff do not understand new consulting model” and suggested that the Terms of Reference documents, which provided some details of the projects underway in relation to this were “conceptual b*****t”. Confessing to not liking Ulrich’s model, (s)he voiced concern that that HR, “like Ulrich, have moved so far away from activities that it’s not clear what anyone should actually do to move towards the mission!” Another group HR department head noted (referring to a key
diagram describing HR’s planned changes) that “HR consulting is just a ‘box’ with no definition in it yet” and mentioned, “[w]e pay lip service to the strategy process.” Yet another department head noted, “there is no detail yet on how the structure, consultancy model and skills assessment and development will actually work – it’s too conceptual.”

5.4.2 **Limited knowledge of business strategy**

The problem of limited knowledge of business strategy (in Figure 15) is clearly related to the problems of limited organisational strategic clarity and unclear means of objective achievement. However, numerous interviewees mentioned this issue separately. Many of them made the point that not only was the organisation’s strategy not clear, but that the knowledge and understanding that HR had of strategic issues in the business were limited. One group HR department head noted that “knowledge of the business in HR is very poor.” HR’s involvement in strategic decision-making in the business units it served appeared to be limited by two key factors.

First, historically, HR was not consistently represented at the most senior levels in business units. The group HR director had not traditionally been a member of the group’s senior management team, and although each division had an HR director on its management team, below these levels HR was sometimes excluded from management teams.

Second, even when HR was welcome to join the management teams of business units, HR representatives did not always do so because they lacked the capacity (some covered multiple business units), commitment, confidence or capability to become involved. One divisional HR director noted, “[b]ecause previously only very junior HR people faced off to business, our impact was very limited.”

In addition to not ‘getting close’ to its internal customers, early indications from the development centres run for all (bar clerical) HR staff suggested that business acumen and strategic thinking skills were very low. One department head said, “[t]he development centre results make it clear HR cannot deliver what it’s promising” and several others noted that the consultancy skills assessment process was causing major anxiety amongst HR staff, mainly because the feedback was generally very negative.

---

44 HR allocated staff to cover each major business units within each division and, where large business units existed, the sub-units within these.
5.4.3 **Limited problem diagnosis, symptom-focused problem solving & suboptimal project selection**

The three problems in Figure 15 of limited problem diagnosis, symptom-focused problem solving and suboptimal project selection were tightly-related. Very few interviewees raised these issues themselves or displayed active awareness of them. However, when probed about how HR determined what activities to undertake, it became clear that (perhaps partly because of the lack of strategic clarity), most activity was in response to requests from managers in the businesses. Most of these requests relating to problem solving – usually reacting to the recognition of some kind of constraint on performance or barrier to implementation.

In most cases, interviewees initially saw nothing wrong with this approach. One of HR’s major roles, they argued, was to help the business improve performance by helping solve all sorts of people management-related problems. Typical examples included reducing sickness absence, improving performance management, overcoming recruitment challenges, providing training to close skill gaps and improving capacity planning.

However, with further probing, it emerged that in very few cases were the interventions made by HR preceded by any structured diagnosis of the apparent problems. Interviewees were generally unable to explain how HR ensured that it was helping to solve true or underlying performance problems, rather than apparent or superficial symptoms.

The importance of this subtlety was underlined in a conversation during a workshop with Division A1’s HR director and one of his/her direct reports who was responsible for Division A’s training. The conversation, which started around what diagnosis HR typically did, emerged broadly as follows: -

Training manager: “A line manager comes to us because some of his employees are not performing adequately. We provide relevant training to increase their skills and, if the training is good, performance improves. What could be wrong with that?”

Researcher: “There may be a problem if you haven’t distinguished symptom from cause.”

Training manager: “What do you mean?”
Chapter 5: Findings: Function A1

Researcher: “Well, you’ve been told by the line manager there is a performance problem. Let’s assume for the moment that he’s correct. The key issue is the *cause* of the performance problem. It may be a lack of skills, for which training may be an appropriate response. But how do you know that the performance is not being constrained by other things? Might sales be lower because of increased competition? Is motivation poor because of poor line management? Is capacity being constrained by high sickness absence? There are dozens of possible underlying problems that have nothing to do with skill levels, so training is very unlikely to solve them. Unless you or the line manager has identified the underlying cause of the symptom that’s been recognised, how do you know you’re making the *right* intervention in the business?”

HR director: [Sitting back in his/her chair and sighing.] “I reckon about half of what we do is a complete waste of time.”

The HR director’s speedy and very honest assessment of the value HR might be adding was broadly corroborated by similar assessments made and more systematic evidence, as the study continued. It was certainly the case that a significant proportion of HR’s multi-million pound budget, as well as its staff time and that of its internal customers, was being allocated to activities without any form of systematic diagnosis being performed beforehand. In general, the demands of line managers were assumed to be valid, and HR concerned itself with the practicalities of delivery (e.g. how many managers needed trained, what the training content should be, which suppliers to use, how much it would cost, how long it would take to deliver, how to phase the interventions to avoid disruptions to business as usual, etc.). In short, HR generally acted professionally, diligently doing (quite difficult) tasks in the ‘right’ way. However, no one in Function A1 could demonstrate reasonably that they were doing the ‘right things’ in the first place. It was clear that Function A1 was not selecting its projects optimally, and thus constraining its own performance and potential to add value to the division. As this reality emerged, there was very little disagreement about it amongst actors. All the senior managers in Function A1 agreed this problem was fundamental,
and their subsequent work on the change programme, discussed later, sought to address the issue.

The initial interviews revealed other insights about the lack of diagnostic activity and focus on symptoms. Four issues arose:

1. First, it was clear from the development centres that had been run that HR consulting skills (including diagnostic skills) were not well developed amongst staff in the HR function. It was thus perhaps unsurprising that this difficult task was rarely carried out adequately.

2. Second, it was obvious from interviewees’ comments (and the document review, covered in detail later) that HR did not have in place any systems, processes, tools, techniques or other organisational components that were designed to aid effective diagnosis of business problems. No ‘diagnostic framework’ existed, and there was no established type of support for HR staff to assist with developing their abilities in this area. This was perhaps unsurprising, as diagnosis might be considered an HR ‘consultancy’-type activity rather than an administrative one and as a department head had noted, there was “no detail yet on how the structure [and] consultancy model … will actually work.”

3. Third, as discussed above, HR’s knowledge and understanding of Division A1 and its strategy was limited. There can be little doubt that under such circumstances, effective diagnosis of apparent problems is extremely difficult. With little information to hand and only a limited knowledge of what information might be gathered, data analysis was likely to be poor. With limited understanding of objectives, environmental constraints and enablers, means of objective achievement and so on, attempts to isolate performance problems are unlikely to be effective. HR’s limited involvement in strategic and operational planning is likely to have exacerbated this problem.

4. Fourth, there appeared to be little demand from line managers for effective diagnosis. Company A operated with a well-established and influential performance management system which required performance targets to be set for all staff. Line managers were typically subject to stretching short-term targets to improve performance. Partly because of the lack of strategic clarity in the organisation, amongst senior executives these targets were typically built around ‘lagging’ indicators (i.e. often related to financial results or other high-
level objectives such as sales volumes and customer acquisition) rather than longer-term ‘leading’ indicators (such as people management effectiveness). Interviewees reported that these targets created a very strong focus for executives, not least because the organisation operated a performance-related pay system with a substantial individual variable pay element, based on target achievement. The performance management system, combined with relatively short tenures in specific roles, naturally gave executives a short time horizon, and generally made them highly impatient.

Analysis of the interviews and documentation also suggested that amongst less senior managers, formal and informal performance assessments often focused on activities (frequently described as ‘deliverables’ or ‘results’) rather than strategically important outcomes. Nor were these activities explicitly linked to any strategic outcomes. One HR group department head noted, “[individual key result requirements] and initiatives are not connected to strategy”. Interviewees regularly referred to the organisation being action-oriented and there being a culture that it was more important to ‘get on with it’ rather than make perfect plans. Interviewees cited numerous examples where poorly planned and executed projects caused suboptimal resource allocation. For example, one HR business partner noted that HR’s internal customers had demanded a great deal of work was done creating a “skills index”. Line managers showed very little interest in using this tool in practice, but its existence would earn them a “tick on the scorecard”, thus affecting their performance ratings, pay bonuses and potentially other rewards (such as stronger tenure, recognition and promotion prospects).

Numerous interviewees in Function A1 reported that managers in the business expected them to move very quickly to deliver what was requested. Several interviewees described HR as an “order taker” – rarely involved in strategy planning or business analysis but expected to plan and implement tactical responses when requested. Those in HR who did respond quickly to the demands of managers and managed implementation effectively, appeared to be rated as the best HR staff by business managers. Hence, the possibility of a reinforcing loop (in this case a ‘vicious circle’) was identified, whereby HR acts mainly as a “fire fighter” (a term used by several interviewees). This is depicted in Figure 16, which shows a cause-and-effect analysis of the situation.
As Figure 16 implies, it seemed likely that in Company A, where highly responsive HR staff did not challenge business managers on their assumptions about the underlying causes of performance problems and simply executed the solutions requested, these HR staff would be highly rated by the business managers and thus more likely to receive similar requests in the future. Respondents agreed that business managers did form close and apparently productive relationships with reactive HR staff, but agreed that the apparent effectiveness of these relationships may be an illusion if it facilitated the development of vicious circles like the one depicted in Figure 16. Indeed, it is important to note that HR staff were subject to the same influential and short-term target and reward system as other managers in the business, and this is likely to have reinforced their enthusiasm to employ ‘quick wins’, perhaps at the expense of sustainable systemic solutions. Indeed, one senior HR manager noted, “[t]o be ‘good’, you do whatever the business wants.”

Figure 16 also implies the possibility that this problem would reinforce itself because underlying performance problems were not resolved and it was likely that new problems would be introduced inadvertently (due to limited understanding of the systems being manipulated via interventions). Each of these issues would increase the likelihood of business managers recognising performance problems. Again, respondents were able to confirm, when asked to reflect on the history of their interventions in the business, that they regularly dealt with recurring problems in the same parts of the business. One senior HR manager in Function A1, referring to an ongoing effort to reduce absence in a
business department noted that there had been at least two projects in the recent past addressing the same problem in that unit. (S)he said “it does keep coming round” and speculated that whilst the projects were live, line managers focused on absence and managing it effectively, but over time this focus waned and the problem re-emerged. (S)he acknowledged that the ongoing project had not included any diagnosis of the underlying causes of absence, but suspected work-related stress and poor line management (including bullying) were likely causes. Asked if the project included any elements designed to address stress or line management problems, (s)he observed, “[n]o, we haven’t thought about it like that.”

In relation to circumstances such as the one described above, some respondents attributed the failure of projects to make a long-term impact to incomplete embedding of new procedures. This explanation seems partly true – many of HR’s projects were characterised by respondents as “sticking plasters” or “quick fixes” and involved interventions that were not sustainable and permanent business processes. However, such responses also generally failed to take account of underlying problems such as management focus, style, attention and prioritisation. In other words, poor embedding of processes was a potential underlying cause of problems such as high staff absence.

The interviews also uncovered the possibility that HR inadvertently reinforced line managers’ tendency to misdiagnose people-related performance problems through failing to provide these managers with appropriate and useful management information. One HR director said, “HR reports lots of data to [the divisional] board but discussion rarely at level where impact can be made”. Other interviewees acknowledged that HR’s management information presented data in a format that was unlikely to gain the attention of line managers. For example, sickness absence levels were reported, but no indication was given of the costs of this to the business, or the impact it had on productivity, customer service or revenue.

Figure 16 highlights the point that if underlying performance problems in the business were not resolved through HR’s interventions, these go on constraining performance and drive further requests from business managers for assistance. It also suggests that significant amounts of time and money related to HR interventions may be wasted, in line with the HR director’s concern that “about half of what we do is a complete waste of time”. This is one of the primary reasons for suboptimal project selection.
All of these problems could mean that HR’s total contribution to Division A1 was very low or even negative. Figure 16 suggests that one of the line managers in Division A1 who was interviewed may have been insightful in saying, “[t]he biggest problems with people planning are short-termism and poor problem solving.”

5.4.4 Poor stakeholder engagement & management

The data provided by interviewees suggested that Function A1 was not particularly effective in engaging and managing its stakeholders. Many interviewees stated that in Company A HR had a poor reputation and was not considered to be an important function (partly explaining the often-made distinction between HR and “the business”). Every interviewee reported that Function A1 did not conduct any formal stakeholder analysis, in its general planning or for specific initiatives or projects. Several interviewees did, however, state that stakeholder analysis was done effectively “in their heads” and through their deep knowledge of the business. Asked, however, if many initiatives floundered because of stakeholders’ unpredicted or unmanaged behaviour, each of the respondents conceded that this was a major cause of initiative delays, problems and failures.

This problem appeared to exist at the highest levels in the organisation. Several interviewees reported that the group HR director had used legitimate power to take decisions quickly, without first engaging less senior line managers. When these policy decisions were implemented, some business managers made objections to senior executives in the business who forced changes to HR’s plans, halting some initiatives in their tracks. This problem appeared to be made worse by the group HR director’s use of ‘scapegoats’ to avoid embarrassment or appearing incompetent, following such failures. One divisional HR director noted, “[the group HR director] takes a lot of decisions without considering execution problems and then doesn’t support the project manager when it all goes wrong. More consultation and involvement would enable better plans to be drawn up.” This quotation highlights several interrelated problems, all included in Figure 15 – ineffective activity identification, the blame culture, the fear culture, stakeholder engagement and participation.

Function A1 also appeared to be ineffective in engaging other stakeholders, such as those in central HR teams. The interviews uncovered a great deal of evidence that the central HR departments and divisional HR functions did not have a shared view of HR’s role, suffered from unclear division of responsibilities and were frequently in conflict. Interviewees suggested that some of the central HR department heads were unhappy
with the proposed ‘consultancy model’ because they saw it as diminishing their personal power bases. The model implied that divisional HR directors and their business partners become the primary point of contact for line managers, responsible for determining HR interventions and calling upon centralised specialist expertise only as required.

One central HR department head did say, “I don’t like the Ulrich model – it’s a convenient idea but does it fit with business needs? That has not been established.” However, several other respondents noted that this department head, along with some others, appeared little concerned with business ‘fit’ at the divisional level. They observed that policies tended to be created by central departments with little regard for business needs and execution practicalities. Such complaints about centralised functions are common, but the evidence from Function A1 suggested that this was indeed a significant challenge. The problem of self interest did explain some of the detected resistance from central department heads to the ‘consultancy model’ implementation. This issue is discussed in more detail later.

5.4.5 Implications for focus of the study

As discussed in Section 4.4.2, there is wide recognition in the literature that failings in the various organisational components explored by the strategy implementation ‘content’ school (see Section 2.2.8) cause strategy execution problems. However, because strategy implementation barriers have thus far not been explored at multiple levels of abstraction and via chains of causality (as depicted in Figure 15), little consideration has been given to the underlying causes of these failures. In particular, the issue of activity identification is a largely ignored dimension.

It is a major weakness of the literature that the underlying causes of the strategy implementation barriers commonly identified have not been explored. This fact and these initial findings in Function A1 provided justification for the selection of the research question explored via this study.

The next phase of data analysis was selective coding (Strauss & Corbin, 1998), which focused upon activity identification and alignment as the central theme warranting detailed further analysis. Data collection in the latter phases of the case study was also oriented to examine this issue in particular. Figure 17 highlights the central importance of activity identification and alignment by showing only these direct causes and effects of it (two of which are both causes and effects, due to bidirectional causality), as depicted in Figure 15.
5.4.6 Concentration of data analysis on the central theme

The initial interviews were crucially important to identify ineffective activity identification and alignment as a central issue worthy of closer attention. However, Figure 17 provides only an indication of the causes of this problem. A more forensic examination of the issue was afforded by examination of specific acts of activity identification and alignment and the documents that were generated in relation to these.

5.5 Strategy implementation-related documentation

Analysis of strategy implementation-related documentation\(^4\) corroborated many of the comments made by interviewees. This analysis was conducted by extending the database to capture:

1. basic information pertaining to the document, including:
   a. title/description,
   b. date,
   c. the organisation level of the unit of analysis to which the document pertained (e.g. whole organisation, specific department),
   d. the type(s) of plan addressed by the document (strategic, operational, project),

\(^4\) These included strategic plans, programme plans, project plans, ‘business models’ and suchlike, each of which was apparently intended to support execution of strategy. A complete list of all documents reviewed in the case is included within Appendix Section C.2.
e. the level of researcher participation affecting the document’s contents**;

2. specific codings developed to assess the presence and quality of the following**:
   a. link to higher level elements,
   b. mission,
   c. mission breakdown,
   d. external environmental analysis,
   e. internal environmental analysis,
   f. strategy outline,
   g. critical success factors/main strategy elements,
   h. projects,
   i. critical activities,
   j. causality,
   k. criticality,
   l. matrix for alignment,
   m. risks,
   n. performance measures,
   o. targets,
   p. organisation design implications,
   q. resource requirements,
   r. financial implications,
   s. linkages to other structural areas; and

3. specific codings for activity identification and alignment limitations**.

Querying using these fields as they evolved enabled the addition of further codes (most notably the activity identification and alignment limitations) and recognition of

** Once the research had entered the phases where participant observation and action research was used, some plans were developed with the benefit of researcher feedback or advice. This was controlled for to allow distinction of the type and level of plan limitations before and after researcher intervention.

** These factors were determined with reference to the literature, initial interview findings and prior data analysis. They also evolved in response to the documentary data, using grounded theory method.

** These emerged mainly from (a) observations of how written plans created or failed to address problems noted by interviewees and later (b) observations of real-time planning of programmes and projects.
patterns in the data (for example the reduction of certain problems once researcher interventions were made). A number of important issues emerged, central to which were the specific problems with activity identification and alignment, these being:

1. lack of strategic logic and clarity;
2. inadequate breakdown of strategy;
3. strategy that deals only with changes;
4. strategy oriented to influence multiple stakeholders;
5. vague/ambiguous terminology;
6. confusion between causality and task dependency; and
7. leaps of logic.

A total of 12 strategy implementation-related documents were analysed, with the above problems occurring with the frequencies listed in Table 10. Each of these is explained and explored below.

<table>
<thead>
<tr>
<th>Activity identification and alignment limitation</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of strategic logic and clarity</td>
<td>92%</td>
</tr>
<tr>
<td>Inadequate breakdown of strategy</td>
<td>92%</td>
</tr>
<tr>
<td>Strategy that deals only with changes</td>
<td>67%</td>
</tr>
<tr>
<td>Strategy oriented to influence multiple stakeholders</td>
<td>50%</td>
</tr>
<tr>
<td>Vague/ambiguous terminology</td>
<td>75%</td>
</tr>
<tr>
<td>Confusion between causality and task dependency</td>
<td>33%</td>
</tr>
<tr>
<td>Leaps of logic</td>
<td>75%</td>
</tr>
</tbody>
</table>

Table 17: Frequency of documented activity identification and alignment limitations in Function A1

These findings reflect (and help to confirm via triangulation) the findings from the initial interviews. Table 18 cross-references the causes of ineffective activity identification and alignment emerging from the interview analysis with the limitations that emerged from the document analysis.
Initial interview findings: causes of ineffective activity identification & alignment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of strategic logic and clarity</td>
<td>Strongly related</td>
<td>Strongly related</td>
<td>Strongly related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
</tr>
<tr>
<td>Inadequate breakdown of strategy</td>
<td>Strongly related</td>
<td>Strongly related</td>
<td>Same/very similar</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
</tr>
<tr>
<td>Strategy that deals only with changes</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Strongly related</td>
<td>Strongly related</td>
<td>Strongly related</td>
<td>Related</td>
</tr>
<tr>
<td>Strategy oriented to influence multiple stakeholders</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Strongly related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
</tr>
<tr>
<td>Vague/ambiguous terminology</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
</tr>
<tr>
<td>Confusion between causality and task dependency</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
</tr>
<tr>
<td>Leaps of logic</td>
<td>Related</td>
<td>Strongly related</td>
<td>Strongly related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
</tr>
</tbody>
</table>

| Table 18: Cross reference of problems from key initial interview and strategy implementation-related document findings |

The causes of ineffective activity identification and alignment are explored in detail below.

### 5.5.1 Lack of strategic logic & clarity

The majority of strategy implementation-related plans pertaining to Function A1 – developed at the organisational, functional, divisional and departmental levels – did not incorporate clear, plausible logic to underpin the orientations, choices, trade-offs and priorities implied by these plans. Plans rarely provided sufficient or clear enough guidance to inform what should happen as a consequence of the planning.

For example, the group HR function’s strategic plan, intended to cover a five-year period, stipulated a mission of wanting to create a “workplace environment” which would develop the “human capital” needed to “improve business performance”, supporting “[the organisation]’s strategy”. None of these terms were defined in any way. This is problematic, as terms such as “workplace environment” and “human capital” are highly abstract and open to a wide range of interpretations. Equally, “improve business performance” has no substantial meaning out of context and very little was added by the reference to the “[the organisation’s] strategy” because, as discussed above, Company A had no formal strategy to which HR could refer.

In addition to these problems, the mission was in no way linked to the subsequent elements of the strategic plan. A very broad PEST (political, economic, social and technological) analysis was conducted, along with an equally unstructured SWOT
(strengths, weaknesses, opportunities and threats) analysis. From there, seven “objectives” were detailed, including, for example:

1. “to develop the leadership and change management excellence of the organisation”; and
2. “to work with the business to achieve a competitive level of workforce efficiency. (Efficiency = the way HR actually support the business)”.

It was not at all clear how the seven objectives were derived from the mission or environmental analysis. By way of a measure of this, it was not possible to detect in any of them any specific trade-offs or focus more relevant to Company A than any other sizable organisation.

The objectives were underpinned by a very small number of what were called “action points”. These were certainly not concrete activities, but were conceptual objectives for complex initiatives. Examples included:

1. “[e]nable a flexible [organisation] wide culture with core shared values to drive business performance”; and
2. “[i]ncrease the [organisation’s] workforce capability in aligning with business needs to enhance performance”.

Once again, any causal linkages between these “action points” and the “objectives” were generally unclear. For example, it was not possible to speculate on how enabling “a flexible [organisation] wide culture with core shared values to drive business performance” would, along with several other action points, plausibly “develop the leadership and change management excellence of the organisation”. No rationale for the choice of the objectives and activities or exclusion of other potential options was provided.

Despite these problems, a form of causal map was contained in the appendices of the document. A “strategy tree” was included as part of the function’s balanced scorecard work. This strategy tree, which was never published or presented anywhere other than in the strategic plan (which was only circulated to the group HRMC) bore no relation to the rest of the document and appeared to reflect (or was reflected in) the performance measures contained in the document. Despite being portrayed as a causal map, it did not appear to contain any plausible causal relationships. For example “training ROI” was shown to cause “customer feedback”, which was shown to cause “HR budgeted costs” and “staff satisfaction” was shown to cause “process improvement savings”.

176
Chapter 5: Findings: Function A1

It appears that the creator of the causal map had perhaps confused performance variables with possible indicators of these, and only included the latter. It seems likely that this map was developed subsequently to the measures being identified, rather than the more logical opposite.

The limitations of this document are perhaps unsurprising, given the context of its creation. This strategic plan was required by the group Finance function of Company A, acting on behalf of the chief executive, following the latter’s decision that the annual budget process should be preceded by a strategic planning process. The researcher was present as a passive observer in each of two workshops conducted by the group HRMC, led by the group HR director, where HR’s contribution was developed. The group HR director, having explained this context, set the tone for these events by asking, “[a]re we all agreed, the objective is to do the minimum required and get this out the way as quickly as possible?” No dissent was voiced and the very short workshops proceeded on a fairly chaotic basis. After the group split into two, the group HR director was said to have been sitting, feet on desk, flicking through business books looking for “good-sounding stuff to chuck in.” The strategic plan ultimately submitted was developed beyond what was achieved in these workshops (by the group HR director’s executive assistant), but neither the group HRMC, nor anyone else in the function was further involved in what was the only formal ‘strategic planning’ carried out by the group HR function until several years later.

These problems were typical. Of all the documents examined49, only 17 percent made an explicit linkage to the objectives of parent organisational units. None broke down their missions to explain the (often vague) terms employed. Only a quarter included an environmental analysis. Only half included any form of risk assessment (these were mainly project documents, rather than strategic plans). Less than one fifth of the documents included any resource implications or financial implications. Three quarters of the documents included some performance measures, although in general these were very poorly constructed. For example, the ‘measures’ would be entirely descriptive (not actually detailing how they would be quantified) or would be stated as broad targets for completion of actions or delivery of project ‘products’, rather than outcome measures of success.

49 Those strategic plans developed with direct researcher assistance were excluded from this analysis.
5.5.2 **Inadequate breakdown of strategy**

92 percent of the documents analysed did not break down the strategies developed beyond very high levels of abstraction. Only one project plan identified critical activities, highlighting the fact that no strategy documents and very few project planning documents explored the detail of actual implementation.

Prior to the researcher interventions made during the study, there was very little evidence that those responsible for strategic planning or project planning were under any pressure or expectation to break down conceptual objectives into activities. Plenty of action plans and project task lists did exist, but seemingly none of these documents had a strategic orientation, and thus fell outside of the strategy implementation-related document analysis described above.

It appeared to be a characteristic of Company A that what little strategy documentation existing had virtually no obvious relationship with operational planning, processes, projects and so on. This ‘disjoin’ may be accounted for by the abstract and vague nature of the strategy documentation, or the heavily action-oriented focus of those in operational roles, or as is most plausible, both of these problems. Notably, those developing strategic documents related to Function A1 did not appear to employ surrogates for making linkages between strategy and operations, such as matrices (discussed in Section 4.5.3). Instead, it seems that joining strategic concepts and concrete activities was not a challenge pursued at all. The organisation’s espoused lack of strategy may account for this apparent nonchalance about strategic alignment.

5.5.3 **Strategy that deals only with changes**

Most of the documents analysed in Case A1 dealt only with proposed changes to strategy, rather than presenting a holistic and integrated view of how value might be created or overall missions achieved.

These plans fail to make clear any interdependencies with existing operations and the proposed changes, and increase the chances of inconsistencies or conflicts arising between these streams of activity, upon implementation.

5.5.4 **Strategy oriented to influence multiple stakeholders**

Half of the documents analysed in Case A1 were clearly intended to influence multiple stakeholders, and thus might be seen as surrogates for stakeholder communications, rather than strategic or project plans *per se*. For example, the group HR strategic plan described above was clearly intended to be ‘passable’ for the group Finance function, responsible for collating the plans. A significant amount of detail is
provided in relation to measures and the balanced scorecard (for which Finance was also responsible), but numerous other important aspects are missing (e.g. risk management, in which the Finance function had little interest, at that time).

5.5.5 Vague/ambiguous terminology

Many parts of strategy implementation-related documents pertaining to Function A1 were made meaningless by excessively vague and meaningless terminology. This problem is likely related to lack of strategic clarity, and the undefined terms discussed above (such as “workplace environment” and “human capital”) are examples of vague and ambiguous terms which were not defined. Similarly, Division A1’s five-year strategic plan included undefined terms such as “strength” and “flexibility” which, given the context in which they were used, could imply an extremely wide range of meanings.

Figure 18 reproduces a causal chain developed by a manager in Function A1, intended to explain how the introduction of a new recruitment process in one of Division A1’s departments would contribute to the department and division achieving their strategic objectives. The use of ‘causal chains’ to explore and express the strategic rationale behind projects was established in Function A1, following researcher interventions. Causal chains proved to be useful for this and for identifying risks and performance measures related to the intended outcomes of projects and activities.

The manager in question had, along with some colleagues, been briefed by the researcher about how causal chains might be developed for this purpose. The manager’s attempt to create a causal chain included the undefined term “[b]usiness operating model” twice. This is a good example of the kind of phraseology regularly employed in Function A1, which had insufficient meaning to enable assessment or validation of the causal links between activities and strategic objectives.

![Figure 18: Attempted recruitment project causal chain in Function A1 showing typical ambiguity](image-url)

It seems likely that such ambiguity would lead to confusion amongst those responsible for the implementation of plans. It also increases the scope for managers to

---

*50 These issues are discussed in more detail in the cross-case analysis (Chapter 7).*
undertake activities not intended to be within the scope of the plan in question. Ambiguous terminology was found in 75 percent of the documents examined, and contributed to reducing the plausibility of the causal assertions made in these documents. The use of ambiguous terminology continued amongst actors who had specifically been advised by the researcher to use clear and unambiguous terminology, in order to improve strategic clarity. Actors reported that they found this very difficult.

5.5.6 Confusion between causality & task dependency

The widespread use of causal chains in Function A1, following researcher interventions, made more obvious a problem that had tentatively been identified in strategy implementation-related documentation analysed prior to that time. Some 33 percent of the documents examined displayed confusion between causality and dependencies between logically sequential tasks.

Causal chains were intended to link the ‘products’ of projects (i.e. what they created or delivered in a physical or tangible sense) to the strategic objectives that these products sought to achieve or contribute towards. As the study unfolded and the propensity of actors to confuse causality and task dependency became clearer, researcher interventions were made to train actors to develop causal chains and distinguish these from sequential task dependency paths. Despite this, actors repeatedly made this mistake.

Figure 19 reproduces an attempted causal chain, documented by a manager in Function A1 who was responsible for a major restructuring project. Figure 19 actually demonstrates a logically sequential series of tasks, starting with “[b]usiness vision and plan”, presumably necessary before “[c]onsultation and communication”, essential prior to implementing the “[s]election process” and then arranging the “[r]edeployment or departures [of staff]”.

![Figure 19: Attempted causal chain actually showing sequential task dependency](image)

There is no doubt that mapping sequential task dependency is useful for project planning purposes. However, it does not explain why a project should be undertaken, focusing instead on how.
Researcher enquiry confirmed that Figure 19 actually depicted several people management-related activities, each of which has separate outcomes. The consultation and communication process were intended to influence the motivation of employees affected by the restructure, and partially influence the design of the selection process and handling of redeployments and redundancies. The selection process itself was intended primarily to ensure the department retained high quality staff in appropriate roles. Redeployments and redundancies were intended to reduce the department’s headcount, staffing costs and thereby, total costs (partially reflected in the rightmost element in Figure 19). It was this last element that was the entire rationale for the project, and only reason for implementing it. The other elements of Figure 19 reflected decisions about *how* the project should be implemented, rather than *why*.

Although Figure 19 depicts a fairly simple project with a reasonably obvious rationale, in many cases the use of sequential task dependency paths obscured the strategic logic for undertaking a project and made risks, benefits and costs very difficult to assess.

### 5.5.7 Leaps of logic

Most strategy implementation-related plans analysed in Function A1 included implied assertions about causality. However, the plausibility of these relationships was often questionable.

Making assessments of plausibility was frequently made problematic (both for managers in Function A1 and the researcher) by ‘leaps of logic’, where highly *indirect* causal relationships were identified. Whilst the existence of these relationships might ultimately be possible, much more precise articulation of the mechanics of the intermediate means would be required to assess this. This problem became obvious once researcher interventions were made and the use of causal chains became widespread in Function A1.

For example, Figure 20 depicts a documented causal chain (which also has elements of a sequential task dependency path woven in), which suggests that staff mentoring would cause “[i]mproved individual performance confidence”, which would have a “[p]ositive impact on business unit performance”. It is possible that Figure 20 depicts a possible or even plausible outcome of the mentoring scheme to which it refers. However, insufficient detail is provided to enable assessment of these relationships. The causal chain ought, for example, to explain how increased confidence might
improve the performance of the business unit, with due regard to its activities and wider context.

Figure 20: Attempted causal chain for a mentoring project in Function A1, showing ‘leaps of logic’

Where some causal relationship may exist between a specified means and end, but it is tenuous, this limits the scope for effective detailed planning. This problem is a significant one, as the way in which activities and projects might best be implemented is conditioned by their ultimate objectives. Even where indirect but ultimately plausible causal relationships are established, logical leaps create the risk that superior alternative means are ignored in favour of the specific means identified.

5.6 Causes of activity identification & alignment limitations

Having identified the causes of ineffective activity identification and alignment, that contribute towards implementation problems in Function A1, it is worth addressing their causes in turn. It was outside the scope of the case study to provide a definitive explanation of these limitations, which emerged only through the grounded research. However, the data collected provides indications of potential causes and these are discussed here.

Initial analysis of the causes of each limitation in isolation quickly revealed that they might strongly related, both directly and via their causes. Hence the analysis examines them together. Figure 21 depicts the main likely causes of the limitations using a causal map.
Figure 21 suggests that three interrelated causes of the limitations were particularly important:

1. no structured strategy development framework was in use;
2. limited strategic awareness and skills;
3. managers had insufficient motivation to develop effective strategy.

Each of these is discussed below.

In respect of the first two causes, Figure 21 is not intended to imply that the existence of such a framework and skill set would have eradicated all the planning problems. Some of strategy implementation-related document problems were identified only via this research, and it would not be reasonable to expect Function A1 to have designed frameworks and developed skills to address these issues. However, in the light of these findings, a well-designed framework and skill base could reduce the risks of strategies falling into all these traps. Figure 21 is intended to reflect this.

### 5.6.1 Structured strategy development framework

At the beginning of the study, Function A1 had no formal or structured approach to the development of strategy. No document templates, guidance notes, flow charts, example strategy documents or any other form of systematic process or advice was made available to those managers engaged in developing strategies at the functional or
departmental level. As implied by Figure 21, the existence of such a framework might feasibly have, amongst other things, militated against the tendency of managers to develop strategies that were limited in any of the ways identified in this study.

The development of a strategy within Function A1 via researcher interventions is discussed later.

5.6.2 Limited strategic awareness & skills

Very few members of staff in Function A1, or indeed Company A in general, reported or demonstrated that they had significant awareness or experience of developing strategy. This is unsurprising. At the start of the study, virtually no one in Function A1 had any strategy training, the organisation was highly action-oriented and no strategy development framework was in place.

Naturally, given this backdrop, managers in Function A1 would have to have possessed considerable insight or have undertaken relevant self-guided development to address the limitations of the function’s strategy. As noted in see Section 2.2.3, the development of effective strategy that can realistically be implemented is very difficult and time consuming.

5.6.3 Insufficient motivation to develop effective strategy

At the beginning of the study, there was no evidence that managers in Function A1 were motivated to develop strategy that would directly inform activities. Rather, strategy development was seen as something that was ‘done elsewhere’ and of little practical relevance to the challenges facing HR. It did not appear that many managers in Function A1 were motivated to perform the kind of deep thinking and analysis required to create properly integrated and comprehensive strategies that could be implemented.

A notable exception to this was Function A1’s HR director, who had previously experience of working through a strategy development process which (s)he had found useful. (S)he expressed the view that developing a systematic strategy would be helpful and hence permitted a researcher intervention (made once saturation was reached in the initial data collection process), to facilitate this process.

5.7 Passive & participant observation

The study provided many opportunities to see Function A1 in operation via attendance at meetings of the management and departmental teams, various workshops and on informal occasions. The data collected at these events were often unstructured
or unique. Some meetings revealed nothing of interest, whereas others covered several issues relevant to the study. Passive and participant observation was most useful in providing confirmatory or contrary evidence relating to data collected via other methods.

5.7.1 Strategy & co-ordinating frameworks

Several observations were made in the early meetings attended. First, Function A1 was undertaking a great deal of activity, ranging from recruitment and succession planning to creating an index of skills in the division and a new performance management system. However, visibility of all this activity was limited because no integrated and coordinated system existed to provide a single view for managers of all the (high profile and costly) activity underway, its state of progress and so on. Reporting of the performance of the projects or their impacts did occur but was not systematic. No strategy or guiding framework appeared to be in use. Related to this, there was limited coordination or communication of activities between departments within Function A1. It was not uncommon for members of the management team to be completely unaware of significant projects that were well underway in departments other than their own. Finally, there was no formal explanation of and little ad hoc discussion about the relationships between the many projects underway in Function A1. Furthermore, there was no ongoing discussion about how these related to the strategy of the organisation, Division A1 or the HR function.

5.7.2 Stakeholder issues

Passive observation was particularly useful to collect evidence regarding the motivations of stakeholders, helping to attribute the causes of certain problems. Four key observations were made.

First, in Function A1, the involvement and interests of different parties in projects and initiatives was generally unclear and rarely defined formally. Although passing comments were made about the position of stakeholders, no systematic stakeholder analysis was carried out (prior to researcher interventions).

Second, during a taxi journey to an airport, one of the central HR department heads was heard to comment on a key annual process for which (s)he was responsible. The exercise was not being implemented effectively and was the subject of numerous complaints from managers in the business and HR staff in Function A1. However, the department head noted (sincerely), “of course it’s a mess but if we got it all right there would be nothing for us to do next year”. This comment was notable, in light of
responses from several interviewees implying that this department head was not motivated to meet business demands and was interested primarily in retaining personal power despite the strategic changes in Company A’s HR function.

Third, at the start of the group HR strategy development exercise described in Section 5.5.1, each of the divisional HR directors delivered a systematic summary of each division’s objectives, environment, strategic initiatives and priorities. The key elements of these were summarised on flip charts for future reference. However, as the workshop progressed, the (larger number of) central group HR department heads dominated the meeting and no further reference whatsoever was made to the business divisions and their needs. This, amongst other things, corroborated the suggestion of numerous interviewees that the group HR teams had little interest in meeting the needs of the divisions in Company A.

Finally, during a conversation with a colleague about a poorly managed HR process, it was suggested to a central group HR department head that, “half of [succeeding at managing the process] is about managing people’s perceptions about it”. The department head replied “[i]t’s more half – much more!” Being privy to this discussion helped to corroborate the reported view that this department head was seeking to develop personal reputation very quickly but was ‘cutting corners’ and failing to address underlying problems when implementing the changes required in the department.

The emerging view that the activities and interests of the central group HR departments were misaligned with the needs of the business divisions was refined somewhat by participant observation in an important group HRMC meeting. The issue of whether the group HR departments provided effective support to the divisional HR teams arose, and the researcher was drawn into the discussion. The conversation continued broadly as follows:

**Group HR director:** What do you think about this – what does your research tell us?

**Researcher:** There is a widespread view amongst the divisional HR teams that the group HR departments are not business-focused, and have a tendency to develop policies in isolation of divisional priorities and activities. In particular, the view is that the central HR departments don’t take sufficient account of practical implementation issues, and thus sometimes make poor decisions about tactics and timing.
Group HR director: And do you think these views are valid, or is this just ‘us and them’ stuff?

Researcher: The evidence does support these views. However, it might be more subtle than that.

Group HR director: Go on.

Researcher: The central teams do not appear to be business-focused, but to be so, they probably require good information about the objectives, environment, strategy and priorities of each division. They need to know what’s going on in a business if they are to select appropriate times to introduce new policies and procedures, and so on. The best source of this information is presumably the divisional HR teams. So, do they systematically gather this information and provide it to the central HR teams, to inform their planning and thus proactively influence their interventions in the business?

Divisional HRD: No, you’re quite right – we don’t.

Researcher: OK. And by the same token, the central teams might provide sufficient information about their emerging plans so that the divisional HR teams can become involved in shaping them early on, advise on tactics and timing, and involve their business colleagues as necessary to ensure successful implementation.

Group HR director: So it’s a two-way street, and at the moment, there isn’t much traffic on it!

Researcher: I think that’s right.

Department head: You’ve put your finger on it. We’re setting ourselves up to fail here and are not recognising it.

This conversation led to the development of a reporting system whereby divisional HR teams (to varying degrees of comprehensiveness) provided to the central group HR teams:

1. details of the business units they served, their objectives, environments, strategies, structures, priorities and so on; and
2. plans showing initiatives being delivered over the following 90 days, highlighting in each case where support was required from the central teams.

Similarly, some central group HR teams started to provide summaries (some in the form of ‘radar maps’) detailing the initiatives on which they were working and proposed implementation timescales.

These changes, although not uniformly applied across the group, were reported to have improved communication and coordination between central and divisional HR teams and reduced initiative failures. Ultimately, these reporting methods were embedded in a group-wide programme management IT system, which enabled sophisticated tracking of dependencies between departments and the proposed impact of projects across all the divisional and central HR teams.

The new levels of communication and coordination were not always accompanied by reduced conflict. In many cases, the sharing of information created conflicts over the demands being placed on departments and over the division of responsibilities and authority. At this time a tangible shift of power from the central departments to the business divisions was detected. Some of the central department heads actively sought to counter this trend. For example, they had noted that the divisional HR directors were regularly meeting to discuss their shared needs and share intelligence about the support provided by the central departments (and furthermore, collude to influence and sometimes force agreement to changes in policy, during HRMC meetings). As a result, the central department heads decided that they too should meet to develop a shared agenda. Over time, they did manage to regain some power, assisted greatly by the (unrelated) determination of the group chief executive to reduce duplication of activities between divisions and generate economies of scale via specialisation and centralisation.

These new reporting methods in turn surfaced several other problems, some of which had been suggested by interviewees.

First, business partners in the divisional HR teams (responsible for serving parts of the business) had a tendency to be overprotective of their relationships with business managers and did not always call upon specialist support when it would have been appropriate. This seemed in part due to the lack of trust between the HR departments and the different agendas they pursued.

Second, the divisional HR teams did not communicate their activities effectively with one-another, causing unnecessary duplication and limited sharing of intelligence.
Third, it was common for business managers to approach different people in HR, knowing that they often give different answers to questions about policies, until the desired answer was given. This led to HR staff deliberately constructing responses to requests in such a way as to enable them to be changed if more senior person was approached later (thus saving face).

All of these issues provide important context to the data analysis. They created pressures that might in some cases have reduced the motivation of HR staff to focus on developing sound strategies and implementation plans and work to identify activities carefully, in favour of developed politically-driven agendas.

5.7.3 Diagnosis & problem-solving

The problems discussed earlier with symptom-focused problem solving and suboptimal project selection (both exacerbated by short-termism in Company A) clearly did continue long after Function A1 recognised these problems. Although HR introduced relevant training, tools, project management processes and other controls, the determination of some business managers to adopt reactionary short-term solutions to problems sometimes remained. Moreover, there was evidence that often line managers were well aware that their solutions were unlikely to result in sustainable performance improvements, but pursued these because of self interest. Several years into the study, Company A’s group chief executive was made properly aware of the enormous costs associated with turnover amongst recently appointed staff. In some parts of the business, upwards of 30 percent of staff resigned within 12 months of joining Company A. With recruitment, selection, induction and training costs amounting to the equivalent of around a year’s salary (not taking into account productivity and revenue reductions associated with staff turnover), this was a major problem. The chief executive swiftly introduced tough targets for all divisions of Company A to reduce new staff turnover.

Respondents in Function A1 reported that business managers demanded quick responses from HR and very few permitted any time for effective diagnosis of the problem and its underlying causes. In several cases, line managers made it clear that they were not interested in medium- or long-term solutions, even if they were the only viable options for tackling the underlying problems. Instead, they were prepared to manipulate the system to produce apparently successful changes. Across Division A1, the following tactics were detected during the study: -
1. Some managers quietly introduced a substantial ‘13th month bonus’ that rewarded new employees for staying with the organisation for more than a year. This initiative did help to ensure a reduction in new staff turnover (i.e. measured by the proportion of new staff leaving within a year of appointment). However, this tactic, as well as being very costly, did not cause any change to turnover amongst staff employed for 13 months or more.

2. Some managers decided to keep temporary staff on temporary contracts for much longer than previously, to ensure that these individuals ‘fitted in’ before offering them permanent contracts. This would have caused no problems were it not for the fact that temporary staff cost Company A significantly more than permanent staff because of employment agency fees.

3. Similarly, some managers hired temporary staff instead of permanent staff, despite the higher cost of this choice.

4. Some managers systematically identified staff who they considered to be at risk of resigning from the organisation, because they were dissatisfied or were known to be due to leave (e.g. students returning to studies, people relocating with spouses etc.). Wherever possible, managers fired these members of staff before they resigned, thus ensuring the related turnover was classed as ‘involuntary’ and not included in the new staff turnover measures.

In many cases, HR staff were well aware or even complicit in these manipulations of the organisation’s control systems. This highlights the point that HR staff were also affected by short-term targets, ineffective performance measures and poorly designed individual performance-related pay systems. In cases such as those described above, HR staff typically took their share of the credit for apparent successes. One department in Division A1 wrote a case study outlining how they had reduced new staff turnover in the business, and shared this with the entire HR function and others in the organisation, including the group chief executive.

5.8 Action research

Once theoretical saturation had been reached following participant observation, the methodology was again extended to include more in-depth researcher interventions. At the request of the HR director in Function A1, the researcher facilitated workshops to develop a strategy for Function A1. A series of workshops were conducted, with Function A1’s senior management team and several more junior HR staff from across the function involved in the strategy development.
Chapter 5: Findings: Function A1

The researcher developed a simple strategy development framework that was appropriate for a support function, adapting and extending the ‘process’ school model proposed by Roberts and Pitt (1990). This included the following steps:

1. development of a mission;
2. breakdown of the mission, clearly defining its key elements;
3. use of the mission’s key elements to frame examination of the external and internal environments, identifying specific barriers to and enablers of the mission’s key elements;
4. prioritisation of barriers and enablers into critical and first-order issues;
5. identification of potential strategic responses to each barrier and enabler;
6. grouping and amalgamation of strategic responses to create a set of strategic objectives; and
7. systematic breakdown of the strategic objectives, using the principles of causality and criticality to create a hierarchy of means-ends relationships, until concrete activities had been identified.

The objective of strategy workshops was to establish clearly the purpose of Function A1 and, having regard to the environment it operated within, establish activities that (it was predicted) could plausibly cause the achievement of the mission.

The group that developed the strategy in Function A1 generally found the experience very difficult. They were clearly unaccustomed to thinking conceptually and demonstrated limited experience of strategy development. The workshops provided further evidence of many of the problems identified via the initial interviews (see Figure 15) and the limitations exposed by strategy implementation-related document analysis:

1. the lack of strategic clarity provided by Company A, Division A1 and the group HR function caused participants to try to ‘second guess’ the plans of their colleagues in these areas;

---

51 This was intended to help with subsequent communication of the outputs within Function A1 and retain an accurate record of the intended meaning of the mission statement to aid later strategy development work.
52 ‘Internal’ and ‘external’ means in relation to the unit of analysis, i.e. Function A1.
53 In other words, where certain barriers or enablers had, logically, to be addressed before others could be (for example, stakeholders must be identified before being analysed before being managed).
2. repeated attempts were made by participants to use language and options that they thought would appeal to multiple stakeholders, despite clear advice from the researcher to leave decisions about stakeholder communications and influencing until later in the process;

3. the use of vague and ambiguous language was a constant problem, again despite repeated recommendations from the researcher that only unambiguous and well-defined terms should be used; and

4. participants repeatedly made leaps of logic, suggested highly specific means that might cause desired effects only very indirectly, at the cost of identifying alternative options and more direct means of achievement.

However, with guidance from the researcher, an apparently satisfactory mission, environmental analysis, strategy and strategy breakdown was eventually produced. Figure 22 summarises part of the outputs from these strategy workshops, to provide an indication of how these were framed. 

This strategy was later further refined, when it was merged with the outputs from two other divisions that carried out similar exercises and produced very similar strategies. The HR teams in the various divisions had insisted on undertaking their strategy development separately, stating that they were each ‘very different’ from one another. However, the strategy work revealed that the challenges they faced were in fact very similar. Hence, the decision was reached to integrate their approaches to a significant extent.

---

“ Only a partial breakdown is provided, for simplicity. Some elements of this strategy have been altered or summarised to protect Company A’s identify."
Most managers and staff in Function A1 reported that their effort to develop a strategy had been well worthwhile. One noted, “at first I couldn’t believe that we spent half a day writing one sentence [the mission] but now I can see why it was so important.” The most important insight, they generally agreed, was unanticipated. They had generally expected that an HR strategy would include a fairly predictable list of planned people management interventions (e.g. training, management development, absence management, performance management, succession planning, recruitment and selection and so on), much like the group HR strategy that was developed. However,
the process that was applied led the team down a slightly different route. The environmental analysis revealed that the most critical and first-order barriers and enablers in the environment related not so much to what HR did, in terms of its functional focus, but how the function interacted with its stakeholders and went about determining what to do. Put another way, HR had few challenges in relation to the content of its work. Most HR staff were well-qualified professionals who understood people management issues deeply. However, the process by which HR staff determined what to do was highly underdeveloped and led to fundamental problems, reflected for example in the aforementioned limitations of the diagnosis and problem-solving work. In short Function A1 was, to use Drucker’s famous distinction, doing things right but not doing the right things. Thus, its strategy had to reflect this and create a process that would uncover the right things to do on an ongoing basis.

The product of the strategy work was what became seen as a sustainable consulting process, which went a considerable way to filling the gaps recognised by many in relation to the consultancy model (which was being implemented across the whole group). This helped to confirm the view of interviewees who had noted, “HR staff do not understand new consulting model”, “it’s not clear what anyone should actually do to move towards the mission”, “HR consulting is just a ‘box’ with no definition in it yet” and “there is no detail yet on how [the consultancy model] will actually work – it’s too conceptual.”

The ‘consulting process’, as it became known, was readily adopted by managers in Function A1 to communicate to HR staff both Function A1’s and the group-wide HR function’s intentions, providing the detail that managers generally considered their teams desperately needed. In Function A1 a series of workshops were planned and rolled out across the entire function, covering numerous teams in multiple geographic locations. The ‘consulting process’ was published in Company A’s HR staff intranet and desktop cards and posters were produced to help communicate the newly defined ‘way of working’.

As they began applying the new consulting process, some senior managers in Function A1 made use of several tools used in the strategy development process (e.g. stakeholder analysis and repertory grid analysis, which was used for segmenting Function A1’s customer base). They decided to package these tools and others that helped with applying the consulting process. Over time, a series of documented
templates and analytical techniques were developed, all based on the consulting process, including tools for:

1. analysing stakeholders;
2. communicating Function A1’s service proposition;
3. aligning HR management information to business objectives;
4. diagnosing business problems;
5. demonstrating the impact of HR interventions via aligning them with business objectives;
6. explicitly showing how people management-related activities indirectly contributed towards the achievement of business objectives (causal chains);
7. risk identification and analysis;
8. performance measurement; and
9. cost-benefit analysis.

Over time, it became clear to managers in Function A1 that the consulting process and many of the tools being developed could be integrated into a project management process, improving and making much more applicable the existing project management methods in use in HR. Project management was emerging as the most appropriate ‘container’ for HR interventions, and Function A1’s consulting process provided the insights required to ensure it could be customised to work well in the function (rather than be a “bureaucratic irrelevance”, as it had often been described in the past).

A new project management process was developed, covering diagnosis, initiation, authorisation, management, delivery, closure and review of HR’s projects. New documentation was prepared and rolled-out, along with a new reporting process that aimed to provide high visibility of projects to senior managers. A ‘programme office’ was established to manage this process and the documentation, as well as provide support to project managers in HR and the senior management team.

The introduction of this systematic process was helpful to the ongoing research in Function A1, as it provided a source of data on how projects were being conceptualised and extended the strategy implementation-related document analysis.

The material created by the consulting process, toolkit and project management process was used to underpin a training programme which was rolled-out across Function A1 and embedded into its induction process for new recruits. The researcher
facilitated parts of these training workshops. As the design of these evolved, a project-based exercise was introduced, which gave participants the opportunity to apply various tools to upcoming or ongoing projects. One of these tools was the causal chain (mentioned above). This proved particularly useful for highlighting specific strategy implementation-related limitations and for confirming findings from data drawn from other sources.

As noted above, two limitations with activity identification and alignment-related documentation were identified via document review, only after researcher interventions were made:

1. confusion between causality and task dependency; and
2. leaps of logic.

This was because these problems were highly specific to the use of ‘causal chains’ to link explicitly activities with strategic objectives. However, the facilitation of workshops in particular provided a valuable opportunity to observe activity identification and alignment in as it occurred.

