



University of HUDDERSFIELD

University of Huddersfield Repository

Aldehayyat, Jehad S. and Anchor, J.R

Strategy Implementation Problems in Jordanian Publicly Quoted Industrial Firms

Original Citation

Aldehayyat, Jehad S. and Anchor, J.R (2009) Strategy Implementation Problems in Jordanian Publicly Quoted Industrial Firms. Working Paper. Emerging Markets Research Group University of Huddersfield, Huddersfield, UK. (Unpublished)

This version is available at <https://eprints.hud.ac.uk/id/eprint/6474/>

The University Repository is a digital collection of the research output of the University, available on Open Access. Copyright and Moral Rights for the items on this site are retained by the individual author and/or other copyright owners. Users may access full items free of charge; copies of full text items generally can be reproduced, displayed or performed and given to third parties in any format or medium for personal research or study, educational or not-for-profit purposes without prior permission or charge, provided:

- The authors, title and full bibliographic details is credited in any copy;
- A hyperlink and/or URL is included for the original metadata page; and
- The content is not changed in any way.

For more information, including our policy and submission procedure, please contact the Repository Team at: E.mailbox@hud.ac.uk.

<http://eprints.hud.ac.uk/>

Strategy Implementation Problems In Jordanian Publicly Quoted Industrial Firms*

Jehad S. Aldehayyat
Al-Hussein Bin Talal University , Jordan
College of Business and Economics

John R. Anchor**
University of Huddersfield , UK
Business School, Department of Strategy and Marketing
Queensgate
Huddersfield HD1 3DH
j.r.anchor@hud.ac.uk
Tel: +44-1484-472462

***An earlier version of this paper was presented at the British of Management conference, Brighton, 15-17 September 2009.**

**** Corresponding Author**

Acknowledgement

The authors wish to acknowledge the financial support of Hussein Bin Talal University , Jordan in the conduct of this research.

Strategy Implementation Problems In Jordanian Publicly Quoted Industrial Firms

ABSTRACT

This research aims to identify the problems associated with the implementation of strategic decisions in Jordanian publicly quoted industrial firms. It also aims to make a comparison between “high success” firms and less successful firms in order to find out whether there are any differences in their experience of these problems.

A cross sectional survey, employing a questionnaire as the data collection method, was adopted. The empirical research was conducted by delivering by hand the questionnaires to all Jordanian publicly quoted industrial firms (hereafter referred to as Jordanian industrial firms).

The main findings of this research are that the Jordanian industrial firms experienced all the major strategy implementation problems which have been identified in earlier literature; that the “high success” group experienced strategy implementation problems less often than the “low success” group; and that formal strategic planning helped firms to deal with these problems.

Strategy implementation; problems; Jordan; firm performance

Strategy Implementation Problems in Jordanian Publicly Quoted Industrial Firms

Introduction

The bulk of strategic management research has emerged from developed countries (Mellahi and Sminia, 2009). However, researchers in these countries have paid more attention to the formulation aspects of strategy rather than the implementation aspects (Bruton *et al*, 2004). Earlier studies in emerging markets have provided a significant amount of information about strategy formulation but with one or two exceptions (eg. Brenes *et al*, 2008) the picture is less clear in the case of strategy implementation. This is particularly true of the Middle East.

Two recent studies of strategic planning in Egypt have not examined implementation issues (Elbanna, 2007 and 2008). Limited evidence from Turkey indicates that firms appear to have greater commitment to formulation aspects of strategy than to the implementation and evaluation of strategy (Glaister *et al*, 2009). In the only previous studies of strategic planning in Jordan, Al-Shaikh and Hamami (1994), Al-Shammari and Hussein (2008) and Aldehayyat and Anchor (2008) identified that Jordanian companies made considerable efforts to formulate their strategies. However, they did not clarify what happened when these companies put into effect the strategic decisions which had been formulated.

Accordingly, the aims of this research are, within a Jordanian context, to

1. identify the problems associated with the implementation of strategic decisions
2. make a comparison between highly successful companies and less successful companies to find out whether there are any differences in their experience of these problems
3. make a comparison between companies which plan formally and those which plan informally to find out whether there are any differences in their experience of these problems.

The research was conducted within Jordanian industrial firms in order to facilitate the exploration of the problems of implementation of strategic decisions that face companies from developing countries, particularly those based in the Middle East. The findings will be discussed in the light of previous literature which provides the potential for the identification of differences between companies in developed and developing countries in relation to their experience of these problems.

Literature review

Strategy implementation

Although implementation is usually considered after strategy has been formulated, strategy implementation is the most difficult and important part of strategic management. No matter how superior the formulated strategy, the organization will

not benefit if it is implemented incorrectly (Aaltonen and Ikavalko, 2002). Indeed failures in organisational decision making are believed to take place predominantly during decision implementation rather than during decision making (Nutt, 1999).

