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**MIDDLE MANAGERS IN THE CROSSFIRE:  
COMBINING SUPERVISORY RESPONSIBILITIES WITH  
GLOBAL STRATEGY IMPLEMENTATION**

Management and Organization

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## ABSTRACT

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The aim of this qualitative research is to explore the ways in which middle managers' place and position in a company influences the corporate strategy of a multinational company. The focus is on strategy implementation and it incorporates two main themes: middle manager work and strategic management in a global context. Both themes have received a fair amount of attention in management research but seldom jointly. The theoretical framework is constructed according to these two themes and leads up to an understanding of middle managers' position in multinational strategic management. This is done by comparing strategic management literature with literature on middle managers' work to develop an idea of the effect of middle managers in strategic management. The outcome of this discussion is then placed within the arena of multinational strategic management.

This research was conducted as an empirical study of middle managers located worldwide in subsidiaries of a multinational company. Empirical data was collected in nine interviews with middle managers and one interview with a member of strategic management. Secondary survey data was used to support findings from interviews and this brought a quantitative dimension to the study. The method used to analyze interview data was that of qualitative content analysis.

This research is relevant to both strategic management theory and practice. The obtained results reveal that middle managers' position not only sets constraints for direct strategy implementation but also that the practices used by middle managers to implement strategy are not solely a reflection of the mode of strategic management used. Instead these findings suggest that contextual factors, such as the cultural background of middle managers, may shape implementation effort and practices. Current multinational strategic management practices and theory as well as existing knowledge of middle manager behaviour are subsequently placed under scrutiny.

# TABLE OF CONTENTS

1 INTRODUCTION.....	1
1.1 Strategic management yesterday and today.....	1
1.2 Objective of research.....	2
1.3 Research process and structure of research report.....	4
2 MIDDLE MANAGERS IN THE STRATEGY PROCESS.....	8
2.1 Strategic planning and implementation.....	8
2.1.1 Strategic management research.....	8
2.1.2 Classical and systemic approaches.....	10
2.1.3 Processual and evolutionary approaches.....	11
2.1.4 Strategic management in a multinational context.....	13
2.2 Middle managers' strategy work.....	15
2.2.1 Definition of a middle manager.....	16
2.2.2 Role Behaviour.....	16
2.2.3 Middle managers as subordinates.....	19
2.2.4 Middle managers as supervisors.....	21
2.2.5 Strategy implementation practices.....	24
2.2.6 Implementation of multinational strategies.....	27
2.3 Summary.....	29
3 METHODOLOGY.....	35
3.1 Research method and approach.....	35
3.2 Data gathering.....	36
3.3 Method of data analysis.....	43
3.3.1 Qualitative content analysis of interview data.....	43
3.3.2 Analysis of employee survey results.....	48
4 PRESENTATION AND ANALYSIS OF RESEARCH DATA.....	50
4.1 Introduction to the focal company.....	50
4.2 How the new corporate strategy affects middle managers' work.....	53
4.2.1 At best, corporate strategy gives direction and purpose.....	53
4.2.2 Corporate strategy can cause confusion.....	56
4.2.3 Corporate strategy can have little effect on middle managers' work.....	59
4.3 Being a subordinate and a strategy implementer.....	60
4.3.1 Support from immediate supervisor in understanding strategy.....	60

4.3.2 Setting targets with immediate supervisor .....	63
4.3.3 Discrepancies between operative environment and strategy.....	64
4.3.4 Having to join forces with colleagues .....	67
4.4 Being a supervisor and a strategy implementer.....	70
4.4.1 Relaying corporate strategy message.....	70
4.4.2 Communication with subordinates helps middle managers .....	73
4.4.3 Satisfying subordinates' needs is important.....	74
4.4.4 Strategy brings consistency .....	76
4.3 Summary of data analysis .....	77
4.3.1 The impact of strategy on middle managers .....	77
4.3.2 Strategy implementation practices used .....	78
5 CONCLUSION.....	83
5.1 Discussion and theoretical contribution.....	83
5.2 Managerial Implications .....	87
5.3 Limitations and future research .....	88
APPENDIX A: Invitation for research participation.....	96
APPENDIX B: Interview guide: Interviews with middle managers.....	97
APPENDIX C: Interview guide sent to respondents.....	99

## **FIGURES**

Figure 1. Research process .....	5
Figure 2. Structure of the theoretical framework .....	6
Figure 3. Four perspectives on strategic management .....	9
Figure 4. A typology of the roles of middle managers in strategy implementation .....	18
Figure 5. Middle managers' roles in the various approaches to strategic management .....	30
Figure 6. The process of empirical research collection .....	44
Figure 7. The process of content analysis of interview data .....	47

## **TABLES**

Table 1. Geographical dispersion of interviewees .....	40
Table 2. Mean values for statements related to strategy and supervisory work .....	52
Table 3. Managers' responses to what needs improvement in the company .....	52

# 1 INTRODUCTION

## 1.1 Strategic management yesterday and today

*“However beautiful the strategy, you should occasionally look at the results.” – Sir Winston Churchill*

Strategy is everywhere in the business world: it is in a CEO’s speech at a board meeting, on the front page of a company’s website, sometimes even posted on office walls. Despite its central position in today’s corporate world, strategy is by no means a new phenomenon. Corporate strategy originates from military operations and respect for its influence stems from the success it enjoyed centuries ago; a well-planned strategy has long been considered a key factor in gaining victory over the enemy. However, strategies are only as good as the results they render, and results cannot be achieved without successful execution.

Strategy is estimated to have surfaced in the corporate field in the 1960s and it has enjoyed increasing interest in management research ever since. Strategy holds a central position in management theory today and its purpose in organizations is believed to be almost vital. Strategy is often equated with rational thinking, systemic planning, and is believed necessary for an organization with direction (Knights & Morgan 1991). By some, it is even considered an indication of organizational success (Grandy & Mills 2004).

Strategic management has traditionally been separated into two separate functions: planning and implementation. The process of strategic planning has received much attention in business research and the success of strategies is often equated with successful strategic planning. (Noble 1999a.) Significantly less attention has been paid to strategy implementation although studies have shown that half of strategic decisions are unsuccessful due to failure in their implementation, not formulation (Nutt 1991; Hickson, Miller & Wilson 2003). It was not until recently that strategy

implementation and the members of an organization responsible for it have started to be taken into consideration in studies of effective strategic management. The task of strategy implementation is usually delegated to middle managers who, because of their position, are frequently optimal members of the organization to fulfill this task. However, it is their position that also makes strategy implementation particularly problematic.

Increasing interest in strategic management combined with a growing interest in overseas business operations has led global strategic management to branch off and develop into a management discipline of its own. Despite combating similar problems to those in mainstream strategic management research, research of management in a global context approaches these from a slightly different angle and school of thought.

## **1.2 Objective of research**

This research makes use of empirical data on middle managers' strategy work in a multinational company. The company in question has recently undergone major restructuring and a new corporate strategy was introduced approximately two years prior to the collection of data.

The main objective of this research is to determine how middle managers' position in the organization and the various roles they undertake affect their strategy implementation practices in a multinational company. The key research question to be answered is:

*How do middle managers take part in the implementation of a multinational corporate strategy?*

To arrive at an answer, the perspective is shifted to the middle manager and the following sub-questions must be answered:

- 1. What does corporate strategy implementation entail in middle managers' work?*

The first sub-question addresses the roles that middle managers simultaneously undertake and the work that these roles entail. This research builds on the findings of Uytterhoeven (1989) who asserts that middle managers hold a rather contradictory position in an organization. On the one hand, middle managers have to ensure continuing operations which is critical to operative activity. On the other, they must enable strategic change as the implementers of a new strategy. At the same time, a number of studies have proven middle managers' contribution to the success of corporate strategies, drawing particular attention to the potential benefits their contribution to strategic planning might hold (e.g. Bourgeois & Brodwin 1984; Judge & Stahl 1995). A question rarely asked is how does strategy implementation affect middle managers' work? The position that middle managers hold in their company may influence the outcome of corporate strategy implementation and by first determining what corporate strategy entails in middle managers' work, it is possible to determine how varying roles complement each other or, conversely, to detect any discrepancies that they contain.

2. *What practices are used by middle managers to combine the demands of strategy implementation and supervisory responsibilities?*

The second sub-question takes a more practical view. It builds on the answer to the first question and works to discover practices that aid middle managers in combining their various roles. This is not limited to negative aspects however, as the combining of these two sets of tasks may also take positive forms in middle managers' work.

Previous research on strategic management in multinational companies (MNCs) appears to have bypassed the work of middle managers. Thus the purpose of this research is, on the one hand, to contribute to middle manager research by taking the multinational context into consideration, and on the other, to add to previous research on MNC strategic management which often ignores the impact of middle managers. The answer to the research question is unveiled by comparing the answers to the first two sub-questions to previous research on middle managers' strategy implementation, as well as to research on strategy implementation practices in MNCs. Here, the

term *multinational company* is taken to mean a company with affiliate operations in a country or countries other than that of its headquarters.

Despite the importance of strategic planning processes in the success of strategy implementation, strategic planning will be excluded from this research to the extent that it does not affect middle managers' work. A reason for this is that strategic planning has recently been completed in the focal company and it will not be returned to for a number of years. Moreover, the involvement of lower echelons of an organization in strategic planning is a widely researched topic and adding this angle would expand the scope of research too much.

### **1.3 Research process and structure of research report**

The construction of this research follows an inductive method which means that previous literature on the research topic is not used to steer the research but empirical data is given the liberty to surface issues of importance. The research process began in August 2011 with preliminary exploration of middle manager and strategic management research to map out existing gaps in research. The focal company was introduced to the research in October and the rough research topic that preliminary investigation generated was honed with the help of my supervisor, Professor Johanna Kujala, and my point of contact in the focal company.

December 2011 and January 2012 were used to prepare for primary data collection, and data was mainly collected during the months of February and March. Data analysis took place afterwards and this bore the ultimate themes for the theoretical framework as well as redefining the research topic. The literature review was continued from April to May, and the generating of research results took place in May and June. The research process in its entirety is presented in Figure 1.

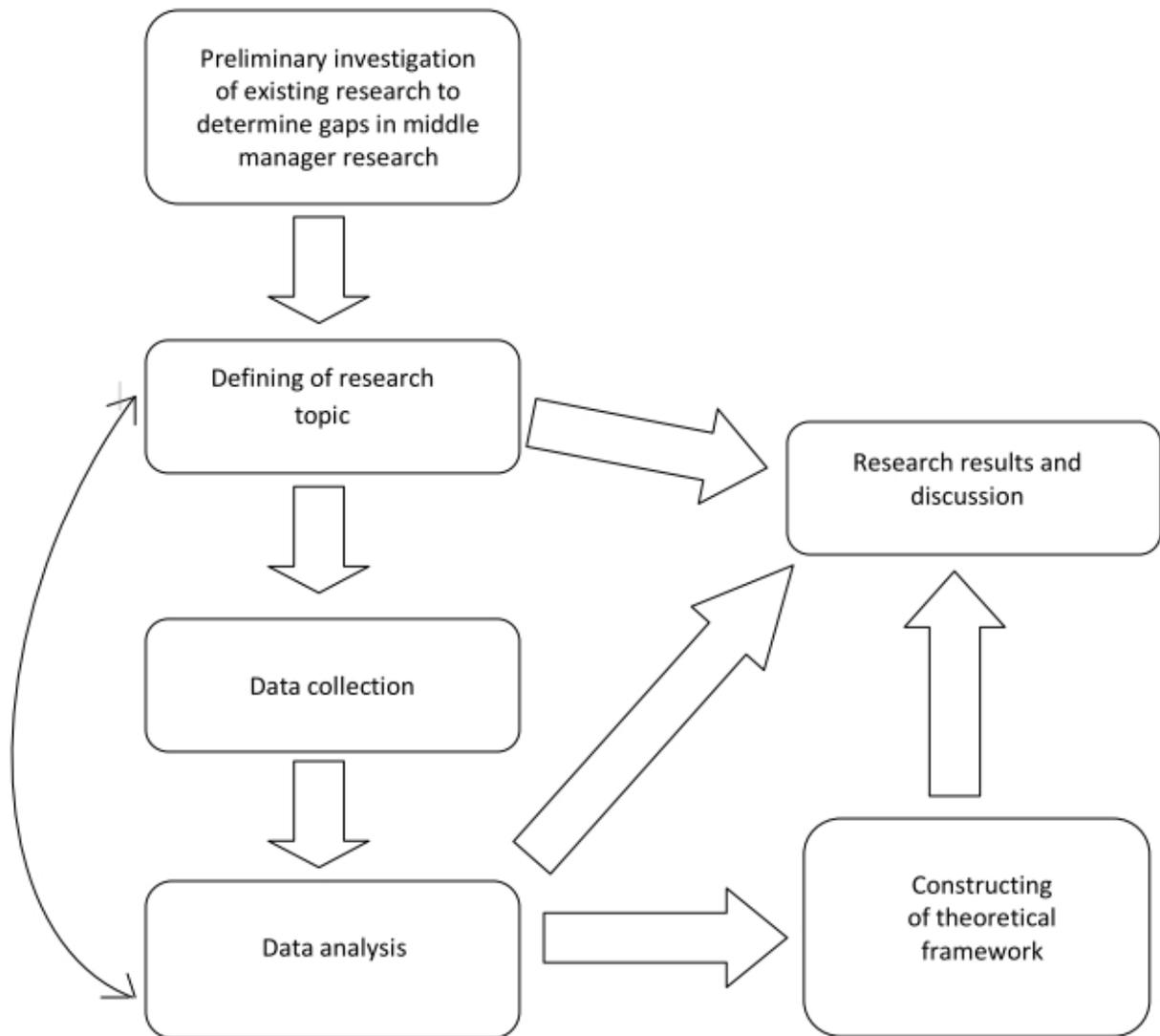


Figure 1. Research process.

This research report is structured as follows:

**Chapter 1** gives a brief introduction to the research topic and justification of the necessity of this research.

**Chapter 2** provides the theoretical framework for this research. Due to a lack of literature on middle managers in MNCs, the theoretical framework is constructed as a patchwork of the different elements involved (Figure 2). First, the issue of strategic management research and its many forms are discussed, providing a platform on which to place current strategy implementation practices. This is followed by a focused account of global strategic management. The work and position of middle managers are examined next, particularly in terms of the responsibility for strategy implementation that middle managers are given. Middle managers' work in a multinational context is discussed to the extent that it appears in existing strategy literature. Finally, these pieces are patched together to develop an understanding of middle managers' strategy implementation in MNCs.