Data were collected for a total of five workshops, involving 41 members of staff in Function A1. The largest workshop was held with 10 participants and the smallest with seven, with the mean number of participants being 8.2. Attendees were split into groups of two or three (making up 17 groups in total) and requested to develop causal chains for their projects.

Being project-based, the workshops were not well suited to identify or corroborate the following causes of ineffective activity identification and alignment (previously identified via document analysis and interviews):

1. inadequate breakdown of strategy;
2. strategy that deals only with changes; and
3. strategy oriented to influence multiple stakeholders.

However, the workshops did enable observation of the emergence of the following previously identified problems:

1. lack of strategic clarity;
2. vague/ambiguous terminology;
3. confusion between causality and task dependency; and
4. leaps of logic.
Chapter 5: Findings: Function A1

Lack of strategic clarity was readily observed when participants found it difficult or impossible to specify the strategic objectives their projects were intended to contribute towards (i.e. the last few elements of the ‘causal chain’).

Function A1 had a clear strategy. However, projects that related to interventions in Division A1 were of course oriented to achieving the division’s objectives. Some participants clearly identified high-level objectives that reflected Company A or Division A1’s vision and aims. Examples of these included “shareholder value”, “profitability” and “reduced reputation risk”. However, in many cases, participants were unable to demonstrate detailed understanding of more specific strategic objectives relevant to their projects. In contrast, some actors could confidently explain how business units were seeking to improve cross-sales or customer service, and relate these intermediate variables both to higher-level strategic objectives and their projects.

In some cases, it appeared that HR staff saw the projects in which they were involved as ends in themselves, not distinguishing delivery of the project product with outcomes related to impact on strategic business objectives. Unsurprisingly, further exploration revealed in most cases that decisions about project tasks were difficult, as they were not well-informed by the context of what they together were intended to achieve. In light of the findings of the initial interview analysis and document analysis, the existence of this ‘strategic vacuum’ was not surprising.

The use of vague/ambiguous terminology, confusion between causality and task dependency; and leaps of logic were also observed. Even when workshop participants were given detailed explanations of the ideal construction of causal chains and specifically warned of these problems (along with examples of ‘good’ and ‘bad’ causal chains), many still made some of these errors (albeit to different extents). Again, each of these limitations reflected very closely the findings of the initial interview analysis and document analysis.

5.8.1 Confusion about the direction of causality

A further limitation was recognised during the workshops, not previously evident from documents or interviews. Some groups became confused about the direction of causality when developing causal chains, particularly when dealing with relatively conceptual projects. For example, one group developed a causal chain relating to reducing staff turnover amongst those members of staff considered ‘high potentials’. Led by a senior HR business partner, the team started to map, using a cause and effect hierarchy, what might cause staff turnover amongst this population to be reduced. This
is, in itself, a valid pursuit, particularly when considering what specific tactics might be employed to deliver this outcome. However, the task that had been set in the workshop was not to establish how the project’s product might be delivered (something the group was highly proficient at doing) but why the project’s product should be delivered – by linking it to high-level business objectives via cause and effect assertions. Upon researcher intervention, this group immediately recognised its mistake, acknowledging that the instructions had been clear and suggesting that the error was due to their habitual focus on activities, rather than strategic outcomes of their activities. Confusion over the direction of causality was observed in two of the 17 groups participating in the workshops.

A systematic record was made of the number of groups experiencing each of the above noted problems during the workshops, and this is presented in Table 19.

<table>
<thead>
<tr>
<th>Activity identification and alignment limitation</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of strategic logic and clarity</td>
<td>59%</td>
</tr>
<tr>
<td>Vague/ambiguous terminology</td>
<td>76%</td>
</tr>
<tr>
<td>Confusion between causality and task dependency</td>
<td>47%</td>
</tr>
<tr>
<td>Leaps of logic</td>
<td>71%</td>
</tr>
<tr>
<td>Confusion about the direction of causality</td>
<td>12%</td>
</tr>
</tbody>
</table>

Table 19: Frequency of activity identification and alignment limitations in Function A1, observed via workshops

5.9 Performance of Function A1

It is beyond the scope of this study to make a systematic assessment of the overall performance of Function A1. However, some data were collected that to some extent inform how successful the newly implemented strategy was in practice.

Company A’s HR function had conducted a group-wide survey of HR’s internal customers just prior to the study commencing. This simplistic survey enquired about how business managers rated HR in relation to highly generic attributes such as responsiveness and supportiveness. It also queried what HR should “start doing” and “stop doing”. In general, it exposed HR as being ineffective and poorly regarded.

A further survey was repeated two years into the study, but a different format was used, following researcher participation in its design. With the consulting process in place, questions were framed to examine highly specific aspects of how HR was operating. Rather than simply test satisfaction amongst business managers, the survey sought to explore important issues such as the extent to which HR staff constructively challenged managers and sought to diagnose underlying problems rather than only symptoms.
In addition to seeking ratings and qualitative commentary (for each question, to help explain the ratings given), respondents were also asked to provide an ‘importance rating’, indicating the extent to which they considered specific elements of the HR consulting process to be valid (the consulting process was not itself outlined to managers in the survey).

Internal customers of Function A1 generally rated Function A1 highly, and appeared to have much greater regard for the function than two years previously. Notably, business managers also reported that most of HR’s consulting process elements were important – including constructive challenge and deep diagnosis. These results surprised many HR managers, suggesting that the influence of short-term pressures in the business might be overcome by skilful challenge and effective (but, perhaps, speedy) diagnosis of apparent performance problems.

This survey was used as the template for a group-wide HR survey the following year. The results of this third survey suggested that Function A1 was the best-regarded HR function in Company A (at this time there was more than half a dozen HR functions in the group).

The results of the HR customer surveys do have to be treated with some care. Although the survey designed with the researcher’s assistance significantly reduced the potential for results that simply reflected how much business managers ‘liked’ HR and their HR Business Partners, other factors such as the maturity of these relationships undoubtedly played a part. It is also likely that the comparative results in particular were partly affected by framing (Tversky & Kahneman, 1981) (some other functions were not making use of the consultancy process and thus had not set the expectation amongst business managers that HR ought to constructively challenge decisions and diagnose underlying problems etc.). However, taken with the other evidence presented here, the surveys suggest that Function A1 had met with some success in seeking to overcome the performance problems depicted in Figure 15.

There is little doubt that Function A1’s involvement and influence in the business increased substantially over the period of the case. The function’s director noted, “[t]he business partners have gone from being completely reactive to being far more integrated and proactive in diagnosing issues and identifying solutions. They understand the

---

55 The quantitative results of these surveys cannot be summarised or presented here as they were retained by Company A, being considered highly confidential.
businesses much more and are much better accepted by them. The change is quite profound.”

Function A1 did attempt to measure its performance in other ways, in particular seeking to track the effectiveness of the implementation of its ‘consulting process’. However, these data were difficult to secure because the priorities of Division A1 changed abruptly due to major organisational changes, which affected numerous measurement systems.

5.10 Feedback from workshop participants

In Case A1, participants in one of the workshops were sent an evaluation form to gather feedback on the tools and methods introduced to them. The following question areas are of relevance to this study:

1. the use of causal chains to link strategic objectives with activities (‘top-down’ and ‘bottom-up’);
2. the use of causal chains to identify post delivery risks; and
3. the use of causal chains for performance measurement.

Respondents were also asked about problem diagnosis. This was highlighted as an area of common error within the workshops and the need to distinguish symptom from causes explored (thus ensuring that the causal chains developing were more likely to be appropriate ones). Feedback on this issue was also relevant in Case A1 (see Figure 15).

The use of causal chains to identify post delivery risks and for performance measurement is explained in more detail in the cross-case analysis in Chapter 7.

Eight confidential evaluations were received, giving a 62% response rate. Respondents were asked to answer questions using a 6-point Likert-type scale. The questions and combined response rates are detailed in Table 20.

56 The decision to evaluate the workshops was not made until after several of the early workshops had been held.

57 Respondents were not asked to provide their names on evaluation forms and could return them in a variety of ways, including methods that would veil their identities.

58 A 6-point scale was chosen to prevent central tendency and provide sufficiently finely calibrated responses given the nature of the question subject matter. In this scale, 1 = very low and 6 = very high.
Chapter 5: Findings: Function A1

<table>
<thead>
<tr>
<th>Question</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent do you anticipate each of the following topics will help you to add value in the future?§:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Strategic alignment: Top-down (i.e. cause &amp; effect hierarchies) &amp; Bottom-up (i.e. causal chains)</td>
<td>5.3</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>• Risk identification</td>
<td>5.2</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>• Measurement</td>
<td>5.0</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>• Problem diagnosis</td>
<td>5.7</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

Table 20: Evaluation feedback from workshop respondents in Case A1

These data provide an indication of how useful managers in Function A1 found the key methods developed during the study to tackle the central problem it identified – ineffective activity identification and alignment. Although these data represent subjective opinions of participants and are liable to some biases, they provide support for the use of causal chains to identify and align activities that might plausibly cause the achievement of strategic objectives. The participants on average rated each of the topics and methodologies covered as being useful to help them add value in the future. This closely reflected the observations of the researcher and anecdotal feedback from participants.

5.11 Summary

Case A1 examined strategy implementation within a divisional HR function within a large private-sector company. A wide mixture of data collection methods were employed over an extended period, beginning with very passive techniques and progressively using more direct interventions to gather additional data as theoretical saturation was reached. The following findings were produced:

1. The performance of Function A1 was constrained by a large number of closely-related strategy implementation problems. Central amongst these was ineffective activity identification and alignment.

2. Ineffective activity identification and alignment was caused by:
   a. lack of strategic clarity;
   b. inadequate breakdown of strategy;
   c. strategy that dealt with changes only;
   d. strategy that was oriented to influence multiple stakeholders;
   e. vague/ambiguous terminology;
   f. confusion between causality and task dependency;
   g. leaps of logic; and
   h. confusion about the direction of causality.
3. There is some evidence that these causes of ineffective activity identification and alignment were in turn caused chiefly by the following interrelated issues:
   a. there was no structured strategy development framework in use in Function A1;
   b. managers in Function A1 had limited strategic awareness and skills; and
   c. managers in Function A1 had insufficient motivation to develop effective strategy.

Figure 23 depicts the key findings from Case A1 in the form of a causal map explaining the key causes of ineffective activity identification and alignment, and in turn, the (tentatively-identified) key causes of these.

![Causal Map]

Figure 23: Summary of key findings from Case A1

The analysis of the data gathered in Function A1 reveals the limitations of previous strategy implementation research which has produced lists of barriers to effective execution. This analysis makes use of causal maps to causally link direct barriers to implementation and their likely underlying causes. It was this approach that revealed the central importance of ineffective activity identification and alignment – an issue that

---

Clearly, to be effective at preventing the strategy implementation-related problems identified, a structured framework for strategy development would have to be designed to help prevent these problems. Figure 23 implies that a good strategy development framework might reasonably reduce or prevent only the fairly generic strategy implementation-related problems.
has received extremely limited attention hitherto, and might partially explain the presence of many of the strategy implementation issues that have been the focus of previous studies.

The implications of this explanation are potentially far-reaching, implying that managers and researchers should pay greater attention to how activities that might plausibly achieve strategic objectives are identified and aligned with these objectives. If more appropriate activities are identified and aligned more effectively, the physical implementation that follows may suffer from fewer failures and avoid many of the obstacles commonly addressed in the literature.

Case A1 provides an indication of the causes of ineffective activity identification and alignment, offering scope for guidance for practitioners and isolating specific concepts for further study by researchers.

Case A1 also provided support for the use of causal chains to identify and align activities that might plausibly cause the achievement of strategic objectives.
CHAPTER 6: FINDINGS: FUNCTION A2

6.1 Relationship with Company A & Function A1

As explained above, Function A2 was a divisional HR Function operating within Company A. Section 5.1 provides an overview of Company A and outlines the strategic changes the firm’s group HR function was pursuing. This context affected Function A2 in much the same way as Function A1. Indeed, new HR directors were appointed by the group HR director to head up both Function A1 and Function A2, shortly before the study commenced. Both these new functional heads were involved in shaping the group-wide HR change effort and apparently shared similar expectations regarding the impact of these changes and similarly high levels of commitment to implementing them.

Largely because of this common context, the data collected for Functions A1 and A2 overlap considerably. Additionally, many of the findings are extremely similar. In the presentation of this case, various references are made to sections of Chapter 5, where adequate descriptions are provided (to prevent unnecessary repetition). Where appropriate, short summaries of key points are provided to reduce the need to follow cross references.

As described in Section 5.1 in relation to Function A1:

1. Structural changes occurring during the study meant that Function A2 was, technically speaking, originally a subset of the group HR function but later became part of its respective business division (SBU) (although a matrix structure ensured a secondary reporting line to the SBUs initially, and thereafter the group HR director).

2. Throughout the period of the study there existed a number of departments within company’s group HR function that had group-wide responsibility for specific human resources issues (e.g. employment policy, reward, recruitment and organisation development). These departments interacted regularly with Function A2.

3. The group HR function provided various means by which all the divisional HR functions in the group could interact. These interactions took many forms, but an obvious formal example was the right of divisional HR directors to sit on the group HR Management Committee (HRMC), which met regularly to review and make decisions relating to HR issues affecting Company A.
4. Shortly before data collection, Company A’s HRMC had initiated a major programme to implement their plans based on Ulrich’s model, the key elements of this being:
   a. an ‘activity analysis’;
   b. centralisation of some administrative HR processes;
   c. restructuring to create ‘business partner’ roles;
   d. the development of an HR consulting competency framework; and
   e. the deployment of ‘development centres’ for all non-clerical HR staff.

   Chapter 5 relates various other events relating to Company A and its group HR function, and these are generally as relevant to Function A2 as Function A1. As noted, this chapter does not repeat all of this contextual data, for simplicity. However, where specific events are particularly relevant Function A2 or additional contextual data are important, this is introduced in the sections that follow.

   Function A2 was the human resources function that served Division A2, a large SBU in Company A. Division A2 served a particular group of customers, offering a range of products in a specific geographic zone and targeting customers via specific distribution channels. The division had produced strong profits in recent years and this continued over the period of the case study. In terms of headcount, Division A2 grew substantially in size over the period, in part because of mergers. Function A2 was similar in structure in Function A1, although it was slightly smaller (reflecting a smaller customer group). Both functions were similarly dependent upon and affected by the group HR function within Company A.

6.2 Critical incident chart

   A critical incident chart detailing relevant events in Function A2 during the case study is presented in Table 21. This provides an overview of the sequence of key events to give context to the analysis which follows. Many of the events relate to Company A’s group HR function and were related in Section 5.2, because they also affected Function A1.

<table>
<thead>
<tr>
<th>Year</th>
<th>Q1</th>
<th>Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• New benefits package launched across group.</td>
<td>• Exercise conducted reveals that the HR function has over 200 projects ongoing, group-wide.</td>
</tr>
<tr>
<td></td>
<td>• Balanced Scorecard implemented across the group.</td>
<td>• Fieldwork commences with document review &amp; initial interviews.</td>
</tr>
<tr>
<td></td>
<td>• New staff engagement survey launched across group, and efforts to create ‘service-profit chain’ begin.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| Q1  | Company A merges with major rival.  
|     | Significant senior personnel changes occur, but the group, Function A2 HR director remain in equivalent role in the new structure.  
|     | Major headcount reduction targets set across group.  
|     | Plans developed organisation-wide to merge functions and departments, removing scale-independent duplication following merger.  
|     | All new members of Function A2 from merged organisation put through selection centre.  
|     | Reports that central group HR functions “log-jammed” handling changes from merger; not providing ‘business-as-usual’ support to divisional HR functions.  
|     | Departments in Function A2 start making use of ‘business driver’ maps, outlining key causal relationships in Division A2’s businesses.  
|     | Departments in Function A2 conduct activity analysis, revealing significant increases in positioning/influencing and strategy planning activity.  
|     | Function A2 begins building toolkit to assist with consulting process created via strategy development work.  
|     | Function A2 announces new structure, following merger.  
|     | HR consulting skills development programme launched for all senior HR staff across group.  
|     | Function A2 updates stakeholder analysis.  
|     | Function A2 creates and rolls out template for project & planning initiation, standardising coverage of issues such as options development, scheduling, risk management, stakeholder management, cost-benefit analysis, responsibility allocation, etc..  
|     | Group announces freeze on all product development to allow for IT integration.  
|     | Results for group show very good performance and headcount reductions ahead of schedule.  
|     | Function A2 HR director sends e-mail to direct reports confessing (s)he finds causal chains very difficult to manage, and asks who else would needs support to understand how to use them effectively.  
|     | Targets (affecting bonuses) for Division A2 senior business executives switched from negotiated form to imposed goals based on profit contribution and cost-income ratio.  HR director notes this is likely to increase short-term focus.  
|     | HR director’s target changes means his/her bonus is in part based on staff engagement survey response rate.  
|     | HR director notes some people management problems not discussed by Division A2 management committee because Group Chief Executive was at meeting.  
|     | Reports of redundancy process problems – poor inter-divisional coordination means resources not being reallocated optimally.  

| Q2  | Function A2 reviews implementation of the HR consultancy model and concludes that progress has been made but performance is constrained by lack of effective consulting capacity, insufficient prioritisation and too much duplication across teams.  
|     | External consultant review finds significant progress with HR consulting model implementation and examples of excellent practice across HR in the group – but also a blame culture, customer impatience, a lot of fire-fighting and limited cooperation between group HR functions and divisional HR teams.  
|     | Function A2 uses internal customer survey to assess validity of function’s strategy and effectiveness of its implementation. Survey only circulated to handful of senior executives, but results are highly positive.  

| Q3  | Group HR director launches exercise to pull together all HR strategy-related activity across group.  
|     | Group HRMC meet and set out action plan to re-invigorate consultancy model implementation across the group.  
|     | Complaints made in planning workshop by divisional HR directors that central teams ‘invent policies’ and ‘dump’ actions on divisional HR teams with no regard for implementation realities.  
|     | Function A2 reviews ongoing activity and discovers numerous undocumented projects. New rules imposed on standards of project planning.  
|     | Function A2 begins to explore the possibility of joint development of a sophisticated programme management system with other divisional HR teams in the group.  
|     | HRMC reviews the consultancy model and agrees the group HR strategy is poorly defined and that central specialist HR teams still do not adequately consult divisional HR teams when developing policy.  
|     | Function A2 sets up a dedicated team for analysing and presenting management information and managing HR consultant resource allocation.  

| Q4  | A review establishes that over 200 projects are underway across HR in the group.  

| Q1  | Group HR director announces intention to reduce HR to organisation headcount ratio to 1:100.  
|     | Group HR director notes that ‘consultancy model’ has been very successful but there is much more change work to be done in the central group teams, which have “hardly changed”.  
|     | Group HR develops a sophisticated web-based programme management database to efficiently coordinate project management, reporting and dependency/impact communications.  

| Q2  | Outsourcing of basic HR services implemented for core employee groups.  
|     | Group HRMC sees presentations from potential providers of HR consultancy training.  
|     | Function A2 reviews provision of management information to Division 2 management board, to improve its scope to add value.  
|     | Function A2 HR director indicates that assessment process has revealed no HR managers have the change management skills required for the future.  
|     | Group HR director welcomes suggestions on changes to the reward system used in HR.  

| Q3  | Divisional HR directors meet to agree how to ensure central group specialist HR teams respond to business needs.  
|     | Function A2 begins its own strategy development process.  
|     | Roles for new HR ‘consulting model’ defined.  
|     | Function A2 completes detailed stakeholder analysis.  
|     | Reports mount of junior staff in Function A2 becoming increasingly anxious about their futures.  
|     | Group HR Strategy for next 5 years determined via workshops.  
|     | Function A2 completes draft strategy.

| Q4  | Year 2  
|     | Group HR develops a sophisticated web-based programme management database to efficiently coordinate project management, reporting and dependency/impact communications.  
|     | Group HR announces freeze on all product development to allow for IT integration.  
|     | Results for group show very good performance and headcount reductions ahead of schedule.  
|     | Function A2 HR director sends e-mail to direct reports confessing (s)he finds causal chains very difficult to manage, and asks who else would needs support to understand how to use them effectively.  
|     | Targets (affecting bonuses) for Division A2 senior business executives switched from negotiated form to imposed goals based on profit contribution and cost-income ratio.  HR director notes this is likely to increase short-term focus.  
|     | HR director’s target changes means his/her bonus is in part based on staff engagement survey response rate.  
|     | HR director notes some people management problems not discussed by Division A2 management committee because Group Chief Executive was at meeting.  
|     | Reports of redundancy process problems – poor inter-divisional coordination means resources not being reallocated optimally.  

| Q1  | Year 3  
|     | Group HR director launches exercise to pull together all HR strategy-related activity across group.  
|     | Group HRMC meet and set out action plan to re-invigorate consultancy model implementation across the group.  
|     | Complaints made in planning workshop by divisional HR directors that central teams ‘invent policies’ and ‘dump’ actions on divisional HR teams with no regard for implementation realities.  
|     | Function A2 reviews ongoing activity and discovers numerous undocumented projects. New rules imposed on standards of project planning.  
|     | Function A2 begins to explore the possibility of joint development of a sophisticated programme management system with other divisional HR teams in the group.  
|     | HRMC reviews the consultancy model and agrees the group HR strategy is poorly defined and that central specialist HR teams still do not adequately consult divisional HR teams when developing policy.  
|     | Function A2 sets up a dedicated team for analysing and presenting management information and managing HR consultant resource allocation.  

| Q4  | Year 4  
|     | Group HR director announces intention to reduce HR to organisation headcount ratio to 1:100.  
|     | Group HR director notes that ‘consultancy model’ has been very successful but there is much more change work to be done in the central group teams, which have “hardly changed”.  
|     | Group HR develops a sophisticated web-based programme management database to efficiently coordinate project management, reporting and dependency/impact communications.  

206
Table 21: Critical incident chart for Function A2 case study

6.3 Overview of research activities

Table 22 summarises the research activities undertaken in Case A2, and provides references Sections of this Chapter where key activities are described in detail. A sequential table such as this inevitably suggests a slightly more linear process than in reality occurred; some iteration between these phases was useful (for example, interviews were re-examined in the light of activity identification and alignment limitations being identified).

<table>
<thead>
<tr>
<th>Research activities over time →</th>
<th>Document review</th>
<th>Passive observation</th>
<th>Interviews</th>
<th>Participant observation</th>
<th>Action research</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Archival documents analysis</td>
<td>Observation at meetings/workshops/conferences (6.7)</td>
<td>Initial semi-structured interviews &amp; analysis (6.4)</td>
<td>Participation in meetings/ workshops/conferences &amp; analysis (6.7)</td>
<td>Strategy development workshops (6.8)</td>
</tr>
<tr>
<td></td>
<td>Strategy implementation-related documents analysis (6.5)</td>
<td></td>
<td>Unstructured interviews focused on specific issues &amp; analysis</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 22: Overview of research activities in Case A2

6.4 Initial semi-structured interviews

At the commencement of Case A2, interviews were carried out with 15 individuals in Function A2, Function A and Division A2. The mean length of these interviews was 1.7 hours, with the shortest lasting 3 hours and longest 0.5 hours. The questionnaire used to guide the initial (semi-structured) interviews is provided in Appendix Section D.1. It covered a wide range of issues relating to the implementation of strategy and its questions were categorised into broad topic areas60. 40 further interviews were

60 As outlined in the methodology section, the interview questionnaire was developed on the basis of topics addressed in the strategy implementation literature and the questionnaire was applied flexibly. Questions were not always posed exactly as written, often being adapted slightly in terms of language to suit the knowledgability of the interviewee. In some interviews, some questions were omitted for the same reason or because previous answers made these questions redundant.
conducted later in the field study, along with the collection of data using other methods. These later interviews included many repeat interviews and ones with new respondents. Their mean length was 1.4 hours. They generally gathered more heterogeneous data relating to specific issues and were necessarily less structured.

Data gathered via initial interviews was analysed through the identification of critical incidents and comments. In total, 98 critical ‘data fragments’ were entered into a customised database and categorised according to:

1. the interview date;
2. respondent demographic information, including:
   a. name,
   b. division,
   c. department,
   d. team (if applicable),
   e. job title,
   f. seniority level,
   g. length of service, and
   h. time in current role;
3. subject matter organisation level coding (e.g. individual, team, department, function, organisation)\(^\text{61}\);
4. interview question topic area (e.g. organisation structure, project management\(^\text{62}\));
5. an assessment (on a 3-point scale) of its reliability (giving consideration to the nature of the data, length of service/length in role of the interviewee and any supporting evidence proffered by interviewees); and
6. an assessment (on a 3-point scale) of its apparent overall importance.

These somewhat subjective assessments of reliability and importance were performed to identify unreliable or irrelevant data and allow speedy isolation the most

---

\(^{61}\) This denoted the organisational unit of analysis to which interviewee comments related.

\(^{62}\) See the questionnaire in Appendix Section D.1 for a complete list of the topic areas.
important data fragments. The critical data fragments were initially analysed by sorting them using most of the categories listed above. In particular, examining the perspective of respondents grouped by directorate, seniority level and length of service and sorting via the interview question topic area provided useful insights into where patterns did and did not exist.

These ‘critical data fragments’ were then open coded (Strauss & Corbin, 1998). 68 codes emerged, and these are summarised in Table 23 (frequency counts in brackets).

<table>
<thead>
<tr>
<th>Activity analysis (5)</th>
<th>Line manager systems playing (8)</th>
<th>Relationships (10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity identification (33)</td>
<td>Management controls (37)</td>
<td>Resistance to change (13)</td>
</tr>
<tr>
<td>Blame culture (7)</td>
<td>Management information (7)</td>
<td>Responsibility split (7)</td>
</tr>
<tr>
<td>Balanced scorecard (21)</td>
<td>Management tools, theories, etc. (4)</td>
<td>Resource allocation (9)</td>
</tr>
<tr>
<td>Budget process (10)</td>
<td>Managing project interfaces (6)</td>
<td>Reward (11)</td>
</tr>
<tr>
<td>Business alignment (33)</td>
<td>Motivation (13)</td>
<td>Risk management (7)</td>
</tr>
<tr>
<td>Business understanding (20)</td>
<td>Organisation structure (5)</td>
<td>Role clarity (13)</td>
</tr>
<tr>
<td>Bottom-up strategic rationale (12)</td>
<td>Organisational silos (11)</td>
<td>Role of HR (21)</td>
</tr>
<tr>
<td>Career progression (2)</td>
<td>Participation (8)</td>
<td>Staff capability (6)</td>
</tr>
<tr>
<td>Challenge of customers (22)</td>
<td>Performance criteria clarity (27)</td>
<td>Staff commitment (8)</td>
</tr>
<tr>
<td>Change communication (4)</td>
<td>Performance feedback (32)</td>
<td>Staff turnover (4)</td>
</tr>
<tr>
<td>Competencies (9)</td>
<td>Performance measures (34)</td>
<td>Stakeholder commitment (11)</td>
</tr>
<tr>
<td>Customer orientation (12)</td>
<td>Performance management (12)</td>
<td>Stakeholder engagement (16)</td>
</tr>
<tr>
<td>Criticality (2)</td>
<td>Politics/games (17)</td>
<td>Strategic clarity (18)</td>
</tr>
<tr>
<td>Diagnosis (29)</td>
<td>Pressure on managers (13)</td>
<td>Strategic discomfort (5)</td>
</tr>
<tr>
<td>Environmental changes (4)</td>
<td>Process clarity (7)</td>
<td>Strategic thinking (9)</td>
</tr>
<tr>
<td>Feedback on planning (10)</td>
<td>Project coordination (7)</td>
<td>Strategic prioritisation (33)</td>
</tr>
<tr>
<td>Financial planning (3)</td>
<td>Project performance (8)</td>
<td>Strategy process (15)</td>
</tr>
<tr>
<td>Hinge players (8)</td>
<td>Project performance evaluation (13)</td>
<td>Structural integration (6)</td>
</tr>
<tr>
<td>Information as power (1)</td>
<td>Project performance reporting (9)</td>
<td>Targets (19)</td>
</tr>
<tr>
<td>Internal communication (5)</td>
<td>Project product embedding (8)</td>
<td>Time horizon (21)</td>
</tr>
<tr>
<td>Leadership focus (5)</td>
<td>Recognition (15)</td>
<td>TMT consensus (3)</td>
</tr>
<tr>
<td>Leadership involvement (4)</td>
<td>Recruitment (2)</td>
<td></td>
</tr>
</tbody>
</table>

Table 23: Codes identified via open coding of data from initial interviews in Case A2

An example of the data analysis process, starting with some raw data, is provided in Appendix E.

Although confirmatory evidence is required for more definitive interpretations, a number of codes emerge as reflecting commonly raised issues. In particular, interviewees commented on:

1. activity identification;
2. business alignment;
3. diagnosis;

Consideration was given to combining reliability and importance ratings with coding frequency counts to enrich the analysis. However, it became clear that this exercise would not generate sufficiently reliable insights. Problematic issues included the subjectivity of reliability and importance assessments, overlapping implications of reliability assessments and frequency counts (both per individual and across all respondents) and the question of weighting all these components. It seems unlikely that reliability, importance assessments and coding frequency counts are all equally relevant, but if a weighting system was used, it would be unclear how to justify assigning weightings (which have a major impact on the results). Ultimately, it was decided that the more laborious task of analysing the data at a less abstract level better supported axial coding.
4. management controls;
5. performance measures; and
6. strategic prioritisation.

In virtually every case, critical comments related to a lack of or problem with these.

Axial coding (Strauss & Corbin, 1998) was then carried out to establish potential causal relationships operating in Function A2, which were of relevance to the study. Figure 24 displays these relationships via a causal map. As with other causal maps displayed, arrows indicate the direction of causality between the variables. Many of the issues incorporated relate to Company A’s group HR function and were depicted in Figure 15, because they also affected Function A1.
Figure 24: Key organisational problems revealed via initial interviews and passive observation in Function A2

As with the other cases, this data display method was found to be far superior to textual summaries or matrices of strategy implementation barriers because of its ability to show chains of multiple causal relationships and the highly interrelated nature of them.

It is important to note that this summary largely reflected the espoused beliefs of the interviewees, without triangulation from additional types of data source (albeit the interviews themselves were informed by early document review and participant observation). Findings from these are introduced and woven in later on. However, Figure 24 is informative in two key ways.

First, Figure 24 usefully portrays the nature of the phenomena explored via the interviews, in particular highlighting what interviewees saw as important for successful
strategy implementation (or, conversely, as major barriers to strategy implementation). A number of the issues identified reflect the findings of other researchers who have specifically examined strategy implementation barriers (see Section 2.2.11), for example:

1. limited strategic clarity (e.g. Corboy & O'Corrbugui, 1999);
2. insufficient staff participation in planning (e.g. Economist Intelligence Unit, 2004);
3. ineffective performance measures (e.g. Economist Intelligence Unit, 2004);
4. unclear roles and responsibilities (e.g. Corboy & O'Corrbugui, 1999);
5. detrimental politics and influencing (e.g. McGrath, MacMillan, & Venkataraman, 1995);
6. poorly integrated structure (e.g. Economist Intelligence Unit, 2004; Hrebiniak, 2005);
7. dysfunctional reward systems (e.g. Kerr, 1975); and
8. ineffective prioritisation (e.g. Wessel, 1993).

Figure 24 also identifies many barriers that have not been identified by other researchers\(^6^4\), and does not identify others that have been, as being present in Case A2. These issues are explored later, insofar as they pertain to the issue under study.

Second, Figure 24 provides an initial indication of the importance of activity identification and alignment, the issue that emerged as the focus of this study. As Figure 24 depicts, the data suggest that interviewees thought that where this was ineffective, it caused (directly):

1. unclear division of responsibilities;
2. poor stakeholder engagement and management;
3. poor resource allocation decisions;
4. suboptimal project selection; and
5. execution to be ignored in policy creation.

\(^6^4\) For details of these, see Section 2.2.11, however as noted, the relevance of these is made questionable by the highly idiosyncratic nature of each case in this respect and failure of previous researchers to acknowledge the causal relationships between barriers.
Chapter 6: Findings: Function A2

Superficially, the number of factors impacted by ineffective activity identification and alignment (five) suggest that it is perhaps the most important barrier identified in Figure 24. However, as discussed in Section 4.4.1, simple analysis of this type does not take account of the number of interviewees observing these casual relationships, whether their observations were accurate or the strength of these relationships and others. Again, each of these limitations is compensated for by the further data collected and the triangulation this afforded.

Interviewees implied that ineffective activity identification and alignment were caused (directly) by the following interrelated issues, which are discussed below:

1. limited organisational strategic clarity;
2. unclear means of objective achievement;
3. limited knowledge of business strategy;
4. limited problem diagnosis;
5. symptom-focused problem solving;
6. suboptimal project selection; and
7. poor stakeholder engagement and management.

6.4.1 Limited organisational strategic clarity & unclear means of objective achievement

As discussed in Section 5.4.1, limited organisational strategic clarity appeared to be an enduring challenge in Company A. Its most senior executives were expressly dismissive of long-term strategic planning, and instead signalled that the organisation’s approach needed to centre on developing a range of options that could be pursued. Hence ‘strategy’ was neither formally defined and recorded, nor systematically broken down and communicated.

Interviewees consistently reported that Division A2 did not have a formal strategy of any sort. They did however note that some of the business units within the division had

---

As in the previous case, it is notable that some of the causes of ineffective activity identification and alignment are also affected by it. Reinforcing feedback loops such as these are not uncommon and their existence does not imply the false logic that effect can precede cause. Rather, the cycles appeared to affect different forms and stages of these activities and factors. For example, poor early stakeholder engagement meant that some key stakeholders were not involved in planning activities and projects, and this planning (because it was ineffective, for many reasons) did not result in effective stakeholder engagement as the activities/projects developed and were implemented.
plans that were, to a very limited extent, of a strategic nature. Function A2’s HR director noted, “[t]here is very little strategic thinking in [Division A2].

Given the lack of strategic clarity in Division A2, Function A2 might have looked to the group HR function for strategic guidance. However, as outlined in Section 5.4.1, at the beginning of the study the function had no formal strategy and the extent to which strategy could be deduced from project ‘Terms of Reference’ documents and so on, was very limited. As in the previous case, interviewees in Function A2 consistently voiced the view that this lack of strategic clarity in the group HR function extended to the implementation of the ‘HR consultancy model’.

6.4.2 Limited knowledge of business strategy

The problem of limited knowledge of business strategy (in Figure 24) is clearly related to the problems of limited organisational strategic clarity and unclear means of objective achievement. As in the previous case, numerous interviewees mentioned this issue separately. Many of them also made the point that not only was the organisation’s strategy not clear, but that the knowledge and understanding that HR had of strategic issues in the business were limited. As with Function A1, Function A2’s involvement in strategic decision-making in the business units it served appeared to be limited by HR’s limited representation at the most senior levels in business units and HR representatives’ limited capacity, commitment, confidence and/or capability in this area. The development centres (discussed above) run for all (bar clerical) HR staff suggested that business acumen and strategic thinking skills were very low in Function A2, as with every other part of HR across the group.

6.4.3 Limited problem diagnosis, symptom-focused problem solving & suboptimal project selection

The three problems in Figure 24 of limited problem diagnosis, symptom-focused problem solving and suboptimal project selection were tightly-related. Unlike in Function A1, a very small number of interviewees in Function A2 displayed some limited awareness of these issues (they did not raise the problems themselves in interviews, but clearly recognised the problems when asked directly if they existed). Again it became clear that (perhaps partly because of the lack of strategic clarity), a great deal of HR activity was in response to requests from managers in the businesses and most of these requests related to problem solving – usually reacting to the recognition of some kind of constraint on performance or barrier to implementation.
Despite the marginally higher levels of awareness of these challenges in Function A2, interviewees indicated that the problems still existed, and could not suggest solutions to them. Interviewees confirmed that in very few cases were the interventions made by HR preceded by any structured diagnosis of apparent problems or opportunities. Interviewees were generally unable to explain how HR ensured that it was helping to solve true or underlying performance problems, rather than apparent or superficial symptoms.

Once again, the demands of line managers were generally assumed to be valid, and HR concerned itself with the practicalities of delivery. Thus Function A2, like Function A1, could not demonstrate reasonably that it was doing the ‘right things’. The function was not selecting its interventions optimally, and was thus constraining its own performance and potential to add value to the division.

In common with Case A1, initial interviews revealed other insights about the lack of diagnostic activity and focus on symptoms. HR consulting skills (including diagnostic skills) were not well developed amongst staff in the HR function. HR did not have in place any systems, processes, tools, techniques or other organisational components that were designed to aid effective diagnosis of business problems. There appeared to be little espoused demand from line managers in Division A2 for effective diagnosis. As in Case A1, it seems likely that the well-established and influential performance assessment system might have reinforced this problem. The system required performance targets to be set for all staff and line managers were typically subject to stretching short-term targets to improve performance. Amongst senior executives these targets were typically built around ‘lagging’ indicators. Interviewees again reported that these targets created a very strong focus for executives, reinforced by the performance-related pay system. Division A2’s HR director noted during the case that changes made to the reward system (moving away from ‘negotiated’ to ‘imposed’ targets) for senior executives would only increase this effect.

Analysis of the interviews and documentation again suggested that amongst less senior managers, formal and informal performance assessments often focused on activities (frequently described as ‘deliverables’ or ‘results’) rather than strategically important outcomes. Nor were these activities explicitly linked to any strategic outcomes.

Interviewees in Function A2 regularly referred to the organisation being action-oriented and there being a culture that it was more important to ‘get on with it’ rather
than make perfect plans. One interviewee referred to an “80/20 rule” – whereby once a plan looked 80 percent right\textsuperscript{66}, the organisation implemented it, rather than seek ‘perfection’. Interviewees cited numerous examples where poorly planned and executed interventions caused suboptimal resource allocation. For example, two interviewees mentioned that the organisation imposed ‘headcount caps’ on business units, preventing staff numbers from rising above pre-set levels. They explained that to get round this constraint, line managers recruited large numbers of temporary staff and contractors (which were not included within headcount reporting). In one business unit in Division A2, the temporary staff budget was 600\% over target at the year end, however this expenditure was locally controlled, so (unlike staff numbers) need not be reported to Company A’s Chief Executive. The interviewees noted that the cost of using temporary staff and contractors was far in excess of permanent staff, and were it not for the headcount cap, they would never have used this costly resource so widely. Interviewees also reported that business units were not permitted to start advertising roles until they became vacant, so were unable plan ahead and avoid predictable capacity shortfalls.

As in Case A1, numerous interviewees reported that managers in the business expected them to move very quickly to deliver what was requested. Unlike in Case A1, interviewees in Function A2 reported that some senior HR managers had used data from a survey of HR’s internal customers for the individual performance assessment of HR staff. This survey, when analysed, was revealed to enquire only about levels of overall satisfaction, in particular in relation to criteria such as “responsiveness”. The interviewees noted that the use of this tool in this way affected how HR staff handled requests from line managers – discouraging challenge of these. Another interviewee confirmed that only the customer survey and “anecdotal feedback” was used to assess his/her performance, such that the highest performers (of which (s)he was one), were those who were “jumping through hoops for customers”. Hence, a reinforcing loop (in this case a ‘vicious circle’) was identified, such that “there is a lot of fire-fighting,” as one interviewee commented. The depiction of this phenomenon in Figure 16 (see Section 5.4.3) appeared to fit Case A2 equally as well as Case A1.

\textsuperscript{66} Analysis of strategy implementation-related documentation and events suggested to the researcher that this was a very generous calibration of the threshold.
There can be little doubt that the reward system exacerbated these problems. Company A used an individual performance evaluation system whereby all employees were rated on a Likert-type scale. Forced rankings were applied to the distribution of ratings – mainly to ensure that line managers did not ‘over-rate’ subordinates, as they had a tendency to do. Assessments were made against key ‘deliverables’, which were typically negotiated (or imposed) at the start of the year\textsuperscript{67}. These assessments were calibrated using line manager observations and feedback from internal customers (both anecdotal and from the customer survey). Interviewees reported that both negotiations of ‘deliverables’ and line managers’ subjective assessments could be manipulated through developing good relationships with line managers. They also suggested that such subjective assessments were “dangerous” because under such circumstances, projects were “easier to market”, meaning that HR staff had a tendency to “ignore ‘business as usual’ in favour of getting involved in projects”.

Company A used a well-established performance-related pay system with a substantial variable pay element. High performing employees were eligible for large bonuses, in addition to the other rewards that they could expect (e.g. praise, respect, publicised staff awards, base pay increases and promotion). Thus, there was a substantial potential motivation for HR staff to ensure they were rated as high performers, even if this meant “jumping through hoops for customers” when doing so might add no real value to the business.

The interviewees in Function A2 revealed that the reward system for the department had been designed by the group head of compensation, some three years prior to the start of the study. They consistently reported that it had not been reviewed since and no process was in place to detect unintended effects of reward systems. Hence, it can be deduced that the reward system was highly likely to be misaligned with the HR function’s new strategy.

Overall, the interviews in Function A2 painted the same picture as those in Function A1. In summary: -

1. HR staff generally did not challenge business managers on their assumptions about the underlying causes of performance problems and simply executed the solutions requested.

\textsuperscript{67} Several interviewees reported that job descriptions were either missing or unused, so these were not seen as important to establish the performance criteria in roles.
2. HR staff were subject to the same influential and short-term target and reward system as other managers in the business, and this is likely to have reinforced their enthusiasm to employ ‘quick wins’ rather than sustainable solutions.

3. It is thus likely that underlying performance problems in the business were often not resolved and that new problems were introduced.

4. Respondents attributed the failure of some projects to make a long-term impact to incomplete embedding of new procedures.

5. The data also suggested that HR inadvertently reinforced line managers’ tendency to misdiagnose people-related performance problems through failing to provide these managers with appropriate and useful management information.

6. It was likely that significant amounts of time and money related to HR interventions was wasted. For example, one interviewee in Function A2 noted that, “[m]ost training decisions are haphazard – we just spend the budget on whatever the individual wants”.

7. All of these problems could mean that HR’s total contribution to Division A2 was very low or even negative.

6.4.4 Poor stakeholder engagement & management

Although to a slightly lesser extent than in Case A1, the data provided by interviewees suggested that Function A2 was not particularly effective in engaging and managing its stakeholders. Interviewees again stated that in Company A HR had a poor reputation and was not considered to be an important function. Every knowledgeable interviewee reported that Function A2 did not conduct any formal stakeholder analysis, in its general planning or for specific initiatives or projects.

As described in Section 5.4.4, the group HR director had also encountered serious problems managing stakeholders too, along with various interrelated problems, all included in Figure 24 – ineffective activity identification, the blame culture, the fear culture, stakeholder engagement and participation.

Like Function A1, Function A2 had problems engaging Company A’s central HR teams. The negative view of the HR ‘consultancy model’ that some of the central HR team heads took (described in Section 5.4.4) affected Function A2 as with all other divisions.
6.4.5 Implications for focus of the study

As discussed in Sections 4.4.2 and 5.4.5, there is wide recognition in the literature that failings in the various organisational components explored by the strategy implementation ‘content’ school (see Section 2.2.8) cause strategy execution problems. However, because strategy implementation barriers have thus far not been explored at multiple levels of abstraction and via chains of causality (as depicted in Figure 24), little consideration has been given to the underlying causes of these failures. In particular, the issue of activity identification is a largely ignored dimension.

It is a major weakness of the literature that the underlying causes of the strategy implementation barriers commonly identified have not been explored. This fact and these initial findings in Function A2 provided justification for the selection of the research question explored via this study.

The next phase of data analysis was selective coding (Strauss & Corbin, 1998), which focused upon activity identification and alignment as the central theme warranting detailed further analysis. Data collection in the latter phases of the case study was also oriented to examine this issue in particular. Figure 25 highlights the central importance of activity identification and alignment by showing only these direct causes and effects of it (two of which are both causes and effects, due to bidirectional causality), as depicted in Figure 24. These central problems are exactly the same as those uncovered in Case A1. This is perhaps unsurprising, given the common context within which Functions A1 and A2 were operating.
6.4.6 **Concentration of data analysis on the central theme**

The initial interviews were crucially important to identify ineffective activity identification and alignment as a central issue worthy of closer attention. However, Figure 25 provides only an indication of the causes of this problem. A more forensic examination of the issue was afforded by examination of specific acts of activity identification and alignment and the documents that were generated in relation to these.

6.5 **Strategy implementation-related documentation**

Analysis of strategy implementation-related documentation corroborated many of the comments made by interviewees. This analysis was conducted by extending the database to capture:

1. basic information pertaining to the document, including:
   a. title/description,
   b. date,
   c. the organisation level of the unit of analysis to which the document pertained (e.g. whole organisation, specific department),
   d. the type(s) of plan addressed by the document (strategic, operational, project),

---

*These included strategic plans, programme plans, project plans, ‘business models’ and suchlike, each of which was apparently intended to support execution of strategy. A complete list of all documents reviewed in the case is included within Appendix Section C.3.*
Chapter 6: Findings: Function A2

e. the level of researcher participation affecting the document’s contents69;

2. specific codings developed to assess the presence and quality of the following70:
   a. link to higher level elements,
   b. mission,
   c. mission breakdown,
   d. external environmental analysis,
   e. internal environmental analysis,
   f. strategy outline,
   g. critical success factors/main strategy elements,
   h. projects,
   i. critical activities,
   j. causality,
   k. criticality,
   l. matrix for alignment,
   m. risks,
   n. performance measures,
   o. targets,
   p. organisation design implications,
   q. resource requirements,
   r. financial implications,
   s. linkages to other structural areas; and

3. specific codings for activity identification and alignment limitations71.

Querying using these fields as they evolved enabled the addition of further codes (most notably the activity identification and alignment limitations) and recognition of

69 Once the research had entered the phases where participant observation and action research was used, some plans were developed with the benefit of researcher feedback or advice. This was controlled for to allow distinction of the type and level of plan limitations before and after researcher intervention.

70 These factors were determined with reference to the literature, initial interview findings and prior data analysis. They also evolved in response to the documentary data, using grounded theory method.

71 These emerged mainly from (a) observations of how written plans created or failed to address problems noted by interviewees and later (b) observations of real-time planning of programmes and projects.
patterns in the data (for example the reduction of certain problems once researcher interventions were made). A number of important issues emerged, central to which were the specific problems with activity identification and alignment, these being:

1. lack of strategic logic and clarity;
2. inadequate breakdown of strategy;
3. strategy that deals only with changes;
4. strategy oriented to influence multiple stakeholders;
5. vague/ambiguous terminology;
6. confusion between causality and task dependency; and
7. leaps of logic.

A total of 24 strategy implementation-related documents were analysed, with the above problems occurring with the frequencies listed in Table 10. Each of these is explained and explored below.

These limitations are identical to those identified in Case A1, although the frequencies of them obviously differ.

<table>
<thead>
<tr>
<th>Activity identification and alignment limitation</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of strategic logic and clarity</td>
<td>88%</td>
</tr>
<tr>
<td>Inadequate breakdown of strategy</td>
<td>88%</td>
</tr>
<tr>
<td>Strategy that deals only with changes</td>
<td>96%</td>
</tr>
<tr>
<td>Strategy oriented to influence multiple stakeholders</td>
<td>29%</td>
</tr>
<tr>
<td>Vague/ambiguous terminology</td>
<td>75%</td>
</tr>
<tr>
<td>Confusion between causality and task dependency</td>
<td>42%</td>
</tr>
<tr>
<td>Leaps of logic</td>
<td>96%</td>
</tr>
</tbody>
</table>

Table 24: Frequency of documented activity identification and alignment limitations in Function A2

These findings reflect (and help to confirm via triangulation) the findings from the initial interviews. Table 25 (an exact reproduction of Table 11) cross-references the causes of ineffective activity identification and alignment emerging from the interview analysis with the limitations that emerged from the document analysis.
Chapter 6: Findings: Function A2

Initial interview findings: causes of ineffective activity identification & alignment

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of strategic logic and clarity</td>
<td>Same/very similar</td>
<td>Strongly related</td>
<td>Strongly related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
</tr>
<tr>
<td>Inadequate breakdown of strategy</td>
<td>Strongly related</td>
<td>Strongly related</td>
<td>Same/very similar</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
</tr>
<tr>
<td>Strategy that deals only with changes</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Strongly related</td>
<td>Strongly related</td>
<td>Related</td>
<td>Related</td>
</tr>
<tr>
<td>Strategy oriented to influence multiple stakeholders</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Strongly related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
</tr>
<tr>
<td>Vague/ambiguous terminology</td>
<td>Strongly related</td>
<td>Strongly related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
</tr>
<tr>
<td>Confusion between causality and task dependency</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
</tr>
<tr>
<td>Leaps of logic</td>
<td>Related</td>
<td>Strongly related</td>
<td>Strongly related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
<td>Related</td>
</tr>
</tbody>
</table>

Table 25: Cross reference of problems from key initial interview and strategy implementation-related document findings

The activity identification and alignment limitations are explored in detail below.

6.5.1 Lack of strategic logic & clarity

The majority of strategy implementation-related plans pertaining to Function A2 did not incorporate clear, plausible logic to underpin the orientations, choices, trade-offs and priorities implied by these plans. Plans rarely provided sufficient or clear enough guidance to inform what should happen as a consequence of the planning.

Section 5.5.1 explains how the group HR function’s strategic plan, which in theory drove many of the activities of Function A2 included:

1. an abstract and ambiguous mission;
2. environmental analyses that were not linked to the plan’s objectives;
3. sub-objectives that did not relate to the mission or environmental analyses;
4. so-called “action points” that were not concrete activities, but highly conceptual;
5. no clear causal linkages between its elements;
6. no rationale for the choice of the objectives and activities or exclusion of other potential options; and
7. a ‘strategy tree’, which bore no relation to the rest of the document and did not contain any plausible causal relationships.

Section 5.5.1 also provides a description of the context within which this plan was developed, that go some way to explaining why these limitations were present.
These problems were typical. Of all the documents examined in Case A2, only 33 percent made an explicit linkage to the objectives of parent organisational units. None broke down their missions to explain the (often vague) terms employed. Only 38 percent included an environmental analysis. Only 42 percent included any form of risk assessment (these were mainly project documents, rather than strategic plans). Only around half of the documents included any resource implications, financial implications or performance measures.

The large number of documents relating to strategically-important projects collected from Function A2 provide strong evidence of the lack of strategic clarity. Function A2 made very heavy use of project ‘Terms of Reference’ documents, based on a template developed with researcher assistance, during the participative stages of the research. These documents included a graphic ‘causal chain’, intended to explicitly show how (it was anticipated) HR-related activities would indirectly cause high-level business objectives to be achieved. The HR Director in Function A2 was adamant that Terms of Reference documents should be used consistently for all major HR projects, and the researcher was given good access to these documents. The highest-level business objectives noted in each of these documents is indicative of Function A2’s understanding of Division A2’s (and its sub-parts’) strategic objectives. These included:

1. “[b]usiness cost saving”;
2. “[a]chievement of element of the ‘People’ division of the [departmental] Balanced Scorecard;
3. “[i]mproved productivity”;
4. “[r]educe operational costs”;
5. “[i]mprove customer service and satisfaction”;  
6. “[i]ncreased levels of productivity & increased business performance”;
7. “[i]mprove cost income ratio and Improve Organisational performance”;
8. “[r]educe absence level to less than 6%”;  
9. “[r]educe absence costs”;
10. “[i]ncreased ROI on HR activity”;  
11. “[i]ncreased business productivity”;

72 Those strategic plans developed with direct researcher assistance were excluded from this analysis.
Chapter 6: Findings: Function A2

12. “[i]mprove [department] productivity”;
13. “[i]mprove performance and productivity”; and
14. “low recruitment attrition”.

These objectives identified by senior HR personnel in Function A2 vary widely, implying a limited shared view of what Division A2 was seeking to achieve. They also include highly specific, often HR-related, objectives that cannot reasonably represent end business objectives for the division (e.g. “low recruitment attrition”) – although they may be legitimate indirect means to strategic ends. Finally, these objectives are often vague and ambiguous, indicating lack of strategic clarity (words such as ‘productivity’ and ‘performance’ were regularly used, perhaps because they sounded legitimate, despite having no specific meaning without considerable additional context).