These facts have led scholars to distinguish between intended and realised strategies Mintzberg (1978). In the strategy-making process, intended strategy refers to a desired strategic direction deliberately formulated or planned by managers, whereas realised strategy refers to the strategy that is followed by the company in practice. Intended strategies would be implemented as they had been planned if those in the organization understood every detail of management's intended strategy; that if the organization is to take collective action, the strategy needs to make as much sense to each of the members in the organization, as they view the world from their own context, as it does to top management; and that collective intentions must be realized with little unanticipated influence from outside political, technological, or market forces (Christensen and Donovan ,1998).

According to Kargar and Blumenthal (1994), a successful strategy depends on six dimensions of strategy implementation: appropriate organizational structures, well-designed compensation programs, effective resource allocation, efficient information systems, and a supportive corporate culture.

Although strategy implementation is viewed as an integral part of the strategic management process, the overwhelming majority of the literature has been on the formulation side of strategy and relatively little attention has been given to strategy implementation (Alexander, 1985;Al-Ghamdi,1998). Alexander (1991) suggested four reasons for this. First, strategy implementation is less glamorous than strategy formulation. Second, people overlook it because of a belief that anyone can do it. Third, people are not exactly sure what it includes and where it begins and ends. Finally, there are only a limited number of conceptual models of strategy implementation.

Strategy implementation problems

. "Implementation problems" refer to operational obstacles to goal achievement which either existed before implementation began and were not recognized or arose as a systemic reaction to conditions of the implementation effort due to poor preparation or systemic failure. The implementation problem is also used to "describe any unanticipated and uncontrollable external environmental phenomenon" (Kargar and Blumenthal, 1994, p. 15).

Empirical studies (e.g. Alexander, 1985; Kargar and Blumenthal, 1994; Al-Ghamdi, 1998; Beer and Eisenstat, 2000; Heide *et al.*, 2002; Taslak, 2004; O'Regan and Ghobadian, 2007) have suggested some potential external and internal problems, which are also called barriers, which face strategic decision implementation.

Alexander (1985) studied the problems of strategy implementation in medium and large US firms to determine the problems that occurred most frequently when a strategic decision was put into effect. The study found that the most commonly occurring strategy implementation problems were:

1. Implementation took more time than originally planned
2. Major problems which surfaced had not been identified earlier
3. Crises distracted attention from implementing the decision
4. Uncontrollable external factors impacted on implementation.
5. Inadequate leadership and direction by departmental managers
6. Insufficient definition of key implementation tasks and activities
7. Inadequate information systems used to monitor implementation activities
8. Co-ordination of implementation not effective enough
9. Insufficient capabilities of employees involved with implementation
10. Inadequate training and instruction given to lower level employees

Alexander (1985) then divided these companies into high - success and low – success depending on the degree of success in implementing the strategic decision. He found that high –success companies experienced 11 problems (the first six of the problems listed above, along with five new problems to a lesser extent than low –success companies. The five new problems were:

1. Top management's inadequate communication
2. The inactive role of formulators of the strategic decision in implementation
3. Unclear defined changes in roles and responsibilities of key employees
4. Overall goals of strategic decisions are not well enough understood by employees
5. Supporters of the strategic decision having left the company during implementation

Kargar and Blumenthal (1994) studied the problems of strategy implementation in small North Carolina banks. It was found that the ten problems that were identified by Alexander (1985), and which occurred frequently during the strategy implementation process in large companies, were also experienced by small banks, but with minor or moderate problems. On the other hand, they found that high – success companies experienced just four problems less significantly than low – success companies.

O'Regan and Ghobadian (2007) also studied small and medium sized firms – this time in the electronics and engineering sectors in the UK. They identified eight major barriers to strategic planning implementation. Five of these were internal in orientation: communication was inadequate; implementation took longer than anticipated; a shortfall in employee capabilities; overall goals of strategy not well enough understood by staff; co-ordination of implementation not effective enough and three were external : crises distracted attention from implementation; unanticipated external problems arose; and external factors impacted on implementation.

Al-Ghamdi (1998) replicated and extended Alexander's research (1985) to identify the problems of implementation of strategic decisions in companies located in the Bradford area (UK). He found that six of the implementation problems occurred for at least 70 per cent of these companies. These were implementation took more time than originally allocated; major problems surfaced which had not been identified earlier; co-ordination of implementation activities was not effective enough; competing activities distracted attention from implementing this decision; key implementation tasks and activities were not sufficiently defined; and information systems used to monitor implementation were inadequate. He found also that high – success companies experienced all the potential problems to a lesser extent than low – success companies.