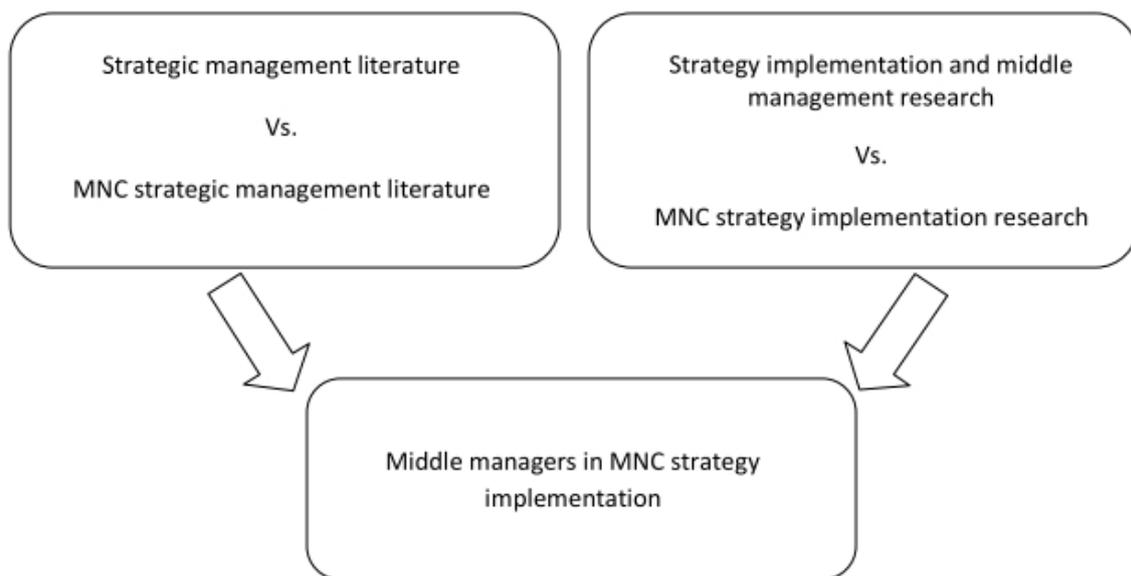


Figure 2. Structure of the theoretical framework.

**Chapter 4** presents the results and analysis of empirical research. This entails a description of the context that respondents work in and an analysis of interview data.

**Chapter 5** links results to the research questions and the theoretical framework. It then concludes this research with an account of the contribution this research gives to the field of strategic management, bearing in mind its limitations, and with suggestions for future research.

## **2 MIDDLE MANAGERS IN THE STRATEGY PROCESS**

### **2.1 Strategic planning and implementation**

#### **2.1.1 Strategic management research**

Corporate strategy is an age old tool whose origins lay deep in the roots of military history but its use in the business field is a more recent phenomenon. Strategy emerged in business research and literature in the middle of the 20<sup>th</sup> century with Ansoff (1982), Hofer and Schendel (1978), and Porter (1980) as central advocates for strategic management. The influence of its military roots was prominent in the early years of strategy research and practice but later opposition and variegation of strategy researchers and their views have broadened the concept of corporate strategy. Today, the field of strategy research is heterogeneous and continuously evolving, and increasing interest in the field has resulted in a boost in its significance as a management tool. Knights and Morgan (1991) suggest that strategy has grown in importance to the extent that it is considered vital and a prerequisite for directional operations of any organization. The fundamentality of strategy to the existence of an organization is illustrated by Mintzberg's (1987) definition wherein he states that strategy is a means to determine an organization's direction, to outdo competition and to cope with a challenging environment – all of which are essential to an organization's success.

Various schools of thought exist in the field of strategic management research today and there are a number of ways to draw distinctions between different approaches to strategy. Whittington (2001, 11–15) distinguishes between four approaches, namely the classical, evolutionary, processual and systemic approaches (Figure 3). True to its name, the classical approach encompasses views on strategy that came to be at the start of business strategy research. This approach champions strategic planning and the positioning of an organization in the markets. In contrast, the evolutionary approach sees strategy as something that emerges rather than being planned. Evolutionarists

question the rationality of strategists and for this reason the role of managers is limited to enabling the surfacing of well-functioning strategies. The processual approach is similar to the classical approach in that strategy is considered something that requires deliberate action and planning. However, like the evolutionary approach, the processual approach recognizes cognitive limitations of managers and as such it is believed that decision making should be allocated to a larger stakeholder group. The systemic approach takes a relativistic standpoint and particular attention is paid to the sociological context of strategic decision making. According to this approach the strategy process is dependent on the organization's social and economic contexts and as such the strategy process may even vary within an organization. (Ibid.)

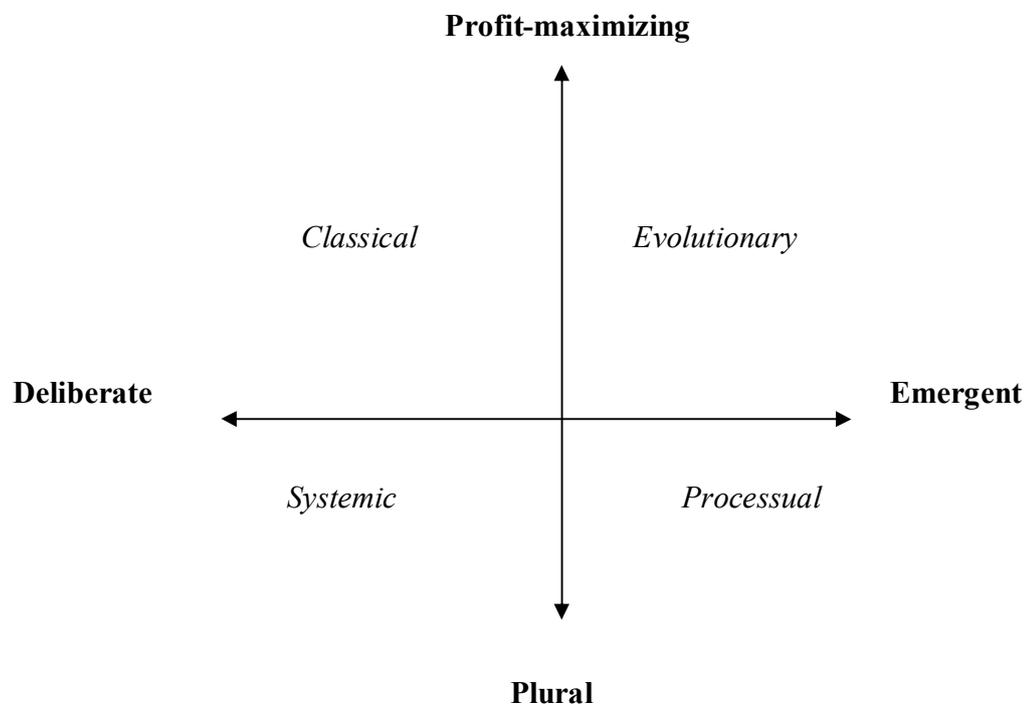


Figure 3. Four perspectives on strategy (Whittington 2001, 10)

Whittington's (2001, 11–15) categorization is apt for systematic evaluation of the strategy research field today. This structure will be applied in the following review to develop a thorough understanding of the plethora of approaches to the strategy process that are taken in organizations today, with a focus on the distribution of roles of stakeholders in the process.

### **2.1.2 Classical and systemic approaches**

The classical approach to strategy support the view of strategy as a process of formal planning. According to this line of thought, factors external to the organization are the determinants of success. The positioning of an organization in the markets is central to the strategy process. As for the internal strategy process, planning and the implementation of strategic plans are two separate processes where implementation means the carrying out of decisions made in planning. Strategy formation is treated as a purely rational process that is carried out by a strategist – usually the CEO – or a group of strategists, and consequently members in the organization making strategic decisions do not take part in the realization of these plans. (Hart 1992; Whittington 2001, 11–15.) The classical approach considers strategy implementation a fulfilment of strategic commands, the operationalisation of a higher mission or goal (Hart, 1992), or something that occurs naturally in the structures of the organization and as such does not require deliberate action (Whittington 2001, 11–15). Regardless of the specific take on implementation, followers of the classical approach consider strategic planning to be the most crucial part of the strategy process.

The systemic perspectives on strategy also emphasize strategic planning and deliberate action based on these plans. However, systemic theorists diverge from classical strategists in their views on rational decision making. Here decision makers are seen as bounded by their social and economic systems, and, as such, decisions are influenced by the environment in which they are made. Strategic decisions can, therefore, vary even within an organization. (Whittington 2001, 26–27.)

The practicality of formal planning has been shown to depend on the context of operations. Armstrong (1982) argues in favour of strategic planning and proposes that explicit planning is beneficial in situations where markets are inefficient, risks are high, and organizational change is

broad and complex. In contrast, he found that formal planning is undesirable when change is rapid. Floyd and Lane (2000) made a similar discovery in their research which dealt with middle managers' involvement in the strategy process in a turbulent environment. Their findings suggests that in cases where a rapid change is noticed on the operational level, middle managers are called to action and their evaluation is explicitly desired. It is in these circumstances that middle managers – being the middlemen between line workers and top management – are awarded the authority to assess the situation and make snap decisions about courses of action. (Ibid.) This suggests that contextual factors affect the degree to which decision making is delegated to persons outside of a top management team.

Formal planning presupposes that a person in charge of decision making is capable of making rational decisions based on exhaustive analysis that precedes decision making. This reliance on the rationality and cognitive omniscience of a single strategist is the primary reason for criticism of the classical approach. (Bourgeois & Brodwin 1984.) Hart (1992) recognized the limitations in the straightforwardness of formal planning and brought these forward in his illustration of rational and transactive modes of strategic planning. The rational mode, like the systemic approach, considers the systemic planning of strategy to be imperative but the limitations of human cognition in understanding and structuring factors that influence an organization's operations are recognized. Due to the complexity of organizations' environments it is unreasonable to expect an isolated group of strategists to be capable of making strategic decisions. As such, organizations that follow the rational mode involve lower echelons of the organization in planning and care is taken to ensure that information flows up in the organizational hierarchy. The aim is to base strategic decisions on as broad a scope of information as possible. Unlike in the classical approach, strategy implementation is an important part of the strategy process and systems of monitoring and measuring implementation are often put in place. (Ibid.)

### **2.1.3 Processual and evolutionary approaches**

The processual and evolutionary perspectives on strategy stress the emergent nature of strategic decisions. The line between implementation and formulation of strategy is blurred or the process

may even be reversed, and a less linear approach is adopted because the limitations of isolated strategic planning are taken into consideration. It is believed unrealistic to expect a team in no direct contact with operative activity to be capable of making an informed decision that ultimately affects the entire organization. In addition, processualists view markets and organizations as imperfect, and strategic planning is not a question of devising a master plan; instead, strategies emerge as a synthesis of smaller strategic steps. Mintzberg & McHugh (1985) argue that strategy emerges as a result of activities of all members of the organization. Corporate strategies are a means to give organizations operational direction but the content of the strategy is of secondary importance (Whittington 2001, 21–25). As a result, it is believed that action in an organization cannot be planned in advance and strategy is considered an emergent process.

Evolutionary approaches to strategy also question the rationality of strategists and rational strategy making, and consider managers virtually powerless against market forces. The markets that a firm operates in can be likened to any ecological system; they are a battle field for the survival of the fittest where only the best, well-functioning strategies survive the battle. Subsequently it is impossible to determine a successful strategy in advance, limiting the role of managers to keeping transaction costs low and options open by creating an abundance of differing strategies. (Whittington 2001 16–20.)

Research conducted by Mantere and Vaara (2008) on the success of strategy processes found support for the use of processual approaches. What they found was that classical approaches to the strategy process lead to mystification of the strategy in the eyes of middle managers. When top management or external consultants play a central role in strategic planning, dissatisfaction among middle managers follows. Middle managers feel that information is being withheld from them and that they are left to do the dirty work. (Ibid.) As a result, regardless of how well strategic plans are made they can run aground because of a lack of commitment on the part of their implementers if they feel excluded from the design process.

Hart's (1992) transactive and generative modes share a similar outlook of the emergent nature of corporate strategies and is a viable solution for the problem discovered by Mantere and Vaara (2008)

in their research. The transactive mode recognizes the need for a comprehensive involvement of various employee levels in the making of strategic decisions. This mode is marked by a focus on organizational learning as opposed to calculated plans of action. Interaction between strategic management and key stakeholders, including workers from lower hierarchical levels, is vital. According to this line of thought, cognitive limitations and environmental uncertainty are reasons why responsibility for information gathering ought to be spread. (Hart 1992.)

In the generative mode, in turn, in-house entrepreneurship is welcomed whereby lower-level employees are expected to design new strategies independently. Strategy emerges entirely from below and the role of top management is then to choose the most fitting strategy from the array of strategies that are developed by employees. (Hart 1992.) In the generative mode, those members of the organization in charge of implementation are also essential to the process of strategic planning and have a genuine impact on the decisions made.

#### **2.1.4 Strategic management in a multinational context**

It is well known that international and multinational operations have become more common over the past decades and this is reflected in strategic management literature. Increasing interest in international operations has led to its branching off into a separate management discipline that deals with the peculiarities that a global context brings to the strategy discussion. In terms of Whittington's (2010, 10) conceptualization of strategic management, research of MNCs falls chiefly under the classical or systemic approaches. Academic discussion of strategic management in MNCs has largely been focused on international strategies or the strategic planning that internationalization or multinational operations involve, and the most pressing questions in this field of research are those of entry strategies, strategic alliances and coordination of subsidiaries' operations, to name a few (e.g. Naylor 1982; Rugmann & Hodgetts 2000; Lu 2003).

What separates MNCs' strategy processes from locally operating companies is the global context that these companies must take into consideration in determining their direction. Although MNCs face many of the same managerial and strategic challenges that nationally operating companies do,

the opportunities that global operations hold entail a number of new obstacles that must be dealt with, including differing culture, legal systems and technological advancements (Lasserre 2007, 21–24). As well as having a direct impact on strategic plans, the complex nature of global strategies has had implications on the global strategy process, too. Traditionally an MNC's operations have been viewed as a dyadic relationship between headquarters and their subsidiaries. Lately there has been a shift away from this outlook to view MNCs as a network of interdependent units, stressing the importance of inter-unit interaction. (O'Donnell 2000, 526.) A common thread in existing research is that corporate strategy is understood as the unifying force in what would otherwise be a diverse and dispersed company.

Kim and Mauborgne (1993; 1995) take the cognitive aspect of strategic management into consideration in their researches, in which they question the applicability of formal planning in MNCs. They argue in favour of procedural justice, meaning subsidiary involvement in strategic planning, and do this for much the same reasons why the classical school of strategic management is criticized and why middle manager involvement is called for. Their researches propose that making use of input from subsidiaries in strategic planning may aid MNCs in improving both strategic plans and their implementation. Firstly, subsidiary involvement delivers information to the headquarters that can improve strategic planning on five dimensions: by enhancing integration of the company, by helping in creating a balance between global efficiency and local responsiveness, and by supporting strategic renewal and the speed of decision making. Secondly, when subsidiary managers feel that the strategy process has been fair, their commitment to strategy implementation and cooperation with headquarters are improved. (Ibid.) This approach to MNCs' strategic management nears the emergent end of the spectrum by highlighting the benefits of blurring the line between planning and implementation, but the type of research in question is unique in this regard.