6.5.2 Inadequate breakdown of strategy

88 percent of the documents analysed did not break down the strategies developed beyond high levels of abstraction. Only 38 percent of plans identified critical elements\(^73\), highlighting the fact that no strategy documents and few project planning documents explored the detail of actual implementation.

As with Case A1, prior to the researcher interventions made during the study, there was very little evidence that those responsible for strategic planning or project planning were under any pressure or expectation to break down conceptual objectives into activities. Plenty of action plans and project task lists did exist, but seemingly none of these documents had a strategic orientation, and thus fell outside of the strategy implementation-related document analysis described above.

6.5.3 Strategy that deals only with changes

Almost all of the documents analysed in Case A2 dealt only with proposed changes to strategy, rather than presenting a holistic and integrated view of how value might be created or overall missions achieved.

These plans fail to make clear any interdependencies with existing operations and the proposed changes, and increase the chances of inconsistencies or conflicts arising between these streams of activity, upon implementation.

\(^73\) Often referred to as ‘key tasks’ or ‘critical activities’, in most cases these were abstract and not actually actions that could be implemented without considerable further breakdown to lower levels of abstraction.
6.5.4 **Strategy oriented to influence multiple stakeholders**

Around a third of the documents analysed in Case A2 were clearly intended to influence multiple stakeholders, and thus might be seen as surrogates for stakeholder communications, rather than strategic or project plans *per se*.

6.5.5 **Vague/ambiguous terminology**

Many parts of strategy implementation-related documents pertaining to Function A2 were made meaningless by excessively vague and meaningless terminology. Figure 26 reproduces a causal map developed by a manager in Function A2, intended to show key drivers of business performance in one of Division A2’s departments. The use of ‘causal chains’ and more comprehensive ‘business driver maps’ (showing hierarchies of causal relationships) was established in Function A2, following researcher interventions. Causal chains proved to be useful for this and for identifying risks and performance measures related to the intended outcomes of projects and activities⁴.

In this instance, the manager included the undefined terms “communication of IT”, “develop a CRM culture” and “increase quality output of management”. Whilst it is possible to deduce that information technology and customer relationship management are relevant in this business, the ambiguity of the terminology makes parts of this business drivers map meaningless.

These are good example of the kinds of phraseology regularly employed in Function A2, which had insufficient meaning to enable assessment or validation of the causal links between activities and strategic objectives.

---

⁴ These issues are discussed in more detail in the cross-case analysis (Chapter 7).
It seems likely that such ambiguity would lead to confusion amongst those responsible for the implementation of related activities. It also increases the scope for managers to undertake activities not intended to be within the scope of the strategy outlined. Ambiguous terminology was found in 75 percent of the documents examined, and contributed to reducing the plausibility of the causal assertions made in these documents. The use of ambiguous terminology continued amongst actors who had specifically been advised by the researcher to use clear and unambiguous terminology, in order to improve strategic clarity. Actors reported that they found this very difficult.

6.5.6 Confusion between causality & task dependency

The widespread use of causal chains in Function A2, following researcher interventions, made more obvious a problem that had tentatively been identified in strategy implementation-related documentation analysed prior to that time. Some 42 percent of the documents examined displayed confusion between causality and dependencies between logically sequential tasks.

Causal chains were intended to link the ‘products’ of projects (i.e. what they created or delivered in a physical or tangible sense) to the strategic objectives that these products sought to achieve or contribute towards. As the study unfolded and the propensity of actors to confuse causality and task dependency became clearer, researcher interventions were made to train actors to develop causal chains and distinguish these from mapping sequential task dependency. Despite this, actors repeatedly made this mistake.
Figure 27 reproduces an attempted causal chain, documented by a manager in Function A2 who was responsible for a project intended to improve leadership succession planning.

Figure 27 actually demonstrates a logically sequential series of tasks, starting with the creation of a “framework for leadership & succession”, presumably necessary before identification of “individuals to be assessed for development”, prior to identifying “individual development needs” and so on.

Figure 28 shows a causal chain developed by a project manager in Division A2 (who was running a resourcing project for a major division) following training interventions from the researcher outlining the use of causal chains (which included examples of common mistakes).

Again, the attempted causal chain is actually a series of sequentially dependant tasks. Each of the tasks depicted is an activity, rather than an outcome. The rightmost element is not a clear strategic business objective, but is rather a people management task that might be overseen by HR. Figure 28 does not explain why this project should be carried out, because it does not relate activities to strategic objectives.

### 6.5.7 Leaps of logic

Almost all the strategy implementation-related planning documents analysed in Function A2 included implied assertions about causality. However, the plausibility of these relationships was often questionable.

Making assessments of plausibility was frequently made problematic (both for managers in Function A2 and the researcher) by ‘leaps of logic’, where highly indirect causal relationships were identified. Whilst the existence of these relationships might
ultimately be possible, much more precise articulation of the mechanics of the intermediate means would be required to assess this. This problem became obvious once researcher interventions were made and the use of causal chains and business driver maps (i.e. more comprehensive diagrams showing important hierarchies of cause and effect relationships) became widespread in Function A2.

For example, Figure 29 depicts a documented business drivers map, which fairly accurately implies that to “increase profit”, the drivers “net income” and “costs” are relevant. Equally, implying that “pricing” directly affects income is probably useful. However, there can be little doubt that “cross-sell[ing]” and “new markets” (whatever that was intended to mean) are not direct causes of (increases in) income. Rather, it could logically be argued that increased cross sales would cause increased sales volume, which would increase income (all other things being equal). Equally, entering new markets was presumably intended to cause increased customer acquisition, which would increase the number of customers, which would cause an increase in sales volume and thus income (again, all other things being equal). The depiction of “increased sales” directly affecting net income is potentially helpful, although the term ‘sales volume’ would perhaps avoid potential confusion about its meaning.

No explicit causal relationships were shown between the business drivers map and a list of 11 specific projects being undertaken by the business unit. This demonstrates that no effort had gone in to considering specifically how each project would contribute towards the high-level goals of the business unit. It also meant that, for those working
on the projects (which often included Function A2), the strategic context of their work was unclear.

Figure 30 shows a causal chain developed by a manager in Function A2, who was responsible for a specialist recruitment project. It implies, for example, that having an “[i]increased quality of recruit” would cause “[i]increased productivity”.

![Figure 30: Attempted causal chain for specialist resourcing project in Function A2, showing ‘leaps of logic’](image)

Whilst at first glance, such an assertion about causality may appear reasonable, this relationship would depend heavily upon the meaning of “quality” and components of “productivity” that were important in this particular context. As it stands, a considerable ‘leap of logic’ is being made, perhaps in part because of the ambiguity of the language used. The usefulness of this causal chain to articulate and test causal logic would almost certainly be much improved by including variables such as, sales capacity, sales effectiveness, number of new customers acquired, customer retention, sales volume per customer, number of customers and sales volume.

There are other problems with Figure 30, including the use of vague and ambiguous terminology and the presumably accidental repetition of “[i]increased revenue”.

One strategy implementation-related plan examined related to a proposed culture change programme, following a merger. The document stated, “[t]here is evidence in the business however of both staff and management still operating under ‘brand names’ rather than coming together effectively as one team. There is a need to change this behaviour and shift attitudes towards identifying with a totally integrated business unit.” However, no explanation is provides as to why a more integrated identify would help the business achieve any of its strategic objectives. This project document was based on a template developed with researcher interventions, and thus included a section for a causal chain, designed to explicitly link the proposed activity with business objectives.
Chapter 6: Findings: Function A2

The attempted causal chain, reproduced in Figure 31, shows the leap of logics necessary to link the proposed culture change with a high-level business objective.

![Causal Chain Diagram](image)

Figure 31: Attempted causal chain for culture change project in Function A2, showing lack of strategic clarity

Some elements of the causal chain are logical, in particular the assertion that “[i]mproved customer service and satisfaction” might cause the business to “[a]cquire more new customers”. However, no plausible causal relationship is established with culture change, the generation of new ideas, and these ideas improving process and products. Far more specific means and ends would need to be identified to make these relationships clear.

Where some causal relationship may exist between a specified means and end, but it is tenuous, this limits the scope for effective detailed planning. This problem is a significant one, as the way in which activities and projects might best be implemented is conditioned by their ultimate objectives. Even where indirect but ultimately plausible causal relationships are established, logical leaps create the risk that superior alternative means are ignored in favour of the specific means identified.

6.6 Causes of activity identification & alignment limitations

Having identified the causes of ineffective activity identification and alignment, which contribute towards implementation problems in Function A2, it is worth addressing their causes in turn. It was outside the scope of the case study to provide a definitive explanation of these limitations, which emerged only through the grounded research. However, the data collected provides indications of potential causes and these are discussed here.

Initial analysis of the causes of each limitation in isolation quickly revealed that they might strongly related, both directly and via their causes. Hence the analysis examines them together. Figure 32 depicts the main likely causes of the limitations using a causal map. Figure 32 is identical to Figure 21, which depicted the same issues for Case A1.
This is because no discernable difference could be drawn between the cases in relation to these issues. This is perhaps unsurprising, given the common context.

Figure 32: Likely causes of activity identification and alignment limitations affecting strategy implementation in Function A2

Figure 32 suggests that three interrelated causes of the activity identification and alignment limitations were particularly important:

1. no structured strategy development framework was in use;
2. limited strategic awareness and skills;
3. managers had insufficient motivation to develop effective strategy.

Each of these is discussed below.

---

75 In respect of the first two causes, Figure 32 is not intended to imply that the existence of such a framework and skill set would have eradicated all the planning problems. Some of strategy implementation-related document problems were identified only via this research, and it would not be reasonable to expect Function A2 to have designed frameworks and developed skills to address these issues. However, in the light of these findings, a well-designed framework and skill base could reduce the risks of strategies falling into all these traps. Figure 32 is intended to reflect this.
6.6.1 *Structured strategy development framework*

At the beginning of the study, Function A2 had no formal or structured approach to the development of strategy. No document templates, guidance notes, flow charts, example strategy documents or any other form of systematic process or advice was made available to those managers engaged in developing strategies at the functional or departmental level. As implied by Figure 32, the existence of such a framework might feasibly have, amongst other things, militated against the tendency of managers to develop strategies that were limited in any of the ways identified in this study.

The development of a strategy within Function A2 via researcher interventions is discussed later.

6.6.2 *Limited strategic awareness & skills*

Very few members of staff in Function A2, or indeed Company A in general, reported or demonstrated that they had significant awareness or experience of developing strategy. This is unsurprising. At the start of the study, virtually no one in Function A2 had any strategy training, the organisation was highly action-oriented and no strategy development framework was in place.

Naturally, given this backdrop, managers in Function A2 would have to have possessed considerable insight or have undertaken relevant self-guided development to address the limitations of the function’s strategy. As noted in Section 2.2.3, the development of effective strategy that can realistically be implemented is very difficult and time consuming.

6.6.3 *Insufficient motivation to develop effective strategy*

At the beginning of the study, there was no evidence that managers in Function A2 were motivated to develop strategy that would directly inform activities\(^7\). Rather, strategy development was seen as something that was ‘done elsewhere’ and of little practical relevance to the challenges facing HR. It did not initially appear that many managers in Function A2 were motivated to perform the kind of deep thinking and analysis required to create properly integrated and comprehensive strategies that could be implemented.

---

\(^7\) Function A2’s HR director later took the view that developing a systematic strategy would be helpful and hence permitted a researcher intervention (made once saturation was reached in the initial data collection process), to facilitate this process. (S)he followed the example of the HR director of Function A1 in this regard.
6.6.4 Overcoming the limitations

Initially with researcher assistance (provided once theoretical saturation had been reached), HR staff in Function A2 were able to produce documented strategy implementation-related plans that appeared to overcome many of the problems described above.

Figure 33 partially reproduces a business drivers map, created by the HR manager supporting one of the business units in Division A2. It provides an example of (part of a) plan with:

1. fairly clear strategic logic;
2. a systematic breakdown of the strategy;
3. strategy that deals with the ‘business model’ itself, rather than only changes to it;
4. strategy which is not framed by the need to influence multiple stakeholders;
5. clear terminology;
6. no confusion between causality and task dependency; and
7. no major ‘leaps of logic’.
6.7 Passive & participant observation

The study provided many opportunities to see Function A2 in operation via attendance at meetings of the management and departmental teams, various workshops and on informal occasions. The data collected at these events was often unstructured or unique. Some meetings revealed nothing of interest, whereas others covered several issues relevant to the study. Passive and participant observation was most useful in providing confirmatory or contrary evidence relating to data collected via other methods.

6.7.1 Strategy & co-ordinating frameworks

The following four observations were made in the early meetings attended. First, Function A2 was undertaking a great deal of activity. However, visibility of all this activity was limited because no integrated and coordinated system existed to provide a single view for managers of all the (high profile and costly) activity underway, its state of progress and so on. Reporting of the performance of the projects or their impacts did
occur but was not systematic. No strategy or guiding framework appeared to be in use. Related to this, there was limited coordination or communication of activities between departments within Function A2. It was not uncommon for members of the management team to be largely unaware of significant projects that were well underway in departments other than their own. Third, interviewees had reported that there was no prioritisation method in use, to determine how to allocate resources to projects. They also noted that project manages were not allocated specific budgets for projects, one saying “it’s not clear where cash sits”. Both these problems were confirmed through passive observation. Finally, there was no formal explanation of and little ad hoc discussion about the relationships between the many projects underway in Function A2. Furthermore, there was no ongoing discussion about how these related to the strategy of the organisation, Division A2 or the HR function.

6.7.2 Stakeholder issues
 Passive observation was particularly useful to collect evidence regarding the motivations of stakeholders, helping to attribute the causes of certain problems. Function A2’s situation was identical to that of Function A1 (see Section 5.7.2) in this respect. In summary: -

1. In Function A2, the involvement and interests of different parties in projects and initiatives was generally unclear and rarely defined formally. Although passing comments were made about the position of stakeholders, no systematic stakeholder analysis was carried out (prior to researcher interventions).
2. There was evidence that the group HR teams had little interest in meeting the needs of the divisions in Company A.
3. The activities and interests of the central group HR departments were misaligned with the needs of the business divisions.

The development of the reporting system (see Section 5.7.2) benefited Function A2 in the same way that it did Function A1. This is notable, because some of the other divisions in the group – that had not spent time developing strategies and consulting processes – did not (and perhaps were not able) exploit the potential advantages of this system.

In Function A2, as in Function A1, these new reporting methods in turn surfaced other problems (see Section 5.7.2).
6.7.3  **Diagnosis & problem-solving**

The problems discussed earlier with symptom-focused problem solving and suboptimal project selection (both exacerbated by short-termism in Company A) clearly did continue long after Function A2 recognised these problems. Although HR introduced relevant training, tools, project management processes and other controls, the determination of some business managers to adopt reactionary short-term solutions to problems sometimes remained, as it did in Function A1.

6.8  **Action research**

Once theoretical saturation had been reached following participant observation, the methodology was again extended to include more in-depth researcher interventions. At the request of the HR director in Function A2, the researcher facilitated workshops to develop a strategy for Function A2. A series of workshops were conducted, with Function A2’s small senior management team.

The researcher developed a simple strategy development framework that was appropriate for a support function, adapting and extending the ‘process’ school model proposed by Roberts and Pitt (1990). This included the following steps:

1. development of a mission;
2. breakdown of the mission, clearly defining its key elements\(^77\);
3. use of the mission’s key elements to frame examination of the external and internal environments\(^78\), identifying specific barriers to and enablers of the mission’s key elements;
4. prioritisation of barriers and enablers into critical and first-order issues\(^79\);
5. identification of potential strategic responses to each barrier and enabler;
6. grouping and amalgamation of strategic responses to create a set of strategic objectives; and
7. systematic breakdown of the strategic objectives, using the principles of causality and criticality to create a hierarchy of means-ends relationships, until concrete activities had been identified.

---

\(^77\) This was intended to help with subsequent communication of the outputs within Function A2 and retain an accurate record of the *intended* meaning of the mission statement to aid later strategy development work.

\(^78\) ‘Internal’ and ‘external’ means in relation to the unit of analysis, i.e. Function A2.

\(^79\) In other words, where certain barriers or enablers had, logically, to be addressed before others could be (for example, stakeholders must be identified before being analysed before being managed).
The objective of strategy workshops was to establish clearly the purpose of Function A2 and, having regard to the environment it operated within, establish activities that (it was predicted) could plausibly cause the achievement of the mission.

The group that developed the strategy in Function A2 generally found the experience difficult. They were clearly unaccustomed to thinking conceptually and demonstrated limited experience of strategy development. The workshops provided further evidence of many of the problems identified via the initial interviews (see Figure 24) and the limitations exposed by strategy implementation-related document analysis:

1. the lack of strategic clarity provided by Company A, Division A2 and the group HR function caused participants to try to ‘second guess’ the plans of their colleagues in these areas;

2. repeated attempts were made by participants to use language and options that they thought would appeal to multiple stakeholders, despite clear advice from the researcher to leave decisions about stakeholder communications and influencing until later in the process;

3. the use of vague and ambiguous language was a constant problem, again despite repeated recommendations from the researcher that only unambiguous and well-defined terms should be used; and

4. participants repeatedly made leaps of logic, suggested highly specific means that might cause desired effects only very indirectly, at the cost of identifying alternative options and more direct means of achievement. For example the HR Director identified the use of “individual development plans” as a selected means to achieve higher organisational capability, but on enquiry by the researcher agreed that “personal development” was the requirement and using so specific a tool as “individual development plans” for this purpose was neither adequate nor plausible as the sole cause.

However, with guidance from the researcher, an apparently satisfactory mission, environmental analysis, strategy and strategy breakdown was eventually produced. Figure 34 summarises part of the outputs from these strategy workshops, to provide an indication of how these were framed\(^5\). (This strategy was later further refined, when it was merged with the outputs from two other divisions that carried out similar exercises

\(^5\) Only a partial breakdown is provided, for simplicity. Some elements of this strategy have been altered or summarised to protect Company A’s identity.
and produced very similar strategies\(^{81}\). Function A2’s strategy is similar in various ways to that developed by Function A1. This is probably due to:

1. the common environment in which they operated;
2. their identical roles (albeit within different divisions);
3. the use of the same strategy development framework;
4. the effects of the same facilitation style; and
5. some sharing of related information and ideas between the two functions.

---

\(^{81}\) The HR teams in the various divisions had insisted on undertaking their strategy development separately, stating that they were each ‘very different’ from one another. However, the strategy work revealed that the challenges they faced were in fact very similar. Hence, the decision was reached to integrate their approaches to a significant extent.
As with Function A1, most managers and staff in Function A2 reported that their effort to develop a strategy had been well worthwhile. They had also generally expected that an HR strategy would include a fairly predictable list of planned people management interventions, rather than a detailing of how the function should interact with its stakeholders and determine what to do.

As explained in detail in Section 5.8, the strategies produced by Function A1, Function A2 and one other divisional HR team were ultimately integrated (following recognition of their similarity) and the following developments occurred:

1. the creation of a sustainable consulting process;
Chapter 6: Findings: Function A2

2. a series of related training workshops;
3. related communications via the HR staff intranet and desktop cards and posters;
4. the creation of an ‘HR consulting toolkit’; and
5. the integration of the HR consulting process and toolkit with a new project management processes.

Again, the introduction of this systematic process was helpful to the ongoing research in Function A2, as it provided a source of data on how projects were being conceptualised and extended the strategy implementation-related document analysis.

The material created by the consulting process, toolkit and project management process was used to underpin a training programme which was rolled-out across Function A2 and embedded into its induction process for new recruits. The researcher facilitated parts of these training workshops. As the design of these evolved, a project-based exercise was introduced, which gave participants the opportunity to apply various tools to upcoming or ongoing projects. One of these tools was the ‘causal chain’ (mentioned above). This proved particularly useful for highlighting specific strategy implementation-related limitations and for confirming findings from data drawn from other sources.

As noted above, two limitations with activity identification and alignment-related documentation were identified via document review, only after researcher interventions were made:

1. confusion between causality and task dependency; and
2. leaps of logic.

This was because these problems were highly specific to the use of ‘causal chains’ to link explicitly activities with strategic objectives. However, the facilitation of workshops in particular provided a valuable opportunity to observe activity identification and alignment in as it occurred.

Data were collected in a total of 10 workshops, involving 92 members of staff in Function A2. The largest workshop was held with 14 participants and the smallest with five, with the mean number of participants being 9.4. Attendees were split into groups of two or three (making up 41 groups in total) and requested to develop causal chains for their projects.
Chapter 6: Findings: Function A2

Being project-based, the workshops were not well suited to identify or corroborate the following limitations (previously identified via document analysis and interviews):

1. inadequate breakdown of strategy;
2. strategy that deals only with changes; and
3. strategy oriented to influence multiple stakeholders.

However, the workshops did enable observation of the emergence of the following previously identified limitations:

1. lack of strategic clarity;
2. vague/ambiguous terminology;
3. confusion between causality and task dependency; and
4. leaps of logic.

Lack of strategic clarity was observed when participants found it difficult or impossible to specify the strategic objectives their projects were intended to contribute towards (i.e. the last few elements of the ‘causal chain’).

Function A2 had a clear strategy. However, projects that related to interventions in Division A2 were of course oriented to achieving the division’s objectives. Some participants clearly identified high-level objectives that reflected Company A or Division A2’s vision and aims. Examples of these included “shareholder value”, “profitability” and “increased market share”. However, in many cases, participants were unable to demonstrate detailed understanding of more specific strategic objectives relevant to their projects. In contrast, some actors could confidently explain how business units were seeking to improve cross-sales or customer service, and relate these intermediate variables both to higher-level strategic objectives and their projects.

As with Case A1, in some cases, it appeared that HR staff saw the projects in which they were involved as ends in themselves, not distinguishing delivery of the project product with outcomes related to impact on strategic business objectives. Unsurprisingly, further exploration revealed in most cases that decisions about project tasks were difficult, as they were not well-informed by the context of what they together were intended to achieve. In light of the findings of the initial interview analysis and document analysis, the existence of this ‘strategic vacuum’ was not surprising.

The use of vague/ambiguous terminology, confusion between causality and task dependency; and leaps of logic were also observed. Even when workshop participants
were given detailed explanations of the ideal construction of causal chains and specifically warned of these problems (along with examples of ‘good’ and ‘bad’ causal chains), many still made some of these errors (albeit to different extents). Again, each of these limitations reflected very closely the findings of the initial interview analysis and document analysis.

### 6.8.1 Confusion about the direction of causality

A further limitation was recognised during the workshops, not previously evident from documents or interviews. Some groups became confused about the direction of causality when developing causal chains, particularly when dealing with relatively conceptual projects. Confusion over the direction of causality was observed in seven of the 41 groups participating in the workshops.

A systematic record was made of the number of groups experiencing each of the above noted problems during the workshops, and this is presented in Table 26.

<table>
<thead>
<tr>
<th>Activity identification and alignment limitation</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of strategic logic and clarity</td>
<td>61%</td>
</tr>
<tr>
<td>Vague/ambiguous terminology</td>
<td>68%</td>
</tr>
<tr>
<td>Confusion between causality and task dependency</td>
<td>59%</td>
</tr>
<tr>
<td>Leaps of logic</td>
<td>66%</td>
</tr>
<tr>
<td>Confusion about the direction of causality</td>
<td>17%</td>
</tr>
</tbody>
</table>

Table 26: Frequency of activity identification and alignment limitations in Function A2, observed via workshops

### 6.9 Performance of Function A2

It is beyond the scope of this study to make a systematic assessment of the overall performance of Function A2. However, some data were collected that to some extent inform how successful the newly implemented strategy was in practice.

As described in Section 5.9, Company A’s HR function had conducted a group-wide survey of HR’s internal customers just prior to the study commencing. This simplistic survey enquired about how business managers rated HR in relation to highly generic attributes such as responsiveness and supportiveness. It also queried what HR should “start doing” and “stop doing”. In general, it exposed HR as being ineffective and poorly regarded.

A further survey was repeated two years into the study, but a different format was used, following researcher participation in its design. With the consulting process in place, questions were framed to examine highly specific aspects of how HR was operating. Rather than simply test satisfaction amongst business managers, the survey sought to explore important issues such as the extent to which HR staff constructively
challenged managers and sought to diagnose underlying problems rather than only symptoms.

In addition to seeking ratings and qualitative commentary (for each question, to help explain the ratings given), respondents were also asked to provide an ‘importance rating’, indicating the extent to which they considered specific elements of the HR consulting process to be valid (the consulting process was not itself outlined to managers in the survey).

Internal customers of Function A2 generally rated Function A2 highly, and appeared to have much greater regard for the function than two years previously[^1]. Notably, business managers also reported that most of HR’s consulting process elements were important – including constructive challenge and deep diagnosis. These results surprised many HR managers, suggesting that the influence of short-term pressures in the business might be overcome by skillful challenge and effective (but, perhaps, speedy) diagnosis of apparent performance problems.

The results of the HR customer surveys do have to be treated with some care. Although the survey designed with the researcher’s assistance significantly reduced the potential for results that simply reflected how much business managers ‘liked’ HR and their HR Business Partners, other factors such as the maturity of these relationships undoubtedly played a part. It is also likely that the comparative results in particular were partly affected by framing (Tversky & Kahneman, 1981) (some other functions were not making use of the consultancy process and thus had not set the expectation amongst business managers that HR ought to constructively challenge decisions and diagnose underlying problems etc.). However, taken with the other evidence presented here, the surveys suggest that Function A2 had met with some success in seeking to overcome the performance problems depicted in Figure 24.

There is little doubt that Function A2’s involvement and influence in the business increased substantially over the period of the case. For example, the following comments were by a senior member of the HR team in an e-mail to Function A2’s HR director, around two years into the study: -

[Function A2 HR Director],
Thought you’d be interested in this development…

[^1]: The quantitative results of these surveys cannot be summarised or presented here as they were retained by Company A, being considered highly confidential.
While at [the management team meeting of one of Function A2’s business units] this morning we were discussing the [business] objectives for [next year] which as usual were pretty vague and woolly and still require some work. [The head of the business unit] asked for feedback on how best to illustrate the objectives, which this year were simply shown numbered 1-10 and displayed as a list. Fortunately I had a copy of my business driver mapping and said that from an HR perspective I would be using this, populating the map with the figures, etc. for [next year] and displaying this in HR so the team understood how it all hung together, what was driving what, specific deliverables in each area and understood where we fitted into this. I suggested to the team that the business do the same for the same reasons (unless of course there was a better suggestion!!). The feedback from the team was that the map was excellent and should be used for this purpose.

The experience of this HR manager reflected that of several others, each of whom found that with the new approach generated by Function A2’s strategy and related developments, influence in the business (and possibly strategic clarity in the business) increased.

6.10 Feedback from workshop participants

In Case A2, participants in many of the workshops were sent an evaluation form to gather feedback on the tools and methods introduced to them\(^3\). The following question areas are of relevance to this study:

1. the use of causal chains to link strategic objectives with activities (‘top-down’ and ‘bottom-up’);
2. the use of causal chains to identify post delivery risks; and
3. the use of causal chains for performance measurement.

Respondents were also asked about problem diagnosis. This was highlighted as an area of common error within the workshops and the need to distinguish symptom from causes explored (thus ensuring that the causal chains developing were more likely to be appropriate ones). Feedback on this issue was also relevant in Case A2 (see Figure 24).

The use of causal chains to identify post delivery risks and for performance measurement is explained in more detail in the cross-case analysis in Chapter 7.

18 confidential\(^4\) evaluations were received from 52 participants, giving a 35% response rate. Respondents were asked to answer questions using a 6-point Likert-type scale\(^5\). The questions and combined response rates are detailed in Table 27.

\(^3\) The decision to evaluate the workshops was not made until after several of the early workshops had been held.
Chapter 6: Findings: Function A2

<table>
<thead>
<tr>
<th>Question</th>
<th>Mean</th>
<th>Median</th>
<th>Mode</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent do you anticipate each of the following topics will help you to add value in the future?:-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Strategic alignment: Top-down (i.e. cause &amp; effect hierarchies) &amp; Bottom-up (i.e. causal chains)</td>
<td>4.7</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>• Risk identification</td>
<td>4.7</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>• Measurement</td>
<td>4.7</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>• Problem diagnosis</td>
<td>5.1</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 27: Evaluation feedback from workshop respondents in Case A2

These data provide an indication of how useful managers in Function A2 found the key methods developed during the study to tackle the central problem it identified – ineffective activity identification and alignment. Although these data represent subjective opinions of participants and are liable to some biases, they provide support for the use of causal chains to identify and align activities that might plausibly cause the achievement of strategic objectives. The participants on average rated each of the topics and methodologies covered as being useful to help them add value in the future. This closely reflected the observations of the researcher and anecdotal feedback from participants.

6.11 Summary

Case A2 examined strategy implementation within a divisional HR function within a large private-sector company. A wide mixture of data collection methods were employed over an extended period, beginning with very passive techniques and progressively using more direct interventions to gather additional data as theoretical saturation was reached. The following findings were produced (these mirror very closely the findings presented for Case A1): -

1. The performance of Function A2 was constrained by a large number of closely-related strategy implementation problems. Central amongst these was ineffective activity identification and alignment.

2. Ineffective activity identification and alignment was caused by:
   a. lack of strategic clarity;
   b. inadequate breakdown of strategy;
   c. strategy that dealt with changes only;

Respondents were not asked to provide their names on evaluation forms and could return them in a variety of ways, including methods that would veil their identities.

A 6-point scale was chosen to prevent central tendency and provide sufficiently finely calibrated responses given the nature of the question subjectmatter. In this scale, 1 = very low and 6 = very high.
Chapter 6: Findings: Function A2

d. strategy that was oriented to influence multiple stakeholders;

e. vague/ambiguous terminology;

f. confusion between causality and task dependency;

g. leaps of logic; and

h. confusion about the direction of causality.

3. There is some evidence that these causes of ineffective activity identification and alignment were in turn caused chiefly by the following interrelated issues:

a. there was no structured strategy development framework in use in Function A2;*

b. managers in Function A2 had limited strategic awareness and skills; and

c. managers in Function A2 had insufficient motivation to develop effective strategy.

Figure 35 depicts the key findings from Case A2 in the form of a causal map explaining the key causes of ineffective activity identification and alignment, and in turn, the (tentatively-identified) key causes of these.

---

* Clearly, to be effective at preventing the strategy implementation-related problems identified, a structured framework for strategy development would have to be designed to help prevent these problems. Figure 35 implies that a good strategy development framework might reasonably reduce or prevent only the fairly generic strategy implementation-related problems.
The analysis of data gathered in Function A2 reveals the limitations of previous strategy implementation research which has produced lists of barriers to effective execution. This analysis makes use of causal maps to causally link direct barriers to implementation and their likely underlying causes. It was this approach that revealed the central importance of ineffective activity identification and alignment – an issue that has hitherto received extremely limited attention in the literature, and might partially explain the presence of many of the strategy implementation issues that have been the focus of previous studies.

The implications of this explanation are potentially far-reaching, implying that managers and researchers should pay greater attention to how activities that might plausibly achieve strategic objectives are identified and aligned with these objectives. If more appropriate activities are identified and aligned more effectively, the physical implementation that follows may suffer from fewer failures and avoid many of the obstacles commonly addressed in the literature.

Case A2 provides an indication of the causes of ineffective activity identification and alignment, offering scope for guidance for practitioners and isolating specific concepts for further study by researchers.

Case A2 also provides support for the use of causal chains to identify and align activities that might plausibly cause the achievement of strategic objectives.
CHAPTER 7: FINDINGS: CROSS-CASE ANALYSIS

7.1 Introduction

The cross-case analysis is intended to draw together the three cases and provide an indication of to what extent the findings from each case were unique to it. It also seeks to derive, where possible, more sophisticated explanations for the phenomena through examining how they and their antecedents are affected by local conditions.

Integrating findings from the three cases was readily achievable. However, in-depth cross-case analysis was made challenging by:

1. the similar context for Cases A1 and A2;  
2. the establishment of activity identification and alignment as a central theme in every case;  
3. the identification of very similar apparent causes of ineffective activity identification and alignment in each case;  
4. the discovery of the same relevant activity identification and alignment limitations in each case (with insignificant frequency variations) in each case; and  
5. the tentative identification of very similar causes of these limitations.

In summary, the similarity of findings provides weight as to their validity and generalisability within the theoretical sample frame. However, the lack of differentiation across cases limits the extent to which contingent theories may be developed to explain the phenomena at deeper levels.

7.2 Contextual comparison

Table 30 (a reproduction of Table 6) summarises the major differences between Company A and Agency B, selected to fit the theoretical sample frame. As the Methodology chapter outlined, the study was extended to include Agency B because it was significantly smaller and less complex an organisation than Company A. This recognised the possibility that some of the problems with activity identification and alignment in cases A1 and A2 may have been caused by excessive complexity and diseconomies of scale.

87 Had the findings from Cases A1 and A2 been very similar to one another but very different from Case B, the contextual differences between Company A and Agency B may have led to explanations that enriched the analysis, however this was not the case.
Chapter 7: Findings: Cross-case Analysis

Table 28: Profile of case studies against sample frame criteria

<table>
<thead>
<tr>
<th>Sample frame criteria</th>
<th>Indicative variables</th>
<th>Company A (Cases A1 &amp; A2)</th>
<th>Agency B (Case B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very large (initial)</td>
<td>Turnover or equivalent</td>
<td>&gt; £2 billion</td>
<td>&lt; £15 million</td>
</tr>
<tr>
<td>Small-medium (contrasting)</td>
<td>Multinational operations</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Number of staff</td>
<td>&gt; 25,000</td>
<td>&lt; 500</td>
</tr>
<tr>
<td></td>
<td>Total assets</td>
<td>&gt; £50 billion</td>
<td>&lt; £75m</td>
</tr>
<tr>
<td>Long established</td>
<td>Been in existence &gt; 25 years</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Adequately performing</td>
<td>Operating profit &gt; £1 billion, Cost/income ratio &lt; 50%, ROE (post tax) &gt; 30%, Cash reserves &gt; £1 billion, Dividend cover &gt; 3</td>
<td>Audit Commission performance rating: fair, Cash reserves: &gt; £10 million</td>
<td></td>
</tr>
<tr>
<td>Seeking to implement strategy</td>
<td>Existence of formal new mission/strategy/strategic objectives</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

The data analysis revealed further obvious differences in the contexts within which Company A and Agency B operated. These are summarised below.

1. Company A placed great emphasis on short-term targets and ‘delivery’, perhaps at the expense of achieving the ‘right’ things at appropriate quality levels and at reasonable cost. Relatively speaking, Agency B placed less emphasis on speed, specific outputs and individual accountability.

2. Company A’s staff were deeply concerned with what they perceived senior managers were focusing upon. Although this did not always drive their own focus of attention, it almost always affected how they presented information to these senior managers. In Agency B, many staff were driven by a public service ethic, performance management was less structured and many managers possessed relatively esoteric knowledge, making it difficult for senior managers to set strong performance parameters.

3. Numerous respondents made references to a blame culture and/or fear culture in Company A. In particular, various line managers and HR directors were widely considered to engender fear amongst subordinates, often through demanding that those responsible for failures be identified immediately and held to account. There was much less evidence of such behaviour in Agency B.

4. There was substantial evidence of Company A’s managers using information to gain and maintain personal power. Contrastingly, those in Agency B usually supported colleagues by freely providing information to them.

5. Company A generated vast amounts of management information. Although the quality and relevance of much of this was questionable, there was no doubt...
that senior managers were demanding about knowing what was going on in Company A. By contrast, the much smaller Agency B possessed relatively few formal channels for systematic management reporting.

6. In Company A, the need to ensure participation of stakeholders for effective planning and implementation of initiatives was widely recognised, but often poorly managed. Ironically, Agency B staff displayed little awareness of participation techniques but generally adopted a more inclusive approach to many activities.

7. Managers in Company A regularly ‘gamed’ systems (such as budget, performance measurement, target and reward systems), whereas such behaviour was rare in Agency B.

8. When they committed the time to consider them, managers in Company A appeared to be relatively aware of the shortcomings in their organisation (e.g. lack of strategic thinking or unclear roles and responsibilities). In Agency B, respondents were generally less able to pinpoint subtle systemic problems in operations.

7.3 Initial interviews

7.3.1 Causal maps

Beyond the contextual differences noted above, meaningful comparisons of the causal maps developed for each case (Figure 6, Figure 15 and Figure 24) are difficult because of their contextual specificity. It is also important to reiterate that the wider relationships presented in the causal map (not closely tied to activity identification and alignment) were largely drawn from a single data source – the initial interviews. Only issues related to the central focus of the study were examined in more depth and triangulated.

Unsurprisingly, Cases A1 and A2 are very similar in structure and Agency B is different in many tangential respects. However, activity identification and alignment is a central problem in all the cases and this provides strong justification for the study’s focus on this issue.

7.3.2 Direct causes & effects of activity identification & alignment

Figure 36 reproduces the causal diagrams presented in Figure 7, Figure 17 and Figure 25 (the latter two of which are identical), showing the (apparently) direct causes and effects of ineffective activity identification and alignment (from the causal analyses based on initial interviews in each case).
It should be noted that some of the terminology used is slightly different (a consequence of the cases having initially been analysed independently of one another) but the meanings of the expressions are clearly identical.

Table 29 integrates the different terms used where appropriate and compares the causes and effects, noting where bi-directional causality makes the variables noted simultaneously causes and effects of ineffective activity identification and alignment. Comments are added to this analysis to integrate observations from later stages of the study.

Figure 36: Focus of study: Core problems revealed via initial interviews across cases
In summary, almost all the findings from the interviews were corroborated by data collected later in the study and via other collection methods. No data collected later in the study contradicted the findings from the initial interviews, suggesting that although in some respects they were not comprehensive, they were not inaccurate. Most of the causes and effects were observed in every case, not only those where interviewees recognised issues.

Figure 36 identified significant overlaps between the causes and effects of ineffective activity identification and alignment. Table 29, and in particular the addition of triangulated observations from later in the study, demonstrate that the similarity between the cases was even greater – despite their different contexts.
Chapter 7: Findings: Cross-case Analysis

This analysis further strengthens the validity and generalisability of the findings (to the theoretical sample frame). However, the lack of differentiation in the findings thus far precludes the development of a contingent theory based on the contexts of the cases.

7.4 Strategy implementation-related documentation

It is useful to perform a simple analysis\(^a\) of the quantitative summaries of limitations noted when examining activity identification and alignment in practice. Although refined calibration of the incidence of the phenomena observed is not feasible, the data suggest generalisability within the theoretical sample used. The frequencies of limitations observed in documented activity identification and alignment across the cases are shown in Table 30.

<table>
<thead>
<tr>
<th>Strategy implementation-related documentation activity identification and alignment limitation</th>
<th>Case B</th>
<th>Case A1</th>
<th>Case A2</th>
<th>Mean (Non-weighted)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Ranking</td>
<td>Frequency</td>
<td>Ranking</td>
</tr>
<tr>
<td>Lack of strategic logic and clarity</td>
<td>77%</td>
<td>3</td>
<td>92%</td>
<td>1=</td>
</tr>
<tr>
<td>Inadequate breakdown of strategy</td>
<td>92%</td>
<td>1</td>
<td>92%</td>
<td>1=</td>
</tr>
<tr>
<td>Strategy that deals only with changes</td>
<td>46%</td>
<td>5=</td>
<td>67%</td>
<td>5</td>
</tr>
<tr>
<td>Strategy oriented to influence multiple stakeholders</td>
<td>46%</td>
<td>5=</td>
<td>50%</td>
<td>6</td>
</tr>
<tr>
<td>Vague/ambiguous terminology</td>
<td>69%</td>
<td>4</td>
<td>75%</td>
<td>3=</td>
</tr>
<tr>
<td>Confusion between causality and task dependency</td>
<td>23%</td>
<td>7</td>
<td>33%</td>
<td>7</td>
</tr>
<tr>
<td>Leaps of logic</td>
<td>85%</td>
<td>2</td>
<td>75%</td>
<td>3=</td>
</tr>
</tbody>
</table>

Table 30: Frequency of documented activity identification and alignment limitations across cases

Looking at the overall picture, the order of frequency (starting with the most frequently-observed) of the limitations was:

1. inadequate breakdown of strategy;
2. lack of strategic logic and clarity;
3. leaps of logic;
4. vague/ambiguous terminology;
5. strategy that deals only with changes;

\(^a\) Consideration was given to more sophisticated forms of analysis. However, having regard to the nature of the data and the means by which they were collected, it was obvious that more refined analysis would likely produce spurious results. To put it another way, had the study been seeking precise calibrations of the frequencies of these limitations and to test how these frequencies varied with other variables, a completely different methodology would have been selected. Of course, without this study having been conducted as it was, these limitations would not been identified at all.
6. strategy oriented to influence multiple stakeholders; and
7. confusion between causality and task dependency.

Given the sample sizes – some of which were quite small – and the inevitable partial subjectivity of the assessments made, these data do have to be treated with some caution. Also, it is important to acknowledge the importance of the context of each case when examining the data from it (Miles and Huberman would call these “thin” quantitative measures).

However, together the data do suggest a fairly consistent pattern (in terms of differential frequencies) and at least that the phenomena observed are not wholly idiosyncratic. Notably, each of the limitations was apparent in every case.

Of course, whilst frequency of the limitations is of significance, it is not necessarily analogous to overall importance. Some of the limitations may have had more detrimental implications for activity identification and alignment than others and the data do not support calibration of such relationships.

7.5 Action research

The data presented above taken from documentation is reinforced by data on similar limitations collected via observation in project-based workshops. As described in previous chapters, workshops were not suitable to examine inadequate breakdown of strategy, strategy that deals only with changes and strategy oriented to influence multiple stakeholders.

However, they did provide insight to the additional limitation of confusion about the direction of causality. Table 31 summarises these data across the cases.

<table>
<thead>
<tr>
<th>Strategy implementation-related activity identification and alignment limitation</th>
<th>Case B Frequency</th>
<th>Case B Ranking</th>
<th>Case A1 Frequency</th>
<th>Case A1 Ranking</th>
<th>Case A2 Frequency</th>
<th>Case A2 Ranking</th>
<th>Mean (Non-weighted) Frequency</th>
<th>Mean (Non-weighted) Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of strategic logic and clarity</td>
<td>55%</td>
<td>4</td>
<td>59%</td>
<td>3</td>
<td>61%</td>
<td>3</td>
<td>58%</td>
<td>3</td>
</tr>
<tr>
<td>Vague/ambiguous terminology</td>
<td>79%</td>
<td>1</td>
<td>76%</td>
<td>1</td>
<td>68%</td>
<td>1</td>
<td>74%</td>
<td>1</td>
</tr>
<tr>
<td>Confusion between causality and task dependency</td>
<td>64%</td>
<td>2</td>
<td>47%</td>
<td>4</td>
<td>59%</td>
<td>4</td>
<td>57%</td>
<td>4</td>
</tr>
<tr>
<td>Leaps of logic</td>
<td>60%</td>
<td>3</td>
<td>71%</td>
<td>2</td>
<td>66%</td>
<td>2</td>
<td>66%</td>
<td>2</td>
</tr>
<tr>
<td>Confusion about the direction of causality</td>
<td>17%</td>
<td>5</td>
<td>12%</td>
<td>5</td>
<td>17%</td>
<td>5</td>
<td>15%</td>
<td>5</td>
</tr>
</tbody>
</table>

Table 31: Frequency of activity identification and alignment limitations across cases, observed via workshops

Once again, a discernable pattern emerges from the cross-case data. For example, the use of vague/ambiguous terminology was the most common limitation observed in
every case. Equally, confusion about direction causality was the least frequent problem in evidence.

As with the documentary evidence, each of the limitations was apparent in each of the cases, providing confidence that the phenomena were observable in varying contexts. Alongside the documentary evidence presented above, the data from the workshops provide good triangulation evidence for those limitations that could be examined using both data collection methods, namely:

1. lack of strategic logic and clarity;
2. vague/ambiguous terminology;
3. confusion between causality and task dependency; and
4. leaps of logic.

7.6 Causes of activity identification & alignment limitations

Within each case, tentative suggestions were made as to why each of the eight limitations emerged. These are summarised in Table 32.

<table>
<thead>
<tr>
<th>Possible cause of activity identification and alignment limitations</th>
<th>Case B</th>
<th>Case A1</th>
<th>Case A2</th>
</tr>
</thead>
<tbody>
<tr>
<td>No structured strategy development framework in use</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Insufficient motivation to develop effective strategy</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Limited strategic awareness &amp; skills</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Limited management visibility, control &amp; feedback</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 32: Summary of possible causes of activity identification and alignment limitations across cases

7.7 The value of using causal chains

As discussed in previous chapters, after ineffective activity identification and alignment was identified as a major problem facing the organisations in the study, the idea of using causal chains to tackle this challenge emerged. Once theoretical saturation was reached in each case, the researcher suggested to participants that they consider using causality to:

1. identify activities that might plausibly achieve strategic objectives; and conversely
2. assess the extent to which proposed activities might plausibly achieve strategic objectives.

Researcher observations and actor feedback suggested that causal chains, and the process of attempting to develop them, enabled managers in each case to more systematically:
1. define strategic objectives through distilling them into their component elements and considering the trade-offs between them;
2. explore different means of achieving strategic objectives at multiple levels of abstraction within a hierarchy of causal relationships;
3. challenge and test the assumptions they made about the way in which a proposed activity/project might impact upon strategic objectives;
4. determine how activities (once identified) should be carried out;
5. identify critical performance variables and prioritise attention and resources for these;
6. communicate to others objectives and their means of achievement, often informing individuals and teams about how their activities contribute towards the achievement of abstract objectives99; and
7. diagnose performance problems more effectively, through using the frameworks generated via cause and effect hierarchies and causal chains.

Item 4 above is worthy of some elaboration. The means by which causal chains can inform how activities or projects might best be carried out is not immediately obvious, but a simple example makes the point. In one workshop, an actor explained that his/her business was increasing advertising in an attempt to improve profitability. After developing a causal chain, (s)he recognised that advertising might plausibly affect profitability through attracting new customers, retaining existing customers, encouraging higher sales volume per customer or some combination of these. (S)he recognised that depending upon which of these means were being pursued, very different forms of advertising might best be used to cause the desired effect. Despite being a member of the executive committee running the business in question, (s)he had no idea what, if any, decisions had been made in relation to these subtleties.

Item 7 above also deserves elaboration. Causal hierarchies appeared to enable systematic and speedy elimination of possible causes of problems, through providing an organising framework for data informing apparent performance problems. For example, ____________________________

99 This explicit alignment is widely known as ‘line of sight’ (see Boswell (2000)) and often appeared to support superior feedback from stakeholders about the plausibility of plans and recommendations about ensuring effective implementation. It seems likely that it would have helped to inform day-to-day decisions, including those by relatively junior staff, where trade-offs needed to be made. The study did not produce direct evidence of this; it was not designed to explore this particular issue.
if sales volumes were falling but the number of customers remained stable, attention was immediately drawn to sales volumes per customer and so on.

The researcher also suggested that actors might consider using causal chains to identify:

1. post-implementation risks relating to project/initiative outcomes; and
2. performance measures for variables identified with ‘top-down’ causal hierarchies and ‘bottom-up’ causal chains.

These two important further applications of the causal chain are discussed below.

7.7.1 Risk identification

Building upon the researcher’s suggestion, actors in each case used causal chains to extend risk analysis for projects from simple implementation-related risks (i.e. examining what jeopardised adequate completion of planned tasks) to examining post-implementation risks that might affect the achievement of strategic objectives. This was done in two stages:

1. examining the causal links between adjacent performance variables in a causal chain and identifying events or false assumptions that might prevent the identified cause generating the intended effect (or extent of effect); and
2. examining each performance variable to assess what unintended negative effects may result as a consequence of the project being implemented.

The prospect of using this methodology for risk analysis arose through the action research. No references to this technique could be found in the various literature streams examined within this study.

A project from Case A1 provides an example of this risk analysis in practice. This project involved the provision of training to managers of sales teams, to improve their teams’ performance. As with many projects in each of the cases, the precise mechanism by which the project’s product (in this case training provision) was intended to affect strategic objectives was not particularly clear until the causal chain was mapped (see Figure 37). However, once this had been done, the plausibility of the relationships between the training and intended outcomes became much easier to examine.
The project manager in Function A1 used the causal chain initially to identify potential failures in the intended causality. This essentially involved examining each of the ‘linkages’ in the causal chain and asking, “what might weaken or break this cause-and-effect relationship?” As Figure 38 depicts, the project manager became concerned that low levels of attendance at training events would prevent them from causing the intended uplift in sales managers’ management skills. In some parts of Division A1, attendance at training events was as low as fifty percent, due to unforeseen problems that caused attendees to withdraw at the last minute. Equally of concern was the likelihood that the division’s sales incentive schemes would continue to motivate behaviours amongst sales teams inconsistent with the tactics sales managers were to be trained to apply. For example, Division A1 was experiencing problems ensuring sales teams paid proper attention to new potential customers’ enquiries because the target and incentive system placed heavy emphasis on cross-selling to existing customers. Also, fairly obviously, the intended causality is threatened by the possibility that the costs of training provision would exceed any revenue uplift created by it.
Logically, unlike physical chains, causal chains are not necessarily as strong as their weakest link. Rather, one can think of the strength of each link multiplying together (as with probability calculations), to produce an overall strength of the chain. Hence, if only half the managers attended the training and the incentive system meant that improved management of the sales teams only had half the intended impact on the performance of sales teams, these factors alone would reduce the strength of the chain to twenty-five percent\(^\text{\textsuperscript{\textdegree}}\) of its theoretically ‘intended’ strength.

This kind of analysis typically altered the confidence of project managers considerably about the potential impact of their activities, and focused attention on how best to manage post-implementation risks (for example, in the above case ensuring careful timing of training and securing commitments from senior managers to ensure high levels of attendance).

The project manager in this example also examined the risks of unintended effects and those identified are summarised in Figure 39.

\[\text{i.e. } 0.5 \times 0.5 = 0.25\]
As depicted, the project manager was concerned that:

1. high quality training programmes delivered by Company A, a reputable organisation, would enhance sales managers’ employability, making them more attractive to competitors and other employers, potentially increasing staff attrition; and

2. that if sales managers were given positive feedback about their performance (in relation to managing sales teams) they would have an expectation of higher rewards, given Company A’s strong emphasis on linking rewards to performance.

In each case, the project manager readily identified tactics to reduce the likelihood or impact of the identified risks (e.g. pre-training ‘handcuff’ contracts and clear communications about the ‘performance bar being raised’), but acknowledged that these simple tactics would not have been employed without this form of risk analysis. This was typical of actor feedback in each of the three cases.

7.7.2 Performance measurement

A further application of causal chains suggested by the researcher to actors in each case was use to identify performance measures (and building on this, develop cost-benefit models).

For causal hierarchies developed ‘top-down’ the researcher recommended that critical performance variables be augmented with measures for projection and tracking purposes. This fairly obvious extension of causal chains was reflected closely by the
development of strategy maps (Kaplan and Norton, 2001) in the literature shortly thereafter, though with much less detailed and much more abstract causal hierarchies (see Section 8.2.3).

The researcher also recommended performance measures be added for causal chains developed ‘bottom-up’, which typically tested and articulated the indirect causal relationships between project products and strategic objectives. This was a natural suggestion, given that the idea of using causal chains originated from Kirkpatrick’s (1959; 1979) training evaluation model, which was developed to enable measurement (albeit using a prescriptive and rather rudimentary form of a causal chain). Besides this inspiration, no references in the literature to the use of ‘bottom-up’ causal chains for measurement and cost-benefit analysis could be found.