Beer and Eisenstat (2000) via a study of senior US managers identified six key barriers to strategy implementation. These barriers were: top down or laissez-faire senior management style; unclear strategy and conflicting priorities; an ineffective senior management team; poor vertical communication; poor co-ordination across functions, business or borders; and inadequate down-the-line leadership skills and development.

Heide *et al.*, (2002) conducted a case study on a Norwegian ferry-cruise company to identify the barriers to implementation of a planned strategy. They found that various types of communication problem, which may be influenced to some extent by the organisational structure, were the main barriers to the implementation of the planned strategy. Indeed 70 per cent of the 174 implementation problems which they identified were in this category.

Taslak (2004) examined strategy implementation problems in the Turkish textile industry. He found six problems occurred frequently in these companies. They were implementation taking more time than originally planned; uncontrollable forces in the external environment; competing activities distracting attention from the implementing decision; the problems not communicated to top management early enough; problems surfaced that were not identified earlier; and key formulators of the strategic decision cannot play a key role during the implementation process. He also found low-success companies experienced all the suggested problems more than high-success companies during the implementation process.

Strategic planning

In the 1980s and early 1990s strategic planning was criticised in terms of its effectiveness at a conceptual level (e.g. Mintzberg 1990, 1994). However these criticisms did have an operational dimension too. The main operational criticisms were as follows: management creativity will be affected negatively by 'rigid' strategic planning; planning is often performed by planners instead of by managers who would be affected by the result of the plans; planners and top management take charge and isolate the planning process from the people whose commitment is needed to carry it through; strategic planning processes are bureaucratic and rigid activities, used for financial control and do not encourage the setting of new strategic directions; and strategic planning inhibits strategic thinking (Bonn and Christodoulou, 1996).

Partly as a result of these contributions, strategic planning underwent substantial changes during the 1980s and 1990s (Clarke, 1997; Taylor, 1997; Bonn and Christodoulou, 1996; Wilson, 1994). There is now: less bureaucracy with more emphasis on implementation and innovation; a reduction in the number of staff planners with more participation of line managers and teams of employees; use of more sophisticated planning techniques such as scenario planning; and increased attention to changing markets, and competitive and technological trends .

Formality of strategic planning process

A formal strategic planning process is a deliberate attempt to include factors and techniques in a systemic way to achieve specified tasks. It includes the establishment of clear objectives and the necessary mechanisms to achieve it. Formal planning is considered as an essential tool of management in an organisation, and aims to provide direction and ensure that appropriate resources are available at a suitable place and time for the pursuit of objectives (O'Regan and Ghobadian, 2007; Armstrong, 1982). Strategic planning potentially provides a number of organisational benefits. In the context of implementation issues, these include: enhancing co-ordination (e.g. bringing together all business unit strategies within an overall corporate strategy); controlling by reviewing performance and progress towards objectives; identifying and exploiting future marketing opportunities; enhancing internal communication between personnel; and encouraging personnel in a favourable attitude to change (Greenley, 1986; Koufopolous and Morgan, 1994).

Empirical research has indicated that non-formal strategic planning firms experience implementation problems more than do formal strategic planning firms. For instance, O'Regan and Ghobadian (2007) found that all problems with the implementation of strategic decisions were experienced by formal and non-formal planning firms. However, they found that non-formal strategic planning firms identified a greater emphasis on each problem than formal planning firms. Kargar and Blumenthal (1994) found that non-formal planners experienced two implementation problems to a significantly greater degree than did formal planners: namely, advocates having left the firm during implementation and responsibilities not being clearly defined.

Research methods:

Research population and respondents

The population of this research is defined as all the industrial firms in Jordan that were registered on the Amman Stock Exchange (ASE), according to its 2008 guide to Jordanian shareholding (publicly quoted) companies. The questionnaires were delivered to all Jordanian industrial firms and specifically directed towards general managers, since it was believed that a general manager was the most appropriate person to provide a valid response to questions related to strategy (Bart *et al.*, 2001; Hopkins and Hopkins 1999; Conant *et al.*, 1990)

80 questionnaires were distributed and 28 valid responses were received within three weeks. After a reminder visit to those who had not responded to the main survey 15

more valid responses were received raising the total usable responses to 43 questionnaires. Therefore the response rate was 53.7%, which is considered a good rate compared with the other studies in the same area. Indeed Saunders *et al.*, (2003) argue that the response rate when questionnaires are delivered and collected by hand is likely to be between 30% and 50%.

Since the response rate in this study was not, or near, 100%, testing for non-response bias becomes crucial. Non-response bias was assessed therefore by comparing the characteristics of early respondents with those of late respondents.