The separation of strategic planning and its implementation is underlined by the plentiful literature on global strategy implementation. In research of strategy implementation, focus is placed on its effective execution in subsidiaries and, subsequently, proposed answers rely chiefly on the organization and control of implementation rather than on management of the implementation

process. The analogy to Hart's (1992) rational mode of strategic planning is apparent. Agency theory, which holds that a company's operations are ultimately a collection of contracts, is strongly present in this discussion, illustrating the clear separation made between planners and implementers. Subsidiary managers are agents of top management and any departures from corporate strategy by subsidiaries are often perceived as a fault in the mechanisms used to support and encourage strategy implementation. As a result, formal implementation systems such as the balanced score card and strategy maps are used as linchpins between the corporate and business unit strategies. (Grant 2010, 435–438; O'Donnell 2000, 525–526.)

Despite an emphasis on planning, the human aspect of management and organizational behaviour has not been forgotten in MNC literature. International human resource management (IHRM) is a widely researched practice and has earned a well-established footing in the field of management studies (Piekkari & Welch 2010, 467; Schuler 2000). However, in its current state, IHRM remains a relatively isolated field of research and its exploitation in the strategy process in MNCs has been weak. Piekkari & Welch (2010) critique existing MNC theories and research for their neglecting of the social aspects that inevitably exist in MNCs' operations. According to them, adding the human dimension ought to mean "rethinking how we conceptualize and conduct research in and around the MNC." (Ibid., 468.) In other words, the coexistence of two separate management disciplines within the same company may not yield the best outcome, and a fundamental change in the cognitive approach to global strategy is in order.

As with strategic management more generally, international strategic management is constantly developing and finding new forms. The trouble, as Hedlund (1990) noted, is that corporate strategy, the *what*, is developing faster than implementation, the *how*, and managers themselves, the *who* (Rugman & Verbeke 1992, 180).

## **2.2 Middle managers' strategy work**

### **2.2.1 Definition of a middle manager**

In this research, middle managers are defined as members of the organization who are both in the position of a subordinate and a supervisor of line managers or employees. Due to their position as a link between lower and upper echelons in the organization hierarchy, they have multiple responsibilities. Furthermore, the existence of simultaneous responsibilities often results in a situation where these duties overlap (Uyterhoeven 1989). Middle managers can be portrayed as change relayers as it is their responsibility to embrace change and pass it on to lower echelons in the organization (Balogun, Hailey, Johnson & Scholes 1999, 218).

Uyterhoeven (1989) suggests that the challenges of middle managers are often overlooked by their superiors because of a lack of understanding of the multidimensional character of a middle manager's position. A middle manager is placed in the centre of three distinct quarters in the relationship network in an organization. Firstly, the middle manager is a subordinate of their supervisor, who, in this case, may be a higher level middle manager or a member of the top management team. Secondly, the middle manager is a supervisor to their subordinates, and this adds a completely different set of tasks to those coming from above. Thirdly, the middle manager is an equal with other middle managers and collaboration entails a further set of tasks. To fulfil their tasks, a middle manager must be capable of quickly switching from attending to one relationship to another. (Uyterhoeven 1989.)

### **2.2.2 Role Behaviour**

Roles and role behaviour are a result of the social positions that a person holds within an organization. Roles are, by definition, dynamic and changes in role behaviour occur because of a change in the behaviour of another person or because of changes in expectations of behaviour. (Katz & Kahn 1978.) Expectations of others are a key determinant of role behaviour (Turner 1978). As middle managers are positioned at the junction of three distinct employee groups – higher level managers, line workers and colleagues – they must adopt a number of different roles and must often adopt them simultaneously.

The interface between middle management and strategic management has received little attention on the research front despite its effect on strategy implementation. Raes et al. (2011) attempted to fill this gap in their study and propose that middle managers are more actively involved in strategy implementation when they deem themselves as holding an important role in strategy formation. A middle manager who views themselves as a vital piece in the puzzle will interact with strategic management, seek their input and negotiate plans of action. In contrast, a middle manager who does not consider their role in the strategy process important will content themselves with passively following orders from strategic management. (Ibid.) Furthermore, an unmotivated middle manager can impede or even sabotage strategy implementation (Guth & MacMillan 1986; Judge & Stahl 1995). Research also reveals that middle managers experience expectation to implement strategy and this expectation influences the way middle managers define their own role in the organization. (Mantere 2008.)

The various roles that middle managers must juggle in their position can be assumed to extend to strategy implementation as well, and they are reflected in the practices middle managers use. Wooldridge and Floyd (1992) formulated a typology to discern the various tasks that middle managers take on in strategy implementation (Figure 4).

		<b>Behavioural</b>	
		Upward	Downward
Cognitive	Divergent	Championing alternatives	Facilitating adaptability
	Integrative	Synthesizing information	Implementing deliberate strategy

Figure 4. A typology of the roles of middle managers in strategy implementation (Floyd & Wooldridge 1992, 154).

A middle manager's role in strategic change is often equated with that of an implementer of plans developed by top management, and middle managers have traditionally agreed with this viewpoint (Reid 1989). However, Balogun et al. (1999, 219) and Floyd and Wooldridge (1992) argue that this is only one of four strategic roles that middle managers play. The categorization of various middle managers' roles presented in Figure 4 is built on the premise that alternative ideas and actions are present in strategy implementation, dismissing the conventional view of strategy as a straightforward actualization of clear plans. What this categorization shows is that strategy implementation is not a unitary act, as it has formerly been regarded, but rather the end result of a stream of actions and performance in various roles.

In this typology, middle managers' roles are constructed as nodes between two dimensions: the cognitive stand that is taken to strategy implementation and which direction the associated behaviour flows in in the organizational hierarchy. Strategy implementation can be thought of as a way of integrating new practices with existing ones. In this sense, a middle manager's responsibility

is merely a reactive one as they diffuse information directed from above to lower levels, shown in Figure 4 as the facilitating of adaptability and implementing of a deliberate strategy. (Balogun et al. 1999, 219.) Downward inclined behaviour ultimately means the type of work that a subordinate has traditionally been expected to do: to execute tasks given by their managers. Middle managers' work is not restricted to this and they must simultaneously perform the role of manager and supervisor, adding an upward directed behaviour and making them both the champions of strategic alternatives and synthesizers of information as well. (Floyd & Wooldridge 1992, 154.)

Further dimensions to middle managers' role behaviour are created by discrepancies between expectations from above and restrictions from below, and middle managers respond to these discrepancies in two distinct ways. When advocating the divergence of corporate strategy, alternative ideas are embraced and brought to attention. Conversely, when an integrative approach is taken, the aim is to combine and coordinate alternative ideas. (Floyd & Wooldridge 1992, 154.)

The four roles presented here provide a useful framework for understanding the dimensions of the multifaceted position that middle managers hold in an organization and, as will be seen, each role has been noted in strategy literature and research. It also provides a way to comprehend how being both a subordinate and a supervisor affects middle managers' strategy implementation practices. Each category will be elaborated on in the following discussion of a middle manager's roles and their use in strategy implementation practice will be reviewed.

### **2.2.3 Middle managers as subordinates**

The fact that a middle manager acts as both a subordinate and a superior sets this particular managerial position apart from other managerial positions in a tricky way. As a subordinate, the middle manager is expected to carry out instructions from above, demonstrated by downward inclined behaviour in Figure 4, but they cannot proceed to do so at their own free will. The team of employees working below a middle manager sets constraints on the implementation of objectives that have been set for the manager, derived from the fact that a middle manager represents a unit of employees and must take this into account when attempting to carry out orders from above. (Sims

2003.) Furthermore, the tasks given from above may explicitly conflict with expectations from below and from colleagues. Middle managers are often left in a situation where the responsibility bestowed upon them does not match the authority they have over fulfilling these responsibilities. In order to fulfil their duties, they must work around existing responsibilities of their subordinates and colleagues. This authority-responsibility discrepancy is a common trait of middle managers' tasks, especially in a divisional organization structure where lateral communication is essential. (Uyterhoeven 1989.)

Middle managers are often involved in projects on the operative level that generate ideas and information that may not be in line with objectives or directives given by top management (Wooldridge & Floyd 1992, 154–155). In order to ensure that strategic plans are possible to realize, middle managers take on the role of a championer of those alternatives that have emerged on the front lines. When championing alternatives, middle managers ultimately attempt to impact plans level in the company on a broader and, in doing so, pass on information that has surfaced in their own team to top management as a way of expressing alternative courses of action. (Balogun et al. 1999, 219.) Issue selling was also underlined in Dutton, Ashford and O'Neill's (1997) research, and it has been established that being a mediator of information upwards to top management is especially important in circumstances where competition is non-traditional or operations are turbulent and rapid (Eisenhardt 1989).

The information passed on to higher levels is not always strategic in nature, however. In contrast to championing alternatives, when synthesizing information middle managers pass on information about external threats and opportunities that must be integrated into existing action and plans. (Balogun et al. 1999, 219.) Synthesizing of information also entails that information born at ground level is interpreted and actions on this level are fitted into the existing strategic context (Floyd & Wooldridge 1992, 155). This type of strategy work is fundamentally adaptive but may, in due time, also end in alterations of corporate strategy and can therefore be a way of affecting strategic plans, albeit in a more subtle way than by championing.

In addition to operating in a divergent environment, the types of directions given to middle managers by their supervisors pose another challenge. More precisely, the type of communicative activity that the synthesizing and championing of information requires from middle managers can create difficulties for them. As middle managers are closest to action and have a better understanding of its nature, it is common for strategic management to devise abstract goals and expect middle managers to turn these into action. It is the responsibility of a middle manager, therefore, to translate these goals to their subordinates and ultimately to ensure that the desired results are achieved. The same holds true in the opposite direction; a middle manager is expected to translate materialised action into quantitative measurements for the benefit of their superior. Their superior can then determine whether goals were met and the overall performance of the middle manager is evaluated on the numerical information obtained by this translation of action to goals. (Uyterhoeven 1989.) The task of translating qualitative information into a quantitative form and vice versa may not be a straightforward activity but it is crucial to strategy implementation.

Mantere (2008) similarly found a link between communication across the middle management-strategic management interface and the success of implementation of change. His findings emphasize the importance of having a clear understanding of how strategic plans have been derived at. If strategic management narrates the process undergone in strategic decision making, middle management is more likely to be capable of linking past objectives to new objectives. (Ibid.)

In being a subordinate, strategy implementation is a primary and unquestionable requirement for middle managers. In order to perform according to their work description, they must accommodate to the expectations that they are the objects of. Having been set a direction of actions from above is not always negative in its effects but the fact that middle managers must concurrently take their team into consideration can pose problems.

#### **2.2.4 Middle managers as supervisors**

The managerial task of middle managers is a twofold assignment: a middle manager must organize work in accordance with directions given to them but simultaneously be a supervisor to their

subordinates. It can be claimed that it is the line workers who ultimately bring companies success or failure, and middle managers are the ones to make sure that it is the former that is achieved. The supervisory side of managing is not an afterthought for middle managers because its success can be a direct determinant of the success of strategy implementation.

Implementation of a deliberate strategy (Figure 4) is the most basic form of strategy implementation and a role that middle managers are expected to perform in classical and systemic schools of strategic management. It entails managerial activity of a more conventional type, namely the managing and organizing of subordinates to complete a given task (Floyd & Wooldridge 1992, 155). Despite its apparent simplicity, even the carrying out of clear orders from top management has its challenges; in order to fulfil their tasks as a subordinate of a higher ranking manager, a middle manager must first be able to successfully manage their own subordinates. As an implementer of change, the middle manager must be able to successfully communicate the need for change to their staff. They are also given responsibility for making sure that their subordinates have come to terms with the change as well as for solving problems that subordinates may encounter in the changed work practices. (Balogun et al. 1999, 218.)

It must be added that the answer to effective deliberate strategy implementation may not be just a case of effective communication, however. If existing circumstances do not permit the achievement of those instructions written into corporate strategy, organizational change may also involve the building of new teams. (Balogun et al. 1999, 218.) Mantere (2008) additionally found that middle managers' ability to instil adaptation in their team's work is hindered by fear of failure. What this shows is that performing well in the supervisory role is important for strategy implementation but, at the same time, the implementing of corporate strategy can cause difficulties in middle managers' performance as supervisors.

For the reasons mentioned, direct implementation of strategic directions is often a near impossible task and middle managers use those means available to them to adapt to the expectations set for them. In other words, middle managers react to objectives given from above and in doing so act as facilitators of adaptability. For Floyd and Wooldridge (1992, 155), this means that middle managers

take the liberty to stretch directions in order to carry them out most effectively. When expectations imparted to implementers of strategy diverge from what they consider the best approach, implementers make use of flexibility of structures or, for instance, an informal communication culture to pursue emerging projects with their colleagues. This is often done in spite of lucid knowledge of how their actions contravene the directions given to them, and it is done out of the watchful eye of top management. (Ibid.) In facilitating adaptability, middle managers may, therefore, resort to actions that deny official plans if official plans are considered to answer poorly to the opportunities or restrictions that the operative environment holds.

Balogun et al. (1999, 219), in contrast, emphasize supervisory activities and the restraints they create in enhancing adaptability, as it is this area that is likely to hinder strategy implementation. The challenges of diverging ideas derive, in some measure, from the fact that, in a supervisory role, a manager uses subordinates to achieve their goals. They are in essence using their subordinates as a means – working *through* them – to reach a predetermined end. (Conlow 2001, 5.) A middle manager must focus on creating an optimal setting for adaptability and it is up to them to encourage their subordinates to pursue new ideas. Put differently, a middle manager's success is fully dependent on the consent, performance and motivation of those they are managing (Uyterhoeven 1989). The supervisory tasks are not merely a side thought but a precondition that appears left, right and centre in this play.

The ensuring of subordinates consent and understanding of corporate strategy creates additional tasks for middle managers. A middle manager is expected to translate messages between strategic management and their subordinates which means that, essentially, they must reconstruct abstract messages from strategic managers into concrete action plans for their subordinates. This in turn requires that a middle manager fully understands the substance of the message as well as the practices being carried out in their own team. (Suominen, Karkulehto, Sipponen & Hämäläinen 2009, 46.) Supervisory tasks can rarely be completed independently, and it is recommended that a supervisor involve their own supervisor in any uncertainties concerning corporate strategy as this has shown to aid in creating an understanding of the strategy (Suominen et al 2009, 94).