Figure 40 depicts the training project causal chain from Case A1, which was also used to identify performance measures and develop a basic cost-benefit model for that project. Performance measures for each of the variables in the causal chain are listed, demonstrating the relative ease with which relevant measures were identified, once the causal chain had been developed.
7.7.3 *Assessing the value of using causal chains*

Chapter 4, Chapter 5 and Chapter 6 and this Chapter provide various examples of diagrammatic causal chains in which participants attempted to articulate the cause-and-effect relationships they thought might link strategic objectives and activities (or the products of projects). These causal chains were developed in response to researcher suggestions to actors struggling to identify what activities to undertake in order to achieve strategic objectives (or, alternatively, considering to what extent proposed activities might help achieve strategic objectives). The researcher regularly observed that causal chains appeared to be useful for identifying and testing such activities, and received a great deal of positive feedback from many actors in each case, indicating their agreement with this interpretation. In addition to these observations and this anecdotal feedback, more systematic actor feedback was secured. Across all the cases, participants in most of the workshops conducted as part of the action research phases were sent an evaluation form to gather feedback on the tools and methods introduced to them\(^1\). The following question areas were of relevance to this study:

---

\(^1\) The decision to evaluate the workshops was not made until after several of the early workshops had been held.
1. the use of causal chains to link strategic objectives with activities (‘top-down’ and ‘bottom-up’);
2. the use of causal chains to identify post delivery risks; and
3. the use of causal chains for performance measurement.

Respondents were also asked about problem diagnosis. This was highlighted as an area of common error within the workshops and the need to distinguish symptom from causes explored (thus ensuring that the causal chains developing were more likely to be appropriate ones). Feedback on this issue was sought given its relevance in each case (see Figure 6, Figure 15 and Figure 24).

Overall, 54 confidential evaluations were received from 158 participants, giving a 34% response rate. Respondents were asked to answer questions using a 6-point Likert-type scale. The questions and combined response rates are detailed in Table 33.

<table>
<thead>
<tr>
<th>Question</th>
<th>Case B</th>
<th>Case A1</th>
<th>Case A2</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean  Median Mode</td>
<td>Mean  Median Mode</td>
<td>Mean  Median Mode</td>
<td>Mean  Median Mode</td>
<td></td>
</tr>
<tr>
<td>To what extent do you anticipate each of the following topics will help you to add value in the future?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Strategic alignment: Top-down (i.e. cause &amp; effect hierarchies) &amp; Bottom-up (i.e. causal chains)</td>
<td>5.2 6 5.3 5 5</td>
<td>4.7 5 5</td>
<td>5.1 5 6</td>
<td></td>
</tr>
<tr>
<td>• Risk identification</td>
<td>5.2 6 5.2 5 5</td>
<td>4.7 5 4</td>
<td>4.9 5 5</td>
<td></td>
</tr>
<tr>
<td>• Measurement</td>
<td>4.9 5 5.0 5 5</td>
<td>4.7 5 4</td>
<td>4.7 5 5</td>
<td></td>
</tr>
<tr>
<td>• Problem diagnosis</td>
<td>4.7 5 5.7 6 6</td>
<td>5.1 5 5</td>
<td>5 5 5</td>
<td></td>
</tr>
</tbody>
</table>

Table 33: Evaluation feedback from workshop respondents across cases

These data provide an indication of how useful managers in each case found the key methods developed during the study to tackle the central problem it identified – ineffective activity identification and alignment. Although these data represent subjective opinions of participants and are liable to some biases, together they provide strong support for the use of causal chains to identify and align activities that might plausibly cause the achievement of strategic objectives. The participants generally rated each of the topics and methodologies covered as being useful to help them add value in the future. This closely reflected the observations of the researcher and anecdotal feedback from participants in each of the three cases. This quantitative data elicited

---

92 Respondents were not asked to provide their names on evaluation forms and could return them in a variety of ways, including methods that would veil their identities.

93 A 6-point scale was chosen to prevent central tendency and provide sufficiently finely calibrated responses given the nature of the question subjectmatter.
directly from actors, when combined with the document analysis and participant observation data provides strengthened support for the use of causal chains as a tool with which organisations can identify and align activities to achieve strategic objectives.

7.8 Summary

Analysing this study through the lens of Yin’s replication strategy, it can certainly be argued that the pattern observed in each case closely matched that in others. The fact that the pattern was *not* absent or much weaker in any cases further strengthens the validity (and limited generalisability that the theoretical sample offers) of the findings. Specifically, the cross case analysis strengthens the following findings within the study’s sample frame.

7.8.1 Ineffective activity identification & alignment

Activity identification and alignment are generally performed poorly. Prior to researcher interventions, none of the organisations demonstrated a reasonable ability to establish what tasks might plausibly achieve stated strategic objectives.

7.8.2 Implications of ineffective activity identification & alignment

Ineffective activity identification and alignment was a central barrier to strategy implementation and caused numerous negative effects, many of which have been identified by other researchers as strategy implementation barriers. These include but are likely not to be limited to:

1. suboptimal project selection;
2. poor stakeholder engagement and management;
3. unclear roles and division of responsibilities;
4. poor embedding of project products;
5. poor project cost/benefit analysis;
6. poor resource allocation decisions; and
7. execution to be ignored in policy creation.

However, the lists of strategy implementation barriers identified by previous researchers were inadequate to explain the many causal relationships between barriers in each of the cases. Analysis of strategy implementation barriers via causal mapping produced richer, more comprehensive and more useful results.

7.8.3 Causes of ineffective activity identification & alignment

Ineffective activity identification and alignment was caused by the following eight activity identification and alignment limitations (broadly in order of frequency):
1. lack of strategic logic and clarity;
2. inadequate breakdown of strategy;
3. leaps of logic;
4. the use of vague/ambiguous terminology;
5. strategy that deals only with changes;
6. strategy that is oriented to influence multiple stakeholders;
7. confusion between causality and task dependency; and
8. confusion about the direction of causality.

7.8.4 Preventing activity identification & alignment limitations

These activity identification and alignment limitations are caused by (or at least, not prevented in situations where there is):

1. no structured strategy development framework being in use;
2. insufficient motivation to develop effective strategy;
3. limited strategic awareness and skills; and
4. limited management visibility, control and feedback.

In previous chapters this finding has been presented as a tentative one because the direct evidence for it was limited. However, the fact that these causes were (with the exception of ‘limited management visibility, control and feedback) consistent across each of the cases lends greater strength to this explanation. Having said that, the fourth limitation was only identified in one of the three cases and must therefore be treated with greater caution than the others.

Given the theory that emerged, in none of the cases could the pattern theoretically be expected to be absent. As suggested in previous chapters, it would also be unreasonable to expect any given organisation to prevent the activity identification and alignment limitations, even if it had:

1. a structured strategy development framework;
2. high motivation to develop effective strategy;
3. high strategic awareness and skills; and
4. high limited management visibility, control and feedback.
Such an organisation would additionally have to design the strategy framework, skills development and management control systems to take account of the specific activity identification and alignment limitations and tackle them directly.

In the action research phases of this study, each of these factors was to some extent modified accordingly and there was some evidence of reductions of the eight activity identification and alignment limitations. However, it was beyond the scope of the study to:

1. make a refined assessment of related causality in operation;
2. disentangle the specific relationships between each variable; and thus
3. calibrate the effects of each of the four factors above.

7.8.5 The value of applied causal thinking

Finally, it was clear from the cases that using properly-structured ‘causal chains’ was particularly useful to overcome some of the problems noted above. These chains, which were designed to causally link strategic objectives with the specific activities that might plausibly achieve them, provided a robust and detailed framework to develop, test, refine and share decision logic relating to activity identification and alignment. Causal chains were also particularly useful for identifying post-implementation risks and establishing performance measures for strategies, projects and other initiatives.

The data suggest that the application of effective causal chains would be a valuable as part of an effective strategy framework and strategy awareness and skills development agenda. Equally, the review of causal chains was a useful element within effective management visibility, control and feedback systems.

Chapter 8 extends the literature Review in the light of these findings, to explore streams of literature that might reasonably be expected to inform the issues exposed via the fieldwork. Chapter 9 then ties the finding into the literature reviewed to assess their significance and originality.
CHAPTER 8: EXTENDED LITERATURE REVIEW

8.1 Overview

In the light of the findings produced from the fieldwork, it was decided to examine a range of literature streams that might reasonably be expected to further illuminate:

1. the research question that evolved from the fieldwork (i.e. how organisations implementing strategy identify and align activities to achieve strategic objectives); and
2. the related theory that was developed, in particular:
   a. the causes of ineffective activity identification and alignment, and
   b. the use of causality in the strategy implementation field.

These areas of literature included:

1. performance measurement (see Section 8.2);
2. managerial and organisational cognition (MOC) (see Section 8.3);
3. strategic fit and alignment (see Section 8.4);
4. strategic change (see Section 8.5);
5. strategy process (see Section 8.6);
6. goal setting (see Section 8.7); and
7. systems thinking (see Section 8.8).

The performance measurement and MOC literature streams did provide some useful additional theoretical and empirical material that illuminated the research question. Surprisingly, however, very little relevant material could be found in the other five areas. The shape of these literature streams is outlined to systematically demonstrate how they do not address the research question. This highlights the fragmented nature of theory in what, on the surface, look like closely related areas.

8.2 Performance Measurement Literature

8.2.1 Overview & relevance

The role of performance measurement in strategy implementation has been explored by a small number of authors including Kaplan and Norton (1992; 1993; 1996a; 1996b; 1996c; 1996d; 2001; 2004a; 2004b) and Simons (1994; 1995; 2000). As outlined in Section 2.2.10, it is also an important element of the strategy implementation models proposed by Stonich (1982), Roberts and Pitt (1990) and Grady (1991).
Performance measurement interests strategy implementation scholars for several reasons. Primarily, measurement provides a mechanism both for feedback and feedforward (to use the language of systems thinking). Its role in providing feedback is perhaps better known and understood: managers need to review past organisational performance to determine if it is satisfactory, using whatever variables they consider important. They therefore seek ways to measure variables and use the information generated via measurement to inform implementation decisions. However, as soon as managers define particular measures, it also directs the attention of organisational actors towards the specific variables chosen and the way in which managers have chosen to measure them. This, in turn, affects their behaviour. This is known as feedforward, and is well summarised by Drucker’s classic maxim, “what gets measured gets managed.”

Performance measurement is perhaps of interest to strategy implementation scholars and practitioners for another reason. To measure performance, managers need to define the variables that determine performance in a detailed and coordinated fashion. This requirement aligns closely with the notion of ‘breaking down’ conceptual strategies and determining what actions will achieve them. It is this necessity that has made strands of the performance measurement literature one of the most relevant bodies of theory to this study. In particular, the recent work of Kaplan and Norton makes a contribution relevant to the research question established for this study.

8.2.2 The balanced scorecard

Kaplan and Norton state that their collaboration began in 1990 through a “multi-company research project that explored new ways to measure organizational performance” and that from this “one-year research project came the concept of a Balanced Scorecard of measurements” (2004b: ix). Their balanced scorecard (BSC) is a performance measurement (and, arguably, a performance management) tool based upon the following three principles:

1. organisations create financial value indirectly, through investing in relatively intangible assets such as the learning and development of their employees, or the management of internal processes;

2. in order to manage financial value creation effectively and sustainably, organisations should balance the (lagging) financial performance measures managers use to take decisions with (leading) non-financial measures, thus capturing the “drivers of future performance” (Kaplan & Norton, 1996c: 8); and
3. A balanced set of measures should usually incorporate indicators in the following four categories:
   a. Financial,
   b. Customer,
   c. Internal processes, and
   d. Learning and development.

The term ‘balanced scorecard’ is fairly widely used, by Kaplan and Norton and many others since, to refer not only to the final list of measures (in each of these four categories) that users of the BSC produce, but also the process by which such measures are produced.

Kaplan and Norton make substantial claims about the potential role of the balanced scorecard, that relate to strategy implementation rather than simple categorisation of performance measures, saying, “[c]ompany managers have discovered that the scorecard enables them to bridge a major gap that formerly existed in their organizations: a fundamental disconnect between the development and formulation of strategy and its implementation” (1996c: 191, emphasis original) and that “[i]n our opinion, the Balanced Scorecard’s most important role arises from filling the void that exists in most management systems – the lack of a systematic process to implement strategy” (1996c: 280). They also make a specific contribution to the strategy implementation literature, saying:

…we have defined four specific barriers to effective strategy implementation:
1. Visions and strategies that are not actionable
2. Strategies that are not linked to departmental, team, and individual goals
3. Strategies that are not linked to long- and short-term resource allocation
4. Feedback that is tactical, not strategic.

Each barrier can be overcome by integrating the Balanced Scorecard as a new strategic management system. (1996c: 191-2)

The scorecard measures are chosen to direct the attention of managers and employees to those factors expected to lead to competitive breakthroughs for an organization (1996c: 64).

Unfortunately, this comment is not supported with reports of any systematic empirical research, so its reliability is impossible to assess properly. They also say, “[t]he Balanced Scorecard is primarily a mechanism for strategy implementation, not for strategy formulation” (1996c: 38), although in later works (2001; 2004b) argue that the BSC has value in describing strategy, too. Kaplan and Norton also make reference to the concept of criticality, explored in 2.3, saying, “[t]he process of building a
Balanced Scorecard clarifies the strategic objectives and identifies the critical few drivers of the strategic objectives” (1996c: 11). Most importantly for this research, they also introduce the notion of causality in relation to organisations’ strategies, saying a “properly constructed Balanced Scorecard articulates the theory of the business” and “should be based on a series of cause-and-effect relationships derived from the strategy…” (1996c: 17). They elaborate by suggesting that:

[a] strategy is a set of hypotheses about cause and effect. The measurement system should make the relationships (hypotheses) among objectives (and measures) in the various perspectives explicit so that they can be managed and validated (1996c: 30).

The main ideas behind the balanced scorecard are not new (see, for example, Freedman, 1985). As Hrebiniak says, it “reiterates much of what previously work on the integration of long- and short-term needs espoused and discussed in detail. It is not by any means, a brand new thrust or invention in managerial thinking” (2005: 88). Having said this, Kaplan and Norton appear to have succeeded in drawing the attention of many practitioners and academics to the need for balance between leading and lagging indicators and between focusing on short-term financial results and the longer-term development of intangible assets. They also use the broad notion of causality to make explicit the links between intangible assets and financial outcomes.

However, there are substantial limitations to Kaplan and Norton’s work that require examination, when determining how it illuminates the issues central to this study. There are also various apparent problems associated with using the BSC in practice, which highlight potential theoretical limitations.

Probably the greatest problem affecting Kaplan and Norton’s work on the BSC is the lack of systematically collected empirical evidence provided. Kaplan and Norton make liberal use of anecdotes, but provide no details of any systematic research. Their articles about the balanced scorecard (e.g. 1992; 1993; 1996a; 1996b; 1996d) are published in journals that do not require peer review of scholarly research. Hence, the validity and reliability of their findings is difficult to assess, and need tested further. Immediate specific concerns can be raised about the definitions of key constructs, the solidity of the theoretical frameworks employed, sampling, data collection methods, researcher contamination, the possibility of elite bias (Miles & Huberman, 1994), data analysis quality, and so on. All of these factors might have affected the validity of findings and extent to which generalisations may be drawn from them.
Certainly, given the nature of the phenomena Kaplan and Norton explore (e.g. performance measurement and strategy implementation), and as this study demonstrates, it would be surprising if reliable conclusions could be drawn from anything other than in-depth longitudinal case studies. There are not sufficient grounds for the success attributions made or implied in the examples Kaplan and Norton present. Without detailed examination of very many additional factors, it is impossible to disentangle the contribution the balanced scorecard may have made from thousands of other variables. These problems with the empiricism are compounded by rather limited grounding in existing theory and lack of definition of key terms (such as, for example, strategy implementation).

Kaplan and Norton (2001) do acknowledge that not all organisations have experienced apparent success with the balanced scorecard, but they attribute this entirely to special circumstances (such as the firms being acquired) or failures by these companies in implementing the scorecard, rather than any limitations of the tool itself. They suggest that besides the scope to shorten the time taken to implement the balanced scorecard, “the basic process remains otherwise unchanged and hence does not require a new or modified treatment” (2001: 357). Kaplan and Norton outline the ‘pitfalls’ to be avoided as:

1. designing poor balanced scorecards (e.g. using too few measures); and
2. poor implementation processes, including, for example:
   a. lack of senior management commitment,
   b. involving too few individuals in the BSC,
   c. treating the BSC a one-off exercise,
   d. using inexperienced consultants, and
   e. using the BSC only for compensation.

Unfortunately, Kaplan and Norton provide no details of any systematic research that produced these findings, so it is again impossible to assess their reliability. However, Kaplan and Norton say “[m]any large enterprises lost interest in the scorecard concept because each unit did it differently, with no overall coordination or linkage for group and corporate-level synergies” (2001: 361). This does raise the question about what the ‘balanced scorecard’ really is, as a phenomenon, to companies, the units within them and their employees. It is possible that talking about the BSC per se, is a little meaningless. This would cast doubt over the broad assertions Kaplan and Norton make.
about the scorecard’s wide applicability and generalisations they make in attributing corporate success to it.

An additional problem, which may contribute to balanced scorecards being ineffective, is the failure of Kaplan and Norton to provide detailed advice on how to construct actual performance measures. Although they offer substantial opinion on measurement frameworks, this is not so in respect of individual performance indicator construction. For example, one Kaplan and Norton might have been expected to detail how good measures may be constructed using, for example, triangulation and indices or how to measure intangibles and develop cost-benefit models. However, it seems that they did not intend to provide a comprehensive guide to performance measurement. Managers working without wider knowledge in this area are likely to have encountered problems with implementation of the BSC.

Another immediately obvious potential problem with the BSC might be caused by following Kaplan and Norton’s advice and linking the performance measures and targets continued within it to reward systems. Various authors (e.g. Blau, 1963; Kerr, 1975; Simons, 2000) have made clear the very common problems that can be created by tying pay or other rewards to performance assessed via measures. It seems very likely that the construction, use and impact of balanced scorecards would all be affected by the behaviour of managers whose personal rewards were affected by the measures in them. Kaplan and Norton do not address this potential problem, and the associated politically driven behaviour that is likely to occur in organisations.

A further problem with the original balanced scorecard was that whilst Kaplan and Norton advocated the need to link the BSC to strategy, they did not explain how this could be done. As Littler, Aisthorpe, Hudson and Keasey note, “the BSC literature historically pays little attention to which actual technique should be used for the formulation of strategy content” (2000: 214). This omission perhaps led to the development of ‘strategy maps’, and further development of the balanced scorecard.

### 8.2.3 Strategy Maps

Perhaps the most interesting and, for the purposes of this study, relevant aspect of the balanced scorecard is its development and extension into the area of ‘strategy maps’. Kaplan and Norton (2004b) explore how strategy can be mapped using the framework of their balanced scorecard and contend that doing this is every bit as useful and important as applying the scorecard itself.
Kaplan and Norton say that in working with executives to implement the balanced scorecard, they detected that executives wanted to apply their new system “in a more powerful application…to solve the more important problem they faced – how to implement new strategies” (2004b: x). They describe the balanced scorecard as a “powerful tool for describing and implementing an organization’s strategy” (2004b: 9). They see its value in providing a language that allows executive teams to discuss strategic choices and prioritise their efforts, which will “increase the likelihood of successful strategy implementation” (2001: 104).

Kaplan and Norton make further substantial claims about the effectiveness of the balanced scorecard, saying that “we learned that these companies were achieving breakthrough performance, and in relatively short periods of time – within two to three years of launching their BSC projects and their organizational transformations” (2004b: x) and that organisations using the BSC achieved higher success rates implementing new strategies than general. They report that executives primarily used the balanced scorecard to achieve “alignment and focus” (2001: 7, emphasis original; 2004b: x, emphasis original).

Kaplan and Norton compared (without providing any details or evidence) the successes of companies they knew to be implementing the BSC with statistics drawn from a Bain & Company study (no details provided) which suggested that fewer than 10 percent of companies in their sample (large firms operating in the UK, France, Germany, Italy and Japan between 1988 and 1998) achieved objectives related to real earnings growth and shareholder returns above the cost of capital. Their following assertion that “clearly, most companies don’t succeed in implementing their strategies” may be correct, but is not supported by the reported results of the study, which appears to have tested lagging financial measures. These data cannot support inferences about strategy implementation effectiveness, as they do not disentangle environment, strategy, strategy implementation and outcomes, but simply test the latter and compare it with high-level financial objectives.

In extending the balanced scorecard methodology to incorporate strategy maps, Kaplan and Norton recognise one of the key limitations of the original balanced scorecard: it was measurement- rather than strategy-driven. They explain that the seemingly innocent question, ‘what are [the executives’] objectives?’, had far-reaching consequences, including achieving greater clarity and consensus amongst decision-makers, and easier identification of performance measures. It was through this focus on
measures that Kaplan and Norton say they recognised that “objectives should be linked via cause-and-effect relationships” (2004b: xii, emphasis original), and they go on to explain how they helped “executive teams to describe their strategy by explicit cause-and-effect relationships among the objectives in the BSC perspectives” (2004b: xii).

Kaplan and Norton go on to develop a series of generic strategy maps for a range of situations and purposes, including customer management initiatives, innovation initiatives, low cost strategies, differentiation strategies and so on. They propose that strategy maps are a new way of describing strategy, filling a void because none of the existing work in strategic management provides a comprehensive and integrated view for doing this. Their ‘strategy maps’ are similar to those developed by Eden and colleagues (Ackermann, Eden, & Brown, 2005; Bryson, Ackermann, Eden, & Finn, 2004; Eden & Ackermann, 1998b), although Kaplan and Norton do not report having drawn on their work.

Strategy maps are, according to Kaplan and Norton (2004b), based on the following principles:

1. the balancing of contradictory forces, such as long-term investment in intangible assets and short-term financial performance;
2. a differentiated customer proposition, which is essentially derived from the trade-offs inherent in focusing on particular customer segments and adopting particular generic strategy (clearly mirroring Porter’s work on generic strategies and strategic positioning); and
3. the creation of value through internal business processes, which indirectly drive financial results.

Kaplan and Norton extend their previous work by detailing a taxonomy that classifies these critical internal processes into four categories: operations management; customer management; innovation; and regulatory and social. Similarly, they group intangible assets in their ‘learning and growth’ perspective into three categories: human capital; information capital; and organization capital.

Kaplan and Norton’s work on strategy maps is of great interest because their work, undertaken at the same time as this study, involves the explicit use of causality to translate strategies into operational terms, for the purposes of implementing strategy.

Kaplan and Norton have succeeded in drawing the attention of many managers to the potential of strategy maps to articulate, examine and communicate trade-off decisions,
strategy and priorities. They also imply the notion of criticality (explored in detail in Section 2.3, and described as an important concept in this study), in particular use the idea of ‘strategic themes’ to package the “critical few processes that are the most important for creating and delivery the differentiating customer value proposition” (2004b: 12). These observations are clearly welcome, and many managers apparently value the ideas Kaplan and Norton outline. However, there are limitations relating to their ‘strategy maps’ that are important to note.

Perhaps the greatest problem is the general one that affects Kaplan and Norton’s earlier work on the balanced scorecard. Kaplan and Norton claim to have worked with more than 300 organizations over the dozen years leading up to 2004, developing and implementing their balanced scorecards. However, their empirical experience has apparently not been captured systematically. In their (2004b) book, although they provide many anecdotal examples and include numerous case studies contributed by members of the Balanced Scorecard Collaborative, no details are provided of any research methodology or protocols used to drive and control the collection and analysis of empirical data. It is interesting to note for example, that in most cases only the opinion of CEOs is relayed in cases. In the absence of evidence that other actors were interviewed or otherwise surveyed, a concern that elite bias (Miles & Huberman, 1994) might apply to the data must be raised.

Even the extent and nature of Kaplan and Norton’s actual involvement with the many subjects to which they refer, is not made clear. One can deduce, however, that if they have worked with more than 300 organisations over 12 years, it is unlikely that their exposure to the subjects was very substantial in many cases. Of course, a large sample base might well hold the potential to yield data from which generalisable conclusions could be drawn. However, the selection of the sample was apparently not randomly- or theoretically-derived, and without research protocols to control variables tested, measurement techniques or data analysis, it is arguable that Kaplan and Norton cannot draw any reasonably reliable conclusions from their work. Indeed, it seems likely that the sample used was created at least partially through self-selecting reports from users of the BSC who perceived that its implementation had been successful. There is no evidence that the case studies were longitudinal, or that non-implementers of the BSC were ever studied. If this is the case, it is hardly surprising that accounts of BSC implementation are positive, questionable as to whether these accounts are reliable, and open to debate as to the value the BSC provides versus alternative approaches to
achieving the same objectives. Equally questionable are the success attributions made or implied in the cases Kaplan and Norton present. In most cases, high-level details of a financial upturn are mentioned, but no logic is proposed or tested linking this to specific changes resulting from the use of the balanced scorecard. Without detailed examination of very many additional factors, it is impossible to disentangle the contribution the BSC may have made from thousands of other variables.

These problems with empiricism are compounded by limited grounding in existing strategy implementation theory, and a lack of plausible logical reasoning for many of the key components of Kaplan and Norton’s models. For example, the taxonomies used to classify internal processes intangible (noted in Section 8.2.2) are presented without reasoning or evidence to support them. Kaplan and Norton also fail to define most of the key concepts they employ. Neither strategy, nor strategy implementation are defined, for example; nor is performance measurement.

In relation to strategy maps, which are of particular relevance to this research, similar criticisms can be levelled at Kaplan and Norton in respect of empirical and theoretical grounding. Although many of their strategy maps are reproduced from ones used in practice, the examination of their construction, use and effectiveness is apparently insufficiently rigorous to rely upon with confidence. Application of the framework produced by the foregoing sections of this literature review would raise numerous questions (in respect of the cases on which the work is based) upon which Kaplan and Norton are generally silent. For example: -

1. Was the organisation seeking to implement strategy, and if so how was this being approached?
2. How did strategic decision-makers go about making key strategic choices?
3. What process did strategic decision-makers use to identify critical elements of their strategy and prioritise change initiatives?
4. How did the strategic decision-makers work together and what political factors drove their interactions?
5. How was information relating to strategic decisions collected, disseminated and stored in the organisation?
6. How did strategic decision-makers assess their internal and external environments, and what barriers and enablers existing in relation to their espoused mission?
7. In planning strategy implementation, did the decision-makers consider what changes might be necessary to organisational design, roles, control systems, resource allocation systems, reward systems, individual capabilities and so on?

Kaplan and Norton are also silent on similar questions that might be raised about strategy maps themselves, for example: -

1. What problems do managers encounter when constructing maps?
2. What are the most common mistakes, which contribute to maps that prove less useful?
3. Do strategy maps represent strategic options or choices, or both?
4. How do decision-makers actually test their hypotheses about cause-and-effect relationships depicted in strategy maps? (Kaplan and Norton state that being able to do this is a benefit of having strategy maps.)
5. How can managers quantify the possibility that the cause-and-effect relationships for which the hope will not emerge in practice because of exogenous factors?
6. How is responsibility and accountability for the elements of a strategy map best divided up amongst managers and functions or departments?

There are other apparent problems with the strategy maps presented. Although they vary in their detail, most contain variables that are rather vague and ambiguous. For example the single word “[p]artnership” (2004b: 11), in this case used in the ‘customer perspective’ could mean any number of things, depending upon the interpretation of an individual reader. A ‘learning and growth perspective’ item stating “train the workforce” (2004b: 26) is seemingly so general that it could apply to virtually any organisation following virtually any strategy. “[m]anage customers” (2004b: 31), “work smarter across the network” (2004b: 159) and “minimize problems” (2004b: 380) are similarly vague terms. It is also worth noting that numerous terms used within strategy maps do not indicate a desired change or direction of change. Examples include “price” (2004b: 66), “brand” (2004b: 164) and “relationship marketing” (2004b: 357).

Partly because the variables in Kaplan and Norton’s strategy maps are generally ambiguous, the cause-and-effect relationships depicted by them are similarly questionable. Kaplan and Norton assert that “objectives in the four perspectives link together in a chain of cause-and-effect relationships” (2004b: 7). This notion was
fundamental to the original balanced scorecard, and remains part of the logic of strategy maps. However, as with the balanced scorecard, one can challenge the very broad assertion that ‘what happens in one perspective will drive what happens in another’. For example, can one reasonably assert that there is reasonably strong and direct causality between ‘learning and growth’ and ‘internal processes’? Depending upon what is intended to be included under these generic headings, it is possible but far from certain. If there is any evidence to support this general notion, it is not provided by Kaplan and Norton.

At a more detailed level, and even when relatively specific variables are presented in strategy maps, some problems remain in relation to assumptions about causality. Kaplan and Norton regularly state or imply that greater customer retention increases profitability. However this is only true if the additional customers retained are marginally profitable (through providing higher marginal revenues or generating lower marginal costs, perhaps because higher customer numbers and transaction volumes can create economies of scale). Such caveats might be valuable to those applying the ideas presented.

Many of the depicted causal relationships are much less clear cut because of the vague variables used, and towards the more intangible end of strategy maps (i.e. in the ‘learning and growth’ and ‘internal’ perspectives), cause-and-effect relationships are typically even more ambiguous. This is ironic, as it is probably in relation to these relationships that organisational decision-makers have lowest visibility and understanding. The resulting problem is that it is impossible to disentangle all the elements potentially included in a broad variable, and assess, test or track the relationship between it and another.

This problem is compounded by the fact that in very many cases, individual variables included in strategy maps are not themselves explicitly causally linked to any other variables. Rather, collections of variables are grouped together and those entire groups causally linked to other variables or groups of variables. This practice has the effect of generating very vague and general casual maps. Very broad assertions about cause-and-effect relationships are rarely meaningful (or contentious), difficult to test and impossible track.

It is also worth noting that although Kaplan and Norton make reference to managing intangible assets for long-term performance (rather than focusing solely on short-term financial measures), they do not advise any kind of prediction or calibration of the time
lag between elements of a strategy map. This is perhaps an obvious addition, but it is also a critical one. If managers are to use strategy maps to examine how their organisations work, and are to make real sense the measures in a balanced scorecard (which is based on the strategy map), they would need actively to consider time lag. After all, the lag between investing in intangible assets and financial results is likely to be considerable, in many cases. Again, one would have expected any in-depth longitudinal field research to expose this aspect of strategic decision-making.

Another apparent problem with strategy maps is that they simply do not appear to cascade sufficiently far into detail to link conceptual notions such as missions and strategies to actions (i.e. activities which reasonably competent people and teams could reasonably be expected to implement without substantial further guidance from strategic decision-making makers). It seems obvious that a tool that, it is espoused, is intended to enable strategy implementation and translate strategy to action, must do just that. It should define the activities required to achieve strategic objectives. This need is underlined – to the extent that it can be relied upon – by Alexander’s finding that one of the biggest barriers to successful strategy implementation was “key implementation tasks and activities were not defined in enough detail” (1985: 92, 95). Some of the ‘lowest level’ variables on Kaplan and Norton’s strategy maps include, for example, “technology that facilitates process improvement” (2004b: 67), “multidisciplinary skills” (2004b: 137), “achieve a high-performance service culture” (2004b: 240), “align organization” (2004b: 257) and “ensure leadership for the future” (2004b: 414). Even senior decision-makers and relevant subject matter experts would have difficulty responding to the question “How?”, which naturally follows defining objectives of this sort. Yet, the strategy maps Kaplan and Norton provide as examples do not break down the cause-and-effect logic to a more concrete level than this. Kaplan and Norton do, perhaps inadvertently, refer to the rather conceptual nature of their strategy maps, saying (in relation to TQM), “strategy maps provide a high-level, strategic concepts for these quality programs” (2004b: 92).

Finally, it is worth noting that Kaplan and Norton seem oblivious to the numerous problems associated with limited capacity of humans to process information and learn from experience (see Section 8.3). It would seem sensible to explore these and offer guidance as to how to overcome some of the basic problems, when constructing strategy maps. Again, one would have expected any in-depth longitudinal field research to expose this aspect of strategic decision-making.
In summary, although the concepts behind strategy maps seem useful, Kaplan and Norton do not provide sufficiently detailed advice or examples to allow for the development of strategy maps which are sufficiently specific, unambiguous and detailed to support many of the tests and choices which decision-makers might normally be expected to use and make when seeking to make strategic decisions.

Kaplan and Norton claim that strategy maps assist with strategy implementation, and help translate strategy into action. The concepts they use to develop strategy maps hold potential value, however, the strategy maps they depict do not succeed in identifying or aligning activities that might plausibly achieve strategic objectives.

8.2.4 The ‘Tableau de Bord’

Long before the balanced scorecard emerged, around the beginning of the twentieth century, the ‘tableau de bord’ was developed in France. It origins lay in systems developed by engineers seeking to measure performance between causally-related components and the same principles were later applied by executives for organisational management purposes.

A number of authors have reported how the tableau de bord has been used (e.g. de Guerny, Guiriec, & Lavergne, 1990; Lauzel & Cibert, 1962; Lebas, 1994; Moisson, 1968). Like the balanced scorecard, it consists of leading and lagging indicators pertaining to specific structural units within an organisation, aggregated into a nested hierarchy if necessary, to provide organisation-wide performance measurement. According to Epstein & Manzoni (1998), the tableau de bord was usually developed by identifying:

1. mission and vision;
2. objectives;
3. key success factors; and
4. key performance indicators.

This decision sequence bears a similarity to the models proposed by Roberts and Pitt (1990) and Grady (1991), for example. The tableau de bord differs markedly from the balanced scorecard in that it does not include a generic set of (supposedly causally-related) categories into which measures can be grouped. It is less prescriptive, offering the short process model summarised above.

The principles behind the tableau de bord provide faint clues as to how to identify activities to achieve strategic objectives. As with the balanced scorecard, the use of
leading and lagging indicators builds on the notion of causality, linking short-term objectives with long-term ones. However, the tableau de bord was not designed to tackle strategy implementation and does not offer specific advice on how to identify activities. Like the balanced scorecard, it is oriented to deal with objectives at a higher level of abstraction.

8.2.5 The Performance Prism

Neely, Adams & Kennerley (2002) build upon Kaplan and Norton’s (2001) notion of strategy maps, which develop a hierarchy of very broad causal relationships ‘top-down’. The major difference between Kaplan and Norton’s approach and that of Neely et al., is that the latter dismiss the traditional ‘quadrants’ of the balanced scorecard as being “too narrow” (2002: 164) and suggest that strategy maps (or “success maps” as Neely et al. call them) should be built around:

1. stakeholder wants and needs;
2. organization wants and needs;
3. strategies;
4. processes; and
5. capabilities.

Neely et al.’s use of causality is, like Kaplan and Norton’s, an interesting and useful development. It closely follows the path taken by Kaplan and Norton and as such replicates many of the strengths of their work on strategy maps. Although oriented to identifying and aligning performance measures rather than activities, it lends weight to the use of causality for the latter purpose, as occurred in the fieldwork of this study.

However, Neely et al.’s work also possesses many of the same limitations as Kaplan and Norton’s, which are again illuminated by the current research. Although Neely et al. provide numerous examples of their approach being applied, they do not appear to have conducted an systematic empirical research to test Kaplan and Norton’s approach or their own adaptations to it. These problems with empiricism are compounded by limited grounding in existing theory, although it should be noted that Neely et al. were not seeking to inform the strategy implementation area in particular, focused instead on strategic performance measurement.

As with Kaplan and Norton’s, Neely et al.’s success maps contain many variables that are rather vague and ambiguous. For example the single word “[p]roactiveness” (2002: 349) could mean any number of things, depending upon the interpretation of an
individual reader. Again in common with Kaplan and Norton, numerous terms used within success maps do not indicate a desired change or direction of change. Examples include “CRM” (2002: 349), “[d]irect mail” and “[m]oment of truth” (2002: 349). Partly because the variables in the success maps are generally ambiguous, the cause-and-effect relationships depicted by them are similarly questionable. Neely et al. suggest in one map that “[a]chieve [b]est [p]ractice” will cause [i]mprove [r]evenue [q]uality (2002: 349). Depending upon what is intended by these phrases, it is possible but far from certain. This example, and many others, involves leaps of causal logic, another major cause of activity identification or alignment according to the findings from this study.

Another apparent problem with success maps is that like Kaplan and Norton’s strategy maps, they simply do not appear to cascade sufficiently far into detail to link conceptual notions such as strategies to actions (i.e. activities which competent individuals and teams could reasonably be expected to implement without substantial further guidance from strategic decision-making makers). Some of the ‘lowest level’ variables on Neely et al.’s success maps include, for example, “[e]nhance [c]ore [s]ervice [c]apability” (2002: 349) and “[e]xploit [g]lobal [b]uying [p]ower” (2002: 349). Even senior decision-makers and relevant subject matter experts would have difficulty responding to the question “How?”, which naturally follows defining objectives of this sort. Yet, the maps Neely et al. provide as examples do not break down the cause-and-effect logic to a more concrete level than this.

One distinct improvement upon Kaplan and Norton’s maps is a move away from causally linking clusters of variables, and thus reducing some of the ambiguity associated with this design method.

In summary, although the concepts behind success maps seem useful, Neely, Adams & Kennerley do not provide sufficiently detailed advice or examples to allow for the development of success maps which are sufficiently specific, unambiguous and detailed to support the identification or alignment of activities that might plausibly achieve strategic objectives.

**8.2.6 Kirkpatrick’s training evaluation model**

Kirkpatrick (1959; 1979) has applied the notion of causality explicitly to provide a framework for the evaluation of training effectiveness. He proposed that measures be used at four ‘levels’:

1. reaction – determining if participants approved of the training experience;
2. learning – assessing what knowledge and skills participants developed as a result of the training;
3. behaviour – measuring changes in behaviour attributable to the training; and
4. results – assessing the achievement of specific business objectives such as reduced costs, increased product quality, increased productivity, etc..

Kirkpatrick’s model is of interest as it represents perhaps the first explicit application of the notion of causality to link activities with business objectives, albeit to review past performance of training rather than directly plan and implement strategy. It is also important, as it is perhaps the only example (prior to this study) of causality being used for the ‘bottom-up’ linkage of activities with objectives. All the frameworks proposed for strategy implementation examined in this study (e.g. Galbraith & Kazanjian, 1986; Galbraith & Nathanson, 1978; Grady, 1991; Hrebiniak & Joyce, 1984; Kaplan & Norton, 1996c; Kaplan & Norton, 2001; Kaplan & Norton, 2004b; Roberts & Pitt, 1990; Stonich, 1982) use a top-down, deterministic approach to strategy development and consequential activity identification. Kirkpatrick’s work highlights that causality is also useful to explore the potential value, in terms of objective achievement, of any given activity. Kirkpatrick focused exclusively on training and did not address strategy implementation or the identification and alignment of activities with strategic objectives. Hence, his work does not directly address the research question isolated in this study, but nevertheless did provide clues to inspire the use of bottom-up causality to tackle the central challenge posed during the field research.

8.2.7 Ittner & Larker

Ittner and Larcker report, with very few details, research involving interviews with senior and middle managers in “more than 60 manufacturing and service companies” (2003: 94), about their organisation’s strategies and performance measures. Their study involved more detailed examination of the selection of performance measures in 14 of these companies, and statistical analysis of the extent that these performance variables affected company performance. It also incorporated a survey returning data from “157 chief financial officers and other executives from a broad range of industries” (2003: 94), which sought to determine the types of performance measures used, assess the relationship between non-financial measures and future economic performance and the extent business models included causal links between non-financial and financial measures. Ittner and Larcker also conducted a further survey of “140 executives in the
financial services industry”, which examined “executives’ perceptions of non-financial drivers of long-term economic performance” and related metrics (2003: 94).

No other details of the research, such as the definition of key terms, sampling, survey details, analysis methods and so on are provided, so assessing the validity of this research is problematic. Ittner and Larcker’s reported findings point to the use of causality in some organisations to identify non-financial performance measures, as the balanced scorecard proposes. They report that in their survey of 157 companies, 23 percent made use of “extensive causal modelling and validation” (2003: 91) and had, on average, a 5.14 percent higher Return on Equity (ROE) than companies that didn’t use causal models. The authors provide no commentary of whether any causal relationships lie behind this association. Ittner and Larcker provide no details of how the term ‘causality’ was defined in their research, or exactly how ‘usage’ of it was calibrated via their survey or if it was verified via any form of triangulation. They do express surprise that the proportion of companies using causal modelling is so low.

Ittner and Larcker essentially propose the use of ‘bottom-up’ causal chains to identify performance measures, in much the same way that Kirkpatrick did for training specifically. They do not examine strategy implementation or the identification of alignment of activities to achieve strategic objectives, but make an observation that supports the research question identified in this study. Noting the limited examination of causality in organisations surveyed, they say, “[i]f companies don’t investigate whether there is a plausible causal relationship between actions and outcomes, they condemn themselves to measuring aspects of performance that don’t matter very much” (2003: 91).

8.3 Managerial & Organisational Cognition Literature

8.3.1 Overview & relevance

The literature on managerial and organisational cognition (MOC) (parts of which form subsets of the strategic change and strategy process literatures) yields some insights into strategy implementation and specifically, how organisations identify and align activities to achieve strategic objectives. As Stubbart notes “[i]t is clear that strategy implementation counts on deliberate thoughts about the organizational ramifications of changing strategies, conscious anticipations of roadblocks to implementation, on problem-solving, and on logic” (1989: 328).

The application of the concepts of criticality and, in particular causality, are to some extent informed by the literature on managerial and organisational cognition. Huff says,
“[c]ausal maps allow the map maker to focus on action – for example, how the respondent explains the current situation in terms of previous events, and what changes he or she expects in the future” (1990b: 16).

Although an established field of psychology (e.g. Reed, 1982), it is only in the last two decades that studies of cognition have appeared in the strategic management literature. Several special or dedicated issues of leading academic management journals have been dedicated to the topic, note Porac and Thomas, who say:

> It is a fundamental assumption of all strategic cognition research that knowledge structures provide a set of lenses for strategists to make sense of their firms’ strategic predispositions, competitive position, and internal capabilities. These lenses are essentially cognitive filters that admit certain bits of information into the strategizing process while excluding others (2002: 178).

Examining the content and structure of manager’s thoughts about important issues seems essential. Walsh (1995) summarises that knowledge structures have been found to:

1. allocate attention;
2. facilitate encoding;
3. facilitate retrieval from memory;
4. help to interpret experience;
5. provide a basis for inference; and
6. speed up problem solving.

Porac and Thomas (2002) identify three distinct streams of cognitive science research that have emerged:

1. the cognitive literature in behavioural decision theory;
2. the literature examining linkages between ‘cognitive structures’ and strategic decision processes; and
3. the methodological literature detailing how cognitive maps may be elicited.

These three streams are explored below, and this section draws upon their analysis of the field to present an overview of the literature.

8.3.2 The cognitive literature in behavioural decision theory

As Porac and Thomas (2002) note, Simon (1955; 1957b) and March (March & Simon, 1958) made the earliest and highly influential contributions to the managerial cognitive science literature, in particular introducing the notion of ‘bounded rationality’.
countering the assumption that managerial decision-making was wholly ‘rational’. Subsequently, other studies produced more detailed insights into the use of heuristics (see Hogarth (1980) or Kahneman (1982) for a detailed review) and some of this work has been incorporated into the strategy implementation literature to a limited extent (e.g. Hrebiniak & Joyce, 1984). Issues relevant to strategy implementation include:

1. the cognitive limitations of individuals for processing information (Miller, 1956);
2. heuristics (Moore & Thomas, 1975);
3. the use of limited data in reaching conclusions (Kahneman & Tversky, 1973; Schwenk, 1986);
4. placing undue emphasis on available information (Taylor & Fiske, 1975);
5. placing undue emphasis on vivid information (Nisbett & Ross, 1980);
6. placing undue emphasis on consistent information (Kahneman & Tversky, 1973);
7. ignoring important statistical constraints or implications (Kahneman & Tversky, 1973);
8. ignoring ‘base rates’ when assessing results (Tversky & Kahneman, 1974)\(^5\);
9. the tendency not to seek disconfirming data (Eihorn & Hogarth, 1978);
10. discarding or neglecting disconfirming evidence (Nisbett & Ross, 1980);
11. distorting reality (Fombrun, 1994);
12. the assumption of causality (or its direction) from association of variables (Eihorn & Hogarth, 1978)\(^6\);
13. the placing of undue importance on the frequency of observed results, rather than their probability (Ward & Jenkins, 1965);
14. the placing of undue importance on data recently obtained (Miller & Campbell, 1959);
15. the placing of undue importance on data obtained from senior personnel in subject organisations (‘elite bias’ (Miles & Huberman, 1994));

\(^5\) E.g. evaluating a predictive accuracy without knowledge of how accurate random decisions would be.

\(^6\) Einhorn and Hogarth (1978) have shown that managers (including statisticians) tend to rely solely on ‘positive hits’ when validating hypotheses. In other words, they seek on confirmatory evidence, even although this is a very poor validation of causality and ignores Popper’s (1959) observation that hypotheses can only be disproved.
16. hindsight biases in assessment of past events (Hischhoff, 1975); and
17. reacting differently to events based on the language used to describe them (King, 1980)*.

Weick (1979) and Aldrich (1979) have suggested that cognitions in organisations centre around:

1. enactment, whereby in early stages of development, organisations essentially trial different ideas, assess their success and store learning in organisational ‘memory’;
2. selection, whereby organisations use what they have learned to focus on issues critical to success; and
3. retention, whereby organisations develop relatively firm sets of beliefs about causality relating to issues critical to success.

Furthermore, Hall (1984) posits that this ‘process model’ must be enhanced through examination of the \textit{driving forces}, such as the desires to increase (or defend) status and power or reduce uncertainty created by the environment, which catalyses movement through the stages of enactment, selection and retention. Hall also suggests that organisations form what he calls “retained sets” of beliefs enshrined in:

1. standard procedures,
2. [strategic] orientations,
3. social architectures; and, of relevance to this study,

Hall’s suggestions must be treated with some caution. Most of them are postulations, not supported by theoretical grounding or empirical evidence. He makes numerous assumptions that, although central to arguments, are not supported with explicit logical reasoning. Hall conducts a broad test of his model on a single organisation sample, using documentary data covering a 20-year period. His analysis implies very little consideration of co-variables that may provide alternative explanations for the patterns

* King (1980) (cited in Dutton, Fahey, & Naranayan, 1983) found that issues described as ‘problems’ led decision-makers to use narrow parameters when determining responses, whereas issues described as ‘opportunities’ invoked more divergent thinking outside the existing parameters of the issue. Similarly, Tversky and Kahneman (1981) found that risk appetite can be altered by framing issues as ‘gains’ or ‘losses’.
detected in the data. As he to some extent cautions, this empirical evidence is weak support for any conclusions.

### 8.3.3 The literature examining linkages between ‘cognitive structures’ & strategic decision processes

Porac and Thomas (2002) note that Barnes (1984), Schwenk and Thomas (1983) and Schwenk (1984) have extended these issues to the strategic management literature to surmise how they may affect strategic decisions in particular. Although useful, their inferences do not properly inform the planning and implementation of strategy.

As Porac and Thomas (2002) report, Daft and Weick (1984) and Fahey and Narayanan (1989) have established that the mental models of managers do affect the way in which they perceive the environments of their organisations and Starbuck and Milliken (1988) established that mental models affect perceptions for which environmental issues are of key importance. Dutton and Jackson (1987) found similar results when examining sensitivity to strategic threats and opportunities, specifically.

Porac and Thomas (2002) note that a host of researchers have established that the mental models of individual decision-makers affect their cost and benefit assessments of strategic options (Hodgkinson & Johnson, 1994; Porac & Thomas, 1989; Porac & Thomas, 1990; Reger & Huff, 1993). Of particular relevance to this research, several researchers have speculated that causal maps help to surface assumptions made in the strategy formulation process (Bowman & Johnson, 1991; Cossier & Schwenk, 1990; Fiol & Huff, 1992; Mason & Mitroff, 1981).

### 8.3.4 The methodological literature detailing how cognitions may be elicited

Huff’s (1990a) work details numerous methods by which the mental models of decision makers may be mapped, including:

1. cognitive mapping;
2. ‘causal mapping’ (Axelrod, 1976);
3. repertory grid (developed by Kelly, 1955);
4. multi-dimensional scaling; and
5. taxonomic mapping procedures.

The term ‘cognitive map’ has been in use for many decades, originating from the work of Tolman (1948). Eden (1992) points out the term is misleading, as it does not refer to maps of cognition itself. Laukkanen describes cognitive maps as “representation tools, media or formalisms to model the unseen cognitive structures
and/or processes” (1994: 323) and Fiol and Huff note that a map is “graphic representation that provides a frame of reference…for what is known and believed” (1992: 267). Laukkanen also notes that cause maps (a specific type of cognitive map⁹⁷) originally referred to:

…directed graphs … which consist of nodes (terms) and arrows that link them. The nodes stand for concepts, phenomena, which their owners, such as managers, subjectively seem to perceive in their domains. The arrows represent beliefs about efficacy (causal) relationships among the phenomena. A configuration of such interlinked concepts and beliefs can thus model the patterns of causal thinking of a person or group (1994: 323, emphasis original).

She also notes that the same information can be captured and represented in natural language-like text, matrices (Axelrod, 1976) and databases (which allow for more sophisticated analysis). Axelrod (1976) introduced to cognitive mapping the notion of ‘valency matrices’, where each of the elements of a domain is mapped against one another and the strength (and direction) of any causality between the elements quantified. Stubbart cautions that “there is no evidence that humans reason according to matrix algebra” (1989: 337).

Huff suggests that causal maps (most relevant to this study) are based on the assumptions that:

- “causal associations are the major way in which understanding about the world is organized;
- causality is the primary form of post hoc explanation of events;
- choice among alternative actions involves causal evaluation (1990b: 28, emphasis original).

Each of these issues is relevant to strategy implementation. However, being at such a high level of abstraction, one might argue they are relevant to all areas in management. This issue of specificity is discussed in detail later.

Fiol and Huff do note that cognitive maps “are a means of displaying graphically a firm’s current strategic position…and…hold the promise of identifying alternative routes to improving that position” as well as noting their interest in “how maps can be linked to strategic decisions and actions” (1992: 267). They also note that “[t]he relational links that [causal maps] convey capture judgements about the link between actions and outcomes” (1992: 279).

⁹⁷ Considerable confusion exists in the literature because terms such as ‘cognitive map’ and ‘cause map’ are used inconsistently and sometimes interchangeably.
Although it was a useful exercise to bring together the approaches in use, it is evident that these different methods produce very divergent representations of strategic decisions (Hodgkinson & Johnson, 1994) which to some extent fails to inform practical decision-making. Porac and Thomas (2002) suggest that because maps are so individual, current interpretations of them by researchers are too qualitative and researcher-driven. They see this as a problem, suggesting that a more consistent method of eliciting the mental models of decision makers is desirable. Indeed, Huff suggests, “…how people think depends upon who they are and what they are thinking about” (1990a: xvi), hinting at the complexity of capturing both context and content on an individual basis.

**8.3.5 Individual decision makers’ cognitive maps**

Lenz (1981) suggests that organisations reformulate strategies in response to changes in environmental conditions, primarily through revisions of the cognitive maps strategic decision-makers hold. Langfield-Smith suggests that cognitive maps “describe an individual’s conscious perceptions of reality” and notes that “[t]he aim is not to map an individual’s entire set of beliefs, or to present a model that stimulates actual cognition” (1992: 350). Narayanan and Fahey (1990) point out that whilst (publicly) revealed causal maps are easy to access, those cause-and-effect understandings residing only in the minds of managers are extremely difficult to access. This observation should arguably have led Narayanan and Fahey (1990) to be more cautious about reaching the conclusions they did in their empirical study which used only very limited publicly available archival data to produce cause maps for a longitudinal case study covering the period 1960-1974.

Finkelstein and Hambrick (1996: 57) suggest that the cognitive maps of top managers can be analysed along three key dimensions:

1. cognitive content is the things known, assumed or believed, and consists of information learned through experience, training, education and so on;
2. cognitive structure is the way in which the content is arranged, connected or studied; and
3. cognitive style is the way in which the decision maker’s mind works and processes information.