A Chi-square test was performed to determine whether there were significant differences between the two groups (early and late) of respondents. The results indicate no significant differences between early respondents and late respondents with respect to a firm's size ($X^2 = 3.111, p = .539$, 2-sided) and industry type ($X^2 = 21.106, p = .174$, 2-sided). Thus, the results of this test indicate that response bias does not apply to the research findings.

Characteristics of respondents

Table 1 shows that 62.9% of respondents were under 50 years of age, 83.8 % were male, 76.8 % had a university degree and above, 18.7% of them had less than five years working experience in their current position and 69.8% had a total experience of more than ten years.

Table 1. Characteristics of responding managers

Characteristics	Freq.	%
Age		
Under 30	3	7
30-40	8	18.7
41-50	16	37.2
51-60	11	25.5
61-over	5	11.6
Gender		
Male	36	83.8
Female	7	16.2
Education level		
College degree	5	11.6
Bachelor's degree	26	60.5
Postgraduate degree	7	16.3
Others	5	11.6
Experience in current		

position		
Under 5 years	8	18.7
5-10	10	23.2
11-15	11	25.6
16-20	10	23.2
21-over	4	9.3
Total working experience		
Under 5 years	2	4.6
5-10	11	25.6
11-15	13	30.2
16-20	11	25.6
21-over	6	14

Table 2 classifies the characteristics of responding firms in terms of size (by number of employees) and type of industry. Table 2 shows that 39.5% of respondents represented small firms, 32.5% medium firms and 28% large firms. The industry types were diverse.

Table 2. Characteristics of responding firms

Characteristics	Freq.	%
Size of firm		
Less than 50 employees	17	39.5
51-200 employees	14	32.5
More than 200 employees	12	28
Industry type		
Mining	7	16.3
Foodstuffs	10	23.2
Therapeutic and medical supplies	10	23.2
Chemical products	9	21
Wooden and metal furniture	7	16.3

Measures

The questionnaire consisted of 34 questions which were grouped into four sections. The first set of questions involved the types of strategic decision which had been implemented recently. The typology of strategic decisions was adopted from Taslak (2004), Al-Ghamdi (1998) and Alexander (1985). The types of strategic decisions included: 1. Introduce a new product, 2. Open and establish a new factory, 3. Expand operations to enter a new market, 4. Retrench a product or withdraw from a market, 5. Acquire or merge with another company, 6. Change the strategy in a functional department.

The second set of questions involved 15 formulation problems which were suggested by Alexander (1985). Respondents were asked (Cronbach alpha = 0.7012), on a five-point scale rating from "no problem at all" to "a severe problem", to indicate how problematic strategic decision implementation had been in their companies.

The third set of questions is about the level of success, depending on the degree of success of the implementation of strategic decisions. Respondents were asked (Gronbach alpha = 7251), on a scale rating from "low successful" to "high successful", to evaluate the overall success of strategy implementation in the following three areas, as adopted from Alexander (1985):

1. Achieved the initial goals of the strategic decisions on time as planned
2. Achieved the expected financial results (sales, income, and/ or profit)
3. Carried out within the resources budgeted initially (e.g., money, manpower, time).

The fourth set of questions involved 10 items relating to the degree of formal strategic planning adopted by the firm. A multi-item measure of planning process formality was adopted (Appendix). Glaister and Falshaw (2002) and Falshaw *et al.*, (2005) developed this measure to counter the critique of the single- item approach (written or unwritten strategic plan).

Findings

The types of strategic decision implemented recently are shown in Table 3. Expand operations to enter a new market is the most common decision type, followed by introducing a new product, then retrench a product or withdraw from a market.

Table 3. Strategic decision types

Decision	No.	%
Expand operations to enter a new market	8	28.6
Introduce a new product	6	21.4
Retrench a product or withdraw from a market	6	21.4
Open and establish a new factory	4	14.3
Change the strategy in a functional department	2	7.1
Acquire or merge with another company	1	3.6
Others	1	3.6
Total	28	100

Table 4 shows the 12 most frequently cited implementation problems experienced by Jordanian industrial companies. However, some problems were experienced more often than others. The most common problem was insufficient information systems for control of activities, then crises distracted attention from implementation, followed by co-ordination of implementation not effective enough. However, the three implementation problems which were least experienced by these companies were unanticipated major problems arose, then inadequate leadership and direction by departmental managers, followed by responsibilities not being clearly defined.

Table 4. The twelve most frequently cited strategy implementation problems

Problems	Mean*	SD
Insufficient information systems for control of activities	3.714	1.232
Crises distracted attention from implementation	3.500	1.051

Strategy Implementation Problems In Jordanian Publicly Quoted Industrial Firms

Co-ordination of implementation not effective enough	3.000	1.054
Uncontrollable external environmental factors	2.964	0.962
Implementation required more time than was planned	2.964	1.049
Insufficient capabilities of the involved employees	2.928	0.845
Top management's slow communication	2.814	0.985
Inadequate training and instruction of employees	2.750	1.141
Unclear statements of overall goals	2.714	1.094
Unanticipated major problems arose	2.642	0.856
Inadequate leadership and direction by departmental managers	2.541	1.035
Responsibilities not being clearly defined	2.500	0.954

*The mean is derived from responses which were based on a scale of 1= no problem at all to 5= a severe problem.