The previous review gives a rather bleak picture of a middle manager's task of strategy implementation but corporate strategy and its implementation is not only a hindrance in the balancing of the various roles. Support from the strategic manager can also be used as justifications for the difficult decisions that a supervisor has to make regarding their subordinates. At best, corporate strategy serves as a signpost for the middle manager's team, giving the team direction. In this sense strategy helps a supervisor in their work because it is inevitable that subordinates look to their supervisor for direction. (Suominen et al. 2009, 49, 94.)

### **2.2.5 Strategy implementation practices**

As was established in the account of the development of strategic management, significantly less attention has been paid to strategy implementation than its formulation. The reason for this may be that successful strategies have been linked to good strategic planning whereby strategy implementation has merely been the mechanic execution of those plans. Recent findings of the often shockingly high failure rates of corporate strategies have awakened scholars and managers alike to pay more attention to what happens outside of the confines of strategic planning teams. Figures illustrating the gap between corporate planning and performance paint a clear picture of its gravity: a study revealed that 66 % of a corporate strategy is never implemented (Johnson 2004) while on average 95 % of employees do not understand or are unaware of their company's strategy (Kaplan & Norton 2005, 72). The growing interest towards strategy implementation is due and it might even be claimed necessary.

In his review of studies conducted on strategy implementation, Noble (1999a) identified two views of strategy implementation existing in strategy research: a structural and an interpersonal view. In the structural view, strategy implementation is seen to be affected by organizational structure and control mechanisms. This is comparable to Bourgeois and Brodwin's (1984) characterization of the implementation process in the classical sense. According to them, successful implementation of strategic plans entails certain prerequisites, namely an appropriate organizational structure, a review of planning and compensation systems, and appropriate measurement of the progression of

implementation. A fitting organizational culture can also aid in successful strategy implementation. (Ibid.)

The impact of structure on strategy implementation draws support from empirical research conducted by Crittenden and Crittenden (2006, 304). Their study showed that structure does, in fact, harm well formulated strategies when the constraints the organizational structure presents are not taken into account in strategic plans. Corporate strategy exists simultaneously on the corporate, business and functional levels, and the input of all members of the company ought to be present at each of these levels. This, in turn, requires effective cross-functional integration of processes which may suffer from inadequate structures. (Ibid.)

In the interpersonal view, however, strategy implementation is not a process of mechanic execution; it is a process that is affected by the interaction of those responsible for its implementation. This view encloses research on strategic consensus among middle managers, autonomous strategic behaviour, diffusionary processes, and the effects of leadership and implementation styles. (Noble 1999a.)

A growing amount of research has focused on the middle manager as a central figure in strategy implementation, drawing attention to the deficiencies of classical schools of strategic management (e.g. Bourgeois & Brodwin 1984; Judge & Stahl 1995). The involvement of middle managers in strategy formulation has been shown to contribute to organizational performance, and involvement in the strategy process increases consensus among middle managers concerning strategy. Herewith middle managers' conscious effort in strategy implementation has been proven to be essential to the success of implementation. (Wooldridge & Floyd 1990.) These studies and the interpersonal view argue in favour of a processual approach to the strategy process wherein strategy implementers are granted power to influence the content of a new corporate strategy.

Guth and MacMillan (1986) researched determinants of middle managers' effort and discovered three factors which heighten the effort they put in to strategy implementation: their perceived ability to implement the strategy, probability of the success of implementation, and congruency between

strategic goals and the middle manager's goals. The validity of these determinants was tested later by Judge and Stahl (1995) and they found that all three determinants indeed affect the motivation middle managers felt to implement a new strategy. One factor, however, stood above the rest; the alignment of strategic goals with middle managers' own goals was the single most prominent factor increasing the effort put into implementation. (Ibid.) The alignment of personal and corporate goals cannot, of course, be a criterion for corporate strategy but, again, the involvement of middle managers in the design process may draw attention to any categorical conflicts in goals before and they can be addressed in time.

Communication between persons in charge of strategic planning and those implementing strategy has been shown to affect the success of strategy implementation. Communication aids in developing a shared understanding of strategic goals and priorities, termed strategic consensus. Research has shown that frequent communication increases strategic consensus, and strategic consensus correlates with successful strategy implementation. It has further been suggested that levels of strategic consensus vary across managerial echelons. (Rapert, Velliquette & Garretson 2002.) Exclusion from the strategy process causes dissatisfaction in and the de-energizing of middle managers and this often translates into inefficiency in strategy implementation. Middle managers have criticized top management for a lack of responsiveness and they have expressed a desire for better channels of communication with top management. Research suggests that middle managers desire access to strategy conversations and organizational sense-making – both of which are often considered the turf of top management. (Westley 1990.)

Related to communication and yet another influencing force in strategy implementation is strategy selling, an activity which has received little attention in empirical research, but the little research which has been conducted has shown a clear correlation with successful strategy implementation. Strategy selling can be likened to the championing of alternatives (Floyd & Wooldridge 1992, 154–155) but unlike championing, this is not a one-directional form of communication. Strategy selling occurs within the confines of the company and the concept not only includes vertical communication across hierarchical levels but also lateral interaction between those parties

implementing strategy. (Hambrick & Cannella 1989.) In essence, strategy selling is an interactive process involving members across functional and unit borders. Ideally, all members of a company possess a similar view of their company's goals and work in seamless coalition, but differing mindsets and coexisting goals may cause reality to depart from this ideal significantly. Cross-functional cooperation and communication can help abate the risks involved in diverging interests. Noble (1999b) maintains that interaction ought not to be isolated to the managing of the implementation itself but also be markedly present in preceding processes, namely in the planning and organizing of implementation. Successful strategy selling – in strategic planning and right down to the realization of these plans – relies to a great extent on the flexibility of the strategy process and ability to affect and make adjustments when the interaction that middle managers engage in transpires cracks under the surface. (Ibid.) The encouragement and enabling of cross-functional communication can, in this light, turn out to be a crucial part of the implementation process.

#### **2.2.6 Implementation of multinational strategies**

The particularities of strategy implementation in global companies is not entirely overlooked in strategy literature but if strategy implementation remains poorly acknowledged as a factor in successful strategic management on a general level, strategy implementation in MNCs is even less so. As mentioned, existing literature on global strategy falls chiefly under the classical school of strategic management wherein corporate strategy is formulated in the headquarters and implemented by their subsidiaries (e.g. Rugmann & Hodgetts 2000, 49). Subsequently, implementation is often treated on a subsidiary-wide level rather than being personified to an employee group, as is being done to a greater extent in new strategy research universally (e.g. Lin & Hsieh 2010; Piekkari & Welch 2010, 467–468). Strategy implementation in MNCs has been researched but with a different approach to research in which the global context has been omitted. Particularly the effect of a multinational context on middle managers' strategy implementation has been largely ignored in management research.

A host of research has been done on management practices in a multinational environment and a fair amount of it has focused on the effects of national culture on managers and management. The impact of culture on management practices has been proven a number of times (e.g. Kelley & Worthley 1981; Ronen & Schenkar 1985) and several scholars including Hofstede (1983, 88–89) and Sekaran (1981) conclude that, in light of the influence that culture has on managers, management theories are, against common presumptions, not universally applicable but culture specific. Following this chain of thought, it could be argued that strategy implementation theories and findings are culture specific also. Judge and Stahl (1995) found evidence for this argument in their research of middle managers' strategy implementation efforts in MNCs and inferred that a multinational context may be more complex than a domestic one for implementing strategy. According to their findings, adding culture to the equation has appeared to add to the list of roles that middle managers hold; in implementing corporate strategy in a culturally dissimilar location to that where it was planned, a middle manager acts as a coordinator of the corporate and national cultures. (Ibid.) What this means in practice is that, on top of being an interpreter of messages travelling to and from top management, middle managers may also have to interpret, translate and integrate culturally laden messages.

As well as affecting the efforts middle managers put into strategy implementation, culture has an effect on the way middle managers perceive their role in the strategy process overall. The propensity for a middle manager to engage in issue selling to top management and to seek the input of their local team in strategy implementation is dependent on the cultural background of the manager, and, from the corporate perspective, this can result in a disproportionate pool of input from subsidiaries. In particular, the way status is viewed in a manager's culture and whether a manager comes from a collectivistic or an individualistic culture has been found to affect a manager's willingness to sell strategy, as well as the manner it is done in. Top management in MNCs often seek to appoint managers sensitive to a number of the national cultures to managerial positions in foreign subsidiaries. These managers act as intermediaries between differing cultures in an attempt to unify the company. (Ling, Floyd & Baldrige 2005.) Although this may be a viable solution to integration of an MNC when it is looked at on a subsidiary-wide level, it poses problems

if one considers the input of middle manager input into corporate strategy inevitable. If cultural neutrality on the part of the manager is the answer, all middle managers ought then to be culturally neutral in order to create a unified strategy implementation network within the company.

The discussion on strategic management in MNCs in Chapter 2.1.4 revealed that subsidiary involvement is requested at times in strategy formulation. When this is done, the pool of information in strategy formulation is deepened to incorporate a wider ranging group of strategists but, even in then, strategic management remains in the systemic category. Strategic planning precedes implementation and, although the cooperation of certain subsidiary managers may have been improved by allowing their contribution, the implementing of those plans is expected to happen rigorously. Bearing in mind the evidence from research that indicates that national culture affects management practices, what was planned to be a global strategy implementation effort may, in reality, take many forms because of different views of middle managers' roles in different national cultures.

## **2.3 Summary**

Strategic management can be approached in varying ways and differing opinions of effective strategic management have led to different systems for allocating tasks among members of the organization. The previous account of the roles that middle managers have in the strategy process and factors that impact their performance demonstrates the multifarious job of middle managers. Distinct lines cannot be drawn between the subordinate and supervisory roles that middle managers play or between the disruptive and supportive influences, not even within one approach to strategic management. As such a clear and complete model of effective middle manager work is difficult to devise. Figure 5 provides a rough illustration of the ways in which the allocation of middle managers' roles can be perceived in the various approaches to strategic management.

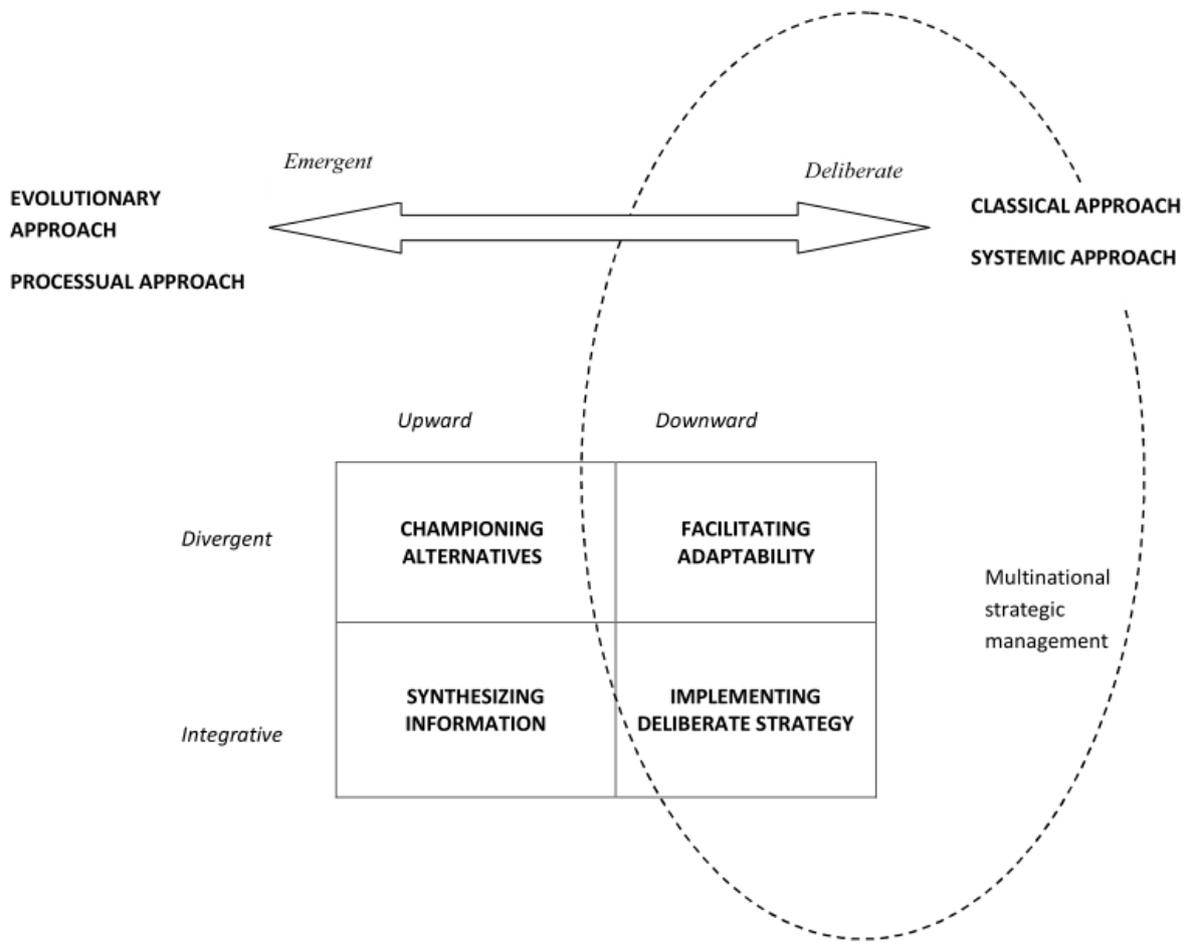


Figure 5. Middle managers' roles in the various approaches to strategic management (reconstructed: Floyd & Wooldridge 1992, 154; Whittington 2001, 10).

Followers of the formal planning approaches to strategic management, namely the classical and systemic approaches, view the strategy process as relatively linear and here strategic planning is the pivotal factor in determining the success of a strategy. Strategy implementation in the classical approach is dealt with by members of the organization who are not involved in strategic planning –

typically middle managers – while the systemic approach includes a wider group of employees in strategy formulation, subsequently often including those responsible for its implementation. The ideal type of strategic management adopted in an organization is dependent on factors such as the environment, the urgency of strategic decision-making and the complexity of the organization, and certain contextual factors may demand formal planning. It may be because of contextual factors and the additional complexity of a multinational operations has lead strategic management research and practice in MNC research to chiefly be narrowed down to the formal planning approaches.

The basic premises of formal planning contain limitations that are taken into account, in theory, by processualists and evolutionarists, and which have been shown to have an effect in practice by empirical research on the subject. Moreover, it is unrealistic to expect a middle manager to implement strategic plans without making alterations to them and, as such, the clear line between strategic planning and implementation is reconsidered and, at times, the order is reversed.

