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### Original Citation

Dehayyat, Jihad Al and Anchor, J.R (2010) Strategy Implementation Problems in Jordanian Publicly Quoted Industrial Firms. Working Paper. Emerging Markets Research Group University of Huddersfield, Huddersfield, UK. (Unpublished)

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# **Strategy Implementation Problems in Jordanian Publicly Quoted Industrial Firms\***

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December 2009

An earlier version of this paper was presented at the British Academy of Management conference, Brighton, UK, 15-17 September 2009. We acknowledge the financial support of Hussein Bin Talal University in the conduct of this research. We thank Evgeny Polyakov for his invaluable comments on this manuscript. All remaining errors are our responsibility.

## **ABSTRACT**

This research identifies the problems associated with the implementation of strategic decisions in Jordanian publicly quoted industrial firms. The study makes a comparison between high success firms and less successful firms to learn whether or not differences exist in their experience of these problems. A cross sectional survey, employing a questionnaire as the data collection method, was used. 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 Jordanian industrial firms experience all the major strategy implementation problems that earlier literature identifies; that the high success group experiences strategy implementation problems less often than the low success group; and that formal strategic planning helps firms to deal with these problems.

Keywords: Strategy implementation; problems; Jordan; firm performance

## **Introduction**

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

Two studies of strategic planning in Egypt do not examine implementation issues at all (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) identify that Jordanian companies make considerable efforts to formulate their strategies. However, they do not clarify what happens when these companies put into effect the planned strategic decisions.

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 emerging economies, particularly those based in the Middle East. The findings are discussed in the light of previous literature which provides the potential for the identification of differences between companies in developed and emerging economies in relation to their experience of these problems.

The results of the research show that Jordanian industrial firms experience 15 implementation problems identified in earlier studies. High success firms experience less often 11 out of the 15 problems than low success firms. Formal strategic planning helps firms to deal with 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 will be implemented as they have been planned if those in the organization understand every detail of the intended strategy. 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. In addition, 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) suggests four reasons for this. First, strategy implementation is less glamorous than strategy formulation. Second, people overlook strategy implementation because of a belief that anyone can do it. Third, people are not exactly sure what strategy implementation 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 begins and are not recognized or arise as a systemic reaction to conditions of the implementation effort due to poor preparation or systemic failure. The implementation problem is a term which 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, Gronhaug and Johannessen, 2002; Taslak, 2004;

O'Regan and Ghobadian, 2007) have suggested some potential external and internal problems, which are also called barriers, which face strategy 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 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. They 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 to a minor or moderate extent. 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), in a study of senior US managers, identify six key barriers to strategy implementation. These barriers are: 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 problems, which may be influenced to some extent by an organisation's structure, were the main barriers to the implementation of the planned strategy. Indeed 70 per cent of the 174 implementation problems which they identify are 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 took more time than originally planned; uncontrollable forces in the external

environment; competing activities distracted attention from the implementing decision; the problems were not communicated to top management early enough; problems surfaced that were not identified earlier; and key formulators of the strategic decision did not 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 results of the plans; planners and top management take charge and isolate the planning process from the people whose commitment is needed to carry the process 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 Christodolou, 1996; Wilson, 1994). Subsequently there has been a reduction in 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. The process includes the establishment of clear objectives and the necessary mechanisms to achieve them. 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 the organisation's objectives (O'Regan and Ghobadian, 2007; Armstrong, 1982). Strategic planning can provide 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 indicates 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 publicly quoted (shareholding) companies. The questionnaires were delivered to all Jordanian industrial firms and specifically directed towards general managers, since a general manager is the most appropriate person to provide a valid response to questions related to strategy (Bart, Bontis and Tagger, 2001; Hopkins and Hopkins 1999; Conant, Mokwa and Varadarajan, 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. Therefore the response rate was 53.7%, which is considered a good rate compared with the other studies in the same area. Indeed Saunders, Lewis and Thornhill (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 is not, or near, 100%, testing for non-response bias becomes important. Non-response bias is assessed by comparing the characteristics of early respondents with those of late respondents.

A Chi-square test was performed to determine whether significant differences exist 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 ( $X^2 = 3.11, p = .539$ , 2-sided) and industry type ( $X^2 = 21.11, p = .174$ , 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 are under 50 years of age, 83.8 % are male, 76.8 % have a university degree and above, 18.7% of them have less than five years working experience in their current position and 69.8% have a total experience of more than ten years.

**Table 1 here.**

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 represent small firms, 32.5% medium firms and 28% large firms. The industry types are diverse.