These results are consistent with the findings of earlier studies (Taslak, 2004; O'Regan and Ghobadian, 2007; Al-Ghamdi, 1998; Kargar and Blumenthal, 1994; Alexander, 1985). For example, 12 of the problems listed in Table 4 include nine out of the 10 most commonly occurring problems in the large and small companies which Alexander (1985) studied. Also, the problems listed include 11 out of the 12 frequently encountered by the small banks which Kargar and Blumenthal (1994) investigated.

Spearman's correlation was conducted to assess the relationships between the size of firm and the problems associated with the implementation of strategy. The test was performed for each of the fifteen problems. Table 5 shows a negative statistical association for one problem, namely, co-ordination of implementation not effective enough (Spearman's $Rho = -0.201$, $p < 0.05$, 2-tailed) (correlation -0.201 at $.05$ level) and a significant positive relationship for one problem; namely, inactive role of key formulators in implementation (Spearman's $Rho = 0.240$, $p < 0.05$, 2-tailed) (correlation $.240$ at $.05$ level).

Alexander's (1985) study identified the ten most commonly occurring strategic planning implementation processes experienced by medium- sized and large companies. On the other hand, as previously mentioned, Kargar and Blumenthal (1994) studied the problems of strategic planning implementation in small North Carolina banks. The study found that the ten problems that were identified by Alexander (1985) and which occurred frequently during the strategy implementation process in large companies were also experienced by small banks. Kargar and Blumenthal (1994) suggested that their results could also be applied to small businesses because of the similarity of the strategic goals of banks and small businesses and undertook further research to test this point. However, this study controlled for company size regarding the problems associated with strategic planning implementation and found almost no relationship between the size of firms and the problems associated with the implementation of strategic planning.

An analysis of variance (ANOVA) was conducted to determine whether any significant differences existed between the five types of industry (mining, foodstuffs, therapeutic and medical supplies, chemical products, wooden and metal furniture) regarding the problems associated with strategy implementation. The test was performed for each of the fifteen problems. The results in Table 5 indicate a statistically significant difference between the five types in relation to strategy implementation problems to one problem; namely, insufficient capabilities of the involved employees ($F=3.75, p= .044$).

Table 5. Correlation between strategy implementation problems and firm –specific characteristics

Strategy implementation problems	Size of firm	Type of industry
	Pearson Correlation (2-tailed) <i>r(p)</i>	ANOVA-Test <i>F(p)</i>
Implementation required more time than was planned	-0.113 (0.155)	0.128 (0.888)
Crises distracted attention from implementation	0.016 (0.444)	0.239 (0.788)
Uncontrollable external environmental factors	0.076 (0.246)	0.031 (0.980)
Inadequate leadership and direction by departmental managers	0.014 (0.451)	0.369 (0.692)
Inadequate definition of key implementation tasks	0.006 (0.480)	0.916 (0.404)
Co-ordination of implementation not effective enough	-0.201 (0.027)	0.335 (0.716)
Insufficient capabilities of the involved employees	0.130 (0.121)	3.750 (0.044)
Inadequate training and instruction of employees	0.016 (0.442)	0.758 (0.472)
Insufficient information systems for control of activities	-0.046 (0.338)	0.540 (0.585)
Advocates having left the firm during implementation	-0.216 (0.025)	0.774 (0.401)
Unclear statements of overall goals	-0.090 (0.230)	0.454 (0.637)
Responsibilities not being clearly defined	0.017 (0.437)	0.138 (0.850)
Unanticipated major problems arose	0.119 (0.142)	1.343 (0.267)
Inactive role of key formulators in implementation	0.240 (0.020)	0.151 (0.860)

Top management's slow communication	0.090 (0.200)	1.257 (0.290)
-------------------------------------	------------------	------------------

The sample of 43 companies was divided into high (n=25) and low (n=18) success groups depending on the relative degree of success in implementing strategic decisions. The results of the t-test for each problem, as reported in Table 6, show significant statistical differences between the high success group and the low success group in relation to 11 out of 15 implementation problems. The results in table 7 show also that inactive role of key formulators in implementation (t= 5.41, $p<0.001$) and insufficient information systems for control of activities (t= 4.14, $p<0.001$) are associated with the most significant differences between the high success and low success groups. However, for the 11 problems which had a significant t-test, the high success group had less often experienced implementation problems than the low success group.