The relativistic nature of strategic management means that consensus on the matter cannot be found. One aspect of strategic management has become fairly clear, however. The multidimensional character of a middle manager's position demands a closer look at how their task in balancing differing expectations can be made easier and what aids these managers in implementing corporate strategy. Middle managers' work is influenced by interaction with all three dimensions of their collaboration network in a number of ways, and this interaction is what shapes the outcome of strategy implementation. Research has shown that, whichever approach to strategy is adopted, middle managers influence the end result of the strategy process and hence it is in the best interest of top management, too, to ensure that middle managers are content with their job description.

Firstly, middle managers play the role of a subordinate but differ significantly from line workers in this role and require a different approach to being managed as a result. Research shows that successful strategy implementation requires effective and open communication during both strategic planning and strategy implementation. Interaction between strategic management and middle managers can help middle managers in understanding implications of the new strategy and, ergo, in

seeing its benefits. Translating a new strategy into action plans is made easier when the middle manager fully understands the content and purpose of the new strategy.

A good understanding of changes aids in suppressing resistance to change but this may not be enough. Middle managers are, by definition, in a position that is often unsuitable for the implementation of plans that they have not been involved in making. It is for this reason that middle managers often wish to be included in strategic planning and this has been taken into account in research on the multinational scale, as well. Due to their proximity to the frontline, subsidiary and middle manager involvement can be beneficial in strategic planning and it has also been shown to improve cooperation and motivation. The championing of alternatives is likely to be desired – and carried out – even if the company’s strategy process does not allow it.

Secondly, the role of a supervisor affects middle managers’ performance as their subordinates are their tool for their accomplishments. Formal planning is the predominant cause of difficulties in fulfilling supervisory tasks. Middle managers must ensure that their team is properly managed to implement the objectives given to them while ensuring that subordinates receive due treatment and that their concerns are listened to. On the other hand, when an emergent approach to the strategy process is taken, it is the supervisory responsibility that enables middle managers to successfully gather information available on the frontlines to develop a viable strategy.

Finally, lateral interaction among middle managers impacts their performance by setting additional expectations, especially in a successfully integrated company. On the other hand, when formal planning is in place, colleagues can assist in creating freedom to diverge from corporate strategy and comply with restrictions from below.

As is seen from Figure 5, the approach taken in MNCs is often fairly rational and reliant on effective implementation, yet surprisingly little research has been conducted on the implementation practices in MNCs. Literature offers numerous alternatives for global strategies and mechanisms for implementing strategic plans, but the effects of a multinational context on the use of these mechanisms has largely been disregarded in research and literature. Linking this to the discussion of

middle managers' roles in strategy implementation, by promoting formal control systems the global context appears to endorse strategy implementers' tasks to be restricted to integrative ones. Control mechanisms are applied to the subsidiaries globally and all implementers are expected to complete the implementation in a similar fashion. However, that research which has so far been done on middle managers' strategy implementation in MNCs has shown that middle managers are not a heterogeneous group but are affected by their cultural background. National culture affects, for instance, the view that one has of a middle managers' role in the corporate strategy process; agreeing to the role of implementer of plans made by top management is likely to happen with more ease in a high status culture than in a low status culture. MNCs commonly use corporate-wide strategy implementation policies and a reason for their failure may not be ineffective implementation mechanisms, after all, but the formal planning approach taken to the strategy process teamed with cultural factors. Any influence by cultural factors, consequently, might call for different approaches with different subsidiaries.

Moreover, it appears that the focus in research of strategy processes in MNCs has, with a few exceptions, been narrowed down to the formal planning field of management over time. The social and human aspects have all the while formed their own, separate discipline. Unlike the approach taken in middle management research on a general level, MNC research suggests that the effects of cognition are considered more a hindrance that ought to be controlled, highlighting the very different starting points.

In sum, middle managers perform a task that is fundamentally interactive. Due to the interactive nature of their work, middle managers' involvement in strategy development is nearly inevitable; the correct question to ask is not whether middle managers take part in strategy development but where in the process do they do it. Interest in implementation practices in the multinational context has seemingly not yet reached the heights – albeit low ones – that strategy implementation has overall. The absence of research on strategy implementation on a global level can be explained by the assumption that theories of strategy implementation are universally applicable. However, research on multinational companies and management practices has shown that when national

borders are crossed, new forces enter the equation. Cultural factors can be claimed to affect the involvement of middle managers in the strategy process and as such current research on middle manager work may not be universally applicable.

## **3 METHODOLOGY**

### **3.1 Research method and approach**

The research strategy used in this thesis is that of a qualitative case study, the case being a middle manager at the organization in focus (“Company”). Qualitative research is an approach frequently used in management research and it is favoured because of the liberty it allows to research data. (Bryman & Bell 2003, 285.) The objective in qualitative research is to give an account of phenomena as they appear; it holds the assumptions that reality is multifaceted and diverse, and the optimal way of studying reality is not to break it down to small segments but to study it as a whole (Hirsjärvi, Remes & Sajavaara 2004, 152).

A case study was chosen as it is suited for studies of complex issues, of which human behaviour is an example. This approach brings specificity to research topics that may not be well-suited for theorizing and it forces the researcher to take a wholesome approach to the study of the topic (Koskinen, Alasuutari & Peltonen 2005, 156). Case studies hold a particular interest in the peculiarities of the case’s context and the interplay between the two. The execution of case studies then naturally requires a rich knowledge of the context. This prerequisite was taken into account in this research and careful preparation work was done so as to have a clear perception of the context that middle managers operate in – both in theory and in the focal organization.

Keeping in mind the interest in the interface between a case and its context, the case’s boundaries ought to be well defined (Eriksson & Kovalainen 2008, 116–117). It is therefore important for the researcher to distinguish the subject of research from its context. A downside to case studies is surfaced here. As the case develops within its context, reliable determination of cause-and-effect relationships is challenging to do. (Eriksson & Koistinen 2006, 7.) Data gathered from a case study

may subsequently not be sufficient to draw conclusions on the relationship between outcomes and their causes even if the data suggests a correlative relationship between a variable and an outcome.

This case study takes the form of a revelatory case study which is a study where the researcher intends to investigate a phenomenon that has only been investigated a little before or not at all. Revelatory case studies are parallel to an inductive approach to data gathering and analysis, both of which were adopted in this research. (Bryman & Bell 2003, 53–55.) The question whether to use an inductive or a deductive approach in research refers to the relationship between theory and research. In induction, empirical data acts as guidance in the study and a theoretical framework is formulated based on empirical data. Theory is not completely overlooked however; it can be used to put empirical findings into context and to determine the degree of generalizability that empirical data entails. (Bryman & Bell 2003, 12.) The results of this research were derived in precisely this manner; the answer to the research question was obtained through a comparison of the results of inductive data analysis with literature.

Finally, this research made use of an extensive approach to a case study. Whereas an intensive case study is directed at a specific case and its uniqueness, an extensive approach is one where the focus is on commonalities between similar cases. The individual subjects of research are used as instruments to detect common patterns and it is these patterns that form conclusions rather than specificities of the subjects. (Eriksson & Koistinen 2005, 17; Eriksson & Kovalainen 2008, 120–123.)

### **3.2 Data gathering**

The data of this research comprises of data obtained from both primary and secondary sources, and these hold both qualitative and quantitative data. The various data were compared and contrasted to come by a cohesive and reliable entity that covered the research topic. Using a number of different sources of data simultaneously is typical of qualitative data and it is often considered to increase the reliability of qualitative research; if similar results are arrived at with different sources, their reliability is heightened. (Hirsjärvi et al. 2004, 130–131; Koskinen et al. 2005, 158). Furthermore

the use of diverse research data enables the formulation of a wholesome image of the subject of research (Koskinen et al. 2005, 46).

### **Primary Research Data**

Primary research data is defined as data that the researcher has gathered for the research in question. Here primary data consists of ten research interviews out of which nine were with middle managers and one with a member of strategic management. Determining a suitable sample size is a matter of debate; too few interviewees make generalizations and comparisons difficult whereas too great a number of interviewees deters in-depth analysis on the interview data. One commonly used indicator of the sufficiency of interview data is its saturation. A researcher has reached saturation in their data when the interviewees' responses begin to repeat themselves. (Hirsjärvi & Hurme 2000, 58, 60.)

A semi-structured approach was considered an appropriate interview method because it allows freedom for the respondent to steer the topic of discussion to subjects that they deem important. Structured interviews are often criticized for their inherent tendency to surface topics according to preconceptions of the researcher and this method is therefore not apt to surface unknown matters (Silverman 2001, 90, 92). According to this argument, well-planned and detailed interview questions place restrictions on the topics that can be taken into focus during an interview. For that reason it was not a suitable approach for this research as the aim was to elicit middle managers' experiences of strategy work. A semi-structured interview averts this downside to structured interviews while keeping the discussion on a chosen topic.

In semi-structure interviews, the interviewer prepares for the interview by devising an interview guide on topics that they wish to cover in the interview. However, the guide does not confine interviews to solely these topics; if the interviewee takes up topics that are not in the guide, the interviewer can pick up on these and guide the interview in a direction that is relevant to the interviewee in question. The intent, nonetheless, is to follow roughly the same interview guide from

interview to interview with similar wording as this enables their comparison in analysis. (Bryman & Bell 2003, 343.)

The first interview was a preliminary interview with strategic management that took place in January 2012. The main purpose of this interview was to familiarize myself with the strategy process in Company, especially with regard to the strategy development process, and to get answers for questions regarding the content of the renewed corporate strategy. The responses in this interview were used in preparation for interviews with middle managers both in terms of the themes used as well as in preparation of the interviewing process itself. Preparation work on the part of the interviewer is fundamental to the success of semi-structured interviews. A semi-structured interview can demand more from the interviewer than structured interviews and for this reason there is more chance of it going wrong if the interviewer is not sufficiently prepared (Hirsjärvi & Remes 2000, 48). As well as providing a base for the preparation for future interviews, this interview surfaced concerns that strategic management had about corporate strategy implementation and pain areas that had been acknowledged in the strategy process. The insight gained from this interview aided in targeting relevant topics in the interviews to follow, and to better understand certain topics that middle managers took up.

The remaining research interviews were with middle managers and these were conducted over a span of six weeks in from February to April 2012. After the preliminary interview, interview topics for these interviews were thought up in the form of an interview guide. A good basis for preparing the interview guide is the question: “What do I need to know in order to answer the research questions?” (Bryman & Bell 2003, 349). The initial research questions were the building blocks for the three interview themes in this research also. (Appendix B) In semi-structured interviews, it is desirable to keep interview questions open while using comprehensible language and terminology (Ibid.). The questions and topics in interviews with members of middle managers were left significantly more open than the one concerning corporate strategy while keeping the topic focused on middle manager’s work and their perceptions of strategy work. The aim was to learn about experiences that interviewees had had regarding the interview themes so no exact follow-up

questions could be planned in advance. The preliminary interview and other prior knowledge on the focal corporation did, however, make it possible to think up questions on topics that most probably would come up in the interviews. No decisions were made in advance as to which follow-up questions would be addressed to each of the respondents – the researcher waited to hear which direction the respondents would go with their responses. The defining questions that were prepared were also used as prompts in cases where the respondent was unsure how to answer a question.

In choosing the sample population, I was given the authority to determine the number of interviewees for the research and to suggest a profile for the interviewees. As Company is a multinational corporation, the intention was to have five interviewees from each geographical area: Europe, the East and the West. Taking the geographical aspect into play was initially suggested by the researcher's supervisor at Company and it was agreed that using geographical area as a control variable could transpire cause-effect relationships with this regard. However, the geographical dispersion of those interviewees who took part in the research was not even and this effectually compromised any exhaustive comparison of areas. Choosing interviewees based in a number of different countries leaves the sample vulnerable to too much variation for effective generalizations on middle managers but it is simultaneously effective for surfacing differences.

The requested profile of an interviewee was a manager in both a managerial and supervisory position who had undergone the corporate strategy change. It was also desired that the five interviewees in each geographical area were to belong to the same business line. The reasoning here was that using respondents who belong to the same line of command would give interviewees common attributes which, again, may aid analysis of the data and in finding cause-and-effect relationships. Furthermore, studying managers from the same line of command could help pin-point where in the organizational hierarchy strategy communication changes, for instance.

The final choice of interviewees was done on the part of the research supervisor. An invitation to take part in the research was sent to 15 middle managers (Appendix A) out of which 11 agreed but ultimately nine interviews took place (Table 1). The interviewees had the option of seeing a list of interview topics prior to the interview and four interviewees wished have these sent to them

beforehand (Appendix C). As the intention was to get honest accounts of how the strategy process was taking place in practice, it was not appropriate for interviewees to see the full interview guide as this would have steered their responses to match the follow-up questions that had been thought up. There were positive and negative sides to interviewees having an idea of the interview topics before the interviews: when the respondents had familiarized themselves with the themes of the interview, they had had time to prepare themselves for the topic and to think back on their experiences. However, these interviews proved much more difficult to steer because of the preparation work that they had done. The trouble was that I could not affect the way that these respondents had understood the themes that were sent to them which meant that in some cases they had a different idea of what was intended than what was the actual case. However, the way that the themes were understood was revelatory in itself. On the other hand, when respondents thought up experiences on the spot, they appeared somewhat more whole-hearted and honest.

Table 1. Geographical dispersion of interviewees.

<b>GEOGRAPHICAL LOCATION</b>	<b>NO. OF INTERVIEWEES</b>
Asia	3
Europe	1
North America	1
South America	2
Oceania	2

All but one of the middle managers were based abroad and as such the vast majority of interviews were conducted over the phone or over Skype. There are certain limitations to phone interviews that make it a less optimal medium for semi-structured or unstructured interviews than face-to-face interviews. Nonverbal communication is significant in semi-structured interviews both for the interpretation of data as well as for establishing a good rapport with the interviewee. The absence of body language leaves more room for misinterpretations of verbal messages, the tone of voice or silences, for instance. (Hirsjärvi & Remes 2000, 64.) Finding mutual understanding and building trust is especially important when the aim is to discuss sensitive issues. Sharing experiences – especially negative ones – concerning a person’s performance as well as those concerning persons

in higher hierarchical positions can be difficult to do with a stranger. Therefore the better the rapport with interviewees is, the better the outcome of the interview. The lack of face-to-face interaction was compensated and non-verbal communication was aided somewhat with the use of a video call over Skype but due to technical restraints, a video conference was only possible in one interview.

Further challenges to the distant interviews were born by technical difficulties during the interviews. As mentioned, the desired medium was a Skype video call but because of differences in the functioning of internet connections between countries, it was predictable that difficulties were to emerge. If the interviewee did not object to the use of Skype, the interviews were started as a video conference. I was prepared for technical difficulties and for the chance that the medium had to be switched during the interview. A number of interviews were interrupted by lost internet connections or a poor telephone line and two interviews had to be switched from Skype to the phone. The difficulties in connection made it more challenging yet to develop a setting for free and open communication. However, the respondents were sympathetic to the difficulties and, overall, the interviews yielded thorough conversations.