**Table 2 here.**

### *Measures*

The questionnaire consists of 34 questions which are grouped into four sections. The first set of questions deals with the types of strategic decision which have been implemented recently. The typology of strategic decisions was adopted from Taslak (2004), Al-Ghamdi (1998) and Alexander (1985). The types of strategic decisions include: 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 refers to 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 implementation of strategic decisions. Respondents were asked (Cronbach alpha = 0.7251), on a scale rating from "low successful" to "high successful", to evaluate the overall success of strategy implementation in the following three areas, as adapted 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 involve 10 items relating to the degree of formal strategic planning adopted by the firm. A multi-item measure of planning process formality is adopted (Appendix). Glaister and Falshaw (2002) and Falshaw, Glaister and Tatoglu (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 here**

Table 4 shows the 12 most frequently cited implementation problems experienced by Jordanian industrial companies. The most common problem is insufficient information systems for control of activities, then crises distracted attention from implementation, followed by co-ordination of implementation not effective enough. 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 here.**

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. In addition, 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  $Rho = -0.20$ ,  $p < 0.05$ , 2-tailed) (correlation  $-0.20$  at  $.05$  level) and a significant positive relationship for one problem; namely, inactive role of key formulators in implementation (Spearman's  $Rho = 0.24$ ,  $p < 0.05$ , 2-tailed) (correlation  $.24$  at  $.05$  level).

Kargar and Blumenthal (1994) 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 North Carolina 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 finds 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 for one problem; namely, insufficient capabilities of the involved employees ( $F=3.75$ ,  $p = .044$ ).



**Table 5 here.**

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 in Table 6 of the t-test for each problem 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 6 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 experienced implementation problems less often than the low success group.

**Table 6 here.**

These results are consistent with the findings of a number of earlier studies (Taslak, 2004; O'Regan and Ghobadian, 2007; Al-Ghamdi, 1998; Alexander, 1985). Alexander (1985) found that 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 groups. 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. 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 in Table 7 show a negative statistical significance for nine problems. The results show no statistical correlation with the other six problems. Therefore, formal strategic planning helped the firms to deal with a majority of strategy implementation problems.

**Table 7 here.**

These results are consistent with the findings of O'Regan and Ghobadian (2007) who indicate that formal planning can enable firms to meet any potential problems with greater confidence. The results contradict Kargar and Blumenthal (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 et al. (1994) studied.

**Conclusions**

Al-Shaikh and Hamami (1994), Al-Shammari et al. (2008) and Aldehayyat and Anchor (2008) found that Jordanian firms make 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 show that Jordanian industrial firms experience 15 implementation problems identified in earlier studies. They show also 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, the results suggest that firms in emerging markets and firms in developed countries experience the same strategy implementation problems to a considerable extent.

The results of this research show also that high success firms experience less often 11 out of 15 implementation problems than do low success firms. This means that high success Jordanian industrial 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 experience 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 more effectively. Therefore, this study provides new evidence about the nature of the relationship between strategic planning and the implementation of strategic decisions, especially in an emerging market context.

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

study of 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 emerging markets more generally.

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. Future research will be undertaken in a small number of these companies by using an in-depth type of investigation.

The research used a questionnaire as the data collection method. As a result, this research focused on “what” and “how” questions and did not explore “why”, via face to face interview or focus groups. Future research should 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. 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.

In spite 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 emerging markets in general.

The approach to studying the problems associated with the implementation of strategy which has been followed in this research could be used as a benchmark for the study of the

problems associated with the implementation of strategy in business organisations in emerging markets in general and in Jordan in particular.

**Table 1. Characteristics of responding managers**

<b>Characteristics</b>	<b>Freq.</b>	<b>%</b>
<b>Age</b>		
Under 30	3	7.0
30-40	8	18.7
41-50	16	37.2
51-60	11	25.5
61-over	5	11.6
<b>Gender</b>		
Male	36	83.8
Female	7	16.2
<b>Education level</b>		
College degree	5	11.6
Bachelor's degree	26	60.5
Postgraduate degree	7	16.3
Others	5	11.6
<b>Experience in current position</b>		
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
<b>Total working experience</b>		
Under 5 years	2	4.6

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5-10	11	25.6
11-15	13	30.2
16-20	11	25.6
21-over	6	14.0

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**Table 2. Characteristics of responding firms**

<b>Characteristics</b>	<b>Freq.</b>	<b>%</b>
<b>Size of firm</b>		
Less than 50 employees	17	39.5
51-200 employees	14	32.5
More than 200 employees	12	28.0
<b>Industry type</b>		
Mining	7	16.3
Foodstuffs	10	23.2
Therapeutic and medical supplies	10	23.2
Chemical products	9	21.0
Wooden and metal furniture	7	16.3



**Table 3. Strategic decision types**

<b>Decision</b>	<b>No.</b>	<b>%</b>
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
<b>Total</b>	<b>28</b>	<b>100.0</b>