Table 6. T-test for implementation problems and level of success

Problems	Mean		Significance
	High Success (n=25)	Low Success (n=18)	
1. Implementation required more time than was planned	2.73	3.15	.383
2. Crises distracted attention from implementation	3.33	3.69	.452
3. Uncontrollable external environmental factors	2.60	3.46	.047*
4. Inadequate leadership and direction by departmental managers	1.93	3.23	.013*
5. Inadequate definition of key implementation tasks	2.33	3.38	.006**
6. Co-ordination of implementation not effective enough	2.40	3.07	.077
7. Insufficient capabilities of the involved employees	2.33	3.69	.005*
8. Inadequate training and instruction of employees	2.26	3.23	.024*
9. Insufficient information systems for control of activities	1.73	3.69	.000***
10. Advocates having left the firm during implementation	1.93	3.61	.001***
11. Unclear statements of overall goals	1.086	3.15	.010**
12. Responsibilities not being clearly defined	2.06	3.35	.002**
13. Unanticipated major problems arose	2.60	3.61	.008**
14. Inactive role of key formulators in implementation	1.800	3.84	.000***
15. Top management's slow communication	2.86	2.75	.792

*** $p<0.001$ level; ** $p<0.01$ level; * $p<0.05$ level

These results are consistent with the findings of earlier studies (Taslak, 2004; O'Regan and Ghobadian, 2007; Al-Ghamdi, 1998; Alexander, 1985). For example, Alexander (1985) found that all high success groups experienced 11 implementation problems to a lesser extent than low success groups. Al-Ghamdi (1998) found that all high success groups experienced 15 implementation problems to a lesser extent than did low success firms. O'Regan and Ghobadian (2007) found that all implementation problems were experienced to a lesser extent by high performing firms than by low performing firms. On the other hand, these results contradict Kargar and Blumenthal (1994)'s findings that the high success groups experienced just four implementation problems to a lesser extent than did low success firms. This result could be explained by the type of industry and the firm size that they controlled. Kargar and Blumenthal (1994) focused on small banks, which made their study different from this and the other studies mentioned previously.

Spearman's correlation was conducted to assess the relationships between implementation problems and the degree of formality of the strategic planning process. The test was performed for each of the fifteen problems. The results (Table 7) show a negative statistical significance for nine problems. The results show no statistical correlation with the other six problems. Therefore, it can be argued that formal strategic planning helped the firms to deal with strategy implementation problems to a significant extent. These results are consistent with the findings of O'Regan and Ghobadian's (2007) study which indicates that formal planning can enable firms to meet any potential problems with greater confidence. On the other hand, these results contradict Kargar and Blumenthal's (1994) findings that non-formal planners experienced only two problems to a significantly greater extent than did formal planners. However, this finding could be explained by the type of industry and the size of firm that Kargar and Blumenthal (1994) studied.

Table 7. Correlation between strategy implementation problems and formality of strategic planning

Strategy implementation problems	Strategic planning process formality	
	Spearman's value	R significance (1-tailed)
Implementation required more time than was planned	-.372*	.026
Crises distracted attention from implementation	-.418*	.013
Uncontrollable external environmental factors	-.327*	.044
Inadequate leadership and direction by departmental managers	-.332*	.042
Inadequate definition of key implementation tasks	-.133	.250
Co-ordination of implementation not effective enough	-.342*	.037
Insufficient capabilities of the involved employees	-.343*	0.37
Inadequate training and instruction of employees	.131	.253

Strategy Implementation Problems In Jordanian Publicly Quoted Industrial Firms

Insufficient information systems for control of activities	-.427*	.012
Advocates having left the firm during implementation	-.238	.111
Unclear statements of overall goals	-.212	.140
Responsibilities not being clearly defined	.067	.367
Unanticipated major problems arose	.020	.460
Inactive role of key formulators in implementation	-.358*	.031
Top management's slow communication	-.321*	.048

* $p < 0.05$ level

Conclusions

Al-Shaikh and Hamami (1994), Hamami and Al-Shaikh (1995) and Aldehayyat and Anchor (2008) found that Jordanian firms made a considerable effort to formulate their strategies. However, they did not investigate whether these companies succeeded in implementing their strategies or not.

The results of the current research found that Jordanian industrial firms experienced 15 implementation problems identified in earlier studies. It was also found that further effort is required from the managers of these firms to balance strategy formulation and strategy implementation. Success in one area does not guarantee success in the other.

The general economic and political conditions in the Middle East may have increased the scale of strategy implementation problems (e.g. crises distracted attention from implementation; insufficient information systems for control of activities; uncontrollable external environmental factors) that these firms have faced. However, these results have identified that firms in developing countries and firms in developed countries experience the same strategy implementation problems to a considerable extent.