All the respondents were asked to have the interview recorded and all but one allowed this. Some difficulties were encountered here, too. In the case of one interview, an interview over Skype had to be switched onto the phone but as the speaker function on the telephone did not work, that part of the interview could not be recorded.

### **Secondary data**

Secondary data is data which the researcher has not been involved in collecting and which is being used for purposes that the collectors of the data did not know of at the time of collection. Analysis of this type of data holds both advantages and disadvantages in comparison to primary data.

Secondary data is comparatively cost-effective to obtain; it is often high-quality data as samples are larger than they would have been if the researcher had collected it themselves; and the fact that the researcher must not collect the data means that more time is left for data analysis. On the other hand,

not being involved in collecting the data means that the researcher is not familiar with the research which complicates the analysis process. Secondly, because the data was collected for a different purpose, it has limitations in how well it can provide answers to questions that the researcher has. (Bryman & Bell 2003, 123, 212, 219.)

In this research, secondary data functioned as support for primary data and as such its limitations do not threaten the validity of results in a significant way. In fact, paralleling different types and sources of data increases the reliability of research and as such secondary data can be seen as justifying findings from primary data. (Hirsjärvi, Remes & Sajavaara 2004, 218.)

The first type of secondary data used was written documents. Documents on the strategy of Company were found on the company's public and internal websites, and these were used to learn about the content of corporate strategy and strategy process. In exploring the information available, I developed an idea of what information on strategy was available for the respondents. The understanding obtained from this data was used both when preparing for the gathering of primary data, and in analysis to place the results of primary data into their context.

In addition, I had access to the results of an employee survey that is carried out annually. The survey was conducted by an external research company for the main purpose of determining well-being of employees. The data that was used in this research had been collected in the autumn 2011 and the response rate was 79.4 %. Its results were mainly presented in the form of frequency distributions with a possibility to screen results according to certain control variables such as location and position in organizational hierarchy. These results were explored and analyzed to further with the aim of building a context and drawing support for the results of primary data.

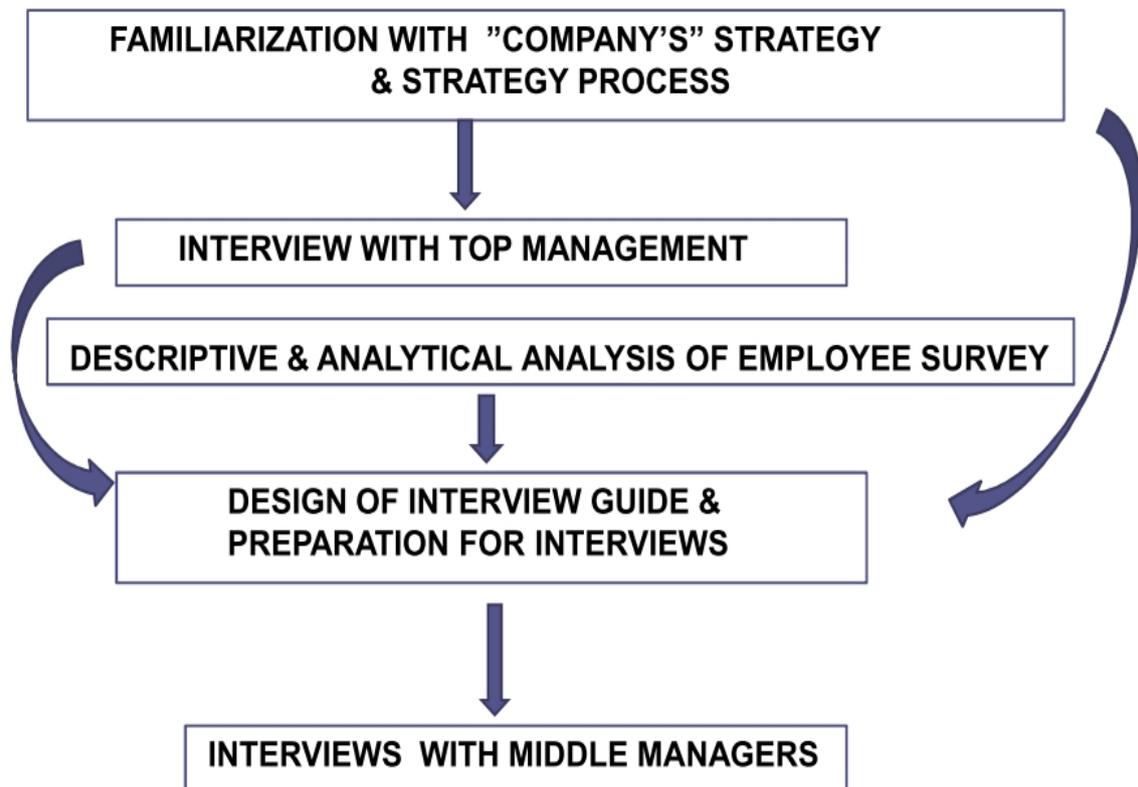


Figure 6. The process of empirical data collection.

Figure 6 provides an illustration of the previous account of data collection process.

### **3.3 Method of data analysis**

#### **3.3.1 Qualitative content analysis of interview data**

Analysis of the interview data began directly after the interviews. Interviews were transcribed either on the same day or, on days when there were two interviews, the following day. Transcribing was done word for word, noting down certain sounds such as laughter and pauses. When an interview was finished, I wrote down thoughts that had come up during the interview on the interviewees’

responses. Transcribing the interview when it was still in fresh memory proved useful because this helped me to recall thoughts that had come up during the interview but which were forgotten quickly.

With the interview that was not recorded, I wrote down notes on what was being said, trying not to make selections on what I considered important but rather to record a complete picture of what was being told. I elaborated on my notes immediately after the interview was finished and created a description of the interview.

Most of the interviews were conducted over a span of two weeks after which there was a two week gap. During these two weeks I perfected my strategy for analysis and began analyzing the interviews conducted thus far. It appeared that the saturation point of interview data had not been reached by the time of the last interview but because of time constraints, it was not possible to arrange more interviewees.

Qualitative data leaves the opportunity to not only detect recurring answers but also to develop an understanding of how these answers are interrelated (Silverman 2001, 290). The transcribed data was analyzed using the method of qualitative content analysis which makes use of this feature of qualitative data while keeping the cognition of the researcher distant. Qualitative content analysis is an analytical tool that can be used for analyzing a broad range of texts including media content, political speech, advertisements and transcribed research data (Neuendorf 2002, 5). This method aims at producing a wholesome portrayal of the results in a condensed form. Its strength lies in the fact that, at best, it can serve to reveal the unsaid or unwritten. (Silverman 2001, 123; Tuomi & Sarajarvi 2009, 103–104.) When an inductive approach to content analysis is used, it can be suited for and used in areas of study where little previous research has been conducted before (Hsieh & Shannon 2005, 1279).

Definitions of qualitative content analysis often contain the terms *objective* and *systematic* which derive from the fact that this method places the researcher's personal judgments in the background more so than most other methods of qualitative data analysis. Results are not based on the

researcher's a priori selections of what is relevant and as such data is given the stage, so to speak. (Bryman & Bell 2003, 194; Krippendorff 2004, 19.)

Content analysis began by selecting the unit of analysis which served as the basis for identifying the population. Units can be individual words, clauses, themes or, for instance, dispositions, and the chosen unit is used for coding the results (Neuendorf 2002, 71). Keeping in mind that interviews were done in two languages, not all interviewees were native speakers of English, that some interviews were not recorded fully, and that the content of interviews was varied, the most appropriate unit of analysis was a theme. Themes require more of an interpretive approach than words because the researcher must not only look for evident content but also read between the lines and look for messages under the surface (Bryman & Bell 2003, 200).

Before coding, the transcribed interview data was read through numerous times to form a wholesome picture of what the data offered. This is the active reading phase, a phase in which the researcher addresses questions to the text to build an idea of what is being communicated in the data. Inductive content analysis continues with the coding – or simplification – of sentences, phrases or words into more general concepts. (Kyngäs & Vanhanen 1999, 5–6.) The initial question that was asked from the data was “What is the respondent telling me?” During active reading, I simplified these messages in the margins and made notes in my research diary on initial thoughts and analysis that they aroused.

The next step in inductive content analysis is the abstracting of coded phrases. Abstracted concepts are then categorized according to their likeness to one another and categories are combined until it is no longer convenient to do so. (Kyngäs & Vanhanen 1999, 5–6.) As I began abstracting these messages, the diversity of messages became evident and I decided to digress from the recommended phases of content analysis somewhat: the uniting factor between the interviews was that respondents told me about factors which affect their strategy work. I recognized certain recurring topics relating to this and returned to the coding phase by coding phrases according to these topics. Sidestepping from a purely inductive method was necessary in that circumstance

because, had this not been done, the result would merely have been an account of variables that may affect middle managers' strategy work.

Coding was done in an Excel spreadsheet where I gathered relevant phrases and began grouping similar phrases into categories and abstracting groups as much as it was appropriate. Coding and abstracting was a long process that included concept analysis, visualization of groups in the form of mind maps and a lot of regrouping. In this phase, the researcher must make decisions about the definitions of words which have more than one meaning (Bryman & Bell 2003, 204) and these decisions are reflected in the results. When abstracting was finished, the plethora of groups was still rather large and as such I used the active reading method to go through the themes that had been coded. I made two discoveries as I read through the quotations: respondents referred to either the content of strategy or their practices of strategy work when telling about their experiences; and recounts of experiences insinuated either the subordinate or supervisory responsibility involved in the practices used. Further subgroups were formed by asking the questions "What part of strategic change is being referred to?" and "Who affects the response of middle managers to strategic change?"

Figure 7 illustrates and summarizes the analysis process used in this research. Venturing through the data, following a winding path of content analysis, continuous evaluation of the progress of analysis and taking necessary corrective actions eventually resulted in the groups that serve as basis and structure results. The eventual categories also allowed evaluation of relationships.

Basing the analysis on categorization can be viewed as a relatively objective way of approaching the analysis of qualitative data but it has received its share of criticism for precisely that reason. Establishing categories can be viewed as inherently subjective in nature because making the decision as to which categories to include is directly dependent on the judgment of the researcher. (Silverman 2001, 123–124.) Moreover, a pitfall in content analysis is that of detecting and creating relevant categories. In order to develop a categorical framework that is representative of the data, the researcher must be versed in the context (Hsieh & Shannon 2005, 1280). The risk of focusing on irrelevant factors was minimized via knowledge of the context of strategy work in this particular

company. Secondary data also served as support for categorization, and their relevance is proven by the fact that similar results are found in the results of the employee survey.

Another reason for criticism of qualitative content analysis lies in its capacity for in depth treatment of the results and to produce a comprehensive conclusion. Some scholars argue that what is obtained by this method is simply an orderly structure for presenting results but it does not allow the researcher to go beyond that. (Tuominen & Sarajärvi 2009, 103.) This flaw was taken into consideration by taking the context into consideration to try and explain the results. Factors such as the level in organizational hierarchy or other characteristics of the respondents' working environment were taken into account.

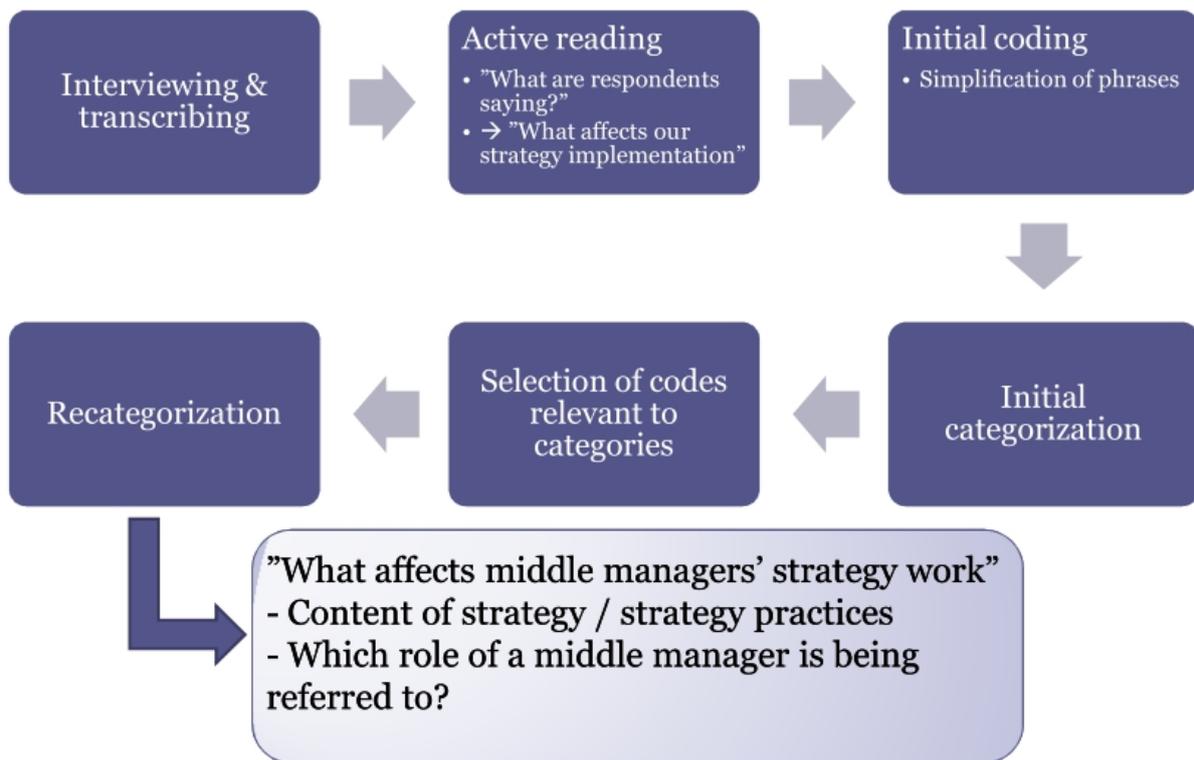


Figure 7. The process of content analysis of interview data.

### **3.3.2 Analysis of employee survey results**

The purpose of analysis and the descriptive analysis of survey results was, firstly, to act as background information on the context and state of middle managers' work in the company when preparing for interviews. Secondly, it provided support for analysis of interview data. Analysis of the survey began with familiarization with survey questions to establish which ones were of most relevance to this research. The selection of relevant indicators entailed concept analysis which helped in determining the ones that were most relevant to the research questions. Bryman & Bell (2003, 73) state that concepts are a vital building block in business research, and it is conceptions of elements that we base our assessments of commonalities or significance on. In quantitative data, indicators are used to provide a measure of concepts and how the concepts are best measured is an important decision to make. For instance, the statement "My supervisor has discussed with me how my goals are linked to our strategy" can be conceived as an indicator of middle managers' strategy work.