**Table 4. The twelve most frequently cited strategy implementation problems**

<b>Problems</b>	<b>Mean*</b>	<b>SD</b>
Insufficient information systems for control of activities	3.71	1.23
Crises distracted attention from implementation	3.50	1.05
Co-ordination of implementation not effective enough	3.00	1.05
Uncontrollable external environmental factors	2.96	0.96
Implementation required more time than was planned	2.96	1.05
Insufficient capabilities of the involved employees	2.93	0.84
Top management's slow communication	2.81	0.98
Inadequate training and instruction of employees	2.75	1.14
Unclear statements of overall goals	2.71	1.09
Unanticipated major problems arose	2.64	0.86
Inadequate leadership and direction by departmental managers	2.54	1.03
Responsibilities not being clearly defined	2.50	0.95

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

**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	-0.11 (0.15)	0.13 (0.89)
Crises distracted attention from implementation	0.02 (0.44)	0.24 (0.79)
Uncontrollable external environmental factors	0.08 (0.25)	0.03 (0.98)
Inadequate leadership and direction by departmental managers	0.01 (0.45)	0.37 (0.69)
Inadequate definition of key implementation tasks	0.01 (0.48)	0.92 (0.41)
Co-ordination of implementation not effective enough	-0.20 (0.03)	0.33 (0.72)
Insufficient capabilities of the involved employees	0.13 (0.12)	3.75 (0.04)
Inadequate training and instruction of employees	0.02 (0.44)	0.76 (0.47)
Insufficient information systems for control of activities	-0.05 (0.34)	0.54 (0.58)

Advocates having left the firm during implementation	-0.22 (0.02)	0.77 (0.40)
Unclear statements of overall goals	-0.09 (0.23)	0.45 (0.64)
Responsibilities not being clearly defined	0.02 (0.44)	0.14 (0.85)
Unanticipated major problems arose	0.12 (0.14)	1.34 (0.27)
Inactive role of key formulators in implementation	0.24 (0.02)	0.15 (0.86)
Top management's slow communication	0.09 (0.20)	1.26 (0.29)

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

Problems	Mean		Significance
	High	Low	
	Success	Success	
	(n=25)	(n=18)	
1. Implementation required more time than was planned	2.7	3.1	.383
2. Crises distracted attention from implementation	3.3	3.7	.452
3. Uncontrollable external environmental factors	2.6	3.5	.047*
4. Inadequate leadership and direction by departmental managers	1.9	3.2	.013*
5. Inadequate definition of key implementation tasks	2.3	3.4	.006**
6. Co-ordination of implementation not effective enough	2.4	3.1	.077
7. Insufficient capabilities of the involved employees	2.3	3.7	.005*
8. Inadequate training and instruction of employees	2.3	3.2	.024*
9. Insufficient information systems for control of activities	1.7	3.7	.000***
10. Advocates having left the firm during implementation	1.9	3.6	.001***
11. Unclear statements of overall goals	1.1	3.1	.010**
12. Responsibilities not being clearly defined	2.1	3.3	.002**
13. Unanticipated major problems arose	2.6	3.6	.008**
14. Inactive role of key formulators in implementation	1.8	3.8	.000***

15. Top management's slow communication	2.9	2.7	.792
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\*\*\* $p < 0.001$  level; \*\* $p < 0.01$  level; \* $p < 0.05$  level

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

Strategy implementation problems	Strategic planning process formality	
	Spearman's R value	significance (1-tailed)
Implementation required more time than was planned	-.37*	.03
Crises distracted attention from implementation	-.42*	.01
Uncontrollable external environmental factors	-.33*	.04
Inadequate leadership and direction by departmental managers	-.33*	.04
Inadequate definition of key implementation tasks	-.13	.25
Co-ordination of implementation not effective enough	-.34*	.04
Insufficient capabilities of the involved employees	-.34*	.04
Inadequate training and instruction of employees	.13	.25
Insufficient information systems for control of activities	-.43*	.01
Advocates having left the firm during implementation	-.24	.11

Unclear statements of overall goals	-.21	.14
Responsibilities not being clearly defined	.07	.37
Unanticipated major problems arose	.02	.46
Inactive role of key formulators in implementation	-.36*	.03
Top management's slow communication	-.32*	.05

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\* $p < 0.05$  level



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## Appendix

### Planning formality scale items

<b>Fixable</b>						<b>Formal</b>
Scheduled as needed	1	2	3	4	5	Regular scheduled reviews
Flexible planning procedures	1	2	3	4	5	Uniform planning procedures
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 progress reviews
Limited accountability	1	2	3	4	5	Strict accountability

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