Fiol and Huff (1992) note that cognitive maps may be useful to individuals through:

1. focusing the attention;
2. triggering memories, drawing together disparate experiences;
3. revealing information gaps, partially through inviting questions;
4. highlighting key factors, where there is too much information; and
5. supplying missing information, where there is too little.

Several studies have sought to generate causal maps from publicly available information such as annual reports and speeches made to securities analysts (e.g. Huff & Schwenk, 1990). Narayanan and Fahey (1990) generated maps charting the demise of a television manufacturer using annual reports and a single trade publication. Bougon and Komocar focused in particular on causal loops to provide “a theory and a method for strategic change” (1990: 135). They contend that examining loops of cause and effect overcome the problems associated with ‘static’ theories of change (such as those of Weber, Sarbin and March and Simon). Their approach closely mirrors that of systems thinking proponents, dealt with in Section 8.8. However, their focus on what they call (without defining it) ‘strategic change’ makes their study of relevance to this research.

Evidently, different career or educational backgrounds alone contribute heavily to creating different cognitive maps between individuals. Other factors such as personality, personal ambitions, specific goals, family situation, mental health and so on are likely to affect cognitive structure and style in particular. Hodgkinson and Johnson (1994) show that in competitive situations at least, managers’ mental models vary widely.

Finkelstein and Hambrick make the point that cognitive content, structure and style are interrelated and interactive. For example, cognitive style probably affects the ability of an individual to detect new cognitive content. Equally, cognitive structure is likely to dictate what new content is deemed of value.

In summary, as Porac and Thomas (2002) note, an appropriate working assumption is that managers’ mental models vary widely. They comment that it also appears that they can change over time in response to environmental discontinuities (Barr, Stimpert, & Huff, 1992) but may not necessarily change in accordance with the receipt of new information (Porac, Thomas, & Baden-Fuller, 1989). In fact, they say, mental models can be self-reinforcing and resistant to change (Weick, 1983), such tendencies can be exacerbated by emotions and neuroses (Kets de Vries & Miller, 1984) and charisma
(Agle & Sonnenfeld, 1994), limited risk appetite and intolerance of ambiguity (Gupta & Govindarajan, 1984) can also reportedly solidify mental models.

As Porac and Thomas (2002) say, some researchers (e.g. Gripsrud & Grönhaug, 1985; Zahra & Chapple, 1988) identify what they call ‘blind spots’ in the cognitive maps of manager subjects, usually relating to competitive actions. This is a tendency to which Lorch (1989) has also referred.

Table 34 summarises the key empirical studies of individual-level managerial cognition, partly drawing upon Porac and Thomas’s (2002) analysis of the literature. It is obvious that the vast majority of studies address issues not relevant to strategy implementation and none examine the translation of strategy into activities. Thomas et al. (1993) appears to be of passing relevance, having tested the association between ‘actions’ (specifically, the provision of different hospital services) and performance (amongst other things). However, the ‘actions’ referred to are highly conceptual and these authors do not address how managers identify and align activities to achieve strategic objectives.
## Chapter 8: Extended Literature Review

### Principal variables studied

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Cognitive maps</th>
<th>Cause &amp; effect beliefs</th>
<th>Work unit structures</th>
<th>Organisational problems</th>
<th>Broad organisational assessment</th>
<th>Strategic choices</th>
<th>Market research usefulness</th>
<th>Subordinate effectiveness</th>
<th>Procurement of IT systems</th>
<th>Strategic decisions</th>
<th>Power relationships</th>
<th>Strategic choice</th>
<th>Implementation</th>
<th>Individual tenure</th>
<th>Similarity</th>
<th>Experience of paradox</th>
<th>Firm strategy</th>
<th>Entrepreneurship</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antes et al. (1988)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Axelrod (1976)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bartuneck et al. (1992)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bartuneck &amp; Ringuest (1989)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baum &amp; Lant (1995)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Billings &amp; Cornelius (1980)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Blackburn &amp; Cummings (1982)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boal &amp; Peery (1985)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borman (1987)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calori et al. (1992)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cossete &amp; Audet (1992)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cowan (1988)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cowan (1990)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Day &amp; Lord (1992)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dearborn &amp; Simon (1958)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deshpande (1986)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dutton et al. (1989)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiol (1989)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ford &amp; Hegarty (1984)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ginsberg &amp; Venkatraman (1992)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gioia &amp; Chittipeddi (1991)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hauenstein &amp; Foti (1989)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ireland et al. (1987)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Isenberg (1987)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jenkins &amp; Johnson (1997a)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Krackhardt (1990)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lord et al. (1984)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Also called schemas, interpretive schemes, cognitive frameworks, frames of reference, cognitive trails, mental models and managerial lenses. Phenomena such as causal maps, causal beliefs and means-end chains have been categorised separately.
Table 34: Empirical studies of individual-level cognition and principal variables studied

8.3.6 Groups’ cognitive maps

There is a sizable body of literature examining group cognitions, mainly focused on the role of top management teams (TMTs). The literature is rather inconsistent in terms of distinguishing cognitive maps, however it can be deduced that maps can represent:

1. individual beliefs – the understanding one person has of a particular domain;
2. collective beliefs – the aggregate understanding a group has of a particular domain, usually encompassing more beliefs than are held in common (Langfield-Smith, 1992); and
3. common beliefs – the limited understanding of a particular domain shared by a group.

These distinctions are usefully depicted graphically (see Figure 41).
Furthermore, researchers and facilitators may help groups to develop ‘negotiated’
cognitive maps not representing beliefs per se, but rather a logic that may be used as a
basis for action (e.g. Eden & Ackermann, 1998b). Other researchers (e.g. Bougon,
Weick, & Binkhorst, 1977) have generated ‘average’ group maps from individuals’
cognitive maps.

Some researchers have sought to understand if TMTs develop group mental models
distinct from the individual cognitive maps of team members. Prahalad and Bettis
(1986) used the term ‘dominant logic’ to describe the way in which TMTs conceptualise
their businesses and make key resource allocation decisions. Unsurprisingly, Porac and
Thomas (2002) note TMT decision consensus appears to be positively related to team
homogeneity and high social integration (Dess & Keats, 1987; Dutton & Duncan, 1987;
Wiersema & Bantel, 1992) and also to small team size (Hambrick & D'Aveni, 1992). It
is also more likely to occur in teams operating in stable and uncomplicated
environments according to Mintzberg (1979b) and Keats and Hitt (1988), respectively.

Of course, consensus amongst TMT members is not necessarily a desirable state. As
Porac and Thomas (2002) point out, Finkelstein and Hambrick (1996) found that larger
and more diverse TMTs identify and evaluate a greater range of feasible strategic
options and cognitively diverse TMTs display, according to Bantel and Jackson (1989)
and Jackson (1992), better problem-solving skills and innovativeness. As Porac and
Thomas (2002) say, the risks of strategic inertia and resistance to change are obvious
potential consequences of some of these tendencies.

Table 35 summarises the key empirical studies of group-level managerial cognition.
It is obvious that the vast majority of studies address issues not relevant to strategy
implementation.
Table 35: Empirical studies of group-level cognition and principal variables studied

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Cognitive maps</th>
<th>Causal maps</th>
<th>Conflict</th>
<th>Policy decision-making</th>
<th>Organisational assessment</th>
<th>Knowledge structure development</th>
<th>Knowledge about organisational assessment</th>
<th>Corporate decline</th>
<th>Organisational identity</th>
<th>Manager influence</th>
<th>Efficiency &amp; innovation</th>
<th>Decision-making</th>
<th>Cognitive work</th>
<th>Leader-driven change</th>
<th>Interaction networks</th>
<th>Strategic choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barr et al. (1992)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bennett &amp; Cropper (1987)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dougherty (1992)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dutton &amp; Dukerich (1991)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eden (1988)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fahey &amp; Narayanan (1989)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiol (1993)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gioia et al. (1989)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Isabella (1990)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Langfield-Smith (1992)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milliken (1990)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mitchell (1986)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Narayanan &amp; Fahey (1990)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poole et al. (1989)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rentisch (1990)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roberts (1976)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roos &amp; Hall (1980)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shihomi (1976)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Starbuck &amp; Hedberg (1977)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wacker (1981)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wyden (1979)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

8.3.7 Organisations’ cognitive maps

There is a substantial school of thought proposing that organisations are themselves ‘cognising bodies’ – or as Daft and Weick (1984) call them, ‘interpretation systems’. They argue that organisations search for, collect, interpret, incorporate, act upon, store and learn from information about the environment, they are cognising, albeit perhaps mainly among the senior echelons in relation to strategic decision-making (Porac & Thomas, 2002). The potential importance of organisational cognition is underlined by Weick’s comment that “[s]trategy implementation is often judged successful when the organisation is moving roughly in the same direction” (1990: 6). He suggests that maps can contribute to generating the energy and setting the initial direction to achieve this.

Walsh and Ungson (1991) have developed a model setting out how organisations retain information in ways equivalent to those of an individual. Lyles and Schwenk (1992) have also examined organisational knowledge in relation to strategy formation and prioritised the sources of information on the basis of how they are used in the strategy process. Dutton, Walton and Abrahamson (1989) have examined the beliefs of individuals within an organisation in relation to strategic issues and suggest the issues cluster into those that are internal, external and relating to the interaction between the
two (Porac & Thomas, 2002). Their work focused on how employees recognised the key concerns for the functioning of their organisation, and thus were implicitly using the lens of criticality.

It is worth noting that there is also evidence of the existence of partially shared cognitive maps at the industry- and even market-level (Porac & Thomas, 2002). White (1981; 1992) recognises the existence of ‘producer’ and ‘buyer’ communities that share assumptions and frames-of-reference. White (1992) and Weick (1995) also specifically identify stories (shared between industry actors such as managers, customers, journalists, suppliers, stock analysts and so on) that operate to create these cognitive maps. Although much of this work in this research stream is primarily sociological in its basis, Porac and Thomas (2002) note its implications for the strategy process, in respect, for example of:

1. shared beliefs about market boundaries and ‘the business we are in’ (Hodgkinson & Johnson, 1994; Porac, Thomas, Wilson, Paton, & Kanfer, 1995);
2. strategic positioning (Reger & Huff, 1993); and
3. ‘industry recipes’ and assumptions about strategic problems and rationale (Phillips, 1994; Spender, 1989).

Table 36 summarises the key empirical studies of group-level managerial cognition. Besides Hall (1984), discussed above, this segment of the MOC literature has little relevance for the research question posed in this study.

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Principal variables studied</th>
<th>Cognitive maps</th>
<th>Cause &amp; effect beliefs</th>
<th>Effective conduct of business</th>
<th>Organisation structures</th>
<th>Organisational action failures</th>
<th>Competitor actions</th>
<th>Social origins</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barley (Barley, 1983)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Bartunek &amp; Franzak (1988)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Bartunek (1984)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Dougherty &amp; Kenda (1991)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Hall (1984)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Meyer (1982a)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Poole et al. (1990)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Smith et al. (1991)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Weick &amp; Roberts (1993)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Table 36: Empirical studies of organisation-level cognition and principal variables studied

### 8.3.8 Industry cognitive maps

A very small number of researchers have examined the cognitive maps shared by participants in industries. None of these is directly relevant to this study, as can be inferred from Table 37.
### Principal variables studied

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Cognitive maps</th>
<th>Perceived competitive environment</th>
<th>Industry sector understanding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baum &amp; Lant (1995)</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Calori et al. (1992)</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiegenbaum &amp; Thomas (1995)</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gripsrud &amp; Grönhaug (1985)</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Grönhaug &amp; Falkenberg (1989)</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Porac et al. (1989)</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Reger &amp; Huff (1993)</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reger (1990)</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spender (1989)</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stubbart &amp; Ramaprasad (1989)</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walton (1986)</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yates (1983)</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 37: Empirical studies of industry-level cognition and principal variables studied

#### 8.3.9 The implications of cognitive maps

The research on cognitive maps, whether at the individual, TMT or organisational level, highlights the fact that strategy making is neither entirely ‘rational’ or a purely top management task. Indeed, any information either shaping or emanating from the strategy process is subject to filtering and modification through the schemas of individuals at different organisational levels and with very different personal mental maps. It is also subject to filtering and adaptation by virtue of its storage in and movement between organisational systems. The cognitive science lens lends support to the notion that the strategy process is ‘top-down’, ‘bottom-up’ and quite probably ‘middle-up’, ‘middle-down’ and ‘sideways’, too.

#### 8.3.10 Eliciting causal maps

Causal maps – which are of particular relevance to this study – are the most popular in strategic management research (Huff & Fletcher, 1990). The literature provides some insights as to how may be generated. Hodgkinson, Maule and Brown define a causal mapping techniques as “a family of procedures designed for eliciting and representing systematically actors’ causal beliefs concerning a particular issue or event”, but note that there is no consensus about the most appropriate method (2004: 4).

Eden (1992) draws upon Weick’s aphorism that ‘we do not know what we think until we hear what we say’ in suggesting that the very act of eliciting cause maps causes cognitions and potentially provides ‘added value’ by changing thinking.

Some researchers have created causal maps based on deductions made from examining secondary data such as company annual reports (e.g. Naranayan & Fahey, 1990) and the Wall Street Transcript (e.g. Huff & Schwenk, 1990). However, such ‘arm’s length’ data collection has obvious limitations. Attempting to graphically document the thoughts of individuals and groups without engaging them in two-way
Chapter 8: Extended Literature Review

communication (e.g. via a survey) or speaking with them (e.g. in an interview), perhaps places unrealistic reliance on the quality of secondary data and the analysis carried out thereon. Hodgkinson, Maule and Brown note the danger of sources being “prepared for particular audiences” and consequently “likely to represent a biased source of information” (2004: 4) when researchers rely on documentary information to generate causal maps.

Other authors have recognised the value of interacting directly with subjects during or shortly after when they formulate ideas about their organisations, and have derived causal maps from such interactions. Some researchers have devised causal maps themselves, using interview transcripts (e.g. Calori, Johnson, & Sarnin, 1992; Jenkins & Johnson, 1997a; Jenkins & Johnson, 1997b), whereas others have developed maps with the active participation of subjects. Hodgkinson, Maule and Brown argue that direct techniques “obviate the need for cumbersome coding procedures and enable the researcher to focus on issues of concern to the investigation” (2004: 4).

Within the direct approaches, studies vary from those seeking an in situ examination of causal thinking (e.g. Calori, Johnson, & Sarnin, 1992; Markóczy & Goldberg, 1995) to those using mapping as a basis for action research (e.g. Calori, Johnson, & Sarnin, 1992; Eden, Ackermann, & Cropper, 1992). As Eden notes, users of cognitive maps need to be certain of the method used to create them, such that they can understand the states of the beliefs depicted therein (1992: 262). Laukkenen (1994) highlights the need to take care when eliciting causal maps to ensure validity and reliability. She suggests that contamination can be minimised by researchers paying attention to:

1. careful management of atmospheric issues;
2. preparation and use of instructions;
3. the use of neutral examples;
4. uniform questioning;
5. non-personal questioning; and
6. response uniformity and respondent vigilance.

Amongst those working directly with respondents to create causal maps, there is a range of techniques in use, the principal ones being semi-structured interviewing, pairwise comparisons, freehand mapping and laddering. Each of these is discussed below.
Some authors have used interviews to determine the elements with and related causal links making up causal maps. Laukkanen (1994) makes use of a multi-phase process. The first stage involves a less-structured series of interviews with respondents to identify key concepts (‘anchor themes’), situational factors and the language used within subject organisations. The second stage, using a defined and agreed language set (compiled from the ‘jargon’ identified in stage one) is used to capture the causal beliefs. The following stages involve transcription, analysis, database analysis and ultimately, output of causal matrices and maps.

Pairwise approaches use an a priori list of variables (such as profitability, price, service quality). Respondents are presented with pairs of variables and asked to make evaluations about what causality exists between them (i.e. direction, positive/negative and strength). This process is repeated until every combination of paired variables has been evaluated. This information is used to generate a visual representation of the participant’s causal beliefs, or a coded matrix containing this information.

Pairwise comparison is a thorough approach but it is very time-consuming and labour intensive. Clearly, as the number of variables increases, there is an exponential increase in the number of evaluations required by respondents. For example, creating a map containing only 10 variables necessitates evaluating 90 comparisons, whereas a map with 20 variables necessitates 380 comparisons. This can severely restrict the number of variables practically examinable, the extent of access to practitioners as respondents, or both. An obvious additional weakness is that this approach depends upon a priori decisions about which variables to examine. The potential for the introduction of researcher bias is obviously significant, although this effect may be mitigated by prior research and performing validation checks with respondents. Clearly, the pairwise technique can only be employed once the variables relevant to a causal map have been identified.

Freehand mapping, which is becoming more popular (Hodgkinson, Maule, & Bown, 2004), involves the creation of ‘influence diagrams’ (e.g. Marr, 2006; Neely, Adams, & Kennerley, 2002) to visually depict causal beliefs, usually using pencil and paper or appropriate software such as Decision Explorer (Eden & Ackermann, 1998b).

Freehand approaches are particularly appropriate in applied field settings, being quicker to administer and less demanding on participants’ time and cognitive abilities

\[ \text{i.e. } NC = NV \times (NV-1). \]
(Hodgkinson, Maule, & Bown, 2004). Hodgkinson et al. also report that subjects find drawing freehand maps easier, more engaging and more representative of how they think in practice. Hodgkinson, Maule, & Bown (2004) conducted experiments with a group of 36 MBA students studying strategic management. The students developed cognitive maps using both the pairwise technique and freehand mapping. Hodgkinson et al. examined the complexity of the completed maps and found that the pairwise technique generated much more elaborate maps (containing on average more than five times as many links, albeit many of these were rated weak). Whether the pairwise technique produces more accurate or practically useful maps is not addressed by the research. The authors recognise the problems of disentangling the effects of memory problems and the influence of suggestion on respondents’ espoused causal beliefs.

Additionally, freehand approaches are possible in situations where the variables in a causal map are yet to be identified. This is particularly important, because of the possibility that the act of seeking to map causal beliefs helps managers identify important variables.

Eden (1988) applies a technique known as ‘laddering’ (Hinkle, 1965) for eliciting causal maps from individuals and groups. Also used by Gutman (1982), Reynolds and Gutman (1984), Eden and Ackermann (1998b) and Walker and Olsen (1991) this technique is designed to explore the causal assumptions made or beliefs held by managers. Bourne and Jenkins, who also make use of ‘laddering’ define it as “a method for eliciting the higher level abstractions of the constructs that people use to organize their world” (2005). ‘Laddering’ is based on Kelly’s (1955) Personal Construct Theory, which proposed that through developing dichotomous or bipolar constructs to recognise and attribute values to things in the world around them, people implicitly or explicitly create hierarchies to organise and understand that world. Kelly argued that all interpretations of the world can be placed within such hierarchies of understanding, the higher levels of which are highly abstract. For example, an individual’s decision to do something very simple – such as read a book – is in theory explainable by some much more nebulous ‘superordinate’ thinking ultimately creating that motivation. Hinkle (1965) developed the process of ‘laddering’ to explore deeper levels of individuals’

---

100 Gutman, Reynolds, Walker, and Olsen used laddering to research advertising, whereas Eden and Ackermann applied it to strategic management.
cognitive maps (and the implications of changes in one construct on a map), and used it in conjunction with Kelly’s well-known Repertory Grid technique.

Jenkins and Johnson (1997a; 1997b) also used ‘laddering’ when interviewing thirty small retail business owners, to generate causal maps which they used to examine a variety of issues related to entrepreneurship. They mention in passing an important distinction, which can be extended to recognise, that causal maps may represent:

1. past causal thinking (relating to strategies/actions which have been realised to varying extents);
2. current causal thinking (reflecting ‘confirmed’ past causal thinking or in recognition of emergent strategies/actions); and
3. future plans (based on assumptions about how causal relationships will work/can be made to work in the future).

8.3.11 Eden’s ‘strategy maps’

Eden’s (and his colleagues’) work (Ackermann, Cropper, Eden, & Cook, 1991; Ackermann, Eden, & Brown, 2005; Bryson, Ackermann, Eden, & Finn, 2004; Eden, 1988; Eden, 1992; Eden & Ackermann, 1992a; Eden & Ackermann, 1992b; Eden & Ackermann, 1998a; Eden & Ackermann, 1998b; Eden, Ackermann, & Cropper, 1992; Eden & Huxman, 1988; Eden, Jones, & Sims, 1979; Eden, Jones, & Sims, 1983; Eden & Spender, 1998; Raimond & Eden, 1990b; Raimond & Eden, 1990a) is of relevance to this study, focusing on using cognitive maps (and specifically, cause maps) for developing strategy.

Eden and Ackermann seek to “provide a guide to methods, techniques and tools that can help an organization make strategies which have some chance of being implemented” (1998b: 1, emphasis original) and argue that “the business of converting agreements into delivered and coherent strategic action across the organization is perhaps the most difficult problem facing strategy making” (1998b: 169). They introduce, using cognitive mapping, the notion of a “strategy map” which “represents strategy as a hierarchical systemic network of interconnected statements of strategic intent” incorporating “an aspiration, or goals, system, supported in turn by the strategies as a system of interconnected statements about direction, supported in turn by strategic programmes as identifiable deliverables which in turn require the support of portfolios of strategic actions” (1998b: 5, emphasis original). This ‘strategy map’ is similar in concept to the strategy maps later proposed by Kaplan and Norton (2001;
2004a; 2004c), except that it details goals at different levels of abstraction rather than four pre-determined ‘quadrants’ from a balanced scorecard framework.

Eden and Ackermann explain that “[a]rrows (illustrating chains of argument) show the implied possible actions and possible outcomes as suggested by the ‘theories’ a person uses to explain the world as they see it. Thus meaning is attributed to a construct not only be its content, but also from the consequence attributed to it (forming the chains of consequences to the value/goal/aspirations system) and from the explanatory constructs that support it (the belief chain)” (1998b: 95, emphasis original). This model, depicted in summary form in Figure 42, is at its core a model of causality.

![Figure 42: Eden & Ackermann’s (1998b) strategy map framework (adapted summary)](image)

Eden and Ackermann present a wide range of considerations for the use of cause maps for developing and (to a lesser extent) implementing strategy, including participation, procedural justice, group facilitation, distinctive competencies, feedback loops, scenario planning and stakeholder mapping. They even mention the need to adjust organisational designs and systems “to promote alignment of thinking and action in line with strategic intent” (1998b: 77). Thus, although Eden and Ackermann did not intend to focus upon strategy implementation, they make a number of useful contributions in passing. However, their focus on how to identify activities that might support strategic objectives is fairly limited. In the context of laddering, they suggest indicative prompting questions for facilitators (e.g. “what might explain or support that assertion?” (1998b: 101)). Additionally, they cite two common problems with managers’ cause and effect thinking:

1. confusion about the direction of causality; and, to a lesser extent,
2. ambiguity and imprecision of terminology used to describe variables in strategy maps.

These problems (and six others not mentioned by Eden and Ackermann) were independently identified via grounded research in each of the cases in this study, as reported in the findings.

Many of the strategy maps presented by Eden and Ackermann do appear rather abstract, failing to link conceptual objectives with sufficiently concrete activities. However, Eden and Ackermann appear to be cognisant of this general problem, saying a “difficulty in this debate is the need to be clear about what constitutes and actionable statement. …each node on the map is both an action and an outcome depending upon the level of abstraction required. …what is an actionable statement for one person may remain ambiguous or meaningless for another” (1998b: 160, emphasis original).

In summary, although Eden and Ackermann provide a rich contextual framework to show how cause maps can be used for strategy development, and provide indications of how they may assist with the identification of activities that might achieve strategic objectives, this latter issue is not dealt with in sufficient detail to inform how it may reliably be done in practice.

In addition to these points about subject matter, it is important to note some limitations of Eden and Ackermann’s (1998) work.

Some elements of Eden and Ackermann’s wide-ranging advice is not grounded in existing theory or supported with explicit logical reasoning.

Although Eden and Ackermann refer in passing to experiences with managers and organisations and present a number of case vignettes, this empirical evidence does not appear to have been collected within the context of a systematic research exercise and is not presented such as to address specific research questions or explicitly support (or disconfirm) the assertions made. In particular, Eden and Ackermann provide no details of specific research questions or hypotheses, any form of sampling (be it random or theoretical) or methods of data analysis.

8.3.12 Analysing causal maps

Eden et al. (1992: 313) suggest that the ratio of links to nodes (i.e. the extent of ‘interlinkages’) in a causal map may imply cognitive complexity being displayed by subjects (they note that ratio is fairly stable across maps at 1.15-1.20). Their assumption is that recognition of interconnectedness of performance variables implies a
depth of understanding. However, it may also represent inherently more complex subject matter, or more in-depth interview questioning on the part of researchers. For example, ‘the ‘laddering’ technique, which is based on seeking causal explanations one after another may encourage relatively isolated mapping and lower incidence of causal ‘loop’s and overall ‘interconnectedness’. Also, Eden et al. note that the results of such analysis is heavily affected by the presence of loops of cause and effect captured in maps, which can produce “completely erroneous results” (1992: 319). Given the high frequency of causal maps (or at any rate in sophisticated ones), this is a serious drawback of the analytical methods.

Similarly, Eden et al. (1992) also suggest that subject cognitive complexity may also be inferred from the production of large maps that are relatively comprehensive, as opposed to a number of smaller simple causal chains. This is also likely to be affected by interviewing technique. Indeed in the consumer behaviour research field, Grunert and Grunert make a distinction between ‘hard’ laddering which “forces respondents to produce ladders one by one” and ‘soft’ laddering which “allows forks, loops, and blind alleys” (1995: 223).

Although no authors mentioned it, it would appear that such analysis would be heavily affected by the kind of map being analysed. For example, analysis of a map depicting many possible causes and effects would yield very different results from one of a map depicting a ‘finalised’ set of decisions about what variables strategists have chosen to focus upon (at the expense of other options). Similarly, analysis of the ‘potency’ of particular nodes are based on the number of links they have with other nodes, but do not make any assessment of the strength of these causal links – introducing a large potential error into the results.

Eden et al. (1992) also suggest that average chain length is likely to be smaller when cognitions are simplistic and longer when they are complex. This is also likely to be affected not only by interviewing technique, but also by subject matter. For example, a causal chain depicting how a human resources activity affects business profitability might be considerably longer than one linking a sales activity to profitability, simply because HR activity is more indirectly causally related to profitability.

Jenkins and Johnson (1997a; 1997b) have also examined causal maps for evidence of actions (seeking indications of entrepreneurial internal locus of control). This particular form of analysis is relevant, as if causal maps are to be useful for strategy implementation, they must assist with translating strategies into actions. Jenkins and
Johnson used a simple coding to assess whether elements in causal maps were ‘actionable’ and achieved 90 percent agreement between researchers who coded their data independently.

Wunder (2005: 37) argues that strategy maps should articulate choices around customer segments, strategic focus, special skill requirements for strategy execution and so on. Although Wunder’s list of requirements is somewhat arbitrary, the point is well made that strategy is more complex than a series of assertions about in which direction high-level variables – such as revenue, market share and costs – should ideally be moved.

Questions can be raised about the purpose and value of analysing of causal maps. Some authors appear perhaps to have analysed maps without any specific objective in mind, and it is not immediately clear how practicing managers might benefit from such insights drawn from such research. Moreover, the limitations of the current methodologies for analysis certainly constrain the extent to which analyses can be replied upon to draw firm conclusions.

8.3.13 Accuracy of cognitive maps

It is worth noting Weick’s suggestion that “…accuracy is not always crucial in managerial maps” (1990: 4), essentially because maps may provide an anchor or starting point, which catalyses managers to act and provides a ‘straw man’ which can be modified as understanding of the environment grows, and eventually may become secondary to action as managers’ confidence about their knowledge of the environment grows. As Weick says, “…if you’re lost any old map will do” (1990: 4). He furthermore suggests that relevant experience can act as a substitute for maps, not only by providing knowledge but also confidence to act. Similarly, Porac and Thomas (2002) lean on Fombrun’s (1994) metaphor of mental models as cartographic maps used by generals deploying armies but note his caution that all such maps are always incomplete.

Axelrod (1976) notes a number of potential weaknesses of causal maps specifically, and Huff (1990b) reiterates them:

1. a tendency of them to omit feedback loops (Hall (1984) confirms that his subjects demonstrated limited ability to recognise feedback loops, even those deliberately included in his experiments);
Chapter 8: Extended Literature Review

2. maps tend to be ‘balanced’ such that they do not contain potentially contradictory paths of causality (in other words they are artificially ‘neat’ and acknowledge no uncertainties);

3. maps usually do not distinguish differing levels of certainty (such as absolute relationships and at the other extreme, highly uncertain relationships); and

4. many maps ignore time lag between cause and effect (a point also made by Stubbart (1989)).

The content of the maps produced by Narayanan and Fahey (1990), who generated maps using company annual reports and a single trade publication, is unsurprisingly, limited to the kinds of rather conceptual factors normally discussed in documents like annual reports (e.g. “profit”, “cost”, “sales”, “growth”, “competitors”, “product development” and so on). As Narayanan and Fahey say, even their ‘reconstructed’ maps that attempt to clarify the raw maps produced from text examination have severe limitations including:

1. absence of feedback loops;

2. absence of any reasoning that may have existed for the causal relationships depicted;

3. low ‘density’ implying missing causal elements;

4. absence of interconnectedness; and

5. a failure to disaggregate the ‘environment’ into its influential components.

It seems likely that some of these weaknesses are not necessarily inherent to cause maps in general but attributable in part to the researchers’ use of only very limited publicly available archival data to produce cause maps for a longitudinal case study covering the period 1960-1974. Conducting such an ‘arms length’ empirical study places excessive reliance on the methodology employed to gather valid data.

Bourne and Jenkins (2005) and Stubbart (1989) note that the terms used in cognitive maps may be interpreted differently. Bourne and Jenkins add that where interviews are used, there is a risk that interviewers introduce bias if they use techniques such as Repertory Grid and suggest their own contrasting pole in seeking to understand the dimensions upon which interviewees place constructs (for example, conflict could be seen as the converse of either agreement or peace).

Stubbart (1989) also notes concern that cognitive maps ay include mixes of concepts which, because they may occupy different levels of abstraction, may overlap or cause
‘double-counting’. He also notes that they are usually limited to depicting cause and effect relationships (and that the assumption that this provides comprehensive insights to managerial cognitions is not supported). Finally, he makes the observation that “cognitive maps used in strategy research are often excessively abstract (1989: 337), an observation confirmed by this review of the literature.

Langfield-Smith’s field research revealed potential weaknesses of collective group maps at a fairly fundamental level. In an experiment involving six fire officers, she noted “the participants were not able to agree on the meanings that could be attributed to various elements, let alone agree on collective beliefs” (1992: 538). Langfield-Smith raises several questions as a result: -

1. Does group cohesiveness affect its ability to develop collective maps?
2. Does the relative power of group members shape collective maps?
3. Did the design of the method used to elicit maps create difficulties for the group?
4. Are collective maps a phenomenon that can be captured and recorded at all?

It does seem likely, not just from Langfield-Smith’s experiment, but much of the socio-political literature (explored in Section 8.6.3), that group cohesiveness and power will affect behaviours and outcomes in workshops to develop collective maps, in the same way they affect other organisational events. Indeed, Langfield-Smith’s questions could be extended to explore issues such as the effects of experience, intelligence, personality and seniority on the development of collective maps. Langfield-Smith does separately note that the “problem of cognitive overload or strain emerged as an important issue during the experiment” (1992: 364-5).

Langfield-Smith’s final question – relating to whether enduring collective maps can be captured – is of fundamental importance. She suggests that there may, rather than collective maps, be “‘collective cognitions’, more transitory social artefacts of the group, which are subscribed to in varying degrees by the members of the group at a particular point in time during ‘collective encounters’ (1992: 560). Her suggestion seems an intelligent one, consistent with the socio-political literature on the strategy process, and moving MOC thinking away from its rather artificial and sterile state towards something more closely approximating organisational reality.

Weick argues that initially people might share “space, time, and energy’ but not necessarily “vision, aspiration and intentions” (1979: 90). He suggested that people are
more likely to be brought together by common means rather than ends. In other words, decisions can be made and action initiated when there is a coincidence of desired tactics but not shared goals. He further suggests that relatively common beliefs are necessary to allow the processes of communication, negotiation, power and so on to collide and generate coordinated activity.

Hall observes that “…once these maps become established, they are difficult to change and require a crisis or substantial turnover of senior managers to effect any radical revision” (1984: 923).

It is important to note that, as Stubbart and Ramaprasad say:

...most often, in cognitive mapping, causation is perceived, not proven in the scientific sense. The stated causations are usually direct and not contingent upon other conditions; in other words, there are no ifs and buts in the statements of causation. ... Thus the limitation on the encoding of relationships may not be technical but human. In other words, to the extent that cognitive maps rely solely on the perceptions and articulation of people, the relationships will be limited to those that can be directly perceived and articulated in the natural language. This we know is very limited (1990: 264).

Hammond makes a similar observation about the ability of humans to understand causality in situations such as those encountered in organisations:

Inability to hold certain variables constant, and to manipulate other variables leaves the question of causal directions ambiguous. As a result, interdependent variables must be disentangled sheeprly by cognitive activity, that is, by reaching a judgement about what the results of disentanglement of causal relations might be … for the disentanglement of causal relations by (passive) cognition instead of (active) experimentation is subject to a variety of psychological factors, such as memory loss, information overload, and recency and primary effects, to mention only a few (1978: 16).

It is recognised in some of the literature that an emphasis on cognitions leaves little room for consideration of emotional, motivational, social and political dimensions.

Fiol and Huff note that existing knowledge about cognitive maps “offers little guidance for managers attempting to utilize these tools” (1992: 274-5) and identify the following challenges:

1. selection of the most appropriate map(s) for particular challenges;
2. locating the situation or organisation on the map(s);
3. identifying desired new positions;
4. identifying routes between current and desired positions;
5. being able to draw on the information conveyed by maps;
6. overcoming conflicts between maps; and
7. dealing with maps representing situations in states of flux.

Eden, building on his observation that eliciting cause maps causes new cognition, summarises what he sees as the only reasonable claims that can be made about cognitive maps:

...(1) they may represent subjective data more meaningfully than other models and so have utility for researchers interested in subjective knowledge, and (2) they may act as a tool to facilitate decision-making, problem-solving, and negotiation within the context of organizational intervention. ... They may also be seen as a representation which is amenable to analysis by both the mapper and others (1992: 262).

Eden essentially identifies situation, responses and emotions as co-variables that make examinations of the links between cognitions and actions very difficult to isolate and appreciate. He notes that the expectations he places on cognitive maps are very different to those in the early years of his research in the area, when he was “determined to see them as models of thinking” (1992: 261). He notes that most researchers still make the assumption that links can be made between cognitive maps and observed behaviours (an observation confirmed by this examination of the literature).

Eden et al. separately note that in developing causal maps, interpreting interviewee’s views about cause and effect is problematic. They give the example that “‘introducing new technology may be a way of curing production problems’ will often be coded the same way as ‘production problems mean that we should introduce new technology’” (1992: 319).

8.3.14 Limitations of the body of knowledge

It is questionable if the literature on managerial and organisational cognition has yet produced insights that will be of significant use in the strategy process. Certainly, it is useful for actors in the strategy process to have a heightened awareness of the information processing limitations of individuals, and recognise how issues such as politics and a dominant logic can affect decision-making. However, there is some way to go before we are afforded a reasonably comprehensive understanding of strategic cognition. Porac and Thomas note that “cognitive strategy research has clearly evolved around what we view as a homogeneity-heterogeneity dialectic” and that “extreme homogeneity and extreme heterogeneity have both positive and negative consequences for top management teams, organizations and industries, and research has yet to uncover the trade-offs involved” (2002: 178). Fiol and Huff go so far as to acknowledge that MOC research is insufficiently developed to provide managers with refined decision-
making tools, noting “very little research with normative or prescriptive implications as been carried out in the mapping area” (1992: 281).

As is so often the case in management literature, researchers appear sometimes to have used different terms to mean the same thing and the same terms to mean different things (Porac & Thomas, 2002) and this has led to some confusion. For example, the term ‘cognitive map’ can mean the same as ‘cause map’, but not always. Similar (but not necessarily identical) meanings are intended by use of the terms ‘mental model’, ‘schemata’, ‘strategic frame’, ‘strategic logic’ and ‘world view’. Walsh reinforces this interpretation saying that MOC research “…has been eclectic in focus and method” (1995: 280) and that “we need consistent terminology” (1995: 285).

Laukkanen notes the rather narrow focus and indirect nature of the research conducted in the MOC field:

Thus far, empirical studies have largely focused on single cases or actors, using often archival data and sometimes ambiguous methods. To advance the field will require pragmatic tools for eliciting data on thinking in real organizations and for conducting rigorous and more comparative studies of management and organization cognitions (1994: 322).

**8.3.15 Implications for this research**

Given the way in which this research evolved, the MOC literature provides a valuable contextual discussion and informs in a general sense the application and elicitation of cause and effect logic. However, this literature has, hitherto, focused largely on issues not directly relevant to this research. Laukkanen says of the literature, “[m]ost salient among the contributors are those with an individualistic cognitive psychology base, with links to the Artificial Intelligence community, and those with sociological and interpretivist backgrounds” (1994: 322).

Despite the contribution it makes, the MOC literature does not deal with the specific challenge of identifying and aligning activities to achieve strategic objectives. Such a development would be useful in its own right and help to tie this stream of literature into the other fields directly and indirectly examining this challenge. Several authors in the strategy literature have given clues that causality – used so widely in the MOC literature in mapping exercises – may be a central concept to support this. In discussing strategic planning, Sackman proposed a method that he intended to overcome the problems of prescriptive planning in uncertain environments. He said:
The foundation stone is disarmingly simple, but crucial: plans may be conceived as hypotheses, subject to empirical test and evaluation in a scientific manner. ... Why shouldn’t we construct plans in the form of hypotheses so that we can rigorously test plans and the planning process? (1971: 230).

Kaplan and Norton make a similar suggestion to Sackman, saying, “a strategy is a set of hypotheses about cause and effect” (1996c: 30). The translation of strategic objectives into activities can also perhaps be thought of as a means-ends chain of cause and effect relationships, which spans the gap between the conceptual (hypotheses) and the concrete (actual). Hrebiniak and Joyce also say:

Strategic decision making may be viewed as a series of means-ends decisions beginning with the determination of long-term goals, global objectives (ends) and the development of shorter-term, more local actions to obtain these objectives (means) (1984: 28, emphasis original).

Simons (2000) also briefly discusses cause and effect thinking in relation to strategic planning, performance measurement and control systems.

The MOC literature itself does provide some specific support for the notion that causal mapping can assist with strategy implementation. Bougon and Komocar say:

Prevailing theories of organization, strategy, and change provide insufficient conceptualizations and tools for comprehensive understanding and implementation of change in organizations. ... Current theories of strategy provide little or no path to the strategic objectives they promote. Prevailing theories of change have difficulty connecting their rich implementation details to a larger strategic picture. What a strategist needs for understanding and implementing strategic change is a theory that possesses three qualities, namely:

- the theory addresses organizations as dynamic systems;
- the theory provides specific means for achieving strategic objectives;
- the theory articulates the interrelations between means and strategic objectives...

... Leaving the means of change unspecified invites the selection of fashionable techniques such as centralization, decentralization, or organizational culture (1990: 142).

Bougon and Komocar’s analysis mirrors the conclusions reached in this review of the literature. However they do not go on to explain in satisfactory detail how to address the second and third of the qualities they list. Instead, they provide a highly abstract explanation of how to develop causal loops maps and two examples of very operational issues, unlinked to strategic objectives (one relating to new product development and researcher autonomy, the other to conflict between a superior and subordinate). An unfortunate weakness of Bougon and Komocar’s approach is their focus on loops of cause and effect relationships, apparently to the exclusion of any causal relationships that are not ‘looped’. This may help to explain how, although they
recognise the need for it, they are unable to explain how to link conceptual objectives to concrete activities.

In summary, the MOC literature, like the performance measurement literature, provides some clues about how organisations might identify and align activities to achieve strategic objectives, but does not address the issue directly or substantially inform it.

8.4 Strategic Fit & Alignment Literature

8.4.1 Overview & relevance

One area of literature that might logically be expected to inform the research question is that of strategic fit and alignment. Alignment in particular, might be expected to relate to the logical relationship between activities and strategic objectives they are intended to achieve. This literature was examined in the hope that it might inform how this particular form of alignment may be achieved.

The concepts of ‘fit’ and ‘alignment’ have been explored by numerous authors from several areas including organisational development, organisation theory and strategic management (Burns & Stalker, 1961; Labovitz & Rosansky, 1997; Lawrence & Lorsch, 1967; Leavitt, 1962; Lorsch & Allen, 1973; Miles & Snow, 1978; Waterman, Peters, & Phillips, 1980; Woodward, 1965).

The essence of the notion of strategic fit or alignment is that organisations are made up from and shaped by various components, including structures, processes, systems, practices, routines, tasks and so on; and that these components should ideally be mutually reinforcing and together support organisational goals. It is acknowledged in the fit literature that these components affect and are affected by a firm’s context, and environment is thus also included in many studies. The basic premise of the strategic fit or alignment concept is that good fit causes higher organisational performance. Porter suggests that alignment is fundamental to strategy, saying, “[s]trategy is the act of aligning a company and its environment” (1994: 426). The ideas of alignment and fit have broadly been applied to create several well-known strategy tools, including McKinsey’s 7-S framework (Pascale & Athos, 1981; Peters & Waterman, 1982; Waterman, 1982) and the value chain (Porter, 1985). Perhaps the first to discuss fit within the specific context of strategy implementation was Galbraith and Kazanjian (1978), who created a model not dissimilar to the 7-S model and say:
...each organizational dimension must be consistent not only with the strategy but also with the others. All the dimensions, such as structure, reward systems and resource allocation processes, must constitute an internally consistent form. Organizations are packages or mosaics in which all pieces must fit together (1978: 108).

Although his contribution suffers from methodological limitations (already detailed in Chapter 2) and must therefore be treated with caution, Hartman links alignment and strategy implementation, saying:

alignment represents all those efforts by which a business leader makes sure that the company is working in harmony, functioning smoothly and efficiently. In short, management and employees are operating in tandem and in alignment with business strategies (2004: 98).

He also sees the translation of strategy into activities as being part of the challenge, saying, “while most CEOs make painstaking efforts at organizational alignment, translating this strategy into effective action and execution is a huge challenge (2004: 98).”

Child (1977) suggests that inconsistency in management practices causes performance problems. In addition, some authors suggest that implementation failures can be attributable to misalignments between organisational processes, control systems and structures (e.g. Eccles, 1994; Miles & Snow, 1978; Roberts, 1997).

Hrebiniak and Joyce indicate that logical models offer reasonable expectations of “what will happen when model components are manipulated, and this requires knowledge of interactions of fit” (2001: 615). They also note that the concept of fit is explicit in the criterion of contingent prescription (which they set out for research in the strategy implementation field) because contingency and fit “both signify a conditional relationship” (2001: 615). They also suggest fit is implicit in their other criterion of parsimony and critical in addressing problems of complexity and efficiency.

The strategic fit and alignment literature is an obvious potential source of guidance about the translation of strategic objectives into activities. It deals with the appropriateness of an organisation’s resource configurations given its strategy and environment and famous studies such as those of Chandler (1962) examined fit between organisations’ strategies and structures. It is not unreasonable to anticipate that because structures are created to manage the allocation of resources and to organise activities, such research might address the nature of the activities themselves and how they are identified in the first place, given the strategy in question.
8.4.2 **Shape of the literature**

Sanders (2006) conducts a review of the literature on fit and alignment and notes it falls broadly into one of three categories:

1. **contingency theory**, which asserts that managers should seek to fit strategies, structures, process and so on with the organisation’s environment to achieve high performance;

2. **configuration theory**, which has developed from the idea that a limited number of patterns (typologies or taxonomies) in the way organisations manage activities fit well with particular types of environment. Lawrence and Lorsch (1967) and Miles and Snow (1978) initiated this approach to exploring fit and their work has been subject to many tests, replications, extensions and proposed revisions since; and

3. ‘**complementarities**’, more recently developed by economists Milgrom and Roberts (1995), who argue that many factors explain organisation performance, but these factors can also reinforce one another, as in systems thinking (see Section 2.3.8).

Sanders’s framework is used here to summarise the shape of the literature and a summary of the variables explored in key strategic fit and alignment research is displayed in Table 38.
Milgrom and Roberts’ approach in particular begins to address some of the common problems with models of fit, which have been identified by Hrebiniak and Joyce (2001). Hrebiniak and Joyce provide an excellent criticism of the McKinsey 7-S model, which is purportedly based on the notion of fit. The 7-S model’s proponents argue, “everything depends on everything else”, and imply no relative importance of or sequential nature of the causality between the variables. As Hrebiniak and Joyce say, this implies that either variables purported to be important for implementation have been disassembled without an understanding of how they relate, or they are all of equal importance and there is no relevance to the sequence of casual relationships between

---

101 Table 38 owes much to Sanders (2006), whose excellent review informed many of the categorisations shown.
them – an almost certainly absurd argument. The model also implies that any change to one variable necessitates some kind (of undefined) change to all other variables, in every case. The 7-S model is an example of the challenge of complexity that needs to be overcome, and Hrebiniak and Joyce’s criteria of action, contingent prescription and cognitive manageability (see Section 2.2.5) having been breached. Bougon and Komocar (1990) are also critical of models of fit (including the 7-S model) that suggest people, tasks, structures and so on are interlinked, but fail to explain adequately how, what to do about this, and how to avoid unintended effects of change and ensure strategic objectives are met.

8.4.3 Limitations of the body of knowledge

Perhaps the greatest problems with the fit and alignment literature emanate from the inconsistent and conflicting definitions of the concepts themselves. Many different meanings of ‘fit’ have been identified in the literature (Joyce, Slocum, & von Glinow, 1982; Venkatraman, 1989; Venkatraman, 1990; Venkatraman & Camillus, 1984; Venkatraman & Grant, 1986; Venkatraman & Prescott, 1990). Hrebiniak and Joyce think that because of imprecise definitions and (both inconsistent and incorrect) use of the concept of fit, “a number of confusions have resulted” in the strategic management literature (2001: 618). They provide convincing examples of this from some well-known and well-respected research contributions. Importantly, they say there is a need to “pay more attention to the organizational processes responsible for achieving fit” (2001: 620). However, prescribed conceptual definitions and methodological guidance (Drazin & Van de Ven, 1985) have improved consistency in more recent research.

Hrebiniak and Joyce remind us that many argue that fit is important and it is thus ironic that “research continues to rely on primitive notions of the concept”. However, they also suggest that more is known about fit than is often utilised in studies using contingency views. They propose the argument that, “fit is not a single concept, but a set of related but distinct concepts” (2001: 616). This possibility is a vitally important one, as if it is the case that researchers have been describing different concepts, this would explain why the notion of fit is still poorly understood overall.

Venkatraman (1990) is also highly critical of the widespread use of single informants by researchers examining fit and alignment. This is consistent with the observations of Bowman and Ambrosini (1996) (who examined the wider strategic management literature) and the criticisms Roberts (1997) makes of research in the strategy implementation area. These researchers make the point that the use of multiple
respondents at a variety of hierarchical levels and from across a range of functions and other sub-units produces more reliable data. The use of such diverse data sources is clearly superior when investigating complex and theoretically under-developed phenomena such as fit and alignment.

With regard to configuration theory, Sanders (2006) notes, the empirical strength of Miles and Snow’s work in particular has been demonstrated (Zahra & Pearce, 1990). However, as with contingency theory, configuration theory deals with the alignment concept at a very crude and arguably, artificial level, which is difficult to relate to managerial practice. Mintzberg et al. accuse configuration theorists of being “lumpers” who assume away nuanced variability (1998: 303). It may well be that the ‘lumps’ of configuration theorists are more useful than the ‘slices’ of the contingency theorists. Certainly it is easier to generalise using taxonomies, and concepts such as generic strategies have been influential. Ultimately, however, it seems that neither theory explains with sufficient detail to guide managers in practice, how organisational systems, structures, strategies and environments interrelate to create performance.

From the perspective of strategy implementation researchers, alignment remains a poorly understood concept (Hrebiniak & Joyce, 1984; Hrebiniak & Joyce, 2001; Roberts, 1997). Very little work on alignment – including the development of the well-known models noted in Section 8.4.1 – is based on sound empirical research. There are also significant theoretical gaps and limitations in the concepts of fit and alignment. There have thus been several calls for a better understanding of alignment for the purposes of implementing strategy effectively (Hrebiniak & Joyce, 2001; Roberts, 1997).

In summary, the fit and alignment literature, despite its long history, ultimately provides limited meaningful guidance. Although the broad notion of fit is widely accepted, many authors voice concern about its practical applicability (e.g. Hamel & Prahalad, 1994; Mintzberg, Ahlstrand, & Lampal, 1998). Contingency theory studies in particular suffer badly from having adopted varying conceptualisations of fit, measurement methods and analytical approaches. This has makes it difficult to compare and synthesise findings, and theory remains fragmented.

8.4.4 Implications for this research

Despite what might reasonably be expected of the strategic fit and alignment literature, it provides no guidance whatsoever on how managers might actually identify and shape activities that might plausibly cause the achievement of objectives. Rather, it
deals with more conceptual aspects of how organisational components work together. This is perhaps a little ironic, as many of these organisational components are intended to organise resources for or provide control over activities. Furthermore, in terms of providing important conceptual context for a study of strategy implementation, it can be deduced that the fit and alignment field is currently underdeveloped and conceptually weak. In short, this literature stream offers very little to inform this research.

8.5 Strategic Change Literature
8.5.1 Overview & relevance

It would seem obvious that the strategic change literature might be a source of guidance on how managers translate strategic objectives into the activities that will realise them. Indeed, strategy implementation would logically seem to be related to or overlap the concept of strategic change, a topic that has received fair attention in recent years. However, the two fields have developed in relative isolation.

After examining the basis of how the two fields have developed, it can be deduced that strategy implementation and strategic change literatures have very different focuses. Strategic change deals principally with changes in strategy and how such changes are decided upon, rather than the challenge of translating strategy – be it new or existing – into activities and thus manipulating the pattern of interactions an organisation has with its environment. It is difficult to make very firm distinctions because neither strategic change nor strategy implementation is well defined. However, it can be argued that even if strategic change encompasses strategy implementation, it is a much wider concept, also dealing with strategy content and how this is changed. There can be little doubt that strategy implementation does not encompass these aspects.

If this position is accepted it follows that strategic change can occur without the newly developed strategy being implemented. Equally, firms can implement strategy without strategic change, or undertake organisational change that is not ‘strategic’ at all. As Rajagopalan and Spreitzer state, “organizational changes that do not result in changes in the content of a firm’s strategy are not included within the domain of strategic change” (1997: 50). Bougon and Komocar (1990) help to clarify this issue through some of the observations they make when categorising theories of strategic change saying:

One class of theories provides conceptualizations of change that are general but are silent or vague on implementation (1990: 140).
Another class of theories provides the technical details of implementation, but fails to articulate fully how those details connect to the overall strategic activities of the organization (1990: 141).

[There is] a top-down class of theories where the strategic objectives of change are specified, but the means to these objectives are left unspecified. … The top-down class assumes hierarchy works (1990: 141).

Bougon and Komocar’s observations tally with those of this researcher. Whilst some literature details changes in strategy at a conceptual level and some discusses change in isolation of strategy, very little explores the gap between strategy and action, and how to ensure changes in the former cause changes in the latter.

Van de Ven and Poole (1995) define strategic change as a difference in the form, quality or state over time in an organization’s alignment with its external environment. This fits to some extent with the concept of strategy implementation, though it doesn’t include the critical act of intentionally manipulating the organisation’s interactions with the environment via its activities. Van de Ven and Poole’s definition implies that strategic change could occur via emergent strategy, rather than solely through active implementation of intended strategy. This is consistent with a view that strategic change has been shaped as a different and higher-level conceptual framework than strategy implementation.