When the appropriate indicators had been selected, I conducted a descriptive analysis of the results by comparing frequencies of different employee groups and their answers to statements that related to strategy implementation or supervisory tasks. I also conducted some conversion of the data to determine mean values for the relevant statements. It must be noted here that it was only possible to distinguish managers from line workers and not to select middle managers for analysis. As such top management is included in the data regarding managers, possibly skewing the results somewhat.

Furthermore, statistical analysis was done on responses to the open-ended question "What do you think should most urgently be improved at your workplace?" I considered this a good indicator of the types of factors that may also be most pressing for middle managers and which may effectively impact their strategy work. It was also a question whose responses were presented in their raw form and allowed for freer analysis.

The population in the analysis of the open ended question was limited to respondents in managerial positions and a simple form of inductive content analysis was applied. Responses were simplified and categorized according to subject and categories were then quantified and tabulated. Concept analysis came into play here, too, in contriving categories that did not overlap conceptually. An example of the challenges faced in concept analysis is the conceptualizing of the terms *empowerment* and *bureaucracy*. Before analysis could be conducted, it had to be determined whether the concept of *empowerment* can be conceived as a subcategory of *bureaucracy* or, conversely, whether they are at a similar level conceptually or even integral.

## **4 PRESENTATION AND ANALYSIS OF RESEARCH DATA**

### **4.1 Introduction to the focal company**

Company is a mid-sized multinational company with main operations in the metal industry. The company's headquarters are located in Finland but it has a number of overseas subsidiaries and the majority of its employees are located abroad. The company has undergone major strategic changes over the past years which touched both structure and direction; the company switched from a hierarchical to a matrix structure while expanding operations and setting aims for greater integration of the global company.

Development of the prevailing strategy in Company took place over two years ago and the renewed strategy was initiated in 2010. The initial development process was carried out by top management with the aid of an external consultant, and its initiation and introduction was designed to occur in phases within the company. Strategy rollout happens on a yearly basis, meaning that a formal reassessment of corporate strategy takes place annually. It is at this phase in the process that lower echelons in the organization have a chance to influence strategic planning and development. The annual reassessment happens in a forum where each department within the company is represented. In these forums, representatives are given strategic directions and a framework by top management on which each department forms their local strategies. Representatives are then given freedom to devise their local strategic targets and these undergo a check by top management, who make sure that targets are aligned, and it is then sent for approval by the board. It is at this stage that representatives can voice concerns or discrepancies between corporate strategy and their local environments.

Local strategies are then exposed to local implementation of strategy which makes use of the hoshin planning system. Hoshin is a system that is essentially designed to enable a form of strategy implementation which ensures that corporate targets are present at lower levels of the organization all the while ensuring that expertise at lower levels is not compromised. Department specific strategy implementation entails the allocation of tasks and the setting of personal targets for individuals according to this allocation.

The effects of changes were assessed in an annual survey in autumn 2011 and a summary of results are presented in Tables 2 and 3. These figures highlight information flow and communication, resourcing, clarity of responsibilities and bureaucracy as matters of concern in Company. The implications of these results on middle managers' work are discussed in their respective contexts together with an account of interview data results.

Table 2. Mean values for statements relating to strategy and supervisory work (1= disagree fully, 4=agree fully).

STATEMENT	MANAGERS	LINE WORKERS
1. Information flow in your department.	3.12	2.97
2. Information flow between departments.	2.67	2.48
3. I do not receive enough feedback on the results of my work.*	2.77	2.72
4. Activities are hampered by too much bureaucracy and formality in our company.*	2.51	2.47
5. I cannot make independent decisions about my work.*	3.03	2.99
6. Clarity of responsibilities in decision making.	2.70	2.55
7. Decision-making in our company is efficient.	2.60	2.50
8. When decisions are made in our company, the opinion of the persons affected is usually sought.	2.65	2.46
9. If I disagree with anything, I can freely express my opinion to my immediate supervisor.	3.45	3.36
10. Employees in our department have an opportunity to participate in discussions and make suggestions.	3.30	3.23
11. I am well aware of the goals and objectives of our company.	3.37	3.01
12. My supervisor has discussed with me how my goals are linked to our strategy.	3.03	2.65
13. I understand well the new operational model development and deployment (program) and my role in it.	2.98	2.56
14. The strategy and future prospects of our company have been well communicated.	3.18	2.91
15. The company's internal co-operation in matrix runs smoothly.	2.50	2.45
16. The future for our company seems bright.	3.50	3.30
17. There is enough co-operation between different departments and personnel groups in order to carry out the work projects efficiently.	2.65	2.57

\*Statements are worded in a negative way

Table 3. Managers' responses to what needs improvement in the organization.

Communication				Organization & Planning			Training	Authority	Other
Horizontal	Vertical	Strategy	Total	Responsibilities	Resourcing & Workload	Total			
11.8 %	4.9 %	1.3 %	20.9 %	6.6 %	15.4 %	13.3 %	6.1 %	4.3 %	13.4 %

## **4.2 How the new corporate strategy affects middle managers' work**

### **4.2.1 At best, corporate strategy gives direction and purpose**

#### **4.2.1.1 Understanding the company-wide strategy**

Corporate strategy was visible in respondents' daily managerial work: for most respondents, the image of strategy that they had provided direction and a course of action, and all respondents expressed desire to contribute to the corporate strategy. The change in corporate strategy was a familiar subject to all the respondents; the change in corporate strategy was initiated over two years ago and discussions surrounding the topic had been numerous ever since.

Gaining accurate knowledge and building a strong understanding of the corporate strategy was the first step in employing that strategy on a day-to-day basis. The understanding that respondents had of corporate strategy was the result and combination of an interest towards learning about strategy and access to strategy communication. Responses to survey questions on the comprehension of strategy lean on the positive side with a mean value of 3.37 among managers (Table 2, statement 11). Initially, strategy learning took a rather passive shape on the part of interviewees which emphasized the role of top management and their activeness in relaying corporate strategy to all levels in the organization. The information given by top management remains the main source of information on corporate strategy for the respondents. The respondents were generally curious about corporate strategy and open to learning about it. Those respondents who felt relatively well versed in the content of corporate strategy had had access to numerous briefings by top management.

*“In fact if anything is... there's almost too many of them. We have [briefings on the strategic changes] two or three times a year either face to face or by other means - we have visits here and so on. So [top management] are extremely, I wouldn't say aggressive, but proactive.” (R7)*

On the whole, a feeling of having a clear understanding of the changes that the renewed strategy induced was linked to effective strategy communication on the part of top management that had not required overtly much effort from middle managers.

With respondents who were closer to top management in the organizational hierarchy, strategy was said to give direction in the way of determining the focus and emphasis local strategy planning. Strategy was not seen by these respondents as circumscribing their work; it merely gave indication for the course.

*“Our goals and emphases are derived from the strategy --- so it guides us in that way and I think that’s the effect it should have, too.” (R8)*

#### **4.2.1.2 Understanding how changes affect the respondent**

As said, having top management explain corporate strategy in person was shown to result in a better understanding of the changes that were taking place. Respondents wished to understand their standing in the strategy and how they could contribute to the achievement of the company’s strategic objectives but, in reality, the entire strategy was not kept in mind when organizing work in their own teams. Instead, respondents used what they called “our strategy” (referred to as “local strategy”) as the guiding force in their own plans and actions. In fact, interview data reveals that strategic change meant a number of different things to the respondents: some regarded it a change in organization structure, some saw it as a new process or new Power Point slides and others still saw the official corporate strategy as something that was meant to be instilled and replicated in their work precisely.

Respondents were most interested in knowing how the change was going to affect them and their subordinates, and those respondents who had received information on the strategic change in a filtered, tailored form had had an easier time overcoming the initial difficulties. Meanwhile those respondents who had only received a more wide-ranging, corporate-wide account of the changes continued to struggle with the new strategy.

*“Even when [a member of top management] was here, [the effects of the change on our department] was still left up in the air to a rather large extent.” (R4)*

An exception to this was middle managers whose department’s operations spanned an exceptionally wide number of functions within the company. Because of their all-encompassing outlook on the organization, they were able to witness first-hand in their immediate working environment how corporate strategy affected different areas of the organization. These respondents were a clear minority, however. Several respondents began the interview by stating that they were unaware of the details of corporate strategy and their lack of interest in forming a complete picture of the corporate strategy was stated out loud, as well.

*“I have a basic idea about corporate strategy and of what [the CEO] has communicated but I don’t know about the details of it --- I don’t see that as problem, that would only be a problem if I were to want to understand the entity of corporate strategy.” (R8)*

The efficacy of receiving a tailored account of the corporate strategy message stresses the importance of the subordinate-manager interface, an interface on which Company’s strategy process is largely dependent. The inherent dependence on subordinate-manager relationships stems from the hoshin planning system which demands a chain of seamless and well-functioning working relationships between managers and their subordinates in order for corporate strategy implementation to take place. The interviews surfaced another central reason for the importance of this interface, namely that middle managers’ immediate managers had a great impact on the understanding that middle managers had over their standing in the company and what was expected of them.

*“[My supervisor will] go through the global strategy, fairly briefly more often than not, focus on the parts that are most relevant to [our] division.” (R2)*

Most of the respondents turned out to be well versed in the strategic objectives that affected their subordinates' work and were significantly more comfortable discussing the local strategy than strategy on a corporate level. Furthermore, there was less interest in the official guiding principles of corporate strategy when respondents knew better exactly what was expected of their team or department. In sum, corporate strategy served as a guiding principle but not in the traditional sense; middle managers were not particularly interested in understanding the details of the objectives of corporate strategy and using that information to translate it into action in their team. Instead, they wanted to know exactly what was expected on them and applying that to the local operative environment to the best of their abilities.

#### **4.2.2 Corporate strategy can cause confusion**

The change in strategy caused disruption in the work of some respondents and eight out of the nine respondents explicitly accounted for the difficulties they had experienced with regards to the renewed strategy. The majority of respondents had overcome most challenges but for some, confusion was still a part of daily activities and questions they had regarding the changes remained unanswered.

*“We did find it, I must say, quite disruptive in the first couple of years because we were focused on building the business instead of understanding how the business was to be built from a strategic perspective.” (R3)*

*“With a lot of my people and also a lot of other people generally in [our office], I guess globally, [the new strategy has caused] total and utter confusion.” (R4)*

These respondents are not alone: although the majority of managers feel they are well or fairly well aware of how their goals are linked to corporate strategy (Table 2: statement 12), 25.7 % of personnel in supervisory positions feel that they have not been informed of the implications of the new strategy on their own tasks. Communication was also the number one factor that people in managerial positions would want improvement in and, as is seen from Table 3, 4.9 % of managers

explicitly wish for vertical communication to improve within the company. Strategy communication was one of the defining factors in the ease of transitioning to the renewed strategy. This was revealed by the fact that even those respondents who felt that the renewed strategy was not significantly different from the strategy that was in effect earlier had originally felt confusion about the changes, and this resulted in resistance to change. Therefore, the issue with initial difficulties was simply a case of receiving a clear and relatively exhaustive account of the effects of strategic change – not the change or content of the strategy message itself. Especially respondents who worked in smaller offices stated that strategy communication was lacking and it was difficult to gain access to it.

*“No we did not discuss much about Company’s strategies with our [managers] in the sense that there was not so much of scope for discussions.” (R1)*

*“People have had better training in other offices than what we’ve had or have a better understanding because they have a bigger office than us, you know. --- There has to be some sort of a, I guess, general change in the way that things are reported from corporate to the local offices.” (R4)*

This finding ties in with what was mentioned earlier about the impact of the immediate supervisors on middle managers’ clarity of the strategy message. In comparison to those respondents who had been receivers of a plethora of strategy communication, respondents who had had less access to direct strategy communication from top management relied more on their own effort in understanding it; these managers showed initiative and a proactive attitude in finding and patching together an understanding of corporate strategy. An understanding of strategy was devised from a number of external sources. Some of these respondents would actively look for information from within the company but despite a will and motivation to seek information on strategy, work circumstances prevented managers from engaging in independent search for information. Although written material on corporate strategy is easily accessible and respondents knew of its existence, they did not have the time to read through it. Additionally, strategy communication with other

members of the organization was not engaged in regularly unless it was possible to do in their immediate working environment. Perhaps as a result of the mentioned time constraints and poor access to strategy communication, three respondents referred to their previous employers as a source of information on strategy.

*“Ways of learning about the strategy: limited, very limited. Whatever learning I’ve had, I’m fortunate to have good learning in my previous organizations, yes. That has given me a good foundation.” (R1)*

Although activeness is desired in the learning of strategy, a patched together understanding of it can result in an image of strategy that is not in line with the intended corporate strategy. Devising an understanding of corporate strategy on information received from top management reduces the risk of forming a misguided picture. Having a misguided picture is especially concerning when this functions as a guideline for respondents’ actions: the danger with an unclear image of corporate strategy arises in everyday situations where middle managers make judgement decisions on action plans that are not in line with what was intended by corporate strategy.

It is important to note is that forming an understanding of corporate strategy is a process which can take years to complete. An understanding of the consequences and entity of strategic change is built on a continuous basis and understanding is influenced by messages received along the way. This was acknowledged by those who had undergone a process of initial confusion regarding strategic changes but had overcome them in time.

*“We’ve been going through [the strategy arrangements] now for a couple of years but I think we are now --- we understand the logic a whole kind of a lot better than we did two years ago or three years ago when it was first presented to us.”(R3)*

Consequently, the communication of strategy to lower echelons cannot be thought of as isolated information sessions. Instead, it is a matter of continuous teaching and coaching.

### 4.2.3 Corporate strategy can have little effect on middle managers' work

With respondents who had a long working history in Company or a similar company, there was some negativity or a neutral attitude towards the change in strategy. Hesitation with the new strategy was augmented by the fact that they had experienced many strategic changes before. In their experience, strategic changes need not be taken to heart straight away because they will probably be reversed in time. One person had undergone a similar change at their previous workplace and this had shaped their attitude towards this change.

*“Older people like me and other people even in this office have come across [the changes] before, it’s new, it’s what we call new jargon.” (R4)*

There was also a feeling that corporate strategy generally does not affect their work much. Their focus was on attending to local needs and the actions that their environment and the function that they operate under necessitate.

*“My role in whatever strategy they have is the same, as far as I’m concerned. I have a responsibility to my staff, I have responsibility to get projects out on schedule within budget, you know.” (R4)*

With these respondents, changes in corporate strategy were unclear or only very mildly clear but, more importantly, they expressed less curiosity to find out more and fill gaps that they may have in their knowledge than others. This poses a challenge for strategy communication from higher levels: it is imperative that the changes in strategy and the reason for them be made clear in order to invoke motivation to implement strategy but because of the lack of motivation to learn about it, there may be resistance to receive the message.