The results of this research show that high success firms experienced less often 11 out of 15 implementation problems than did low success firms. This means that high success firms have a greater ability to prevent problems than do low success firms. This result is consistent with the majority of the literature which indicates that high success firms have experienced implementation problems less commonly than low success firms.

The literature gives mixed messages about the value of formal planning to minimise the problems of implementing strategic decisions. The results of this study show that formal strategic planning helps firms to deal with these problems to a greater extent. Therefore, this study provides new evidence about the nature of the relationship between strategic planning and the implementation of strategic decisions.

This research provides a number of contributions to the literature on strategy implementation problems. Firstly, it provides empirical evidence of the problems

associated with the implementation of strategy and the nature of its relationship with certain organisational characteristics (size and type of industry). Secondly, the research is believed to be the first attempt to study the problems associated with the implementation of strategy in Jordanian firms. Thirdly, this research is one of the first attempts to provide an insight into the nature of the problems associated with the implementation of strategy in developing countries in general and in Jordan in particular. Fourthly, the approach to studying the problems associated with the implementation of strategy which was followed in this research could be used as the benchmark for the study of the problems associated with the implementation of strategy in business organisations in developing countries in general and in Jordan in particular.

An attempt has been made to ensure that the findings of the research reported on in this paper have some generality. However, it is important to clarify a number of its limitations.

As previously mentioned, the nature of this research is descriptive and the method used is a cross-sectional survey. This choice made it difficult for the researchers to explore in depth some areas related to the implementation of strategy in the sampled companies since most respondents agreed to complete the questionnaire but did not agree to be interviewed. Nevertheless, future research will be undertaken in a small number of these companies by using an in-depth type of investigation.

This research used a questionnaire as the data collection method. There are some disadvantages to using this method. To overcome these disadvantages some procedures were undertaken such as: the questionnaires were distributed and collected by hand; the researcher sent the questionnaire directly to the general managers. As a result, this research focused on “what” and “how” questions and did not explore “why”, via face to face interview or focus groups. Nevertheless, future research should take these methods into account in an attempt to answer the “why” question.

Single, rather than multiple, respondents participated in this research. The researchers were not able to get multiple respondents because of the wishes of some companies to receive just one questionnaire. Nevertheless, future research should try to include line managers, such as marketing, financial, planning and administrative managers, to get a clearer picture about the situation inside the firm.

Regardless of these limitations, this research does provide findings which help to understand the problems associated with the implementation of strategy in Jordan, in particular and in developing countries in general.

REFERENCES

- Aaltonen, P. and Ikavalko, H. (2002) "Implementing strategies successfully", *Integrated Manufacturing System*, Vol. 13, No. 6, pp. 415-418.
- Aldehayyat, J.S. and Anchor, J.R. (2008) "Strategic planning tools and techniques in Jordan: awareness and use", *Strategic Change*, Vol.17, No. 7/8, pp. 281-293.
- Alexander, L. (1985) "Successfully implementing strategic decisions", *Long Range Planning*, Vol. 18, No. 3, pp. 91-97.
- Alexander, L. (1991) "Strategy implementation nature of the problem", *International Review of Strategic Management*, Vol. 2, No. 1, pp.73-91.
- Al-Ghamdi, S. (1998) "Obstacles to successful implementation of strategic decisions: the British experience", *European Business Review*, Vol. 98, No. 6, pp. 322-327.
- Al-Shaikh, F. and Hamami, Y. (1994) "Strategic Planning in Jordanian Business Organisations", *International Journal of Management*, Vol. 11, No. 4, pp. 982-939.
- Al-Shammari, H. and Hussein, R. (2008) "Strategic planning in emergent market organizations: empirical investigation", *International Journal of Commerce and Management*, Vol.18, No. 1, pp. 47-59.
- Armstrong, J. (1982) "The value of formal planning for strategic decisions: review of empirical research", *Strategic Management Journal*, Vol. 3, No. 3, pp. 197-211.
- Bart, C., Bontis, N. and Taggar, S. (2001) "A model of the impact of mission statements on firm performance", *Management Decision*, Vol. 39, No. 1, pp. 19-35.
- Beer, M. and Eisenstat, R. (2000) "The silent killers of strategy implementation and learning", *Sloan Management Review*, Vol. 41, No. 4, pp. 29-40.
- Bonn, I. and Christodoulou, C. (1996) "From strategic planning to strategic management", *Long Range Planning*, Vol. 24, No. 4, pp. 543-551.
- Brenes, E.T., Mena, M. and Molina, G.E. (2008) "Key success factors for strategy implementation in Latin America", *Journal of Business Research*, Vol. 61, No. 6, pp. 590-598.
- Bruton, G.D., Lohrke, F.T. and Lu, J.W. (2004) "The evolving definition of what comprises international strategic management research", *Journal of International Management*, Vol. 10, pp. 413-429
- Christensen, C and Donovan, T. (1998) "The process of strategy development and implementation", HBS No.:00-075, Working paper, Harvard Business School, Boston, MA, April, pp. 1-17.