8.5.2 Shape of the literature

Rajagopalan and Spreitzer (1997) present what is perhaps the most comprehensive review of the empirical strategic change literature and confirm that it is clearly split between the strategy ‘content’ school and strategy ‘process’ school. This distinction reflects that made by Bourgeois (1980), who suggested that strategy content addressed the question of ‘what strategy?’, whereas strategy process was about ‘how’ strategy is enacted. These two schools have developed largely independently and share few theoretical constructs or methodological approaches according to Rajagopalan and Spreitzer who say, “for several decades, theoretical and empirical research in strategic change has reflected a clear divide along the content and process schools with very little effort at a productive synthesis” (1997: 74). Numerous contradictory findings have surfaced from research in these schools and Rajagopalan and Spreitzer argue that there are serious gaps in researchers’ understanding of strategy process.

102 A key aspect of strategy implementation as it has been defined for the purposes of this research (see Section 2.2.12).
Rajagopalan and Spreitzer (1997) suggest that the ‘content’ school uses a ‘rational’ lens whereas the ‘process’ school uses predominantly ‘learning’ and ‘cognitive’ lenses, and that these perspectives reflect the well-established theoretical models used in the wider strategy literature (see, for example, Chaffee, 1985). They argue that all three perspectives involve changes in strategy’s content, but that researchers using the learning and cognitive lenses also consider organisational and environmental changes initiated to implement the changes in strategy content. It is immediately clear, therefore, that the strategy process school is more directly relevant to strategy implementation than the content school, and this is consistent with the distinction between strategic planning and strategy implementation.

Rajagopalan and Spreitzer’s (1997) categorisations and framework is used to shape this overview of the strategic change literature.

8.5.3 The ‘Content’ School of Strategic Change

The ‘content’ school of strategic change adopts a sequential and systematic search for “optimal solutions for well-defined problems” (Rajagopalan & Spreitzer, 1997: 50). The notion of fit, discussed already, in this case between the organisation and its environment, is essential in this conceptual model. Research in this area tends to conceptualise the strategy process as relating to only four key components and the changes in them:

1. strategy content;
2. the organisation’s environment;
3. the organisational conditions; and
4. organisational outcomes (i.e. mission achievement, often represented by economic performance) (Rajagopalan & Spreitzer, 1997).

Researchers in this school mainly employ large samples and statistical methods in what are usually studies of a small number of variables. A summary of key research in this field and the principal variables studied is presented in Table 39.
Chapter 8: Extended Literature Review

### Table 39: Strategy content (‘rational lens’) empirical research and principal variables studied

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Environmental munificence</th>
<th>Strategy content change</th>
<th>Uncertainty &amp; instability</th>
<th>Corporate aggressiveness</th>
<th>Magnitude of strategic change</th>
<th>Strategy risk level</th>
<th>Deregulation/industry change</th>
<th>Firm size</th>
<th>Time taken to change strategy</th>
<th>Firm age</th>
<th>Magnitude of change</th>
<th>Likelihood of change</th>
<th>Type of strategy</th>
<th>Past performance</th>
<th>Direction of change</th>
<th>Poor strategy</th>
<th>TMT dexterity</th>
<th>TMT changes</th>
<th>Board diversity</th>
<th>Stock ownership</th>
<th>Financial performance</th>
<th>Likelihood of firm survival</th>
<th>Industry environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bethel &amp; Lieberskind (1993)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Birnbaum (1984)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Boeker (1989)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Corsi, Grimm, Smith &amp; Smith (1991)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Fombrun &amp; Ginsberg (1990)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Gibbs (1993)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Grimm (1990)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Ginsberg &amp; Buchholtz (1990)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Goodstein &amp; Boeker (1991)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Goodstein, Gautam &amp; Boeker (1994)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Graham &amp; Richards (1979)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Grimm &amp; Smith (1991)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Grimm, Corsi &amp; Smith (1993)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Hambrick &amp; Schecter (1983)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Harrigan (1981)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Haveman (1992)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Jauch, Osborne &amp; (1980)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kelly &amp; Amburgey (1991)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>McCutchen (1993)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Oster (1982)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Singh et al. (1986)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Smith &amp; Grimm (1987)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Wiersema &amp; Bantel (1992)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Wiersema &amp; Bantel (1993)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Wiersema &amp; Bantel (1992)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Zajac &amp; Kraatz (1993)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Zajac &amp; Shortell (1989)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

As Rajagopalan and Spreitzer (1997) point out, these studies have typically used different definitions, measures and theoretical constructs, which has perhaps led to a series of ambiguous or contradictory findings even within this school, for example:

1. organisation size positively impacts the likelihood of strategic change (Zajac & Kraatz, 1993);
2. organisation size negatively impacts the likelihood of strategic change (Fombrun & Ginsberg, 1990);
3. faced with environmental munificence, firms change their strategies more (Ginsberg & Buchholtz, 1990; Wiersema & Bantel, 1993);
4. faced with environmental munificence, some firms change their strategies less (Harrigan, 1981; Zajac & Kraatz, 1993);
5. there is no association between environmental munificence and the propensity of firms to change their strategies (Goodstein & Boeker, 1991);
6. strategic change leads to improved performance in some contexts (Haveman, 1992);
7. strategic change leads to reduced performance in some contexts (Singh, House, & Tucker, 1986);
8. firm size positively affects changes in business strategies (Birnbaum, 1984; Zajac & Kraatz, 1993);
9. firm size negatively affects changes in business strategies (Fombrun & Ginsberg, 1990);
10. firm size has no affect on changes in business strategies (Ginn, 1990; Kelly & Amburgey, 1991; McCutchen, 1993);
11. firm age increases the magnitude of change (Boeker, 1989; Singh, House, & Tucker, 1986);
12. firm age reduces the likelihood of change (Kelly & Amburgey, 1991); and
13. firm age increases the time taken to change (Ginsberg & Buchholtz, 1990).

Of course, all of these studies are threatened by the ever-present risks that co-variables are producing associations between the variables under study, or that where causality between variables exists, its direction is improperly deduced. Rajagopalan and Spreitzer (1997) identify the use of cross-sectional data (for examining economic outcomes) and time lag as limiting the comparability, validity and reliability of these studies.

‘Content’ school studies are valuable in that they generally use large samples and explicit (albeit not consistent) constructs. A limited number of studies (e.g. Ginsberg & Buchholtz, 1990; Kelly & Amburgey, 1991) also use time series and event analysis to explain the sequence and timing of changes observed (Rajagopalan & Spreitzer, 1997).

However, Rajagopalan and Spreitzer (1997) argue because this school largely ignores the role of managers in the strategic change process, it is impossible to begin disentangling the impact that management’s cognitions and actions play. Furthermore, the way in which ‘strategic change’ is conceptualised by ‘content’ researchers is problematic. They have variously examined the magnitude, likelihood, direction and type of strategy change and linked this with performance outcomes. However, it is apparent that the organisational and environmental changes that follow strategic change
also impact performance. In other words, implementation matters, too. The ‘content’ (rational) school appears to adopt the assumption that strategy can be deterministically applied and managers (and others) will not deviate from planned strategic change, because of learning, experimentation or the effect of organisational misalignments, such as in reward systems, for example (see, for example, Eccles, 1994; Roberts, 1997). Failure to address the effects of strategy implementation on performance outcomes arguably renders the ‘content’ school’s model of strategic change seriously incomplete.

It is clear from this short review of the strategic change ‘content school’ literature (summarised in Table 39) that it does not address the challenge of strategy implementation, let alone planning of activities to achieve strategic objectives.

8.5.4 The ‘Process’ School of Strategic Change

Within the strategic change literature, a seemingly more likely potential source of information about how organisations align activities with objectives is the strategy process school. The ‘process’ school deals primarily with the role of managers in the change process and mainly utilises in-depth longitudinal case studies to explore this. Rajagopalan and Spreitzer (1997) recognise that within the ‘process’ school of strategic change there are two perspectives, one using a ‘learning lens’, the other a ‘cognitive lens’. This appears to be a useful categorisation, although there is some overlap between these groups.

8.5.5 The ‘Process’ School of Strategic Change: The ‘learning lens’

Under the ‘learning lens’ perspective, strategic change is seen as an iterative (rather than completely deterministic) process, where change is effected through a series of relatively small steps that enable managers to better understand both the organisation and its environment (Rajagopalan & Spreitzer, 1997). Their interpretation of the organisation’s position and the implications of the environment upon it may lead to a perception of the need for evolutionary or revolutionary changes in strategy, and thus affect managerial actions. Thus, researchers applying the ‘learning lens’ are likely to include, explicitly or implicitly, five key elements in their conceptual frameworks:

1. strategy content;
2. the organisation’s environment;
3. the organisational conditions;
4. managerial actions; and
5. organisational outcomes (i.e. mission achievement, often represented by economic performance) (Rajagopalan & Spreitzer, 1997).

Managerial actions capture who is involved and in what manner (Hart & Banbury, 1994) and reflect behaviours that both shape and are shaped by the environment, the organisation and the strategy itself (Rajagopalan & Spreitzer, 1997). In summary, the ‘learning lens’ is different to the ‘rational’ lens in that the links between the environment or organisation and strategy are only made through managerial action, which may instigate evolutionary/incremental or revolutionary/transformational change (Meyer, Brooks, & Goes, 1990; Yetton, Johnson, & Craig, 1994).

Rajagopalan and Spreitzer note that in the strategic change literature, very few researchers who examine the relationship between strategy and managerial actions distinguish the two clearly, and those that do use different and thus incomparable definitions. Their conclusion is that “it is nearly impossible to assess the cause-effect relationships between managerial actions and the actual changes in the direction and/or magnitude of strategy” (1997: 60). They surmise that only two tentative conclusions may be drawn from research into this particular link:

1. that managers shape strategy content through many actions including
   a. articulating missions and goals (Greiner & Bhambri, 1989),
   b. altering resource allocations and functional strategies (Grinyer & McKiernan, 1990; Koberg, 1987; Meyer, 1982b; Mintzberg & McHugh, 1985; Mintzberg & Waters, 1985), and
   c. making acquisitions and divestitures (Meyer, 1982b; Schendel, Patton, & Riggs, 1976); and
2. the more comprehensive the strategy change the greater the scope of managerial actions resulting.

Rajagopalan and Spreitzer also argue that the influence of managerial actions on strategy content is even less well understood because of limited early-stage research which uses varying definitions of managerial actions (for example, (e.g. Gersick, 1994; Meyer, 1982b; Mintzberg & McHugh, 1985; Mintzberg & Waters, 1982). However they accept that it is clear that “the relationship between managerial actions and changes in the content of strategy is not unidirectional (i.e. managers appear to learn from ongoing changes and use this knowledge to modify or reinforce their subsequent actions) (1997: 60).
In summary, the ‘learning lens’ view of strategic change adds considerably to the ‘rational lens’ view by digging into the ‘black box’ of managerial actions and taking a more holistic view to studying the variables associated with strategic change. However, the problem of failing (and often failing even to attempt) to disentangle cause and effect between strategy content and managerial actions does restrict the value of findings. The same problem of varying construct definitions from which ‘rational lens’ studies suffer also limits comparability across studies and generalisability of findings.

Table 40 summarises the key studies within the strategy ‘process school’, which adopt a ‘learning lens’. It is immediately clear that the translation of strategic objectives into actions is not an issue addressed within the literature. In fact, strategy implementation is, again, not addressed at all as a distinct construct. Given that so few researchers in this area make an explicit distinction between strategy content and managerial action, is it perhaps unsurprising that there is no acknowledgement of ‘non-managerial actions’ and the assumption is made that only managers directly influence performance outcomes through their actions. This assumption is logically absurd, but it has to be acknowledged that examining implementation was not within the remit of these studies, many of which have made important contributions to the early development of strategic change literature. Johnson, Melin and Whittington also note that “process research has been reluctant to query the role of managerial agency” and that, “we may easily exaggerate the importance of managers” (2003: 12).
Chapter 8: Extended Literature Review

Table 40: Strategic change ‘process school’ (‘learning lens’) empirical research and principal variables studied

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Main actions</th>
<th>Environmental information gathering</th>
<th>Environmental Volatility</th>
<th>Organisational information gathering</th>
<th>Timing of managerial actions</th>
<th>Organisational information monitoring</th>
<th>Organisational structures</th>
<th>Use of risk factors</th>
<th>Economic performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barr, Stimpert &amp; Huff (1992)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Calori &amp; Atamer (1990)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Gersick (1994)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Greiner &amp; Bhambri (1989)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Grinyer &amp; McKiernan (1990)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Hart &amp; Banbury (1994)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Huff, Huff &amp; Thomas (1992)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Koborg (1987)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Lant &amp; Mezias (1992)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Lant, Milliken &amp; Batra (1992)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Meyer (1982b)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Meyer, Brooks &amp; Goes (1990)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Miller &amp; Friesen (1980)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mintzberg &amp; McHugh (1985)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Mintzberg &amp; Waters (1982)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Nutt (1987)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Quinn (1980)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Schendel, Patton &amp; Reggs (1976)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Simons (Simons, 1994)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Straw, Sandelands &amp; Dutton (1981)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Tushman, Virany &amp; Romanelli (1985)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Yetton, Johnston &amp; Craig (1994)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

8.5.6 The ‘Process’ School of Strategic Change: The ‘cognitive lens’

Although managerial and organisational cognition is dealt with in detail in Section 8.3, it is useful to summarise the strategic change literature which uses a ‘cognitive lens’ to examine the strategy process, in keeping with Rajagopalan and Spreitzer’s (1997) framework which also included the ‘rational’ and ‘leaning’ lenses.

In research using this lens, the processes by which managers interpret the environmental and organisational context are emphasised. This focus is justified on the basis that managerial cognitions reveal the underlying logic for managerial actions (Walsh, 1995). Most of these studies implicitly infer changes in strategy content from managerial actions, and explore related managerial cognitions. Rajagopalan and Spreitzer suggest that in common with ‘learning lens’ studies, it is assumed that the environment and organisational context cannot be objectively determined but are interpreted and represented by managerial cognitions, within the change process. It is
recognised that managerial cognitions are driven and constrained by organisational ideologies, which in turn are shaped by structures, control systems and so on. Significant emphasis has been placed on the need for managers to create a shared perception of the need for change (Child & Smith, 1987; Webb & Dawson, 1991).

Several studies suggest that environmental changes cause changes in managerial cognitions (Ginsberg & Abrahanson, 1991; Grinyer & McKiernan, 1990; Meyer, 1982b), and this may explain the difficulties those using the ‘rational lens’ may have had explaining the relationship between environmental changes and strategy content changes, without the potentially important link of managerial cognitions.

Rajagopalan and Spreitzer (1997) also note that various studies identify the importance of managers engaging in open dialogue to build consensus and commitment in organisations beginning strategic change (Child & Smith, 1987; Gioia & Chittipeddi, 1991; Greiner & Bhambrsi, 1989; Smart & Vertinsky, 1984; Webb & Dawson, 1991).

The ‘cognitive’ perspective of strategic change has relied heavily upon case studies that have not used consistent definitions of managerial cognition, managerial actions or outcomes, according to Rajagopalan and Spreitzer (1997). It is thus difficult to generalise in respect of many of the findings emerging from these studies. Walsh (1995) has gone some way to establishing common definitions and language for future studies.

Rajagopalan and Spreitzer (1997) also criticise ‘learning lens’ literature researchers for failing to distinguish managerial actions and cognitions from strategic change (choosing to infer the latter from the former) conceptually or empirically. They also note most researchers have used retrospective case studies or single informants, increasing the risks of memory lapses, inadequate knowledgeability, biased viewpoints and highly subjective assessments. Such studies cannot compare in terms of rigour with longitudinal case studies using multiple data sources (including actors at multiple levels of organisational hierarchies and across multiple functions/departments).

Table 41 summarises the key studies within the strategy ‘process school’, which adopt a ‘cognitive lens’. Although the relevant issue of managerial cognition is obviously explored, whether and how managers think about the translation of strategic objectives into actions is not addressed. Strategy implementation generally, is not addressed at all. Once again, there is no acknowledgement of ‘non-managerial actions’ and the assumption is made that managers directly influence performance outcomes through their actions. Rajagopalan and Spreitzer do say “cognitions translate into
outcomes only through intervening actions” (1997: 64), however they presumably mean (as they only refer to) *managerial* actions.

Walsh (1995) notes that the strategic change literature uses managerial cognitions primarily to explore two issues:

1. managers’ perceptions of the environment and organisation and opportunities and threats arising; and
2. managers’ perceptions of the need for and ability to change.

These two issues add very little to the study of strategy implementation and certainly do not address the challenge of planning activities that will cause objectives to be achieved.

---

### Table 41: Strategic change ‘process school’ (‘cognitive lens’) empirical research and principal variables studied

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Organisational ideologies</th>
<th>Organisational structure</th>
<th>Control systems</th>
<th>Shared perceptions of need for change</th>
<th>Performance outcomes</th>
<th>Influence of environment</th>
<th>Past performance</th>
<th>TMT characteristics</th>
<th>TMT awareness of need for change</th>
<th>TMT changes</th>
<th>Information system existence</th>
<th>Open dialogue</th>
<th>Consensus</th>
<th>Commitment</th>
<th>Profitability outcomes</th>
<th>Employee productivity outcomes</th>
<th>Firm survival</th>
<th>Managerial learning process</th>
<th>Emerging strategic change</th>
<th>Emerging outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barr, Stimpert &amp; Huff (1992)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child &amp; Smith (1987)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cook (1975)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gaertner (1989)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ginsberg &amp; Abrahamson (1991)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gioia &amp; Chittipeddi (1991)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Greiner &amp; Bhambri (1989)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grinyer &amp; McKiernan (1990)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Johnson (1987)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lant, Milliken &amp; Batra (1992)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meyer (1982b)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meyer, Brooks &amp; Goes (1990)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pettigrew (Pettigrew, 1987)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Smart &amp; Vertinsky (1984)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thomas, Clark &amp; Gioia (1993)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Webb &amp; Dawson (1991)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Whipp, Rosenfeld &amp; Pettigrew (1989)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

### 8.5.7 Conclusion

The strategic change literature does not address:

1. strategy implementation, as it has been conceptualised in this research; or
2. the identification and/or alignment of activities to achieve strategic objectives.

Rather, it uses a variety of ‘lenses’ to explore strategy’s content and the process by which strategies emerge from management’s cognitions, actions and learning.
Researchers in this area make the assumption that performance outcomes are affected by strategy itself, managerial cognition and/or managerial actions. They do not acknowledge that managers themselves perform only a small proportion of activities causing interactions between a firm and its environment, or that managers’ control over these activities may be far from complete. Strategic change researchers have made use of cognitive science to explore their area of interest, but have applied the concept of cognition at a highly conceptual level, only to managers, and inconsistently.

The strategic change literature is at an early stage of development. Construct definitions are yet to be generally agreed, measurement tools are still evolving and methodological protocols need developed further to produce valid research. Early researchers have made some worthwhile contributions, but in many cases have ‘short-circuited’ this developmental phase and chosen to study narrow topics without an appropriately enriched context. As Rajagopalan and Spreitzer say, “it is time for strategic change researchers to stop using methodology as an excuse for testing narrowly specified theoretical models…the key problem is the overspecialization of researchers that leads to the development and empirical testing of underspecified models of strategic change” (1997: 69).

8.6 Strategy Process Literature
8.6.1 Overview & relevance

Strategy processes are “organizational-level phenomena involving key decisions made on behalf of the entire organization” (Dess & Lumpkin, 2001). Hart (1992) suggests that strategy processes encompass a very wide range of organisational aspects, including analysis, decision-making, planning, vision, culture and values.

The strategy process literature has developed somewhat independently of the strategic change literature, even though there is a ‘process school’ within strategic change. It is another obvious potential source of guidance about the translation of strategic objectives into activities. It does, on the surface, appear to deal more explicitly with strategy implementation than the strategic change literature. Chakravarthy and White do say, “strategy process research attempts to address the very difficult question of how strategies are formed, implemented and changed” (2002: 182). However, they also acknowledge that, “despite the voluminous writings on strategy process, relatively little is known about how processes actually affect strategy” (2002: 182). A tentative assumption can be made that if little is known about the impact of processes on strategy,
the impact of processes on activities and their identification may also be an under-researched area.

Strategy process appears to suffer from a lack of unifying theories. Instead, as with much of the strategic change literature, research focuses on narrow issues and discrete decisions. Chakravarthy and White point out the challenges faced and problem resulting, saying:

Strategy process can span long periods of time and traverse multiple levels, bridging the cognitive processes of individual decision makers, the social psychological and/or political processes within groups of individuals, the organizational rules and routines that guide and constrain the decisions and actions of organizational members, and ecological considerations that affect the survival and success of firms. Typically, the process is studied only at one of these levels, depending on the disciplinary bias of the researcher, and that too at a cross-section at a time. Rarely are these studies contextually and historically situated. Meaningful process research requires rich linkages through time and across levels (2002: 183).

The research challenges outlined by Chakravarthy and White (2002) echo those identified by Hrebiniak and Joyce (2001) in relation to strategy implementation.

Chakravarthy and White’s observations are particularly pertinent to strategy implementation, as they point out, saying, “the task ahead of us is to develop a holistic understanding of a process that bridges the artificial divide between strategy formation and implementation, and steady state and change” (2002: 184).

Echoing Rajagopalan and Spreitzer’s (1997) categorisation of the strategic change literature, and providing a useful framework for the purposes of this short review, Chakravarthy and White identify three perspectives in the strategy process literature:

1. the rational perspective;
2. the political perspective; and
3. the emergent/evolutionary perspective.

These are a ‘collapsed’ version of Mintzberg and Lampal’s (1999) ten schools of thought. Their categorisation and framework is used here to shape the overview of the literature.

8.6.2 The rational perspective

The rational perspective, derived from the work of March, Simon and Cyert, essentially views the strategy-making process as a rational exercise, albeit that rationality is ‘bounded’ (Cyert & March, 1963), because an individual can never
comprehensively assess all relevant information to consider all alternatives ‘perfectly’ effectively.

Eisenhardt and Zbaracki (1992) and Rajagopalan, Rasheed and Datta (1993) have comprehensively reviewed rational perspective studies in the strategy process field and find that the majority of studies focus on the relationship between characteristics of the strategy process and its outcomes (Chakravarthy & White, 2002). They note that variables explored include:

1. (problem/solution) search methods (Cyert & March, 1963);
2. comprehensiveness of strategic analysis (Eisenhardt, 1989b);
3. formality of analysis (Langley, 1990);
4. group decision-making techniques;
5. cognitive conflict;
6. goal conflict (Cyert & March, 1963);
7. decision speed (Eisenhardt, 1989b); and
8. decision effectiveness (Eisenhardt, 1989b).

Table 42 provides a summary of the variables studied by researchers in the strategy process field who adopt a primarily rational perspective.

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Analysis comprehensiveness</th>
<th>Decision speed</th>
<th>Decision effectiveness</th>
<th>Analysis formality</th>
<th>Convergence towards action</th>
<th>Bounded rationality</th>
<th>Goal conflict</th>
<th>Problem/solution search</th>
<th>Bureaucratic constraints</th>
<th>Organisational politics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allison (1971)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bower (1970)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cyert &amp; March (1963)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Eisenhardt (1989b)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Langley (1990)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

Table 42: Strategy process (rational perspective) research and principal variables studied

The rational perspective has been criticised in various ways, say Chakravarthy and White (2002), noting Cyert and March’s behavioural theory of the firm (BTF) is criticised for:

1. taking an individual view of decision making not necessarily applicable to groups and organisations (e.g. Pettigrew, 1985);
2. failing to acknowledge the role emotions play in decision making (e.g. Damasio, 1994);
3. being restricting to the application of ‘dominant logic’ which fails to explain how ‘new logics’ may be learned (e.g. Bower & Doz, 1979; Mintzberg & Lampal, 1999); and

4. assuming that formal or strategic decisions always precede actions in organisations (e.g. Mintzberg & Waters, 1990), failing to acknowledge the possibility of emergent strategy.

Mintzberg and Waters (1990: 5) say it makes more sense “to study streams of actions, and then go back and investigate the role of decisions, if any, in determining these actions” (quoted in Chakravarthy & White, 2002). Whilst there is value in following this method, using it alone would fail to identify those managerial intentions that did not emerge as organisational actions, and thus would not contribute to an understanding of why strategy implementation can fail in this way.

### 8.6.3 The political perspective

Whilst the definition of political activity varies somewhat, there is fair agreement that most organisational decisions are subject to political influences (Gandz & Murray, 1980; March, 1962; Mayes & Allen, 1977; Wildavsky, 1964). Table 43 outlines the relatively small literature in this area and the key variables explored within it.

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Political behaviour</th>
<th>Resolution or policy issues</th>
<th>Resource allocation decisions</th>
<th>Exercise of power</th>
<th>Self-serving use of power</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cyert &amp; March (1963)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dean &amp; Sharfman (1996)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dean &amp; Sharfman (1992)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eisenhardt &amp; Bourgeois (1988)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gandz and Murray (1980)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hickson et al. (1986)</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>March (1962)</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mayes and Allen (1977)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nutt (1993a)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pettigrew (1973)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wildavsky (1964)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Table 43: Strategy process (political perspective) research and principal variables studied

### 8.6.4 The emergent/evolutionary perspective

Criticisms of the rational perspective of the strategy process have led to the development of the emergent perspective. This builds on the idea of organisational thinking representing a ‘garbage can’ (Cohen, March, & Olsen, 1972) with a mixture of ideas, problems, solutions and choices coming together as decisions (Eisenhardt & Zbaracki, 1992), say Chakravarthy and White (2002). They note that views of authors using this perspective range to extremes, with Cohen et al. suggesting that there may be
no such thing as ‘decisions’ per se, but rather a random series of events colliding to create actions, though this view has been moderated by subsequent empirical work which suggests that social and cognitive processes may serve as organisational memory systems which reduce the randomness of decisions (e.g. Levitt & Nass, 1989; Magjuka, 1988; Pinfield, 1986). Indeed, Weick’s work on social organising (1979) and sense making (1995) suggests that prior recognition of means-ends relationships is not necessary for regulation and stability with decision-making process (Chakravarthy & White, 2002). Of course, such research findings must be interpreted with caution. It is questionable if an emergent strategy actually exists, if the pattern created by it is only recognised by the eyes of a researcher. On the other hand, strategies appearing to be emergent may in fact be planned, but introduced with informality (which may be very sophisticated) that belies its deterministic origins.

Chakravarthy and White (2002) point to the similarities between Weick’s view of strategic planning and that of Mintzberg (1994). Weick argues, “[h]aving implemented something – anything – people can then look back over it and conclude that what they have implemented is a strategy” (1979: 188). This interpretation of the strategy making process does not necessarily invalidate it, but sees its contribution as being the first step in a learning process (preceding action and then reflection), rather than a decision-making event. One might argue that this somewhat polemic view is theoretically incomplete and of limited practical use. It is, perhaps, analogous to medical practitioners using only post mortem examinations to gain a deeper understanding of the human body’s functioning.

### 8.6.5 Strategic decision-making

An important subset of the strategy process relates to strategic decision-making. This stream of literature researches the “expensive, risky, hard-to-alter choices with long-term consequences that can have a significant influence on the future success of contemporary organizations” (Nutt, 2001a). Such decisions are challenging because they are not only complex and risky, but they typically necessitate information from or involvement of organisational players from across disciplines, functions and departments. Research in this area tends to examine:

1. the triggers necessitating decision-making;
2. the context of decisions;
3. decision type (e.g. in terms of complexity, urgency, uncertainty, importance, resistance and so on);
4. decision-maker attributes (e.g. attitude to risk, tolerance for ambiguity, decision style, creativity, need for control, experience, education, power);

5. organisational features; and

6. the process by which decisions are made.

All of these variables have been found to affect choices made and the consequences of them (Dean & Sharfman, 1992; Nutt, 1984).

Dutton, Fahey and Narayanan (1983) note that the literature largely ignores the diagnosis of strategic issues (i.e. prior to actual decision-making). They argue that this phase is critically important, affecting not only subsequent decisions but also (potentially) other strategic issues. They see diagnosis and a necessarily ‘messy’ and highly iterative process affected by numerous influences such as the framing of issues (e.g. as problems or opportunities), the sequence with which data are analysed, the experiences of decision-making participants, assumptions underlying diagnostic inquiry, organisational politics, time constraints and so on. Although Dutton, Fahey and Narayanan present a model to explore how strategic issue diagnosis (SID) tends to evolve, this is not based on any empirical study.

Nutt (1999) reports in a study of 356 decisions in medium-sized and large North American organisations, that more than half of their decisions failed (i.e. intentions were not realized or plans were discarded and not attempted). He summarises the reasons for this as being (Nutt, 2001b), making premature decisions, suboptimal investments and poor decision-making practices.

Numerous authors recognise that decision-makers are often unwilling to voice concerns about problems for which they are responsible, unless they already have a solution to propose (March, 1981; Starbuck, 1983; Weick, 1979). Nutt explains that managers frequently make decision choices too early and commit to these before conducing sufficient analysis. He says managers often work under a misguided sense of pragmatism and artificial time pressure, and that it becomes (politically) difficult for them to reverse poor decisions.

As a result, managers often adopt obvious solutions or those not much different from current practices (Cyert & March, 1963; Nutt, 2001a). They also are tempted to imitate the practices of other firms (or worse still, a single organisation), rather than complete a full search for the most appropriate response to problems. Managers tend to commit analytical resources to supporting and defending their selection decision, rather than
exploring a range of options. This effect is, ironically, exacerbated if others become suspicious that the manager has a vested interest in the proposed solution. Nutt also recognises managers’ inability to accurately attribute success or failure accurately, causing them to draw incorrect conclusions about decision-making and its results.

Nutt (2001a) suggests that managers can improve the chances of their decisions being implemented successfully by:

1. properly testing others’ claims about cause and effect relationships (e.g. the market share decline is due to insufficient product quality);
2. properly investigating the concerns, considerations and stances of a wide range of stakeholders (which he notes requires time and budgetary investment);
3. using participation techniques such as Appreciative Inquiry (Cooperrider & Srivastra, 1987) and Nominal Group Technique (Delbeq, Van de Ven, & Gustafson, 1986) to uncover information and potential conflicts, as well as build ownership amongst stakeholders;
4. share power with those whose participation and agreement is required for successful planning and implementation; and
5. demonstrate the necessity of actions.

Nutt concurs with various authors (e.g. Bardach, 1977) in suggesting that managerial edicts are dangerously ineffective, likely to produce resistance amongst those disadvantaged by proposed changes and indifference amongst others. He is also cynical about the power of persuasion, saying, “selling an idea with a demonstration of its value or with the logic of its proposed action is limited by the extent to which people are indifferent to what the manager wants to do” (2001a: 45). Nutt’s research suggests that both edicts and persuasion are amongst the most popular tactics employed by managers making strategic decisions, being used in two out of every three decisions studied. He compares this with the use of participation, which was used in only one in five cases and states that participation is effective, no matter what the decision situation (Nutt, 1987; Nutt, 2001b).

Nutt makes an important associated point relevant to the current research, saying the “urge to start with a concrete action creates a trap that makes formal direction setting difficult…as a result, expected results are either misleading, assumed but never agreed to, or unknown” (2001a: 46). He points out that when objectives are not made clear, people tend to form different views about what they are (and, presumably, how
important they are). This divergence of thinking is likely to lead to uncoordinated action and conflict. Nutt is clear that objective-setting is an essential part of good strategic decision-making, noting that it boosts success rates substantially, but equally recognises that action-oriented managers are reluctant to spend time on an activity which can be seen as an academic exercise or indecisive (Nutt, 1993b).

8.6.6 Limitations of the body of knowledge

The strategy process literature does suffer from some of the basic problems seen elsewhere in the strategic management literature. For example, Nutt (2001a) is critical of various authors for failing to distinguish strategic decisions from others (e.g. Langley, 1989; Langley, Mintzberg, Pitcher, Posada, & Saint-Macary, 1995) or making imprecise distinctions between decision types (e.g. Hickson, Butler, Cray, & Mallory, 1986; Mintzberg, Raisinghani, & Theoret, 1976).

It is clear that the strategy process area is highly complex and far from comprehensively researched. Nutt says that “little is known empirically about developmental [i.e. strategic] decisions” (2001a: 60) there has been “very little empirical evidence to uncover practices that increase the chance of success for a developmental decision (2001a: 49). He notes there are many complications and challenges faced in conducting research in this area. Discussing the wider strategy process, Chakravarthy and White say:

Strategy process is a multi-level process, spanning more than just the level of an organisation’s hierarchy. Cognition occurs within individuals, individuals interact with other members of the work group, work groups function within organizational structures and routines, organizations compete within industries and industries rise and fall within the broader political economy (2002: 198).

Johnson, Melin and Whittington are critical of strategy process research for failing to address managerial action, saying:

Process research might tell us a good deal about the overall process of organizational decision-making and organizational change, but it has been less interested in the practical activity and tools necessary to make these processes happen. What managers actually do, and with what techniques, is left obscure. … If we want to grasp the micro activity of practice, we shall need to get off our ‘verandas’ and get a good deal closer to the actual work that makes up the organizational systems and processes of the process tradition (2003: 11).

Current theory does not capture the complex, multi-level, dynamic nature of the strategy process, and pays little attention to context, actions and, critically, outcomes. As Chakravarthy and White recognise, little effort has been made to integrate research
at the individual (cognition), group (sense making/interpretation) and organisational (routine/systems) levels. They say the, “lack of a multi-level integrative theory is a major impediment to research on strategy process” and that, importantly, the processes at each level create the contexts for the others (2002: 199). They think, “much of the current research on strategy process seems to be caught on a treadmill – doing more or less the same thing over and over again…[this work] usually takes a deductive reductionist approach and examines that theory in a ‘controlled’ experimental or quasi-experimental circumstance” (2002: 200). Pettigrew (1990) has criticised this work for ignoring history and context. Writing about strategy process research more generally, he says, “[it] has been narrow in focus and its undoubted contribution has been obscured by the lack of explicit discourse about its analytical foundations” (1992: 5). Nutt is similarly concerned about the development of the strategic decision-making literature, arguing that theory-driven efforts have displaced exploratory research due to a what he sees as a misguided contention that there is such a thing as a management theory that can be tested” (2001a).

Fair criticisms can also be levelled at much of the phenomenological research, which can be theoretically unstructured. Needles to say, integration of the rather polemic research stances is difficult. Echoing Rajagopalan and Spreitzer’s (1997) suggested needs for the strategic change literature, Chakravarthy and White call for multi-disciplinary teams to be engaged in a longitudinal programme of strategy process research generating comparative case studies (2002: 201).

8.6.7 Summary & implications for this research
The strategy process, despite initially being framed to incorporate implementation as well as planning (Andrews, 1971) has thus far focused almost exclusively on conceptual (strategy content-level) decision-making. Researchers in this areas have paid even less attention to organisational action than those involved in strategic change research. Chakravarthy et al. say, “the focus on decisions has also led to a narrowing of the field” and propose examining strategic initiatives rather than the high-level strategy, arguing they are more easily observable and would enable examination of the impact of decisions (2003: 236). Furthermore, it is clear that the strategy process literature is theoretically underdeveloped and in many cases methodologically weak.

The strategy process literature, such as it is, provides relevant context for this research that is important to ensure appropriate integration across the literatures. However, it is clear that the strategy process literature does not address strategy
implementation or inform how managers identify and align activities to achieve strategic objectives.

**8.7 Goal Setting Literature**

**8.7.1 Overview & relevance**

Goals are seen as an important co-ordinating mechanism for organisations, to ensure that resources are being applied to create intended outcomes. Goal setting has been explored at the individual, group and organisational level in the literature. Most goal setting literature focuses on how goals may be set for complex tasks, and provides relatively unified guidance on this matter.

It seems obvious that organisations seeking to translate strategic objectives into activities that employees can undertake to achieve the objectives may use a goal setting mechanism to achieve this. Some authors do describe goals as co-ordinating devices to link business activities (Galbraith & Nathanson, 1978; Khandwalla, 1973; White & Hamermesh, 1981). The goal setting literature is thus an obvious potential source about how to identify activities that might plausibly achieve strategic objectives.

Sanders (2006) conducts an elegant review of the goal setting literature and splits it into studies relating to individuals and those relating to organisations. Sections 8.7.2 and 8.7.3 draw upon his analysis, to outline the shape of the literature.

**8.7.2 Individual goal setting**

A substantial amount of research in this area focuses upon goal congruence, which is the extent of agreement between employees and organisations about the importance and validity of formal goals. Another stream of research examines the efficacy of goal setting as a method of generating higher employee performance. Sanders (2006) concludes that there is substantial evidence that goal setting improves performance in many cases, but this relationship is moderated by task complexity and (where tasks are complex) learning time available and the emphasis placed on learning by the goal structure. He notes studies examining goal type (i.e. whether it related to task inputs, processing or outputs) and the time horizons for goal achievement provide a fairly solid set of findings that might reasonably be applied in practice, at least in individual situations. A sub stream of the literature examining goal setting efficacy also examines the challenges with using multiple and, in particular, conflicting goals.

In line with Sanders’s (2006) categorisations, Table 44 provides an overview of the empirical literature in this area and the variables tested by researchers.
## 8.7.3 Organisational goal setting

In common with the individual goal setting literature, that examining organisational goal setting focuses primarily upon the question of whether goal setting is associated with higher performance. This literature clearly overlaps with that testing the efficacy of formal strategic planning, as such planning invariably involves the creation of organisational goals. A summary of the organisational goal setting literature and variable studied is displayed in Table 45, again in line with Sanders’s (2006) categorisations.

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Goal congruence employee-organisation</th>
<th>Goal congruence employee-management</th>
<th>Work attitudes</th>
<th>Employee turnover</th>
<th>Task complexity</th>
<th>Goal difficulty</th>
<th>Decision making novelty</th>
<th>Learning/planning time available</th>
<th>Learning orientation</th>
<th>Goal type (input/process/output)</th>
<th>Goal time horizon</th>
<th>Number of effective task strategies developed</th>
<th>Task familiarity</th>
<th>Multiple conflicting goals</th>
<th>Reward expectations</th>
<th>Quality/quantity trade-off</th>
<th>Goal breadth</th>
<th>Commitment to goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brett &amp; Vandewalle (1999)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Campbell (1984)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cervone, Jiwa &amp; Wood (1991)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chesney &amp; Locke (1991)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DeSchon &amp; Alexander (1996)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earley, Connolly &amp; Ekegren (1989)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Earley, Connolly &amp; Lee (1989)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gilliland &amp; Landis (1992)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Huber (1985)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jauch, Osborn &amp; Terpening (1980)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kanfer &amp; Ackermann (1989)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kanfer et al. (1994)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kernan &amp; Lord (1990)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latham &amp; Seijts (1999)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latham &amp; Yukl (1975)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Locke &amp; Latham (1984)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Locke et al. (1981)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Locke et al. (1994)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matthews et al. (1994)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mento, Steele &amp; Karen (1987)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mone &amp; Shalley (1995)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staw &amp; Boettger (1990)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steele-Johnson et al. (2000)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tubbs (1986)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vancouver &amp; Schmidt (1991)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vancouver, Millsap &amp; Peters (1994)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vroom (1966)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winters &amp; Latham (1996)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Witt (1998)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wood, Locke &amp; Mento (1987)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wood, Bandura &amp; Bailey (1990)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wright et al. (1993)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yukl &amp; Fu (1999)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 44: Individual goal setting empirical research and principal variables studied
Chapter 8: Extended Literature Review

<table>
<thead>
<tr>
<th>Researchers</th>
<th>Strategic planning</th>
<th>Organisational performance</th>
<th>Organisational size</th>
<th>Goal types</th>
<th>Number of goals</th>
<th>Resulting task complexity</th>
<th>Resulting task ambiguity</th>
<th>Positive non-goal compliant behaviour</th>
<th>Goal coordination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ansoff et al. (1970)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carson &amp; Carson (1993)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chidester &amp; Grigsby (1984)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooper (1994)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>England &amp; Lee (1973)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>George &amp; Brief (1992)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gershefski (1970)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Guzzo, Jette &amp; Katzell (1985)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Herold (1972)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Katz (1964)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latham &amp; Lee (1986)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mento et al. (1987)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shetty (1974)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terpstra &amp; Rozell (1994)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thune &amp; House (1970)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tjosvold (1978)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tubbs (1986)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zahra &amp; Covin (1993)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 45: Organisational goal setting empirical research and principal variables studied

There is some evidence that formal strategic planning is associated with higher organisational performance (e.g. Herold, 1972; Thune & House, 1970). Some research fails to find such a relationship (e.g. Leontiades & Tezel, 1980). Task complexity again appears to have a moderating effect on goal effectiveness (Latham & Yukl, 1975).

8.7.4 Management by Objectives

It is worth briefly acknowledging the literature relating to Management by Objectives (MBO), whilst exploring goal setting. According to Odiorne, MBO is:

…a process whereby the superior and subordinate managers of an organisation jointly identify common goals, define each individual’s major areas of responsibility in terms of the results expected of him, and use of these measures as guides for operating the unit and assessing the contribution of each of its members (Odiorne, 1965: 55-65, quoted in Sanders (2006)).

Some authors consider MBO to be the same as goal setting whilst others argue MBO is only part of it (Sanders, 2006). In either case, for the purposes of this review, MBO does not appear to involve any particular activity not covered by goal setting and correspondingly, the coverage of the goal setting literature (in terms of issues and variables studied) can be seen as representative of the coverage of the MBO literature. This is borne out by the observation that most of the MBO literature relates to the efficacy of its use in organisations (e.g. Hollman, 1976; Hollman & Tansik, 1977; Ivancevich, 1972; Ivancevich, 1974; Ivancevich & McMahon, 1977; Jamieson, 1973; Kondrasuk, 1981; Rodgers & Hunter, 1991).
Furthermore, although early writers focused on MBO programmes and talked generally about the need to translate strategic objectives into short-term objectives, “this integrative link never seemed to drive execution or implementation effort” (Hrebiniak, 2005: 87). Kaplan and Norton make similar criticisms of MBO, arguing that MBO objectives are “established within the structure of the individual’s organizational unit, reinforcing narrow, functional thinking” and that “MBO reflects the traditional approach to job definition, whereby people are asked to do their existing jobs better” (2001: 233).

### 8.7.5 Hoshin Planning

‘Hoshin planning’ is a planning methodology originating in Japan, which is heavily influenced my MBO, TQM and lean management (Cowley & Domb, 1997). Its popularity amongst consultants and practitioners appears to be growing, but it has received very little interest from academic researchers. It involves the use of employee participation for continuous improvement via a cascading planning process. This planning process typically involves the identification of:

1. a desired outcome;
2. an associated metric;
3. a target value;
4. a deadline date; and
5. ‘focused means’ (of achievement), determined via examination of root causes of the desired outcome (using Ishikawa diagrams) (Shiba, Pursch, & Stasey, 1995).

Hoshin planning incorporates some useful principles besides participation and the causality implied in the above process. It relies upon criticality (to isolate the most important issues constraining organisation performance), ‘horizontal alignment’ to assess consistency of activities cross-functionally and feedback loops to allow management control and corrections. Additionally, the use of diagnostic root-cause analysis and Pareto charts goes some way to explaining how managers can identify means of goal achievement.

However, identifying activities that will achieve strategic objectives necessitates developing logic that spans many levels of causality. Hoshin planning, like MBO, relies upon a cascading process utilising the organisational hierarchy, whereby a means at one hierarchical level becomes an objective at the next level down. This causes the
planning to be heavily influenced by existing structural configurations. It is not sufficient to assume that changes in the content of strategy are best implemented via existing organisation structures, let alone that these structures should shape the identification of activities for implementation. Hoshin planning’s place in a philosophy of continuous improvement, rather than strategy implementation, is also underlined by its orientation towards examining performance problems and constraints, rather than opportunities and wider options.

### 8.7.6 Implications for this research

It is evident from this short review of the goal setting literature that it does not address how to identify activities that might plausibly achieve strategic objectives. Rather, researchers in this area make the assumption that objectives, at whatever level in an organisation, are already known and need to be allocated and structured in such a way as to guide and motivate employees and groups. The goal setting literature provides strong evidence to inform the process by which goals should be structured to be effective, but does not illuminate how the content of necessary organisational activities might be established initially.

### 8.8 Systems Thinking Literature

A number of authors (e.g. Forrester, 1961; Senge, 1990) advocate the application of systems thinking in management and this literature was briefly reviewed in light of its focus on cause and effect relationships (albeit specifically loops of cause and effect). Some authors have used systems thinking to examine broad strategic concepts such as rivalry (e.g. Warren, 1999). Muczyk (2004) uses a systems approach to explore organisational effectiveness and alignment, but only in the very broad sense that other authors (e.g. Waterman, Peters, & Phillips, 1980) have used concepts such as fit to explore the interrelationships between organisation dimensions.

Ultimately, no examples could be found of the systems thinking literature dealing with the issue of strategy implementation or inform the question of how organisations might identify and align activities to achieve strategic objectives. This finding was consistent with the very limited overlap between these literature areas identified in the literature search (see Appendix A).

### 8.9 Implications of extended literature review for the study

The extended literature review suggests that despite the fundamental nature of the research question in this study, it does not appear to have been addressed directly in any literature streams related to strategy implementation.
The literature review confirms the extent of the originality of the findings in this study. A small number of researchers touch indirectly upon the current research issue, for example via causal mapping methods and strategic performance measurement systems. These approaches are not supported by theoretical underpinning relevant to the research question and in many cases are not supported by sound empirical research either.

However, this study provides support for some of the broad approaches used (in particular causal mapping), highlighting:

1. their potential value in helping organisations identify and align activities to achieve strategic objectives; and
2. how they might be applied effectively to avoid common problems with their use for this purpose and, consequently others, such as performance measurement.

The extended literature review pinpoints serious deficiencies in the literature streams it explores. In particular, it is disappointing that no strategy research addresses how organisations identify and align activities to achieve strategic objectives, and it is a concern that researchers assume managers do this adequately.
CHAPTER 9: DISCUSSION

9.1 Purpose

Following the within-case and cross-case analysis and extended literature review, this chapter reviews the findings in light of the limited amount of relevant existing theory and assesses their wider implications and originality.

9.2 Research question

This study set out to examine strategy implementation and ultimately focused on a research question that appeared to reflect an important and problematic issue: how organisations implementing strategy identify and align activities to achieve strategic objectives.

Existing theory, located in a diverse range of literature streams generally appears to rest on the assumption that organisations adequately identify what activities are required to achieve chosen strategic objectives. Theorists offer virtually no advice about how managers or organisations might do this. No systematic empirical research has hitherto been conducted examining this issue, whether it is a barrier to successful strategy implementation and how it may be overcome.

With the research question established through grounded research, the study did not seek to examine in any depth, within each of the three cases the content of organisational strategies, the overall effectiveness of the strategy implementation process or organisational performance outcomes or objective achievement. These issues lay outside the scope of the study, which instead focused upon one specific element of the strategy implementation process – the actual identification and alignment of activities to achieve strategic objectives. The research was not concerned with whether activities were implemented as intended or their actual outcomes, but rather how they were identified and aligned to achieve strategic objectives, prior to their physical implementation.

9.3 Key findings

The study found the following amongst the organisations studied (selected to fit the theoretical sample frame): -

1. The lists of strategy implementation barriers identified by previous researchers are inadequate to explain the many causal relationships between barriers in any given case, which is likely to be idiosyncratic. Analysis of barriers via causal
mapping is likely to produce richer, more comprehensive and more useful results.

2. No organisations attempted or succeeded systematically to identify activities that might plausibly achieve strategic objectives.\footnote{In this context, ‘activities’ means tasks that could be undertaken by competent individuals and teams without considerable further planning and/or support from strategic decision-makers.}

3. Ineffective activity identification and alignment was a central barrier to strategy implementation and caused numerous negative effects, many of which have been identified by other researchers as strategy implementation barriers.

4. Eight limitations consistently caused ineffective activity identification and alignment, most of which were observable in both strategy implementation-related documentation and project-based workshops.

5. Organisations could design or adapt several systems and processes specifically to ensure these limitations are minimised and that activities are identified and aligned effectively to improve strategy implementation.

6. In particular, the development of high quality causal maps or ‘causal chains’ (causally linking strategic objectives with the specific activities that might plausibly achieve them) is a useful method of identifying and planning activities to achieve strategic objectives. This method can usefully be extended to identify post-implementation risks and performance measures and has various other benefits.

Each of these findings is discussed in more detail below, and integrated with the relevant elements of the initial and extended literature reviews (see Chapter 2 and Chapter 8, respectively).

9.4 Activity identification & alignment: A key barrier to strategy implementation

There is wide acknowledgement that strategy implementation is difficult (e.g. Hrebiniak, 2005). However, theorists generally assume most strategy implementation-related problems occur once activities are underway. Theorists identify lists of numerous ‘barriers’ to implementation, many relating to issues such as\footnote{See Section 2.2.11 for a complete list of barriers}:

1. limited strategic clarity (e.g. Corboy & O’Corrbui, 1999);
2. insufficient staff participation in planning (e.g. Economist Intelligence Unit, 2004);
3. unclear performance criteria (e.g. Economist Intelligence Unit, 2004);
4. poor internal communications (e.g. Wessel, 1993)
5. unclear roles and responsibilities (e.g. Corboy & O'Corrbui, 1999);
6. detrimental politics and influencing (e.g. McGrath, MacMillan, & Venkataraman, 1995);
7. poorly integrated structure (e.g. Economist Intelligence Unit, 2004; Hrebiniak, 2005);
8. poor reward systems (e.g. Kerr, 1975; Simons, 2000);
9. limited TMT visibility of performance (e.g. Al-Ghamdi, 1998);
10. poor reporting of performance (e.g. Hrebiniak, 2005); and
11. ineffective prioritisation (e.g. Wessel, 1993).

In examination of these barriers no strategy implementation theorists have yet explored the possibilities that many of these barriers can be articulated at various levels of abstraction, potentially overlap because of wide and imprecise definitions and are causally related in as yet poorly defined ways (and thus individually may only represent the symptoms of more fundamental problems). A better understanding of this issue would support decisions about whether to (a) deal with the root cause of a problem, (b) seek to ‘neutralise’ a problem with other efforts, recognising that its root cause is not adequately controllable, or (c) alter the strategy to avoid these problems being relevant, for example.

This study provides empirical evidence that each of these hitherto unexplored possibilities is a reality. In each of the three cases examined, numerous barriers to strategy implementation were isolated. It seemed these could only be meaningfully represented through causal maps depicting their causally interrelated nature (see Figure 43). No prior strategy implementation research has used this technique to explore strategy implementation barriers.
This development has significant implications for strategy implementation research and practitioners. The evidence, patchy though it is, suggests that strategy implementation failure rates are high (e.g. Corboy & O'Corrbui, 1999; Economist Intelligence Unit, 2004; Mankins & Steele, 2005). The ability to anticipate, identify and respond to strategy implementation barriers is thus an important practical challenge. A fragmented understanding of strategy implementation barriers that deals with them on an isolated basis (as a review of prior research might produce) is greatly inferior to one that recognises their interrelationships. For example, recognising ‘unclear means of objective achievement’ and ‘unclear division of responsibilities’ as separate strategy implementation barriers is probably less useful – in terms of overcoming them – than recognising that ‘unclear means of objective achievement’ amongst other things is likely to cause ‘ineffective activity identification and alignment’ which in turn causes, amongst other things, ‘unclear division of responsibilities’ (as Figure 43 clearly implies).