Clarke, C. (1997) "The strategic planning society-the first 30 years", *Long Range Planning*, Vol. 30, No. 3, pp. 327-333.

Conant, J., Mokwa, M. and Varadarajan, R. (1990) "Strategic types, distinctive marketing competencies and organisational performance: a multiple measures-based study", *Strategic Management Journal*, Vol.11, No. 5, pp. 365-383.

Elbanna, S. (2007) "The nature and practice of strategic planning in Egypt", *Strategic Change*, Vol. 16, pp. 227-243.

Elbanna, S. (2008) "Planning and participation as determinants of strategic planning effectiveness: evidence from the Arabic context", *Management Decision*, Vol. 46, No.5, pp. 779-796.

Falshaw, J., Glaister, K., and Tatoglu, E. (2006) "Evidence on formal strategic planning and company performance", *Management Decision*, Vol. 44, No. 1, pp. 9-30.

Glaister, K. and Falshaw, R. (1999) "Strategic planning: still going strong?", *Long Range Planning*, Vol. 32, No.1, pp.107-116.

Glaister, K.W., Dincer, O., Tatoglu,E., and Demirbag, M. (2009), " A comparison of strategic planning practices in companies from the UK and Turkey", *Journal of Management Development*, Vol. 28, No.4, pp361-379.

Greenley, E. (1986) "Does strategic planning improve company performance?", *Long Range Planning*, Vol. 19, No. 2, pp. 101-108.

Heide, M., Gronhaug, K. and Johannessen, S. (2002) "Exploring barriers to the successful implementation of a formulated strategy", *Scandinavian Journal of Management*, Vol. 18, No. 2, pp. 217-231.

Hopkins, W. and Hopkins, S. (1997) "Strategic planning-financial performance relationship banks: a causal examination", *Strategic Management Journal*.Vol.18, No. 8, pp. 635-652.

Kargar, J. and Blumenthal, A. (1994) "Successful implementation of strategic decisions in small community banks", *Journal of Small Business Management*, Vol. 32, No. 2, pp.10-23.

Koufopoulos, D. and Morgan, N. (1994) "Competitive pressures force Greek entrepreneurs to plan", *Long Range Planning*, Vol. 27, No. 4, pp. 112-124.

Mellahi, K. and Sminia H. (Eds) (2009) "The frontiers of strategic management research", *International Journal of Management Reviews*, Vol. 11, No. 1 (March), pp.1-8.

Mintzberg, H. (1978), "Patterns in strategy formation", *Management Science*, Vol. 24,

No. 9, pp. 934-948.

Nutt, P.C. (1999) "Surprising but true: half the decisions in organisations fail", *Academy of Management Executive*, Vol.13, pp.75-90.

O'Regan, N. and Ghobadian, A. (2007) "Formal strategic planning: annual raindance or wheel of success", *Strategic Change*, Vol. 16, pp. 11-22.

Saunders, M., Lewis, P. and Thornhill, A. (2003) *Research Methods for Business Students*. (3rd ed.) London: Prentice Hall.

Taslak, S. (2004), "Factors restricting success of strategic decisions: evidence from the Turkish textile industry", *European Business Review*, Vol. 16, No. 2, pp. 152-164.

Taylor, B. (1997) "The return of strategic planning once more with feeling", *Long Range Planning*, Vol.30, No. 3, pp. 334-344.

Wilson, I. (1994) "Strategic planning isn't dead- it changed", *Long Range Planning*, Vol. 27, No. 4, pp. 12-23.

Appendix

Planning formality scale items

Fixable						Formal	
Scheduled as needed	1	2	3	4	5	Regular reviews	scheduled
Flexible planning procedures	1	2	3	4	5	Uniform procedures	planning
As much time as needed	1	2	3	4	5	Strict time limits on reviews	
Informal presentations	1	2	3	4	5	Formal presentations	
Decision makers only	1	2	3	4	5	Numerous observers	
Ten page plans, or less	1	2	3	4	5	Massive paperwork	
Open dialogue	1	2	3	4	5	Restricted discussion	
Decisions optional	1	2	3	4	5	Decisions compulsory	
Random progress reviews	1	2	3	4	5	Regular reviews	progress
Limited accountability	1	2	3	4	5	Strict accountability	

Source: Glaister and Falshaw (2002, p. 110) and Falshaw *et al.*, (2006, p. 30).