This study did not set out to perform a comprehensive analysis of strategy implementation barriers. However, many strategy implementation barriers identified by other researchers also surfaced in the three cases presented. So too did other barriers to strategy implementation, many of which appeared to be quite specific to the cases examined. This fact, allied with the point that mapping the causal relationships between strategy implementation barriers may be essential to overcoming them, raises a question about the assumptions underlying prior research in this area. Strategy implementation barriers have generally been identified by researchers who state or imply that their findings can usefully be generalised to wider populations. However, the fact that specific barriers are common – a ‘content’ school finding, to use the label defined in Section 2.2.8 – may be of little significance. It may be more practically useful to explore strategy implementation barriers through developing a method for identifying them in particular situations. Such an approach would fall neatly into the ‘process’ school as defined in Section 2.2.10 and causal modelling, such as that presented in Figure 6, Figure 15 and Figure 24 may be a useful starting point in the search for an effective method for identifying strategy implementation barriers.
Chapter 9: Discussion

In short, a forceful argument can be made that ‘content’ school’ lists of strategy implementation barriers are, at this stage in the evolution of an understanding of strategy implementation, of limited value; whereas a ‘process’ school methodology to identify context-specific barriers, as emerged in this study, is much more helpful. At best, ‘content’ school lists may provide a form of ‘back-up checklist’ for researchers and practitioners to stimulate additional considerations.

A multi-part proposition (framed using null hypotheses) can thus be formed as follows.

Organisations using causal analysis to identify strategy implementation barriers will not achieve:

1. higher success levels in overcoming strategy implementation barriers; or
2. higher levels of success implementing strategy; or
3. higher levels of organisational performance than organisations relying on generic lists of strategy implementation barriers for this purpose.

It is recognised that testing this proposition will not be easy in the immediately foreseeable future. Given that no existing strategy implementation publications propose the use of causal analysis to identify strategy implementation barriers, it seems unlikely that more than a tiny handful of organisations, will have adopted this method. It is more likely that a form of experimental research may provide the best opportunity to test the above proposition.

9.5 Identifying & aligning activities to achieve strategic objectives

None of the organisations studied attempted or succeeded systematically to identify and align activities to achieve strategic objectives. This study raises hitherto unarticulated questions about strategy implementation, which with the benefit of hindsight seem obvious. For example, if activities critical for strategy implementation have not been adequately identified:

1. How can informed decisions be made about organisation structure? The Economist Intelligence Unit (2004) and Hrebiniak (2005) specify poorly integrated structure as a strategy implementation barrier. This study also identified this as a barrier.
2. How can responsibilities for undertaking these activities be efficiently allocated to individuals and groups? Unclear roles and responsibilities is reported as a strategy implementation barrier by Corboy and O’Corrului (1999). This study also identified this as a barrier.

3. How can effective prioritisation decisions be made about these activities? Having too many or conflicting priorities is a strategy implementation barrier according to Alexander (1985), Al-Ghamdi (1998), Wessel (1993) and Wernham (1984). This study also identified this as a barrier.

The likelihood exists that many barriers to strategy implementation are caused by inadequate identification of what activities might plausibly cause the achievement of strategic objectives. Indeed, logically, it seems most unlikely that strategic objectives will be reliably achieved through activities that have not systematically been identified as likely causes of these objectives. In each case it examined, this study uncovered numerous barriers to strategy implementation that appeared to be caused, or exacerbated, by ineffective activity identification and alignment.

As the foregoing literature reviews demonstrates, very few authors identify actual activity identification as an important challenge and none adequately explain how this may be done. Activity identification and alignment is barely explored in the literature. Eccles (1994), Galbraith and colleagues (1986; 1978), Hrebiniak and Joyce (1984) and Hrebiniak (2005) recognise the need to identify activities as part of the strategy implementation process, but do not inform how it should be done. Roberts and Pitt (1990) and Grady (1991) make important contributions through their proposed ‘process’ strategy implementation models, but give no details of how to actually identify activities and provide no empirical evidence in support of their models. Roberts and Pitt note that, “[v]ery little, if any, published work makes the direct linkage between CSFs and the CBAs which underpin them” (1990: 12). They suggest, “[t]he process of isolating the CBAs underpinning each CSF is again achieved by management workshops” (1990: 11) but do not give specific details of how activities should be identified and aligned to achieve strategic objectives, or any problems that might be encountered in doing this. Grady (1991) outlines a very similar hierarchical process model to Roberts and Pitt but provides virtually no details of these elements of his graphically-depicted model. His work is neither empirical, nor grounded in the existing literature.

The handful of strategy implementation models researchers have produced consistently appear to have been designed with an assumption that activity identification
can be done easily by practitioners. This study casts serious doubt that assumption. Within the cases examined, ineffective activity identification and alignment caused numerous negative effects, many of which have been identified by other researchers as strategy implementation barriers. These include but are likely not to be limited to:

1. suboptimal project selection;
2. poor stakeholder engagement and management;
3. unclear roles and division of responsibilities;
4. poor embedding of project products;
5. poor project cost/benefit analysis;
6. poor resource allocation decisions; and
7. execution to be ignored in policy creation.

Numerous multi-part propositions (framed using null hypotheses) can be formed, building upon these findings. The following is only one example.

Organisations that are highly systematic in identifying and aligning activities to achieve strategic objectives will not achieve:

1. higher levels of role clarity and clarity of division of responsibilities; or
2. higher levels of success implementing strategy; or
3. higher levels of organisational performance than organisations that do not systematically identify and align activities to achieve strategic objectives.

This proposition and others like it could reasonably be tested via further research. Both expert assessments (based on analysis of data from cases) and actor feedback (probably gathered via surveys) could provide adequate measures of these variables. However, were associations found between these variables via quantitative tests, further qualitative research would be required to deal with the potential effects of co-variables.

9.6 Causes of ineffective activity identification & alignment

The study turned to examining what causes ineffective activity identification and alignment. Interviewees provided data that suggested, at a conceptual level, that numerous factors appeared to contribute to this problem in each of the cases. However, as the study progressed to examine strategy implementation-related documentation and project-based planning in action, it became clear that ineffective activity identification
and alignment could be more directly explained\(^{105}\). Document analysis and observation of subjects provided opportunities to examine the efforts of individuals and teams as they determined what actions to undertake, in pursuit of strategic objectives. Across the cases, the order of frequency (starting with the most frequently-observed) of the limitations was:

1. lack of strategic logic and clarity;
2. inadequate breakdown of strategy;
3. leaps of logic;
4. the use of vague/ambiguous terminology;
5. strategy that deals only with changes;
6. strategy oriented to influence multiple stakeholders;
7. confusion between causality and task dependency; and
8. confusion about the direction of causality.

The identification of these highly specific problems with strategy implementation-related plans and the associated thinking of managers are important for the strategy implementation field. Other researchers such as Hrebiniak and Joyce (2001) have noted that for managers, thinking about strategy implementation is particularly difficult. They suggest that “[m]anagers and researchers tend logically to focus on small manageable problems or short causal chains to control the number of variables and clarify cause-effect relationships. These actions militate against simultaneous thinking, detracting from the efficacy of implementation activities and research” (2001: 608). This study provides some empirical support for this (rather general and conceptual) view and offers further details of the limitations on managerial thinking. (Hrebiniak and Joyce do not provide an analysis of the thinking pitfalls into which managers stumble when seeking to implement strategy, or in this case identify specific activities to implement in pursuit of strategic objectives.) Each of the limitations and any corresponding literature is examined in greater detail below.

### 9.6.1 Lack of strategic logic & clarity

In all the cases examined, problems were caused by unclear or apparently illogical strategy. This problem was in evidence with ‘top-down’ strategic plans and also

---

\(^{105}\) To use a medical simile, this progression was akin to, having recognised that smoking causes cancer, examining the effects of cigarette chemicals on tissues at the cellular level.
emerged when subjects were observed seeking to causally link proposed activities with strategic objectives.

This problem was almost certainly related to the use of vague/ambiguous terminology (a bi-directional causal relationship probably existing between the two variables). It may also have contributed to the problem of inadequate breakdown of strategy. However, the evidence from the cases suggests it is a problem in its own right.

For example, at a group level, Company A formally stated that it did not have a ‘strategy’. Whilst this was debatable (the pattern of its deliberate actions could arguably have amounted to a strategy), certainly it had no documented strategy, meaning that individuals, teams, departments and functions (like Functions A1 and A2) saw what was often described as a ‘strategic vacuum’, making development of their own strategies, operating models and programmes of action difficult.

Lack of strategic logic and clarity has not hitherto been firmly identified as a barrier to strategy implementation. Hrebiniak reports two surveys in which “[p]oor or vague strategy” (2005: 17) was highly rated as a barrier by respondents. However, the survey provides no details of what this expression means and Hrebiniak’s analysis of the results lead him to include “[u]nderstanding how the creation of strategy affects the execution of strategy” as the only related challenge for managers (2005: 22). He does later say “[e]xecution cannot occur until one has something to execute. Bad strategy begets poor execution and poor outcomes…” (2005: 23) and that “[v]ague strategies cannot easily be translated into the measurable objectives or metrics so vital to execution” (2005: 21).

Hrebiniak hints at the problem but as with others, does not explain precisely how poor strategies affect strategy execution. The findings from this study suggest that lack of strategic logic and clarity makes the already difficult challenge of identifying and planning activities even more so. The study showed that even when undertaking ‘bottom-up’ planning (i.e. starting with projects and testing their strategic logic, rather than starting with strategic plans), managers ran into trouble. In the absence of clear strategic objectives, they were prone to:

1. become confused about how to manage trade-off decisions (e.g. between revenue, costs and risk);
2. select non-strategic objectives and sometimes see delivery of project products as being an end in themselves; and
3. select vague objectives such as to “improve business performance”, which subsequently failed to properly inform how options were selected, projects were structured, benefits estimated and performance measured.

9.6.2 Inadequate breakdown of strategy

In each of the cases examined in this study, it was recognised that strategy was not broken down adequately to enable the identification and subsequent planning of activities that might plausibly achieve strategic objectives. In many instances, the least abstract elements (of plans that had been broken down to inform implementation) were highly abstract and could not have been executed without considerable additional planning.

When strategies were articulated only at high levels of abstraction, numerous questions remained unanswered about how they should be implemented. In many cases, strategies were broken down into broad ‘programmes’ or occasionally ‘work streams’, but no further. It proved difficult to establish precisely why strategies were not broken down to the activity level, but it seems that in many cases, managers did not attempt to do this because:

1. they did not share an expectation that strategic planning should or would be connected to operational activity (perhaps based on the assumption that strategic planning was a low-value formality, was of value in terms of a process more than its outputs, or was intended only to generate highly generic outputs for communication to colleagues – rather than actual implementation);

2. they assumed that those responsible for implementing elements of the strategy would break these down into activities (and, presumably, that this would be adequately performed in this less integrated fashion);

3. they considered the level of detail to which strategies were broken down to be adequate to drive activity; and

4. they preferred not to formally articulate how a strategy would be implemented, to ‘leave their options open’ or camouflage their own uncertainties about how to implement the strategies. It appeared to be the case in Company A in particular, that precise definition of future activities, outputs, performance measures and targets was seen by some as unwise because such data might be used by superiors or peers in the future, to challenge managers, damage their credibility or for other political purposes. In Agency B, where there were
fewer references or allusions to a ‘blame culture’, this did not appear to be a frequent consideration for managers.

This problem has certainly been recognised by other strategy implementation researchers. Alexander (1985) and Al-Ghamdi (1998) both note it. Allio says “[a]n important first step is to break down the basic logic of how a broader strategy is to be implemented into shorter-term actions, with a defined start, middle, and end” (2005: 15). However, he does not explain how to do this. This research demonstrates the potential of applied causal thinking to tackle this challenge.

9.6.3 Leaps of logic

In each of the cases examined in this study, in both strategy implementation-related documents and observed in planning workshops, subjects made (unarticulated) assumptions that amounted to leaps of causal logic. These leaps of logic meant that highly indirect causal relationship, were implied. Managers were prone to identify highly specific means to achieve desired objectives, without articulating intermediate means and ends. It was clear that highly indirect relationships were much harder to articulate, explore, evaluate and measure. This had two serious consequences. First, visibility of different means of objective achievement was severely reduced, because alternatives for each intermediate means could not be identified. Second, if the selected means were chosen for execution, it would be further planned and performed without reference to a rich context explaining more precisely what it was intended to achieve, why it was chosen as a means and how it related to other means.

In one simple example, a team exploring how sales volume could be increased determined that the business should seek to increase promotional activity. It is logically plausible that (all other things being equal) increased promotional activity would cause increased sales volume. However, it is more comprehensive to specify that (all other things being equal) increased promotional activity would cause, for example, the attraction of new customers that would cause an increase in the total customer base, which would increase sales volume. Arguably, it might even be worth specifying that increased promotional activity would increase average awareness/perceived value of the product which would in turn increase average desire to purchase the product which would increase the attraction of new customers. This is a good example of the problems balancing the level of detail and technical accuracy with the limitations of managers’ cognitive capabilities and practical requirements. It is also a good example of where specific contextual information such as the nature of the product, market, scope of
promotional potential and so on is very helpful in informing an appropriate level of detail.

Because intermediate means to increasing sales volume were not identified, obvious alternatives means were ignored, including increasing average sales volumes per customer and increased customer retention. Figure 44 graphically depicts the leap of logic that was made, and the intermediate and alternative means that were ignored, as a consequence.

![Leap of logic and the intermediate and alternative means ignored by it](image)

Figure 44: Leap of logic and the intermediate and alternative means ignored by it

Also, because attraction of customers and increased customer base were not specified as means, it was not entirely clear what the *immediate* objective of the increased promotional activity would be, even though this would likely affect its detailed planning and implementation. Promotional activity might, for example, be oriented to attract non-users of a product, retain existing customers or increase current users’ usage. The effectiveness of promotional activity would likely be increased were such specific objectives made clear by a strategy breakdown.

This problem has enormous implications. Failure to articulate reasonably detailed chains of causality and explore an appropriate range of alternative means of objective achievement causes:

1. suboptimal strategic choices;
2. misallocation of resources; and
3. ineffective strategy implementation.
Subjects were also observed to make leaps of logic when prompted to explain how a proposed activity or project would affect strategic objectives – essentially making the same mistake when applying causality in the opposite direction. In both Company A and Agency B, a great deal of activity was initiated in this emergent fashion, under varying degrees of strategic context and control. The impact of activity/project planners making leaps of logic was again that alternatives to the proposed activity/project would tend not to be considered, and important contextual information that could be provided by identification of intermediate means and ends was not generated. This again would likely lead to suboptimal strategic choices, misallocation of resources and ineffective strategy implementation.

In many instances, it was observed that Company A in particular (and in Agency B, but less so) various tools were used that exacerbated the problem of leaps of logic. For example, several matrices were used by managers to map the relationships between ‘work streams’ or projects being undertaken against formal business objectives. In some cases, one intermediate objective would be identified in the body of the matrix at the point of intersection between a business objective and work stream. In many others, only a ‘tick’ or bullet-point would be used to indicate an unspecified relationship between the two.

Company A (though not Function A1 or A2) also made limited use of the service-profit chain (Heskett, Jones, Loveman, Sasser, & Schlesinger, 1994; Reichheld, 1993) a well-known tool that builds on the notion of causality but incorporates a number of leaps of logic, of the sort outlined above.

No examples could be found of any researchers in the strategy implementation field exploring these leaps of logic.

9.6.4 The use of vague/ambiguous terminology

In all the cases examined this study, ambiguous language created lack of clarity about the intended meaning of strategic objectives and intermediate goals, including those developed as part of ‘causal chains’. This, in turn, created difficulties with the identification of activities that might plausibly cause strategy to be achieved. In other cases, strategic objectives appeared to overlap, often because they were defined at different levels of abstraction and were causally related (but this did not appear to be recognised by managers).

By way of example, in one extreme instance, managers in Company A, led by an external consulting team, were invited to ‘break down’ strategy represented pictorially.
The strategy, which the managers had themselves developed, had been depicted using a cartoon of a team in a boat rowing down a treacherous river. The metaphors that had been used to explore strategy had seemed useful and engaging for participants until the point when they were asked to break the strategy down into programmes of change and, ultimately, activities. They found the task impossible, even with guidance from the external consultants (albeit this guidance did not appear particularly well developed). The entire exercise broke down, the consultants were dismissed shortly afterwards, the ‘strategy’ that had been developed was abandoned and the infamous rowing boat pictures never seen in Company A again.

In many other cases, words with ambiguous meanings were used. For example, the single word “sales” was frequently used by managers in both top-down and emergent planning. However, when the meaning of this word was queried, it was usually unclear whether it was intended to mean revenue or sales volume. This ambiguity created problems with the development and interpretation of causal chains.

The literature provides examples of such ambiguity, including where causality has been used. Jenkins & Johnson, for example, attempt to categorise elements within a causal map. Assessing the extent to which maps contained performance measures, they identified elements such as “turnover”, “profit”, “stock turnover”, “better margins” and “reduce borrowing” (1997a: 905). The findings from this study suggest it is valuable to distinguish between:

1. performance variables;
2. the measures used to track performance variables;
3. the (generally) preferred direction in which they might move;
4. the desired extent of movement (or desired target performance) over a specified time period; and where appropriate

Whereas “profit” is simply a performance variable, “better margins” is an ambiguous phrase but presumably implies a preference for larger (i.e. preferred direction of movement is an increase) profit margins of some sort. Neither phrase can confer how these variables might be measured or any target performance.

Such variability not only between but also within causal maps may indicate confusion about the content of a map and is a potential problem if it makes causal maps difficult to interpret. Certainly, one can argue that if causal maps are to be used to
translate conceptual strategies into concrete activities, clarity and consistency in the map’s formation are essential.

Some authors have recognised problems with ambiguous language in strategy. For example, Allio says “imprecise language obfuscates implementation, confuses the rest of the team, and unnecessarily prolongs work sessions and documentation” (2005: 18). Allio notes the importance of establishing a common language for successful strategy implementation. He notes “[o]ne man’s “market” is another man’s “industry”; one group’s “customer” can be another group’s supplier, partner, or co-worker” (2005: 16). Wunder quotes the Chief Executive of a European oil corporation as saying, “[i]n this process, we became aware of having a number of ‘lofty’ statements in our strategy. … Merely preaching that we want to be bigger, nicer, and stronger are not strategic objectives” (2005: 37). Eden and Ackermann (1998b) also advise against ambiguity and imprecision of terminology used in strategy maps (see Section 8.3.11). This study provides systematic empirical support for Eden and Ackermann’s observation, which of course referred to common problems with managers’ cause and effect thinking in general.

This study provides a more detailed explanation of why ambiguous terminology is unhelpful and specifically links this problem to strategy implementation. In each of the cases examined, vague or ambiguous terminology made it difficult for manager to construct logical causal chains linking strategic objectives to clear business objectives. Once again, this problem was evident amongst subjects working with ‘top-down’ strategic plans and those testing the strategic alignment of proposed projects and other activities.

9.6.5 **Strategy that deals only with changes**

In each case in the study strategy-related documents were analysed that dealt only with changes to strategy, rather than the existing strategy or ‘business model’. These strategies apparently ignored all other aspects of the organisation, including many that were central to existing performance. It is well established in theory that strategy relates to products, markets, channels, resources, stakeholders and so on; not simply new products, markets, channels etc..

This problem prevented managers from making well-informed decisions about integrating new initiatives with existing activities and ensuring compatibility between them. It also made trade-off decisions difficult, obvious when managers sought to
develop causal chains linking activities with strategic objectives. All of these issues damaged the quality of activity identification and alignment.

This problem has been identified, at a high level, by authors. Brache and Bodley-Scott say:

In keeping with our strategy implementation focus, we could suggest that you limit your prioritization to those initiatives that are required to execute your strategy. Big mistake! Strategic initiatives must be prioritized within the context of the full portfolio because some tactical initiatives may be higher priority than strategic initiatives and because all projects draw from the same human and financial resource pool (2007: 43-4).

There was evidence that problems arose when managers sought to translate such strategies into activities, because the interdependencies between what was required to bring about the changes specified and what was required to maintain existing operations became more relevant as the level of planning detail developed. Again, managers demonstrated very limited awareness of this problem. For example, in one case, a list of objectives produced via an SBU’s annual strategy exercise included only details of a new product launch, an expansion into several new European countries and a new partnership with an intermediary.

9.6.6 **Strategy oriented to influence multiple stakeholders**

In each case in the study, evidence was found of strategy-related plans being developed to influence stakeholders, at the expense of seeking absolute clarity for those involved in developing and implementing the strategy. Numerous strategic plans read like ‘sales documents’, using grand but imprecise language about ambitions, highlighting past successes, seeking support and avoiding ‘negative’ issues such as risk management.

This problem contributed to creating a lack of strategic clarity and logic, as well as increasing the use of vague and ambiguous language.

No examples could be found of any researchers in the strategy implementation field examining this problem.

9.6.7 **Confusion between causality & task dependency**

In each case in the study, evidence was found of confusion between causality and task dependency. When attempting to create causal chains (causally linking activities to strategic objectives), many managers mapped sequential task dependencies – i.e. between activities). Thus, these managers examined the detail of how a given project
should be undertaken, at the expense of articulating why it should be undertaken in the first place.

This tendency is perhaps unsurprising, given the emphasis organisations such as Company A and Agency B place upon making visible progress, and the relative familiarity many managers have with operational activity over strategic matters. In Company A in particular, which used a tight set of control systems (including performance measures, targets, complex reward systems and so on), it is likely that these reinforced managers’ orientation towards generating demonstrable actions and short-term results. In Agency B, which operated more flexible control systems, this influence was less pronounced, although managers generally displayed less interest in strategic performance. It seems likely that strategic performance, being better defined in the private sector, is a greater influence in companies such as Company A. Agency B’s staff had much greater difficulty articulating their organisation’s general purpose.

No examples could be found of any researchers in the strategy implementation field examining confusion between causality and task dependency.

9.6.8 Confusion about the direction of causality

In each of the cases, evidence was found of confusion about the direction of causality. In numerous instances, managers suggested that causal relationships existed that were implausible, unless the direction of causality was reversed. It was uncovered that in many cases this mistake was not due purely to carelessness, but reflected managers’ thinking that an outcome acted as a performance indicator for the accomplishment of its cause.

The only instance found of any researchers mentioning confusion over the direction of causality was Eden and Ackermann (1998b) (see Section 8.3.11). This study provides systematic empirical support for Eden and Ackermann’s observation which, as noted, referred to common problems with managers’ cause and effect thinking in general.

A multi-part proposition (framed using null hypotheses) can be formed, building upon these findings, as follows.

Organisations planning strategy or its implementation in which:

1. there is not a lack of strategic logic and clarity;
2. strategy has been adequately broken down;
3. managers do not make leaps of causal logic;
4. managers do not use vague/ambiguous terminology;
5. strategies are not framed only to deal with changes;
6. strategies are not oriented to influence multiple stakeholders; and
7. managers do not display confusion between causality and task dependency

will not

8. more effectively identify and align activities to achieve strategic objectives; or
9. achieve higher levels of success implementing strategy; or
10. achieve higher levels of organisational performance

than organisations planning strategy or its implementation in which:

11. there is a lack of strategic logic and clarity;
12. strategy has been inadequately broken down;
13. managers make leaps of causal logic;
14. managers use of vague/ambiguous terminology;
15. strategies are framed only to deal with changes;
16. strategies are oriented to influence multiple stakeholders; and
17. managers display confusion between causality and task dependency.

Obviously, this proposition is rather complex, due to the multiple limitations identified in the study. However, it could feasibly be:

1. used to construct an ‘activity identification and alignment process effectiveness index’ (via the eight elements drawn from the limitations identified) and this used to support a quantitative study testing the association between this index and strategy implementation success and/or organisational performance; and
2. modified to conduct more detailed qualitative studies on one or more of its particular elements.
Were associations found between these variables via quantitative tests, further qualitative research would be required to deal with the potential effects of co-variables.

9.7 Preventing ineffective activity identification & alignment

It was observed that activity identification and alignment limitations occurred where there was:

1. no structured strategy development framework being in use;
2. insufficient motivation to develop effective strategy;
3. limited strategic awareness and skills; and
4. limited management visibility, control and feedback.

The final limitation noted above was only identified in one of the three cases and must therefore be treated with greater caution than the others.

It was anticipated that organisations could:

1. design a strategy framework;
2. develop motivation to develop effective strategy;
3. develop strategic awareness and skills; and
4. and develop management control systems

to take account of the specific activity identification and alignment limitations and tackle them directly.

As outlined in Section 9.7, various authors, including some in the strategy implementation area, have identified some of the activity identification and alignment limitations identified in this study. However, they have generally not examined or explained them in any detail and none have sought to understand them within the context of researching activity identification and alignment. Thus, it is unsurprising that despite the voluminous literature on strategy frameworks, management control systems and so on, none could be found that relate specifically to preventing the limitations identified in this study from occurring. Nevertheless, and despite the tentative nature of the findings in this regard (see Section 7.8.4), it is possible to develop a proposition to support research development in this area.

A multi-part proposition (framed using null hypotheses) can be formed, building upon these findings, as follows.

Organisations planning strategy or its implementation that:
1. design a strategy framework;
2. develop motivation to develop effective strategy;
3. develop strategic awareness and skills; and
4. develop management control systems

in such a way as to ensure:
5. there is not a lack of strategic logic and clarity;
6. strategy has been adequately broken down;
7. managers do not make leaps of causal logic;
8. managers do not use vague/ambiguous terminology;
9. strategies are not framed only to deal with changes;
10. strategies are not oriented to influence multiple stakeholders; and
11. managers do not display confusion between causality and task dependency

will not:
12. more effectively identify and align activities to achieve strategic objectives; or
13. achieve higher levels of success implementing strategy; or
14. achieve higher levels of organisational performance

than organisations planning strategy or its implementation that do not.

Given the specificity of the conditions in this proposition, it seems unlikely that in the foreseeable future, large samples of organisations will be available that have (without researcher interventions) designed frameworks, systems and so on intended to eliminate/minimise any of these limitations. Therefore, it is probable that this proposition would be best researched via a form of experimental research. This would likely involve developing or changing strategy frameworks, skill sets and so on, in a particular way and tracking the impact of these manipulations. Qualitative studies that attempted this would substantially build upon this research.
9.8 Using ‘causal chains’ in strategy implementation

The application by subjects in the study of ‘causal chains’ was in response to researcher interventions proposing the linking of proposed activities with strategic objectives via explicit causal hypotheses. This technique appeared to be useful for:

1. explicitly identifying different options for achieving objectives (i.e. ‘top-down’);
2. making choices from amongst these;
3. testing the alignment of proposed activities with strategic objectives, by examining the plausibility of these (i.e. ‘bottom-up’);
4. making explicit cause and effect assumptions linking activities with strategic objectives;
5. supporting effective communication and discussion of strategic rationale with a wide range of stakeholder groups;
6. supporting decisions about how best to manage trade-offs (e.g. between revenue opportunities and cost control), including informing operational decisions;
7. informing how activities and projects should be carried out in order that they might plausibly cause intended strategic outcomes;
8. informing the identification of risks relating to activities or projects;
9. supporting the identification of (leading & lagging) performance measures for activities or projects; and
10. supporting cost-benefit analyses for activities or projects.

As noted in Section 8.3.13, Stubbart and Ramaprasad say:

…most often, in cognitive mapping, causation is perceived, not proven in the scientific sense. The stated causations are usually direct and not contingent upon other conditions; in other words, there are no ifs and buts in the statements of causation. ... Thus the limitation on the encoding of relationships may not be technical but human. In other words, to the extent that cognitive maps rely solely on the perceptions and articulation of people, the relationships will be limited to those that can be directly perceived and articulated in the natural language. This we know is very limited (1990: 264).

They also say, “[u]nless techniques are developed for eliciting, mapping, and validating large complex cognitive maps in real time at reasonable cost, managers will be compelled to rely on heuristics to do so...” (1990: 265).
Chapter 9: Discussion

Many parts of the management literature make references to or apply causality in one form or another. The mapping of possible causal relationships was probably first used by Axelrod (1976) to examine managerial cognitions. It has also been used in business system dynamics (e.g. Forrester, 1961) and strategic planning (e.g. Eden & Ackermann, 1998b). Various researchers have explored weaknesses of causal maps (see Section 8.3.13).

In the strategy implementation field, allusions have been made to the use of cause-and-effect assertions for strategising (e.g. Hrebiak & Joyce, 1984) and the literature on critical success factors (some of which has been used by the strategy implementation ‘process school’) arguably implies the use of causality to break strategies down into critical elements necessary for its realisation.

More recently the notion of causality was applied by Kaplan and Norton (2001) to map strategy and, they claimed, help implement strategy. However, as discussed elsewhere, their work does not examine activity identification. Kaplan and Norton’s work did not influence the researcher-led interventions in this study, having been published after the initial interventions were made in the cases. However, the detailed findings in the study relating to activity identification and alignment limitations can readily be applied to many of the examples Kaplan and Norton provide. Many of the ‘strategy maps’ they present are generally replete with ambiguous terminology, leaps of logic, lack of strategic logic and so on. As discussed in Section 8.2.3, none of them is broken down to the activity level.

No strategy- or planning-related literature could be found using causality ‘bottom-up’. However, in the training field, Kirkpatrick’s (1959; 1979) model linking training, learning, behavioural and financial outcomes uses a similar set of principles for evaluation of learning interventions. In fact, his theoretical model served as the inspiration for the researcher’s proposed use of causal chains as applied to strategy implementation challenges in the cases in this study.

Ittner and Larcker (2003) provide some evidence of limited use of causality in organisations to identify non-financial performance measures, as the balanced scorecard proposes doing. They do not examine strategy implementation or the identification of alignment of activities to achieve strategic objectives. They report that in their survey of 157 companies, 23 percent made use of “extensive causal modelling and validation” (2003: 91) and had, on average, a 5.14 percent higher Return on Equity (ROE) than companies that didn’t use causal models. The authors provide no commentary of
whether any causal relationships lie behind this association. Ittner and Larcker express surprise that the proportion of companies using causal modelling is so low. This research suggests this low rate of the explicit use of causality is, if anything, remarkably high. Ittner and Larcker provide no details of how the term was defined in their research, or exactly how ‘usage’ of causality was calibrated via their survey or if it was verified via any form of triangulation. It seems likely that the 23 percent of companies surveyed may have been using causality in its broadest sense, and making many of the mistakes identified in this study. Certainly, the one ‘causal chain’ presented as an example by Ittner and Larcker (from a fast food chain) includes the following problems:

1. lack of strategic logic and clarity (this may have existed elsewhere but is not evident);
2. inadequate breakdown of strategy (“selection and staffing” is the most specific cause identified);
3. leaps of logic (e.g. “customer buying behaviour” directly causes “sustained profitability”); and
4. the use of vague/ambiguous terminology (e.g. “employee-added value”).

The common mistakes made by those using causal chains, identified via this study, are useful to identify specific problems with this causal chain, none of which Ittner and Larcker appear to aware.

Despite these problems, it is important to note that these authors are essentially proposing the use of ‘top-down’ causal chains to identify performance measures. This study suggests that ‘top-down’ and ‘bottom-up’ causal chains are useful for this purpose – as well as many others, including the identification and alignment of activities to achieve strategic objectives. It suggests that the approach proposed by Ittner and Larcker is a useful one, albeit this study informs how it can be further developed and improved.

Following his examination of the strategic behaviour of a firm over a 20 year period, Hall argues that various organisational pathologies (specifically, maladaptive organisational mutations, politicking to maintain power and misattribution of causality) stem from (amongst several other things) “the absence of any reliable procedure for formally constructing the organization’s cause maps of causality and checking their validity” (1984: 923). It would appear from the limited and disjointed research conducted since, that Hall’s complaint is still valid.
It is possible, building upon the findings of this study, to develop a proposition that fills in many of the gaps in previous research and focuses on the potential of causality to assist with identifying and aligning activities to achieve strategic objectives.

A multi-part proposition (framed using null hypotheses) can be formed, as follows.

Organisations that use ‘top/down’ and/or ‘bottom-up’ causal chains to identify and align activities to achieve strategic objectives will not:

1. more effectively identify options for achieving strategic objectives;
2. more effectively making choices from amongst these;
3. more effectively test the alignment of proposed activities with strategic objectives, by examining the plausibility of the relationships between these;
4. more effectively communicate and support discussion of strategic rationale with a wide range of stakeholder groups;
5. make more effective decisions about how best to manage trade-offs;
6. more effectively inform how activities and projects should be carried out in order that they might plausibly cause intended strategic outcomes;
7. more effectively inform the identification of risks relating to activities or projects;
8. more effectively identify (leading & lagging) performance measures for activities or projects;
9. more effectively analyse costs and benefits of proposed activities or projects;
10. achieve higher levels of success implementing strategy; and
11. achieve higher levels of organisational performance than organisations that do not use ‘top/down’ and/or bottom-up’ causal chains to identify and aligning activities to achieve strategic objectives.

Each element of this proposition would require further development to allow its translation into a research design. However, in most cases it is feasible that the issue
could usefully be explored via both qualitative case studies and larger-sample base quantitative studies.

Were associations found between these variables via quantitative tests, further qualitative research would be required to deal with the potential effects of co-variables.

9.9 Integrating the findings

It is clear from the propositions developed in this chapter that the findings of this research build upon one another in such a way that ambitious further research could use an integrated approach to substantially develop the strategy implementation field. Figure 45 summaries in a simple conceptual framework the apparent relationships between the major conceptual variables relevant to this study. Overall strategy implementation effectiveness and organisational performance were not explored in this study as they were outside its scope. However, the linkages to these variables needs to be made as the theoretical underpinnings of the field are developed; hence the inclusion of these variables in some of the propositions and this conceptual framework.

Figure 45: Summary conceptual framework integrating propositions

Figure 45 is intended to depict the following points:

1. Building on existing theory (e.g. Porter, 1980; 1985; 1991; 1994; 1996; 1998), it is assumed that organisation performance may be increased by increasing the effectiveness of strategy implementation.
2. A major barrier to effective strategy implementation is the ineffective identification and alignment of activities to achieve strategic objectives.
3. There are eight limitations that make activity identification and alignment ineffective.
4. Developing strategy frameworks, creating motivation to develop strategy, developing strategic skills and awareness and designing strategic
control/visibility systems in such a way as to eradicate/minimise these limitations may improve identification and alignment of activities.

5. The explicit use of ‘top-down’ and ‘bottom-up’ causal chains is useful for identifying and aligning activities to achieve strategic objectives and should inform the development of strategy frameworks, strategic skills and strategic control/visibility systems.

This framework should serve as a useful starting point for future research that touches on or directly addresses these conceptual variables.

Chapter 10 summarises the contributions to knowledge made by this study.
CHAPTER 10: CONTRIBUTIONS TO KNOWLEDGE

10.1 Literature review

A number of authors have made influential contributions to the strategy implementation field, most of them valuable in their own way and helping to develop this under-researched area. This study, as well as making its own contribution to that body of knowledge, has sought to probe the validity of these contributions, given their influence and importance in shaping the field.

There are numerous good ideas and theories proposed by strategy implementation authors and those examining related areas. However, the foregoing literature reviews highlight that in some cases there is a risk of false confidence developing about the empirical underpinning of these contributions.

The literature reviews make suggestions as to how future research could be improved in the light of potential limitations in contributions such as that of Joyce, Nohria, & Roberson (2003), Hrebiniak (2005) and Mankins & Steele (2005), for example. Such critique seems important because in some cases substantial research time, expense and energy is perhaps being misdirected, due both to the fragile theoretical underpinnings in the area and methodological weaknesses in some of these studies.

In addition to these specific critiques, this study questions the overall direction of strategy implementation research. For example, it is not clear why:

1. so many researchers have limited their surveys to asking about strategy implementation barriers (rather, for example, than strategy implementation enablers);
2. virtually no researchers have attempted to define strategy implementation; or
3. strategy implementation researchers appear to assume that managers routinely identify activities to achieve strategic objectives in a competent fashion.

It seems important, whilst acknowledging the contribution of all researchers in this difficult area, to recognise the fragile state of existing theory and encourage a thorough examination of the basics. This study’s attempted definition of strategy implementation in particular, is a contribution to this.

The distinction made between the ‘content’ and ‘process’ schools within the strategy implementation field is also apparently novel, and may prove useful in shaping understanding of the field.
10.2 Methodology

The depth of the case studies reported here marks them out as unusual. Within the strategy implementation field, there are few, if any, other examples of real time longitudinal studies that tracked organisations for such a prolonged period and used such a range of data sources and data collection methods. There are two particular aspects of the methodology that stand as contributions worthy of note.

First, the approach used in the case studies was to progressively introduce more interventionist research methods as theoretical saturation was reached (see Section 3.5 for full details). Hence, the study started with archival sources and document review. Then passive observation was used, before face-to-face interviews were conducted. Finally, participant observation began and action research was ultimately conducted. Figure 3 in Section 3.5 depicts this progressive, controlled introduction of increasingly (potentially) ‘contaminating’ methodologies. Although it seems fairly likely that other researchers have adopted this strategy in real time longitudinal studies, no specific references to it could be found so it is captured here as a specific potential contribution.

Second, this study differed markedly from previous research in respect of the methodology used to examine strategy implementation barriers. Previous studies, summarised in Section 2.2.11, have generated lists of apparently unrelated barriers and sometimes used these to inform the development of strategy implementation models (e.g. Hrebiniak, 2005). However, in this study, it was found that the idiosyncratic characteristics of any particular case meant causal maps of strategy implementation barriers were much more useful to understand the dynamics constraining the effectiveness of strategy execution. Examples of this analysis for each of the cases are provided in Figure 6, Figure 15 and Figure 24. No prior examples could be found of causal mapping being used to analyse strategy implementation barriers. This is despite the apparent superiority of this approach and retrospectively obvious limitation of lists of barriers that do not make explicit the likely causal relationships between them. Organisations responding to isolated strategy implementation barriers risk addressing symptoms rather than underlying causes if they follow the guidance of previous researchers. An understanding of the causal relationships between strategy implementation barriers is essential for the development of integrated strategy implementation theory – if indeed generalisations can be drawn from the examinations of barriers (an assumption questioned in this study).
10.3 Findings & Theory Development

Naturally, the bulk of the contributions this study makes are in its findings and the theory developed from them. Table 46 summarises the key existing literature related to this study in terms of the extent of its theoretical and systematic empirical research underpinning and the extent it covers the topics explored in this study.

It is immediately clear that these studies, although by and large very valuable contributions in one field or another, do not individually cover the range of topics explored in this study. The table also shows for this study:

1. the extent of the study’s focus in each area;
2. the extent to which the findings either extend or fill gaps in existing theory via original contributions in each area; and
3. the extent to which the findings challenge previous research findings and proposed models in each area (obviously, where there was little or no previous research, limited challenge was possible).
### Chapter 10: Contributions to Knowledge

**EXISTING LITERATURE**

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Extent of theoretical grounding in existing literature</th>
<th>Extent of systematic empirical contribution</th>
<th>Extent topics explored</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eccles (1994)</td>
<td>✓✓</td>
<td>✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Galbraith &amp; colleagues (1986; 1978)</td>
<td>✓✓✓</td>
<td>✓</td>
<td>✓✓</td>
</tr>
<tr>
<td>Grady (1991)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Hrebiniak &amp; Joyce (1984)</td>
<td>✓✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Hrebiniak (2005)</td>
<td>✓</td>
<td>✓✓</td>
<td>✓</td>
</tr>
<tr>
<td>Ittner &amp; Larcker (2003)</td>
<td>✓</td>
<td>✓✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kaplan &amp; Norton (1996c; 2001; 2004b)</td>
<td>✓✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kirkpatrick (1959; 1979)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Marr (2006)</td>
<td>✓✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Neely, Adams &amp; Kennerley (2002)</td>
<td>✓✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Roberts &amp; Pitt (1990)</td>
<td>✓</td>
<td>✓✓</td>
<td>✓</td>
</tr>
<tr>
<td>Stonich (1982)</td>
<td>✓✓</td>
<td>✓</td>
<td>✓✓</td>
</tr>
</tbody>
</table>

**THIS STUDY**

| Focus of contribution | ✓✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ | ✓✓✓ |
|-----------------------|------------------------------------------|------------------------------------------|-----------------------|
| Extensions to/gaps filled in previous research via original contributions | ✓ | ✓ | ✓✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Challenge to validity of previous research findings/proposed models | ✓ | ✓✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Key: ✗ = none, ✓ = low, ✓✓ = medium, ✓✓✓ = high

Table 46: Key contributions informing topics relevant to the research question & this study’s contribution

The specific contributions made through the findings and theory building produced by this study are summarised below.

#### 10.3.1 Strategy implementation

The contributions this study makes to the strategy implementation field are through the areas noted below. However, as Table 46 implies, these areas are of sufficient significance as to make these contributions important to the strategy implementation field in general. It shifts attention to important issues not addressed by early pioneers in the area such as Galbraith & colleagues (1986; 1978), Stonich (1982) and Hrebiniak & Joyce (1984). It also adds to the very limited empirical underpinning of the field.
10.3.2 Strategy implementation barriers

As discussed in Section 10.2, this study suggests a different approach to studying strategy implementation barriers than that used by various researchers in the past (see Section 2.2.11). Causal modelling of barriers is useful in individual cases and may reveal more general patterns from which theory can be built. However, this research also shows that whilst studying strategy implementation barriers may be a useful starting point, it is not adequate to inform the development of strategy implementation models. For example, Hrebiniak’s substantial empirical work surveying managers about strategy implementation barriers could not have been expected to identify the problems with activity identification and alignment recognised in these case studies. Porter’s comment, quoted in Section 3.1.3 reflects this kind of problem:

Academic journals have traditionally not accepted or encouraged the deep examination of case studies, but the nature of strategy requires it. The greater use of case studies in both books and articles will be necessary for real progress at this stage in the field’s development (1994: 431).

10.3.3 Identifying & aligning activities to achieve strategic objectives

Previous strategy implementation research has paid scant attention to how organisations identify and align objectives to achieve strategic objectives. Hrebiniak (2005) broadly recognised the importance of this challenge but provided no insights as to how it should be tackled. Roberts and Pitt (1990) and Grady (1991) presented useful models that identified the need to break critical success factors into critical activities/tasks, but did not explain how to actually identify these activities. Eden and colleagues (2005; 2004; 1988; 1992; 1998a; 1998b; 1992) provided clues as to how strategies may be broken down using causality. However, none of these contributions are directly supported by systematic empirical research and dig into the detail of how to identify and align activities to achieve strategic objectives.

This research squarely establishes the identification and alignment of objectives to achieve strategic objectives as a central strategy implementation challenge and a crucial ‘missing link’ in much extant theory.

10.3.4 Causes of ineffective activity identification & alignment

Given the lack of previous attention paid by researchers to the identification and alignment of objectives to achieve strategic objectives, it is unsurprising that there is no research informing what causes problems doing this in organisations. Eden and Ackerman (2005) do identify two problems with managers’ attempts at causal maps that mirror two of the problems specifically identified as causes of ineffective activity
identification and alignment in this study. Of course, Eden and Ackerman’s work was not focused on strategy implementation and does not form part of the theory in this literature stream.

This study has identified, in each of the three case studies, eight specific causes of ineffective activity identification and alignment. It has uncovered and displayed numerous examples of these problems and explored the detail of how they come about and might be overcome. The study makes a case for proactively seeking to prevent ineffective activity identification and alignment through appropriate:

1. design of strategy development frameworks;
2. development of motivation to generate good strategy;
3. development of strategic skills and awareness; and
4. design of strategic feedback and control systems.

Although many researchers have explored these four issues, unsurprisingly none have paid attention to shaping them such that ineffective activity identification and alignment be prevented or minimised.

10.3.5 Using ‘top down’ causal maps for strategy implementation

No researchers have developed top-down causal modelling as a comprehensive framework for implementing strategy or identifying and aligning activities to achieve strategic objectives. However, a handful of researchers have made use of top-down causal maps for closely related purposes.

Many researchers have used causal maps to depict managers’ strategic decision-making. Eden and colleagues (2005; 2004; 1988; 1992; 1998a; 1998b; 1992) have made wide use of causal modelling to map the strategy and implementation decisions of managers. Section 8.3 explores this and related work in detail.

Ittner and Larcker (2003), Kaplan and Norton (1996c; 2001; 2004b), Marr (2006) and Neely, Adams and Kennerley (2002) have all used top-down causal models to inform the development of strategic performance measurement systems. Kaplan and Norton also propose the use of strategy maps to define strategy as a precursor to strategy implementation, which they claim is handled effectively using their balanced scorecard. Section 8.2 critiques the performance measurement system literature in detail.

However, as discussed in the extended literature review, the value of top-down causal maps hitherto presented in the literature has been limited, for the purposes of
identifying and aligning activities to achieve strategic objectives. No researchers have demonstrated how managers may move from mapping abstract strategic concepts to identifying concrete activities that:

1. could feasibly be executed by competent individuals and teams, without significant further planning or interventions from strategy-makers; and
2. will plausibly cause the achievement of strategic objectives.

As the critiques in Chapter 8 demonstrate, the eight causes of ineffective activity identification and alignment identified in this research go some way to explaining why previous researchers have not achieved this goal. It appears that the researchers, or at any rate their research subjects, have encountered many of the problems this research has identified and analysed.

This research suggests that awareness of these problems helps enormously in avoiding them, and that it is possible to create top-down causal maps that do translate conceptual strategies into specific activities, depicting plausible causal hypotheses linking the many variables of relevance. Figure 33 in Section 6.6.4 is an example of part of such a map.

In summary, in relation to top-down causal mapping, this research:

1. provides empirical support for the direction in which authors such as Kaplan and Norton have moved;
2. ties the approach more closely with the strategy implementation field;
3. specifies activity identification and alignment as the primary area where the approach can be usefully applied; and
4. provides specific details of how the approach may be made to work much more effectively, in particular by overcoming the causes of ineffective activity identification and alignment uncovered.

10.3.6 Using ‘bottom-up’ causal chains for strategy implementation

No researchers have hitherto explored the use of ‘bottom-up’ causal chains within the strategy implementation field or any closely related field. Kirkpatrick (1959; 1979) proposed the use of a form of causal chain (albeit one with what can now be identified as serious ‘leaps of causal logic’) to evaluate the effectiveness of training, and the current study owes much to his model as the inspiration for generating causal chains ‘bottom-up’ to help identify and in particular align activities to achieve strategic objectives. As outlined in previously (see, for example, Section 9.8), this proved to be
useful for numerous purposes, not least providing an explicit framework applied with the intention of avoiding some of the causes of ineffective activity identification and alignment.

This contribution neatly augments the use of ‘top-down’ causal modelling, which as discussed is being popularised in particular by researchers in the performance measurement field. This study expands the application of causal modelling to the strategy implementation area but also broadens the use of causal modelling to incorporate ‘bottom-up’ planning. This is consistent with the wider strategy field, where it is now widely accepted that deterministic strategy development (e.g. Ansoff, 1965) has been supplemented by notions of emergent strategy (Mintzberg & Waters, 1985) and “logical incrementalism” (Quinn, 1980). This research shows that even the most operational and ‘activity-based’ plans can be tested for their potential to help achieve strategic objectives and designed, by developing a clear view of the intermediate cause and effect relationships between activities and objectives.

10.3.7 Using causal chains to identify post-implementation risks

Although it formed a limited part of this study, the case study findings revealed that causal chains were useful for identifying post-implementation risks. Specifically, ‘links’ in each causal chain could be examined for potential failures in the assumed or intended causality, and negative unintended effects resulting from the achievement of intermediate effects could be considered (see Section 7.7.1 for further details). None of the research reviewed where causal mapping was explored had identified this potential application and it seems reasonable to assume that this is another contribution.

10.3.8 Using causal chains to identify performance measures

The use of causal maps to inform the identification of performance measures is now well established in the literature (e.g. Ittner & Larker, 2003; Kaplan & Norton, 1996c; 2001; 2004b; Marr, 2006; Neely, Adams, & Kennerley, 2002). This study has added to that body of knowledge by informing how to identify and align activities to achieve strategic objectives using causality ‘bottom-up’ as well as ‘top-down’ (and what problems to avoid in doing this). Improvements to the identification of performance variables contained within causal maps and chains, as well as improvements in the overall structure of causal maps and chains, will correspondingly improve the performance measures that rely upon these frameworks for their effectiveness.
CHAPTER 11: RECOMMENDATIONS

11.1 Recommendations for managers

Practicing managers have urgent dilemmas to resolve and strategic objectives to pursue. As they wait for strategy implementation theory to develop and confidence in its soundness to grow, this research offers some working recommendations. These would be as follows.

1. Treat lists of ‘strategy implementation barriers’ with caution. It is questionable if such lists adequately reflect the complex web of interrelated barriers in any given situation. It is probably better to conduct an original analysis using causal mapping, to understand the challenges that must be overcome to implement strategy.

2. Pay particular attention to the need to identify activities that might plausibly achieve stated strategic objectives, and design (or ‘align’) them in such a way as to increase this plausible causal relationship. If this is not done, some of the effects (symptoms) are likely to be:
   a. suboptimal project selection;
   b. poor stakeholder engagement and management;
   c. unclear roles and division of responsibilities;
   d. poor embedding of project products;
   e. poor project cost/benefit analysis;
   f. poor resource allocation decisions; and
   g. execution will be ignored in policy creation.

3. Do this by building causal maps ‘top-down’ and ‘causal chains’ bottom-up, which link activities and strategic objectives via plausible cause and effect hypotheses.

4. Beware of the following problems that limit the effectiveness of activity identification and alignment (broadly in order of frequency):
   a. lack of strategic logic and clarity;
   b. inadequate breakdown of strategy;
   c. leaps of logic;
   d. the use of vague/ambiguous terminology;
   e. strategy that deals only with changes;
Chapter 11: Recommendations

f. strategy that is oriented to influence multiple stakeholders;
g. confusion between causality and task dependency; and
h. confusion about the direction of causality.

5. Ensure the following are in place and designed in such a way as to minimise the likelihood and impact of these problems:
a. a structured strategy development framework;
b. sufficient motivation to develop effective strategy;
c. strategic awareness and skills; and
d. management visibility, control and feedback.

6. Use causal chains to identify post-implementation risks.

7. Use causal chains to establish performance measures for strategies, projects and other initiatives.

Managers should be comfortable that these recommendations are not vague or abstract propositions. This study provides numerous real examples, from organisations that may be very similar to their own, of all the above ‘in action’.

11.2 Recommendations for strategy implementation researchers

Specific propositions were developed Chapter 9, which built upon the findings of this research. These propositions and the commentary on them provide future strategy implementation researchers with specific research challenges and suggestions as to how they might be tackled.

However, this study has produced numerous propositions. Whilst these form theories about some significant issues in strategy implementation, a legitimate question arises as to whether they are the most appropriate immediate research challenges in the field.

The literature review presented in Chapter 2 highlights the fragile state of theory in the strategy implementation field. It also points to the disconcerting lack of empirical research and highlights where much of the empirical work that does exist suffers from methodological limitations. The patchy foundations of the strategy implementation field are a concern, and it does not seem right to recommend that, at this stage, researchers continue building upon the theory developed in this study. Rather, it seems right to suggest they should build out from it, perhaps identifying other foundation stones that are missing.
In other words, although a time will come when it would be useful to explore causes of ineffective activity identification and alignment in more detail, perhaps such a focus would be premature. Instead, researchers may do well to examine the definition of strategy implementation suggested in this research (see Section 2.2.12) and seek to develop, apply, test and refine this as part of an effort to properly ground basic strategy implementation theory.

Equally, if activity identification and alignment has hitherto been a crucial but missing piece of the strategy implementation ‘jigsaw’, researchers might now ask what it connects to (to help build a stronger conceptual framework) or explore what other pieces may be missing, in light of this uncovering. This study has demonstrated that completely novel discoveries are not necessarily required. Casting a wide net across diverse streams of literature demonstrates that areas beyond the obvious boundaries of strategy implementation have ideas to offer. This research lends support to the views of researchers such as Hrebiniak and Joyce, as quoted in Chapter 2:

We believe, however, that much more has been written about strategy implementation than is apparent from a survey of books and articles in academic and professional journals. The problem is not that we know too little about strategy implementation but that what we do know is fragmented among several “fields” of organization and management study. The result has been several, somewhat one-sided, views of the implementation process with little constructive integration of the many important perspectives on the topic (Hrebiniak & Joyce, 1984: 2).

From a methodological perspective, this study lends support to the argument that the strategy and (in particular) strategy implementation fields, there is more to be gained through phenomenological research. In particular, the development of several real time longitudinal case studies that employed multiple data collection methodologies and collected data from multiple sources has thrown up crucial insights that could never be expected to come from popular forms of positivist research. As Dubin says:

...if the purpose is to prove the adequacy of the theoretical model...data are likely to be collected for the values on only those units incorporated in the theoretical model. This usually means that, either experimentally or by discarding data, attention in the empirical research is focused solely upon values measured on units incorporated in the theory (1976: 33).

The time will come for narrower positivist studies that rigorously test the validity of strands of integrated strategy implementation theory – but it is not yet here.
APPENDIX A: LITERATURE SEARCH METHOD

A.1.1 Introduction

This Appendix provides an overview of how the literature was searched and uses the results from targeted database searches to provide a broad overview of the shape of the (potentially) relevant literature and its concentration in specific areas.

A.1.2 Databases used

Otley (1984) suggests that the use of databases using key words is “inadequate to identify all relevant research”. Databases do not include details of all potentially relevant publications (particularly books) and search results are limited by such factors as user skill, key word inclusions, constructions and consistency, and so on. Whilst Otley’s observation is probably much less relevant twenty years after he made it, it is a wise working assumption. However, searching databases is a useful starting point for a literature review and provides an overview of the shape and scale of the literature in relevant areas.

The following databases were searched upon commencement of the initial literature review and throughout the research, to ensure that a wide range of relevant publications were identified.

1. ABI/Inform Global database
2. Emerald (MCB University Press)
3. European Business ASAP
4. IBSS Online (BIDS)
5. JSTOR
6. Science Direct
7. Web of Science

There is considerable overlap between the results produced from each source.

A.1.3 Other sources

The databases identified the vast majority of relevant articles, though additional literature was identified through discussions with experts in several fields and tracing references cited by authors until saturation\textsuperscript{106} had been achieved.

\textsuperscript{106} i.e. when all apparently relevant citations in publications had already been identified.
Appendix A: Literature search method

The aforementioned databases do not identify relevant textbooks. These were identified via discussions with experts in relevant fields, tracing citations made by authors and systematic searches of a wide variety of library and bookseller catalogues. Again, saturation was achieved, providing confidence that all relevant literature had been identified.

A.1.4 Examining the shape & scale of the relevant literature

The availability of powerful databases of articles written across a very wide range of journals and magazines enables systematic profiling of the size and shape of the literature. This is of particular use in a study that draws together concepts and knowledge from a number of distinct bodies of literature.

The ABI Inform Global database was selected as the most appropriate tool to perform this analysis. It covers nearly 1,800 business, finance and economics journals and magazines published between 1971 and present. All leading academic management journals are covered, alongside profiles of more than 60,000 companies. The database offers a powerful search facility that was used to search citations and abstracts for key terms. The ProQuest Dissertations and Theses - A&I database can also be searched alongside the ABI/Inform database, and this was used for completeness. This database contains information (including abstracts) on more than two million doctoral dissertations and master's theses published since 1980.

Table 47 shows a list of core concepts that was developed throughout the study to enable systematic searches using these databases. The table also shows search terms employed for each concept to identify articles dealing with these concepts. As the list of core concepts developed and was used to perform searches, some topics proved to be more relevant than others and produced more articles worthy of closer examination within the literature review.

The search terms were generated and then refined through initial searches, the review of literature and the use of dictionaries and thesauruses. American spellings of certain words were added to ensure these were included in results.

Using multiple terms when searching for articles is much more reliable a method for identifying relevant literature than using single terms, as authors can use different terms when referring to similar concepts. Additionally, searching both citations and abstracts for these terms produces more comprehensive results, as titles do not always include key terms and often exclude terms that fall outside an author’s immediate area of interest, but nevertheless form an important component within research undertaken.
It is important to note that using databases such as ABI/Inform does not produce perfect results. For example, the search term "execut* strateg*", intended to trace articles with terms like “executing strategy” in the citation or abstract, also recognises use of terms such as “executive strategies”. Likewise, the search term “turn* strateg*”, intended to identify terms such as “turning strategy [into reality, etc.]]” also produces many results with the phrase “turnaround strategy”. In addition to this, many terms are used in contexts different to those of interest. For example, the word “causality” may be used in relation to the cognitive process for translating strategy into action (which is highly relevant to this research), or it may simply be used in a discussion about the association of variables tested in virtually any scientific study.

These problems can significantly increase the apparent size of the literature. Table 49, displaying the number of articles identified using various terms, shows very high numbers of articles using terms related to alignment, causality and goal setting, for example. This is partly because irrelevant terms or specific terms are being recognised.

However, when terms are when combined with search terms related to other key concepts (using an exclusive ‘AND’ connector), the number of articles identified significantly reduces, implying a more accurate profiling of that literature. This issue should be borne in mind when analysing Table 49.

It is important to note that when well-constructed search terms are employed, the main problems with database searches cause additional articles to be identified rather than omissions in the search. Manual searching of initial results can be conducted to ensure that only relevant articles are reviewed.

Table 47 provides a detailed list of the search terms used and fairly comprehensive lists of words and phrases these search terms were designed to recognise in citations and abstracts. All the terms relate to one or more of the following key concepts of relevance to this study.

For the initial literature review (conducted mainly before the fieldwork and presented in Chapter 2) the following topics were used for searches:

1. strategy implementation; and
2. criticality.

For the extended literature review (conducted mainly once the fieldwork was complete and presented in Chapter 8) the following topics were added to searches:

1. alignment and fit;
2. causality;
3. translation of strategy (into action/activities/projects/reality);
4. goal setting and management by objectives (MBO);
5. performance measurement (including training evaluation and the balanced scorecard);
6. the service-profit chain;
7. systems thinking;
8. strategy process and strategic decision-making;
9. strategic change; and
10. change management.

The reasons these diverse streams of literature are relevant and were selected as parts of the literature review are explored in depth elsewhere.
Appendix A: Literature search method

<table>
<thead>
<tr>
<th>Key concept</th>
<th>Search terms employed</th>
<th>Intended to identify (non-exhaustive list)</th>
</tr>
</thead>
<tbody>
<tr>
<td>strategy implementation</td>
<td>strateg* implement*</td>
<td>strategic execution</td>
</tr>
<tr>
<td></td>
<td>strateg* execution implement*</td>
<td>implement strategy</td>
</tr>
<tr>
<td></td>
<td>strateg*</td>
<td>strategically</td>
</tr>
<tr>
<td></td>
<td>execut* strateg*</td>
<td>execute strategy</td>
</tr>
<tr>
<td></td>
<td>strategy implementation</td>
<td>implement strategies</td>
</tr>
<tr>
<td></td>
<td>implementations strategy implemented</td>
<td>execute strategies</td>
</tr>
<tr>
<td></td>
<td>strategy</td>
<td>strategically</td>
</tr>
<tr>
<td></td>
<td>strategic implementation</td>
<td>implement strategically</td>
</tr>
<tr>
<td></td>
<td>strategic implementations</td>
<td>execute strategies</td>
</tr>
<tr>
<td></td>
<td>strategy execution</td>
<td>strategically implements strategy</td>
</tr>
<tr>
<td></td>
<td>strategy executions</td>
<td>execute strategies</td>
</tr>
<tr>
<td></td>
<td>strategy executed strategies executed</td>
<td>implements strategies</td>
</tr>
</tbody>
</table>

| alignment | align* | coordination | matches |
| fit | | link | matching |
| congruen* | | links | co-align |
| coordinat* | | linking | co-align |
| link* | | linkage | co-align |
| integ* | | integrate | co-alignment |
| match | | integrates integration | co-alignment |
| co-align* | | integrative | consistent |
| nexus | | integrating | consistently |
| consiste* | | match | |

| causality | cause | cognitive | map |
| caus* | | cognition | maps |
| cogniti* | | cognise | mapped |
| map* | | cognize | mapping |
| means-end | | cognisant | means |
| | | cognizable | means-end |

| translation of strategy [into action/activities/projects/reality] | actualis* strateg* | realises strategic | realizes |
| actualiz* strateg* | | realising strategies | realising |
| convert* strateg* | | realising strategies | realising |
| operationalis* strateg* | | realising strategies | realising |
| realis* strateg* | | realising strategies | realising |
| realiz* strateg* | | realising strategies | realising |
| transform* strateg* | | realising strategies | realising |
| translat* strateg* | | realising strategies | realising |
| turn* strateg* | | realising strategies | realising |

---

107 An asterisk indicates use of the wildcard function, which identifies any term starting with the search word/partial word.

108 Where two words are used together, the database searches only for the phrase (rather than each word separately) by default. For phrases including more than two words, quotation marks are used to ensure only the phrase is recognised. The database ignores ‘stop words’ such as ‘the’, ‘to’, and ‘of’, by default.
### Appendix A: Literature search method

<table>
<thead>
<tr>
<th>Appendical</th>
<th>criticality</th>
<th>key success factor</th>
<th>key factor</th>
<th>CSF</th>
<th>KSF</th>
<th>critical success factor</th>
<th>key success factors</th>
<th>CSF</th>
<th>KSF</th>
<th>critical success factors</th>
<th>key success factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>goal setting/MBO</td>
<td>aim</td>
<td>missions</td>
<td>management by</td>
<td>target-setting</td>
<td>targets</td>
<td>aim</td>
<td>[i.e. but not aiming]</td>
<td>management by objectives</td>
<td>targets</td>
<td>target-setting</td>
<td></td>
</tr>
<tr>
<td>performance measurement</td>
<td>perform*</td>
<td>measure performance</td>
<td>measure performances</td>
<td>training evaluation</td>
<td>evaluate training</td>
<td>measurement performance</td>
<td>measure performances</td>
<td>evaluating trainings</td>
<td>evaluation of training</td>
<td>balanced scorecard</td>
<td>balanced scorecards</td>
</tr>
<tr>
<td>service-profit chain</td>
<td>service-profit</td>
<td>service-profit</td>
<td>service-profit method</td>
<td>[etc.]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>strategy process &amp; strategic decision-making</td>
<td>strategy process*</td>
<td>process of strategy*</td>
<td>process of strategic decision</td>
<td>strategic decisions</td>
<td>strategic decision-making</td>
<td>strategy processes</td>
<td>processes</td>
<td>strategic decision</td>
<td>strategic decision-making</td>
<td></td>
<td></td>
</tr>
<tr>
<td>systems thinking</td>
<td>system*</td>
<td>systems thinking</td>
<td>systems thinkers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>strategic change</td>
<td>strategy change*</td>
<td>change strategy</td>
<td>changing strategy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>change management</td>
<td>change management</td>
<td>managing change</td>
<td>management of change</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 47: Database search terms used for literature search

Each of the selected search terms were configured in a search string as depicted in Table 48.
Appendix A: Literature search method

<table>
<thead>
<tr>
<th>Key concept</th>
<th>Search string employed&lt;sup&gt;109&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>strategy implementation</td>
<td>strateg* implement* OR strateg* execution OR implement* strateg* OR execut* strateg*</td>
</tr>
<tr>
<td>alignment</td>
<td>align* OR fit OR congruen* OR coordinat* OR link* OR integ* OR match OR co-align* OR nexus OR consist*</td>
</tr>
<tr>
<td>causality</td>
<td>caus* OR cognit* OR map* OR means-end</td>
</tr>
<tr>
<td>translation of strategy</td>
<td>actualis* strateg* OR actualiz* strateg* OR convert* strateg* OR operationalis* strateg* OR operationaliz* strateg* OR realis* strateg* OR realiz* strateg* OR transform* strateg* OR translat* strateg* OR turn* strateg*&lt;sup&gt;110&lt;/sup&gt;</td>
</tr>
<tr>
<td>criticality</td>
<td>criticality OR success factor* OR key factor* OR critical success factor* OR key success factor* OR CSF* OR KSF*</td>
</tr>
<tr>
<td>goal setting/MBO</td>
<td>aim OR aims OR goal* OR mission* OR management by objective* OR MBO OR objective* OR target*</td>
</tr>
<tr>
<td>performance measurement</td>
<td>perform* measur* OR measur* perform* OR training evaluat* OR evaluat* training OR balanced scorecard*</td>
</tr>
<tr>
<td>service-profit chain</td>
<td>service-profit</td>
</tr>
<tr>
<td>strategy process &amp; strategic decision-making</td>
<td>strateg* process* OR process* strateg* OR strateg* decision*</td>
</tr>
<tr>
<td>systems thinking</td>
<td>system* think*</td>
</tr>
<tr>
<td>strategic change</td>
<td>strateg* change*</td>
</tr>
<tr>
<td>change management</td>
<td>chang* manage* OR manage* chang*</td>
</tr>
</tbody>
</table>

Table 48: Search strings used to identify terms indicative of key concepts

---

<sup>109</sup> These are the actual strings used, linked by exclusive (AND) connectors, to establish how many articles contained terms indicating they dealt with a combination of key concepts.

<sup>110</sup> There were so many terms used for ‘translation of strategy’ that the ABI/Inform database was unable to run some of the queries. However, this problem was resolved by separating the terms into two groups. This might normally have produced double counts (where articles from both of these groups contained more than one of the search terms); however this was resolved by splitting the terms into those that used American spellings and those that did not, on the assumption that authors would be unlikely to use both.
Table 49 displays the number of articles (or dissertations, in a small number of cases) where the citation or abstract contained one of the terms recognised by the search strings in Table 48\(^{111}\). The table is constructed so as to allow cross-referencing between any two of the key concepts, showing how many articles contained search terms relating to both key concepts. The cell at each intersection represents the number of ‘scholarly’ articles published (or dissertations listed). These figures were extracted in January 2005. The results are colour/shade coded for ease of reading, according to the following logic:

1. 0-99 article count = white shading;
2. 100-999 articles = grey shading; and
3. >999 = black shading.

As would be expected, in all cases there are considerably more articles discussing only one key concept than there are articles discussion combinations of the relevant topics.

<table>
<thead>
<tr>
<th>Key concept</th>
<th>strategy implementation</th>
<th>alignment</th>
<th>causality</th>
<th>translation of strategy</th>
<th>criticality</th>
<th>goal setting/MBO</th>
<th>performance measurement</th>
<th>service-profit chain</th>
<th>strategy process &amp; strategic decision-making</th>
<th>systems thinking</th>
<th>strategic change</th>
<th>change management</th>
</tr>
</thead>
<tbody>
<tr>
<td>strategy implementation</td>
<td>941</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>alignment</td>
<td>322</td>
<td>124k</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>causality</td>
<td>48</td>
<td>8,381</td>
<td>41k</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>translation of strategy</td>
<td>7</td>
<td>46</td>
<td>22</td>
<td>176</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>criticality</td>
<td>29</td>
<td>915</td>
<td>183</td>
<td>5</td>
<td>3,667</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>goal setting/MBO</td>
<td>254</td>
<td>19k</td>
<td>5,342</td>
<td>50</td>
<td>769</td>
<td>87k</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>performance measurement</td>
<td>40</td>
<td>1,185</td>
<td>225</td>
<td>8</td>
<td>88</td>
<td>1,079</td>
<td>4,381</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>service-profit chain</td>
<td>0</td>
<td>4</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td>1</td>
<td>23</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>strategy process &amp; strategic decision-making</td>
<td>55</td>
<td>535</td>
<td>117</td>
<td>3</td>
<td>28</td>
<td>382</td>
<td>26</td>
<td>0</td>
<td>1,855</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>systems thinking</td>
<td>1</td>
<td>86</td>
<td>39</td>
<td>0</td>
<td>7</td>
<td>60</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>354</td>
<td></td>
<td></td>
</tr>
<tr>
<td>strategic change</td>
<td>32</td>
<td>204</td>
<td>55</td>
<td>4</td>
<td>14</td>
<td>153</td>
<td>18</td>
<td>0</td>
<td>34</td>
<td>0</td>
<td>843</td>
<td></td>
</tr>
<tr>
<td>change management</td>
<td>8</td>
<td>371</td>
<td>105</td>
<td>5</td>
<td>24</td>
<td>286</td>
<td>27</td>
<td>0</td>
<td>11</td>
<td>7</td>
<td>48</td>
<td>1,922</td>
</tr>
</tbody>
</table>

Table 49: Number of articles identified containing key concept terms in scholarly (top rows)

\(^{111}\) This type of analysis builds on the examples of Roberts (1997) and Sanders (2006).
Appendix A: Literature search method

By way of providing a benchmark for comparison purposes, the search term ‘strategic planning’ generated almost 74,000 hits, more than 16,000 of which were in ‘scholarly journals’. It is immediately clear that strategy implementation has received far less attention in the literature than strategic planning.

Unfortunately, there is a limit to the number of terms that can be searched for simultaneously using the ABI/Inform database. In order to effect searches examining the overlap between more than two of the key concepts, simplified search strings were developed for the four key concepts judged the most important for this study: strategy implementation, alignment, causality and the translation of strategy (into reality or actions, etc.).

<table>
<thead>
<tr>
<th>Key concept</th>
<th>Simplified search string employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>strategy implementation</td>
<td>strateg* implement* OR strateg* execution</td>
</tr>
<tr>
<td>alignment</td>
<td>align* OR fit OR congruen* OR link*</td>
</tr>
<tr>
<td>causality</td>
<td>causality OR causal OR cause-effect OR means-end</td>
</tr>
<tr>
<td>translation of strategy</td>
<td>realis* strateg* OR realiz* strateg* OR translat* strateg* OR turn* strateg*</td>
</tr>
<tr>
<td>criticality</td>
<td>criticality OR critical success factor* OR key success factor*</td>
</tr>
<tr>
<td>goal setting/MBO</td>
<td>set* goals OR goal setting OR management by objective* OR MBO OR set* objective* OR objective* setting</td>
</tr>
<tr>
<td>performance measurement</td>
<td>perform* measur* OR measur* perform*</td>
</tr>
<tr>
<td>service-profit chain</td>
<td>service-profit</td>
</tr>
<tr>
<td>strategy process &amp;</td>
<td>strateg* process* OR strateg* decision*</td>
</tr>
<tr>
<td>strategic decision-making</td>
<td>sys* tem* think*</td>
</tr>
<tr>
<td>systems thinking</td>
<td>sys* tem* think*</td>
</tr>
<tr>
<td>strategic change</td>
<td>strateg* change*</td>
</tr>
<tr>
<td>change management</td>
<td>chang* manage* OR manage* chang*</td>
</tr>
</tbody>
</table>

Table 50: Simplified search strings used to identify terms indicative of key concepts

These strings include essential terms but are inevitably less comprehensive than the full search strings. However, the results provide a strong indication of how the literatures – and the concepts within them – do and do not explicitly interrelate. This is particularly helpful for an integrative study.

Table 51 displays the results of this search for the four key concepts that ultimately appeared to be the most important for this study, given the research question that evolved. It is immediately clear that there are no articles or dissertations relating all four key concepts. Manual examination determined that of the four articles displayed only one (Becker & Huselid, 2003) was partially relevant but not empirical or systematic.
## Appendix A: Literature search method

<table>
<thead>
<tr>
<th>Key concept</th>
<th>Combination of search terms used for inclusive (AND) search</th>
</tr>
</thead>
<tbody>
<tr>
<td>strategy implementation</td>
<td>✓</td>
</tr>
<tr>
<td>alignment</td>
<td>✓</td>
</tr>
<tr>
<td>causality</td>
<td>✓</td>
</tr>
<tr>
<td>translation of strategy</td>
<td>✓</td>
</tr>
<tr>
<td>Number of articles</td>
<td></td>
</tr>
<tr>
<td>'Scholarly'</td>
<td>1 0 0 2 0</td>
</tr>
<tr>
<td>All</td>
<td>2 0 0 2 0</td>
</tr>
</tbody>
</table>

Table 51: Article counts for inclusive multiple search term combinations
APPENDIX B: LITERATURE ASSESSMENT FRAMEWORK

Given the importance of making sound assessments of the validity of key literature contributions, a systematic list of criteria was developed to structure this process. Although inevitably not exhaustive, it was useful to ensure both a systematic and reasonably consistent approach to examining literature contributions.

The criteria employed were as follows:

1. Strength of theoretical underpinning
   a. Extent of location within and grounding in existing literature
   b. Extent of usage of developed constructs and definitions (where valid)
   c. Extent of building from existing data collection methods and protocols (where valid)

2. Clarity of theoretical constructs & research question
   a. Precision of definitions of key terms
   b. Precision and comprehensiveness of key constructs
   c. Precision and explicitness of research question and any hypotheses

3. Extent of empirical underpinning
   a. Extent and comprehensiveness of primary data collection
   b. Extent of primary data collection from multiple sources to enable triangulation

4. Extent empirical observation systematic

5. Extent primary data collection driven by explicit research methodology and clear protocols

6. Extent primary data collection methods appropriate to research question and any hypotheses

7. Appropriateness of sampling
   a. Sufficiently large and random samples where high generalisability conclusions sought for hypothesis testing of well-researched phenomena
   b. Sufficiently logical and explicit theoretical sampling where limited generalisability conclusions sought for inductive research or limited hypothesis testing of under-researched phenomena

8. Appropriateness/quality of data collection method
Appendix B: Literature Assessment Framework

a. Precision of survey questionnaires, interview questionnaires and other data collection tools
b. Appropriateness of researcher actions in the field for data collection

9. Appropriateness/quality of data analysis
   a. Precision of data reduction and analysis techniques and tools
   b. Appropriateness of researcher actions in performing data analysis

10. Strength of logical argument/conclusions
   a. Extent to which conclusions explicitly drawn from presented data
   b. Extent to which logical arguments presented and alternative explanations tested in drawing conclusions

11. Generalisability
   a. Extent to which conclusions may reasonably be applied to subjects beyond those sampled

It should be noted that where literature contributions were judged not to have met some of these criteria, this did not necessarily imply any failure on the part of contributing researchers. In many cases it reflected normal early-stage developments in a field of study, or a contribution not intended to be highly rigorous scholarly work.
APPENDIX C: LIST OF DOCUMENTS COLLECTED FOR ANALYSIS

C.1 Case A (i.e. relating to both Cases A1 & A2)

C.1.1 Formal documentation
1. Group HR structure
2. Group operating model
3. HR Consultant competency framework
4. Consultant report on leadership development framework
5. Bulletin from head of UK organisation
6. HR skills development programme outline
7. Summary of key decisions from meeting reviewing HR consulting model
8. Group resourcing framework

C.1.2 Other documentation
1. Thousands of e-mail communications relating to various issues
2. Hundreds of internal memos
3. Dozens of meeting agendas & minutes
4. Organisation’s website
5. Presentation on implementation of Balanced Scorecard

C.2 Case A1

C.2.1 Formal documentation
1. Division structure (year X)
2. Division structure (year Y)
3. Divisional HR board report (multiple months)
4. Divisional strategy conference guide
5. Proposed function structure
6. HR projects update (multiple months)
7. Consolidated project plan (Gantt chart) (multiple points in time)
8. Key Issues Communication from HRD
9. Summary of all staff involved in projects in function
10. Summary of progress with recruitment project pilot
11. Recruitment plan for [geographic area]

In many cases the names of these documents have been disguised to protect the identity of the organisations from which the cases were drawn. All dates have been removed for the same purpose.
Appendix C: List of Documents Collected for Analysis

12. Structure chart for [geographic area]  
13. Strategy process input from senior HR staff across function  
14. Update on new structures & performance management system  
15. Review of call centre recruitment & retention data report  
16. Analysis of [Department B] HR management information  
17. Summary of reward in [geographic area] for communication to all staff  
18. Joiner/leaver survey report  
19. HR Reporting & Information Systems presentation  
20. Reward plan  
21. HR Staff Opinion Survey results  
22. HR Staff Opinion Survey action plan (year X)  
23. HR Staff Opinion Survey action plan (year Y)  
24. HR Staff Opinion Survey action plan (year Z)  
25. HR internal customer survey results (year X)  
26. HR internal customer survey (year Y)  
27. HR internal customer survey results (year Y)  
28. HR internal customer survey (year Z)  
29. HR internal customer survey results (year Z)  
30. HR and Internal Communications high level plan  
31. History of OD report  
32. [Department A] HR strategic plan  
33. [Department A] summary of performance improvement-related activities  
34. [Department A] individual & team development plan  
35. [Department A] individual & team development - guidance notes  
36. [Department A] personal development tool  
37. [Department A] performance assessment tool  
38. [Department A] data provision matrix  
39. [Department A] management information report  
40. [Department B] people activity matrix  
41. [Department C] HR Assistant activity analysis tool  
42. [Department C] information provision matrix  
43. [Department C] ‘value wheel’  
44. [Department C] performance relationship map  
45. [Department D] business drivers map  
46. [Department D’s internal customer’s] outline strategic plan
Appendix C: List of Documents Collected for Analysis

47. [Department D’s internal customer’s] strategy
48. [Department D’s] internal customer’s] customer proposition
49. [Department D’s] internal customer’s] sales league table
50. [Department E’s] HR Business Plan – [region X]
51. Consultant proposal for culture development programme
52. Terms of reference for recruitment project
53. [Department A] strategy workshop presentation
54. [Department A] strategy workshop outputs
55. HR Business partners operating model workshop presentation
56. [Department E region] strategy workshop presentation
57. [Department D region] strategy & performance measurement presentation
58. Draft HR consultant performance measurement template
59. HR Business Partner strategy implementation presentation
60. HR Consulting strategy
61. Stakeholder information matrix
62. [Department B] business drivers map
63. Business Unit analysis template
64. HR stakeholder map
65. HR strategy development process presentation
66. [Department D & E] restructure proposal
67. Project governance guidelines
68. Project delivery guidelines
69. [Time-bound] plans for Reward (multiple months)
70. [Time-bound] plans for Employment Policy (multiple months)
71. [Time-bound] plans for Organisation Development (multiple months)
72. [Time-bound] plans for HR Services (multiple months)
73. [Time-bound] plans for HR Information (multiple months)
74. Presentation from HR Services head
75. Pay review brochure
76. [Time-bound] plan for recruitment (multiple months)
77. Report on managing absenteeism
78. Balanced Scorecard summary (multiple months)
79. [Department D] senior manager meeting presentation
80. [Department D] Merger roll-out plan presentation
81. [Department D] business critical success factors presentation
Appendix C: List of Documents Collected for Analysis

82. [Department B] recruitment project plan
83. Mapping of [Department B’s] projects with key business drivers
84. [Department B] information provision summary
85. [Department B] stakeholder map
86. [Department B] mapping of project impact (time-horizon vs organisation scope)
87. [Department B] risk log
88. Programme office Terms of Reference
89. Programme office risk & issue log (multiple months)
90. Integration workshop outputs
91. Business unit analysis for division
92. HRD’s presentation at HR strategy workshop
93. Questionnaire for senior HR team on change programme
94. Presentation of results from questionnaire to senior HR team about change programme
95. New balanced scorecard measures for HR function
96. [Department E] performance management plan
97. [Department E region] customer proposition
98. [Department E region] stakeholder analysis
99. Consultant’s report on consulting model implementation in Function A1
100. Project management escalation process
101. Group internal audit report on succession planning & key skills retention
102. HR projects control outline
103. Report on enhanced risk management requirements
104. Presentation on staff retention
105. Presentation on [Department F’s] customer’s key business deliverables
106. Presentation on [Department F’s] customer’s proposed joint venture
107. Presentation on [Department F’s] customer’s sales & distribution strategy
108. Case study on improving staff retention in [Department E]
109. [Department E] HR consulting skills development Terms of Reference
110. [Department E] business drivers analysis
111. Delegate evaluation for [Department E] consulting skills workshop/conference
112. Summary of [Department E] consultant self-assessment of consulting skills
113. Presentation on new Programme management application
114. Causal chain for effective sickness management in [Department E]
Appendix C: List of Documents Collected for Analysis

115. [Department E] attrition brief
116. Business unit analysis summary for [Department E region]

C.2.2 Other documentation
1. Thousands of e-mail communications relating to various issues
2. Hundreds of internal memos
3. Dozens of meeting agendas, minutes & action lists
4. Organisation’s website

C.3 Case A2
C.3.1 Formal documentation
1. Itinerary for [Division A2 HR director] (weekly; multiple versions)
2. [Division A2] HR internal customer survey
3. [Division A2] HR internal customer survey results
4. Structure chart for [Division A2]
5. People strategy for [Division A2]
6. People strategy for [Department A] in [Division A2]
7. Briefing paper for people management strategy event for [Department B] in [Division A2]
8. Prioritisation matrix for people management strategy event for [Department B] in [Division A2]
9. HR strategy plans for people management strategy event for [Department B] in [Division A2]
10. [Division A2] management board people management report (monthly; multiple versions)
11. [Division A2] management board Operations director’s report (monthly; multiple versions)
12. [Function A2] initiative summary (monthly; multiple versions)
13. Terms of Reference for project to manage leavers process in [Company A]
14. Training plan for [Division A2]
15. Initiative summary for [Department C] in [Division A2]
16. Business plan for [Department D] in [Division A2]
17. Diagnostic summary of people management issues in [Department D] in [Division A2]
18. Meeting agenda for [Department D] HR team in [Division A2] (monthly; multiple versions)
19. HR discussion paper for [Department D] HR team in [Division A2], including matrix aligning business drivers and HR initiatives
20. Activity analysis for [Department D] HR team in [Division A2]
21. Quick wins presentation for [Function A2]
22. Discussion paper on [Function A2] HR team engagement & capability
23. Communication from [HR Director] to all staff in [Function A2]
24. Plan for [Function A2] away day
25. Agenda for [Function A2] away day
26. [Function A2] staff engagement meeting
27. New [Function A2] structure chart (following a merger)
28. Stakeholder analysis for [Function A2]
29. New structure chart for [Division A2]
30. Aggregated Gantt chart for projects underway in [Function A1] (multiple versions)
31. Attendance management presentation for [Department E] in [Function A2]
32. Strategy map for [Function A2] management information team
33. Terms of Reference for leaderships project
34. [Function A2] project priority list
35. [Function A2] paper linking HR strategic themes to [Division A2] business drivers
36. HR people plan for [Department A] in [Division A2]
37. Business drivers map for part of [Department A] in [Division A2]
38. HR Strategy discussion paper for part of [Department A] in [Division A2]
39. [Division A2] training presentation to Division Management Committee
40. [Division A2] training audit Terms of Reference
41. Resourcing action plan for part of [Department A] in [Division A2]
42. Leadership talent management action plan for [Division A2]
43. Personal development project Terms of Reference for part of [Department D] in [Division A2]
44. Career development support project Terms of Reference for part of [Department D] in [Division A2]
45. Specialist resourcing project Terms of Reference for [Division A2]
46. [Division A2] customer survey results
47. [Function A2] workstream plan: Changing to deliver
48. [Function A2] workstream plan: Developing talent for leadership
Appendix C: List of Documents Collected for Analysis

49. Function A2 workstream plan: Resourcing for growth
50. Function A2 workstream plan: Managing performance & developing capability
51. Function A2 workstream plan: HR operational excellence
52. Function A2 workstream plan: Acquisition, integration & business reorganisation
53. Function A2 workstream plan: Harnessing staff commitment
54. Function A2 project lifecycle document summary
55. Function A2 programme manager role description
56. Function A2 project resource allocation approval process
57. Group OD department weekly project summary: Migration project
58. Group OD department weekly project summary: Individual performance assessment
59. HR delivery project Terms of Reference for [Division A2]
60. Project plan and Gantt chart for management information team set-up in [Function A2]
61. Absence management cost tracking model for [Department B] in [Division A2]
62. Function A2 workstream plan update: Managing performance & developing capability
63. Recruitment & selection project Terms of Reference for [Department B] in [Division A2]
64. Staff feedback project Terms of Reference for [Department B] in [Division A2]
65. Absence management project Terms of Reference for [Department B] in [Division A2]
66. Culture change project Terms of Reference for [Department B] in [Division A2]
67. Business unit summary of [Department B] in [Division A2]
68. HR Plan [year] for [Department B] in [Division A2]
69. Objective setting pack for [Department B] in [Division A2]
70. Business objectives for [Department B] in [Division A2]
71. Team brief for [Department B] in [Division A2]
72. Strategy development presentation for [Department B] in [Division A2]
73. Strategy awayday agenda for [Department B] in [Division A2]
74. Management forum presentation on HR strategy for [Department A] in [Division A2]
Appendix C: List of Documents Collected for Analysis

75. People strategy for [part of Department A] in [Division A2]
76. People strategy workshop outputs for [part of Department A] in [Division A2]
77. HR review for [Department E] in [Division A2]
78. Business Unit Summary for [Department E] in [Division A2]
79. Employee leaver reasons report for [Division A2]
80. Staff turnover reduction project cost-benefit analysis for [Division A2]
81. People Key Performance Indicators development programme for [Division A2]
82. Turnover and short-term tenure reduction project report for [Division A2]
83. Turnover and short-term tenure reduction focus group results for [Division A2]

C.3.2 Other documentation
1. Thousands of e-mail communications relating to various issues
2. Hundreds of internal memos
3. Dozens of meeting agendas, minutes & action lists
4. Organisation’s website

C.4 Case B
C.4.1 Formal documentation
1. [Department A] Service Plan
2. Corporate [performance review]
3. Internal Audit Service Plan
4. [Department B] Service Plan
5. Human Resource & Learning Strategy
6. Procurement strategy Terms of Reference
7. [Central government audit system] improvement & action programme Terms of Reference
8. Building Leadership Capacity Terms of Reference
9. IT strategy
10. Corporate Improvement Plan
11. [Department C] Service Plan (year X)
12. [Department C] Service Plan (year Y)
13. [Department D] Service Plan
14. Staff Opinion Survey results

C.4.2 Other documentation
1. Hundreds of e-mail communications relating to various issues
2. Dozens of internal memos
3. Various meeting agendas & minutes
4. Organisation’s website
APPENDIX D: SEMI-STRUCTURED INTERVIEW QUESTIONNAIRES

D.1 Case A1 & A2

D.1.1 The interviewee
1. [Check name if necessary.]
2. How long have you been in the organisation?
3. What is your current job title?
4. How long have you been in your current position?
5. In which department/team are you based?
6. On which committees/steering groups etc. do you sit?

D.1.2 Personal role
1. Do you have a job description?
2. When was it last updated?
3. How often do you refer to it?
4. How often is it updated?
5. How well does it reflect your roles and responsibilities?
6. What are your main roles and responsibilities?
7. Do you have a set of objectives/key result areas?
8. How is your performance measured?

D.1.3 Departmental structure etc.
1. To whom do you report?
2. How many people are there in the department?
3. Is it broken into teams/etc.?
4. What are the main activities undertaken by the department?
5. With which other parts of the organisation does the department work?
6. With which external bodies (if any) does the department interact?
7. Which individuals/groups have an influence on the running of the department (directly/indirectly)?

D.1.4 Departmental performance measurement
1. Is the performance of the department measured?
2. How?

D.1.5 Departmental reward systems
1. What determines the way in which you are rewarded?
2. Is this a framework used across the department?
3. Who has responsibility for the design and management of the reward systems?
4. Are the reward systems used in the organisation developed according to a particular rationale/set of criteria?
5. How do the reward systems influence behaviour?
6. Who does the person responsible for designing rewards systems consult when designing them?
7. Are the rewards systems reviewed? How is this process undertaken? How often?
8. Are unintended effects looked for?
9. How often are the reward systems changed?

D.1.6 Departmental resource allocation
1. How are resources allocated in the department?
2. What system of budgeting is used?
3. What effects does the budgeting system have on the activities of the organisation?
4. Are the budgeting systems reviewed? How is this process undertaken? How often?
5. Are unintended effects looked for?
6. How often are the budgeting systems changed?

D.1.7 Departmental shared mindset
1. How do outsiders see the department?
2. How would you like them to see the department?

D.1.8 Departmental training, development & learning
1. How are your training & development needs identified?
2. Are they linked to: your objectives/key result areas; your appraisal; the department’s strategy; the organisation’s strategy?

D.1.9 Departmental information management
1. Do you have the necessary information available to you do carry out your role effectively?
2. If you require further information, where would you find it?
3. If you have information which is likely to of use to someone else in the organisation, are you able to communicate it?
4. How?
Appendix D: Semi-structured Interview Questionnaires

D.1.10 Departmental mission & strategy: content
1. What is the purpose of the department?
2. How is the department seeking to fulfil its purpose?
3. Does the department have a formal strategy?
4. Can you explain what it is?
5. How does the department support the attainment of HR’s strategy or the division’s strategy?

D.1.11 Departmental mission & strategy: process
1. Who is responsible for developing the department’s strategy?
2. What is the process by which strategy is developed in the department?

D.1.12 Functional mission & strategy: content
1. What is the purpose of HR?
2. How is HR seeking to fulfil its purpose?
3. Does HR have a formal strategy?
4. Can you explain what it is?
5. How does HR support the attainment of the department’s strategy?

D.1.13 Functional mission & strategy: process
1. Who is responsible for developing HR’s strategy?
2. What is the process by which strategy is developed in HR?

D.1.14 Customer business unit structure etc.
1. Who is your main contact in the business unit?
2. How many people are there in the business unit?
3. Is it broken into teams/etc.?
4. What are the main activities undertaken by the business unit?
5. With which other parts of the organisation does the business unit work?
6. With which external bodies (if any) does the business unit interact?
7. Which individuals/groups have an influence on the running of the business unit (directly/indirectly)?

D.1.15 Customer business unit performance measurement
1. Is the performance of the business unit measured?
2. How?

D.1.16 Customer business unit reward systems
1. What determines the way in which staff in the business unit are rewarded?
2. Who has responsibility for the design and management of the reward systems?
Appendix D: Semi-structured Interview Questionnaires

3. Are the reward systems used in the business unit developed according to a particular rationale/set of criteria?
4. How do the reward systems influence behaviour?
5. Who does the person responsible for designing rewards systems consult when designing them?
6. Are the rewards systems reviewed? How is this process undertaken? How often?
7. Are unintended effects looked for?
8. How often are the reward systems changed?

D.1.17 Customer business unit resource allocation
1. How are resources allocated in the business unit?
2. What system of budgeting is used?
3. What effects does the budgeting system have on the activities of the business unit?
4. Are the budgeting systems reviewed? How is this process undertaken? How often?
5. Are unintended effects looked for?
6. How often are the budgeting systems changed?

D.1.18 Customer business unit shared mindset
1. How do outsiders see the business unit?
2. How would business unit staff like them to see the organisation?

D.1.19 Customer business unit training, development & learning
1. How are business unit staff training & development needs identified?
2. Are they linked to objectives/key result areas; appraisals; the business unit’s strategy; the organisation’s strategy?

D.1.20 Customer business unit information management
1. Do business unit staff have the necessary information available to them do carry out their roles effectively?
2. If they required further information, where would they find it?
3. If they have information which is likely to of use to someone else in the organisation, are they able to communicate it?
4. How?

D.1.21 Customer business unit mission & strategy: content
1. What is the purpose of the business unit?
2. How is the business unit seeking to fulfil its purpose?
3. Does the business unit have a formal strategy?
4. Can you explain what it is?
5. How does the business unit support the attainment of the division’s strategy?

D.1.22 Customer business unit mission & strategy: process
1. Who is responsible for developing the business unit’s strategy?
2. What is the process by which strategy is developed in the business unit?

D.1.23 Organisational structure
1. How is the organisation structured?
2. Who has responsibility for structuring the organisation?
3. Who does this person consult during the process?
4. Is the organisation structured according to an explicit rationale/set of criteria?
5. What affects does the organisation structure have on activities/behaviours?
6. Is the organisational structure reviewed? How is this process undertaken? How often?
7. Are unintended effects looked for?

D.1.24 Organisational mission
1. Does the organisation have a formal vision/mission?
2. Can you explain what it is?
3. How will you know when the organisation has achieved it?
4. How is the organisation trying to achieve its vision/mission?

D.1.25 Organisational environmental scanning
1. Are there any things outside the organisation which are likely to get in the way/help the achievement of the mission?
2. Are there any things inside the organisation which are likely to get in the way/help the achievement of the mission?
3. Is there a formal process to identify/monitor things outside the organisation which might get in the way/help the achievement of the mission?
4. Is there a formal process to identify/monitor things inside the organisation which might get in the way/help the achievement of the mission?

D.1.26 Organisational strategy: content
1. In this organisation, how would you distinguish between those decisions which are operational and those which are strategic?
2. Does the organisation have a formal strategy?
3. Can you explain what it is?
4. What things get in the way/are likely to get in the way of the organisation achieving its strategy?
5. What things help/are likely to help the organisation achieve its strategy?
6. How will you know when the organisation is achieving its strategy?

D.1.27 Organisational strategy: process
1. What is the process by which the strategy is developed?
2. Who has overall responsibility for the development of the organisation’s strategy?
3. Who is involved in the development of the strategy for the organisation?
4. From whom is information requested for the development of the organisation’s strategy?
5. Who is consulted as part of the strategy development process?
6. What evidence is there that the suggestions collected through this process have some impact on the final strategy?
7. Is an assessment of the organisation’s resources made as part of the strategy development process?
8. Is the implementation of strategy considered during the planning process?
9. If so, what issues are considered?
10. How would you describe the attitude of middle managers towards the strategy development process?
11. Are the elements of the strategy broken down into any find of list or framework?
12. Are the elements of the strategy prioritised? Are the critical parts identified?

D.1.28 Organisational strategic change
1. How is change planned in the organisation?
2. Is the probability of individual elements of the change programme working, assessed?
3. When undertaking strategic change, are the costs of implementing the plan taken into account before a particular option is chosen?
4. Looking at the behaviours of people in the organisation, what appears to be more important, short-term success or long-term success?

D.2 Case B
Appendix D: Semi-structured Interview Questionnaires

D.2.1 The interviewee
1. [Check interviewee name if necessary]
2. How long have you been in the organisation?
3. What is your career history, briefly?
4. What is your current job title?
5. How long have you been in your current position?
6. In which function/department/team are you based, and how is it structured?
7. On which committees/steering groups etc. do you sit?

D.2.2 Personal role
1. Do you have a job description?
2. When was it last updated? How often is it updated?
3. How often do you refer to it?
4. How well does it reflect your roles and responsibilities?
5. What are your main roles and responsibilities?
6. Do you have any ‘citizen’ interactions? How are these interactions initiated?
7. Do you have a set of objectives/key result areas?
8. How is your performance measured?

D.2.3 Department - general
1. To whom do you report?
2. How many people are there in your department?
3. How is your department structured?
4. What are your department’s main activities?
5. With which other parts of the organisation does your department work?
6. With which external bodies (if any) does your department interact?
7. Which individuals/groups have an influence on the running of your department (directly/indirectly)?
8. What is your department good at?
9. What is your department not good at?
10. How might these weaknesses be overcome?

D.2.4 Departmental performance measurement
1. What does your department head think is important? How do you know?
2. What does he/she expect from you and your colleagues?
3. What do others in the department think is important?
4. What do your key internal/external clients think is important?
5. Is the success of your department measured?
6. How?

**D.2.5 Departmental reward systems**
1. What determines the way in which you are rewarded?
2. Is this a framework used across your department?
3. Who has responsibility for the design and management of the reward systems?
4. How do the reward systems influence behaviour?
5. Who does the person responsible for designing rewards systems consult when designing them?
6. Are the rewards systems reviewed? How is this process undertaken? How often? Are unintended effects looked for?

**D.2.6 Departmental resource allocation**
1. What resources does your department control?
2. How are resources allocated in your department?
3. What system of budgeting is used?
4. What effects does the budgeting system have on the activities of the organisation?
5. Are the budgeting systems reviewed? How is this process undertaken? How often? Are unintended effects looked for?

**D.2.7 Departmental shared mindset**
1. How do outsiders see your department?
2. How would you like them to see your department?

**D.2.8 Departmental training, development & learning**
1. How are your training & development needs identified?
2. Are they linked to your objectives/key result areas; your appraisal; the department’s strategy; the function’s strategy; the organisation’s strategy?

**D.2.9 Departmental information management & reporting**
1. Do you have the necessary information to carry out your job effectively?
2. If you require further information, how can you find it?
3. If someone had information likely to be useful to you, would they be likely to give you it? How?
4. What information/reports do you have to prepare for your line manager? How often?
5. What information/reports do your subordinates prepare for you? How often?
Appendix D: Semi-structured Interview Questionnaires

D.2.10 Departmental mission & strategy: content
1. What is the purpose of your department?
2. Are there any particular threats your department faces?
3. Are there any particular opportunities open to your department?
4. How is your department seeking to fulfil its purpose?
5. Does your department have a formal strategy? Can you explain it?
6. What gets in the way of this strategy being achieved?

D.2.11 Departmental mission & strategy: process
1. Who is responsible for developing your department’s strategy?
2. What is the process by which strategy is developed in your department?

D.2.12 Function - general
1. How many people are there in your function?
2. How is your function structured?
3. What are your function’s main activities?
4. With which external bodies (if any) does your function interact?
5. Which individuals/groups have an influence on the running of your function (directly/indirectly)?
6. What is your function good at?
7. What is your function not good at?
8. How might these weaknesses be overcome?
9. What affects does the functional structure have on activities and people’s behaviours?

D.2.13 Functional mission & strategy: content
1. What is the purpose of your function?
2. How do you know if the function is achieving it?
3. Are there any particular threats your function faces?
4. Are there any particular opportunities open to your function?
5. How is your function seeking to fulfil its purpose?
6. Does your function have a formal strategy? Can you explain it?
7. What gets in the way of this strategy being achieved?
8. How does your department support achievement of the function’s objectives?

D.2.14 Functional mission & strategy: process
1. Who is responsible for developing your function’s strategy?
2. What is the process by which strategy is developed in your function?
Appendix D: Semi-structured Interview Questionnaires

D.2.15 Organisational - general
1. How many people are there in your organisation?
2. How is your organisation structured?
3. Is the organisation structured according to an explicit rationale/set of criteria?
4. What are the most important external bodies with which your organisation interacts?
5. Which individuals/groups have the greatest influence on the running of your organisation (directly/indirectly)?
6. What is your organisation good at?
7. What is your organisation not good at?
8. How might these weaknesses be overcome?
9. What affects does the organisation structure have on activities and people’s behaviours?

D.2.16 Organisational mission
1. What is the purpose of your organisation?
2. Does the organisation have a formal vision/mission? Can you explain it?
3. How do you know if the organisation is achieving it?
4. How is your organisation seeking to fulfil its purpose/vision/mission?
5. How does your function support achievement of the organisation’s objectives?
6. How does your department support achievement of the organisation’s objectives?

D.2.17 Organisational environmental scanning
1. Are there any particular threats your organisation faces?
2. Are there any particular opportunities open to your organisation?
3. Are there any things outside the organisation which are likely to get in the way of achieving the mission?
4. Are there any things outside the organisation which are likely to help in achieving the mission?
5. Are there any things inside the organisation which are likely to get in the way of achieving the mission?
6. Are there any things inside the organisation which are likely to help in achieving the mission?
7. Is there a formal system to identify/monitor things outside the organisation which might get in the way/help the achievement of the mission?
8. Is there a formal system to identify/monitor things inside the organisation which might get in the way/help the achievement of the mission?

**D.2.18 Organisational strategy: content**

1. How is your organisation seeking to fulfil its purpose?
2. In this organisation, how would you distinguish between those decisions which are operational and those which are strategic?
3. Does your organisation have a formal strategy? Can you explain it?
4. What things get in the way/are likely to get in the way of the organisation implementing its strategy?
5. What things help/are likely to help the organisation implement its strategy?
6. How will you know if the organisation is implementing its strategy successfully?

**D.2.19 Organisational strategy: process**

1. What is the process by which the strategy is developed?
2. Who has overall responsibility for the development of the organisation’s strategy?
3. Who is involved in the development of the strategy for the organisation?
4. From whom is information requested for the development of the organisation’s strategy?
5. Who is consulted as part of the strategy development process?
6. What evidence is there that the suggestions collected through this process have some impact on the final strategy?
7. Is an assessment of the organisation’s resources made as part of the strategy development process?
8. Is the implementation of strategy considered during the planning process?
9. If so, what issues are considered?
10. Are those involved in planning also responsible for implementing the strategy?
11. How would you describe the attitude of middle managers towards the strategy development process?
12. Are the elements of the strategy broken down into any find of list or framework or series of projects?
13. Are the elements of the strategy prioritised? Are the really important elements identified?
Appendix D: Semi-structured Interview Questionnaires

D.2.20 Top-down link to functional activities
1. How does the organisation’s strategy affect the activities your function carries out?

D.2.21 Top-down link to departmental activities
1. How does the organisation’s strategy affect the activities your department carries out?

D.2.22 Organisational strategic change
1. How is change planned in the organisation?
2. When undertaking strategic change, are the costs and risks of implementing the plan taken into account before a particular option is chosen?
3. Looking at the behaviours of people in the organisation, what appears to be more important, short-term success or long-term success?

D.2.23 Project management
1. How does your organisation decide what projects to begin?
2. Is there a process or an approach for diagnosing issues and initiating projects in response?
3. Does the organisation assess the potential value of each project? How?
4. How are choices made between projects competing for scarce resources? Who makes these choices?
5. How are project teams selected and managed?
6. How many effective Project Managers does the organisation have? How are they identified/developed?
7. How do Project Managers identify and manage interfaces with existing processes and other projects?
8. How do Project Managers engage others across the organisation as required?
9. How often do projects begin before stakeholders become aware of the implications for them?
10. How do Project Managers identify the activities required to deliver a project?
11. How are projects managed through to delivery? What gets tracked as they progress (e.g. milestones, risks, issues)?
12. How is project progress reported to senior managers?
13. How is project progress reported to other stakeholders?
14. Do projects generally get delivered on time; within budget; to required quality standards?
15. How is the success of projects measured? Is there a process for reviewing success?
16. Do Project Managers do anything to ensure that processes developed via projects are embedded properly?

D.2.24 Closure
1. Are there any documents you think I should look at to help answer my questions in more detail?
2. If I have any other queries in the future, can I contact you again?
APPENDIX E: DATA ANALYSIS EXAMPLE

The series of iterations shown in Table 52 give an example of how raw data – in this case interview comments – were analysed and informed the findings presented. For simplicity, only a limited number of codes and partial data are shown. Certain pieces of text are censored to protect the anonymity of the organisations and individuals involved.

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Comments made by interviewees manually noted against question number in interview, either in summary form or verbatim</td>
<td><img src="image1.jpg" alt="Example" /></td>
</tr>
<tr>
<td>2</td>
<td>Explanatory additions to interview notes made if needed for clarification (in different colour/marginal notes added)</td>
<td><img src="image2.jpg" alt="Example" /></td>
</tr>
<tr>
<td>3</td>
<td>Apparently critical data highlighted manually following multiple interviews &amp; initial sorting/memos completed</td>
<td><img src="image3.jpg" alt="Example" /></td>
</tr>
<tr>
<td>4</td>
<td>Critical data fragments added to database, along with respondent demographic data</td>
<td><img src="image4.jpg" alt="Example" /></td>
</tr>
<tr>
<td>5</td>
<td>Sequential analysis produced &amp; initial actor feedback sought</td>
<td><img src="image5.jpg" alt="Example" /></td>
</tr>
</tbody>
</table>

[See, for example, Table 14]
Appendix E: Data Analysis Example

Table 52: Examples of data analysis process

Table 52 shows only how initial data from document review, observations and interviews were analysed to the point of creating causal maps and identifying the central theme in each case. For details of how this was used and integrated with analysis from
other sources and further data collected to explore the causes and effects of this central issue (and the cross-case analysis), see Chapter 4 through to Chapter 7.
REFERENCES


References


References


References


References


Hinkle, D. N. (1965). *The change of personal constructs from the viewpoint of a theory of construct implications*. Ohio State University, Columbus.


References


References


References


References


References


Oliver, W. J. (1981). *Application of the critical success factor approach to strategy implementation*. MSc Massachusetts Institute of Technology, Boston, MA.


References


References


References


References


References