## 4.3 Being a subordinate and a strategy implementer

### 4.3.1 Support from immediate supervisor in understanding strategy

The managerial aspect of respondents' work was emphasized in the interviews. An important part of their job description involved planning and organizing work in their team. In doing this, respondents were expected to combine demands from strategic management and demands that the local operating environment set. Respondents who had a clear understanding of their local strategy found this task markedly easier than those who felt uncertain of what strategic management expected of them.

It was already established that respondents' immediate supervisors have a role to play in comprehending corporate strategy. As well as contributing to the learning process of middle managers, the supervisor-subordinate interface turned out to be significant in strategy implementation in a more direct way as well. The interviews revealed that hoshin was implemented in roughly two ways: in a form that drew on two-way information and in more of a top-down fashion.

*"I put [our strategy] up to the guys [meaning: managers of the line of business] who'll put together the strategy for the product line." (R2)*

*R6: Strategic objectives are explained in seminars and meetings and the respondent felt it was their responsibility to make sense of what they were being told and to translate that into action.*

Those middle managers who were let influence the targets being set to a greater extent also engaged in frequent communication with their supervisor. The experienced ease of instilling corporate strategy into their team's work was linked to the frequency of communication with immediate supervisors. This effect was achieved because frequent communication often meant more liberty for middle managers in organizing work in their team.

*“Face to face, I mean his office is essentially right next to mine so we have frequent discussions.” (R7)*

This particular respondent serves as an example of this phenomenon. R7 studied their operative environment actively and they were in charge of organizing their subordinates' work on the basis of this gathered information. Corporate strategy is always shaped to cater to local needs to a greater or lesser extent but middle managers are not always involved in this. Most of the respondents in this research were involved in the development of the local strategy of their department or office, either by relaying information on the local environment to those involved in local strategy development or by personally being involved in planning. When developing a local strategy, the middle manager links local knowledge to corporate strategy and influences the implementation of corporate strategy directly at the same time. The amount of empowerment allowed to the respondents varied: most of the respondents were able to influence their own targets whereas for some respondents the targets are more or less definitive.

*“If I find that some of the directives (meaning: strategic objectives given by department manager) are not matching to the business needs in the market area I am performing, Company provides a good room to argue and to discuss but most of the time the directives are directives.” (R1)*

*“I guess we have, we've gone and done what everybody else in the group, I guess, has done and looked at our market position, our internal situation on key performance indicators and our current state in 2011 and looked at what our ambition is in 2015, and we have, um, set up a group of key achievements that need to be done in three phases through the, through those years.”(R3)*

*“we did like a SWOT analysis --- and determined where our weaknesses lay and our biggest opportunities sat, and did a bit of a gap analysis and worked out a bit of a plan for how we thought that we could, what were the essential items that we needed to do to meet those objectives, and then how we were then going to in detail see those tasks realized.” (R7)*

Irrespective of the degree of empowerment allowed, autonomy and bargaining power in organizing work in their respective teams was appreciated by respondents. Being empowered was related to getting regular feedback on the progress of strategy implementation. Rather than being given clear directives, middle managers’ work is supported better by freedom to operate and having their progress monitored regularly. In hindsight, it appeared the best way to learn about strategy was through a trial-and-error type of approach. These respondents were relatively free to use strategy in their work and their performance was assessed later on.

*“I think we learned about it by implementation much more than by presentation, if you put it that way.”(R3)*

*“The other thing that is good is that --- as you went through the process we got an idea of whether we were actually getting to a point where we are closer, fairly close to full, to full achievement of all the targets.”(R2)*

Table 2 (statement 3) shows that managers are reasonably satisfied with the amount of feedback they receive on their work which, in light of its connection to strategy implementation, is promising for the company in terms of having the optimal setting for strategy implementation. A genuine will to make a contribution to the entire strategy is a driver for a want to get input on progress. In order for respondents to perform well in their responsibilities, they required autonomy and empowerment and, rather controversially, it appeared that frequent interaction presented middle managers with autonomy.

### 4.3.2 Setting targets with immediate supervisor

What the corporate strategy process expects of middle managers – to set local targets that are aligned with corporate targets – essentially impacts the way that managers perform their managerial duties. At its core, when corporate strategy provides direction, it simultaneously takes away some autonomy from middle managers in setting their own targets and performing leadership and managerial duties.

As a result of the hoshin planning system, targets are set together with middle managers' immediate supervisors and this is designed to ensure that local strategies are in line with corporate strategy. Hoshin forms a platform onto which middle managers formulate their respective objectives while ensuring that their targets are in line with corporate targets and the system was praised for this very effect. One effect of this system was that it relieved respondents of some of the responsibility involved in strategy implementation. When respondents trusted in the system, it helped them in translating corporate strategy into action. Had they not had this system to rely on, implementing corporate strategy would have required a more thorough understanding of the content of corporate strategy.

*“The fact that someone above me is putting together something that I can abide to, I believe in it and I can roll it down to my guys, that’s even better. That means I’m not setting my people targets that are irrelevant.” (R2)*

Conversely, being tied to corporate strategy was a cause of additional stress for some respondents. This was in part due to the fact that the system sets limits and expectations for the targets that they set for their subordinates whereas previously, with a less systematic method of strategy implementation, middle managers were freer to set their targets independently and according to local needs.

*“--- to try and put [a hoshin plan] together, or put it down and make sure that it complies with what your head has given you and, or that you’re pushing back up the top, I just find it hard. And so do the other guys here that have to do it.” (R4)*

The message that respondents were sending across was that when that the expectations were clear and when the hoshin was seen as relieving responsibility for sticking by corporate demands, they gained autonomy in setting targets that were appropriate to their respective operative environments.

### **4.3.3 Discrepancies between operative environment and strategy**

#### **A need and will to influence objectives**

The downside of the implementation system in place is its stiffness in responding to changing requirements. In certain respects, reduced autonomy was welcomed because it reduced some of the respondents’ workload. However, one uniting factor between respondents who were content with the change in strategy was that, in their perception, the renewed strategy was helping them achieve targets that they had recognized prior to the change. The renewed strategy was better in line with local demands than former strategy and as such strategic change had resulted in improved local operations.

On the other side were those middle managers who regarded corporate strategy as not congruent with the local operating environment. As the corporate strategy process did not allow the contribution of middle managers in strategic planning, it was inevitable that some dissatisfaction exists with regards to the content of the new corporate strategy. With the exception of two respondents, most of the interviewed managers felt some concern about the feasibility of the renewed corporate strategy in the local market situation and within their local environment.

*“I think what concerns me the most is, and I think it’s changed in recent times, but I think there’s been a very strong push for developing [a division in the company] --- and in fact even the restructuring, bringing in more managers into the organization, it just brings overheads. --- Now, lots of managers have been employed to see this into fruition but not a lot of doers are being employed that actually generate a revenue.” (R2)*

*“But countries like [country Respondent 1 is based in], these other major market areas that we are talking about, we don’t have that kind of accessory. --- So it goes all hand in hand, you know, to understand basically what is the market requirement, how much the market can really support that product or the solutions that we are trying to sell in that market.” (R1)*

By and large, corporate strategy’s achievability is met with a trusting attitude, indicated by a positive 3.50 mean value for responses to the statement “The future for our company seems bright” among managers. However, the respondents gave accounts of a number of restrictions that the operative environment held; restrictions which the targets set out for them do not take into account and which they felt hinder the success of their department’s or team’s performance. Discrepancies between expectations from above and prerequisites from below are inherent to the job undertaken by these respondents but the effect of this discrepancy resulted in suspicion that corporate strategy would curb their operations rather than support them.

### **Ways of influencing objectives**

Middle managers play the role of an informant for their supervisor and, if the channel of information travels far enough, for strategic management also. Providing information on the local environment and on local operations to higher levels was the best means available to middle managers to influence corporate strategic decisions.

*“I have some part to play in the development of the strategy, um, and so I watch what’s happening in the market and what’s happening in the product line, listen to what people say, so I do have some ability to contribute there.” (R2)*

This is a one-way form of communication, however, and middle managers could not directly influence decisions made at a higher level. According to the interview data, middle managers were not included in the problem solving process that followed when problem areas had been localized and addressed.

*“We have been talking about these challenges, these are identified challenges, but, what should I say, I’m not fully aware of what is the action plan or corrective action plans that are being thought of. That area, there I’m not fully aware of.” (R1)*

*“...those problems haven’t gone away, they’ve just moved on to a different group of people.” (R7)*

It appeared that middle managers feel there are outlets for voicing concerns but they could not be certain that the problems were being dealt with, or whether they were being swept under the rug. This was partly due to the fact that not all managers were inclined to be in direct contact with those persons in charge of strategy reassessment, and if they were not, their message may have been filtered or lost on the way from their trustee to top management. One respondent also gave reference to top management ignoring faults in corporate strategy by focusing on the minor positive aspects built into weaknesses.

Two exceptions to this difficulty in influencing corporate strategy surfaced in the interviews. In the first case, the operative level generated an alternative way of operating and this was later adopted as an official process.

*“We did a change that sort of pre-empted all this - not deliberately, we didn't know what was going to be happening at all - but just by chance we got permission to reorganize ourselves into what has basically become the new structure anyway around about three years ago.” (R2)*

This occurrence took place before the planning of the current corporate strategy and this may have enabled its use as a frame of reference in official strategic planning. The other exception was R9 who continued to devise alternative or complementary actions even with the new strategy process in place. They took pride in actively seeking alternative courses of action and developing the current strategy. This respondent and their team regularly sent information on alternatives that they had generated to top management in hopes that these would be used to develop corporate strategy further. According to the respondent, this was not a response to dissatisfaction but stemmed from a will to contribute to the success of the company.

The majority of respondents were accepting of the role that they had been given as implementers of corporate strategy, not developers of it. Most of the respondents were aware that the sheer size of the company meant that the deficiencies they were facing may not be the priority within the company and as such did not feel the need to push for a change. Moreover, respect for decisions made by strategic management and trust in their judgment prevented some respondents from actively seeking to change the direction given to them. However, several respondents did use the interviews as opportunities to relay their improvement ideas onwards to top management, suggesting that the way that their ideas had been dealt with earlier had not been satisfactory.

#### **4.3.4 Having to join forces with colleagues**

Corporate strategy sets middle managers as components of a corporate-wide plan which means that in order for corporate strategy implementation to be effective, middle managers' actions must be aligned. Respondents recounted variation in the degree of compliance to working cooperatively in the company-wide collaboration network that they were a part of. Referring back to Tables 2 and 3, the matter of collaboration and cooperation arose from the employee survey as well: open ended

responses show that 11.8 % of supervisors felt that an improvement in horizontal communication was a factor that was in direst need of improvement – the single most common area of improvement mentioned in these responses. Adding to that, 6.6 % of supervisors distinctly mentioned that they are struggling to understand where the lines of responsibility are drawn.

When executed well, the hoshin planning system removed the chance of friction to occur as a result of opposing objectives among middle managers. The alignment of these objectives is in corporate plans and the managers responsible for ensuring that they are aligned are aware of their role here; respondents at higher levels in the organization considered it one of their more central responsibilities to make sure that the personal plans which their subordinates prepare coincide. In reality, this was not always the case at lower levels. Alternatively, situations may have changed from the time of planning such that original plans were no longer effective. The result was some struggle in making collaboration run smoothly.

*“[Colleagues hanging on to their previous responsibility] just makes the whole effort that much harder and unnecessary because we’re fighting about, as far as I’m concerned, something that has been already dealt with. --- just interfering with executing a plan which, for reasons that have, as far as I’m concerned, are irrelevant.” (R7)*

*“There’s still a lot of people who don’t understand it or won’t accept that even in the matrix there’s still hierarchy but like people still consider some things, even if it’s shown there, not to be part of their job.”(R4)*

When corporate strategy was changed, some managers’ jobs were changed and the lines of responsibility had been shifted in the organization globally. The misconceptions that this had caused was a definite hindrance in strategy implementation and it affected even those who considered themselves as being knowledgeable of the corporate targets that they had set out to achieve. Respondents who felt that poor collaboration harmed their performance wished for better

communication with those colleagues who their work affected and whose actions affected them. This wish was not only to ensure that targets were aligned but also to increase flexibility in changing situations. As mentioned, middle managers require a degree of flexibility in target setting and an ability to change course if circumstances demand it but the current system makes this relatively difficult. Having a good relationship and open communication channels with other middle managers revived some of the flexibility that they had had when working more independently.

*“You cannot grow very fast and you cannot grow volumetrically very large [because of restraints of the strategy], so, but at the same time you also have to cater to jobs, you also have to cater to projects, so this is one way: you have [your team], you grow to a certain extent, and then you add on [collaboration with other middle managers] in the form of your partners so that you can [achieve flexibility].” (R6)*

*“We expect [meaning: wish for] regular internal communications and we expect that, yes, whatever is the market area’s requirement, that is well understood [by other market areas].” (R1)*

Conversely, respondents who engaged collaboration with other middle managers on a regular basis had had experiences where their colleagues had helped them to gain flexibility in achieving corporate targets and overcome the discrepancy between local limitations and corporate demands. In a sense, autonomy was regained through effective collaboration.

In general, the respondents considered their department – their supervisors, colleagues in their immediate working environment and subordinates – to have positive effects on their strategy learning and implementation. This finding is in line with the survey results which show that communication within departments is efficient within departments (Table 2, statement 1) while interdepartmental communication is on the negative end of the spectrum (Table 2, statement 2).

## 4.4 Being a supervisor and a strategy implementer

### 4.4.1 Relaying corporate strategy message

Rather than informing higher levels, being an informant to their subordinates was a more pronounced responsibility for the respondents. Strategy communication with subordinates was done to help subordinates understand their link with the strategy being employed and how the change in strategy affects them. According to survey results, there is a gap between the knowledge of corporate strategy between managers and line workers. Line workers are less aware of corporate goals indicated by a difference of 0.36 in mean values for the statement concerning awareness of the company's objectives. Likewise, 57.9 % of line workers claim that their supervisors have not communicated the effects of strategy to them and this translates into a 0.38 difference between mean values. The difference here is especially significant because managers lean slightly towards the positive side with a mean value of 3.03 while line workers fall under the negative category with a 2.65 mean. (Table 2, statements 11 and 12.)

Despite shortcomings of strategy communication to line workers revealed by the survey, respondents considered the job of relaying the corporate strategy message was considered vitally important for their own sake. In communicating strategy onwards, respondents felt that they can better guarantee that their subordinates were working together for a common goal. It was also felt that it affected their subordinates' well-being; communication was meant to motivate subordinates in their work, accentuating the supervisory responsibilities awarded to middle managers.

When respondents talked about their role in the corporate strategy process, the task of communicating strategy onwards took precedence over most others. In their view, their subordinates were supposed to know where the company was headed

*“I present that strategy to [subordinates] on the basis of what we are, what our ambition is for this year, what our ambition is for the year 2015 and what their contribution will mean to that.” (R3)*

*“And also it was our role --- that we go through all the people, that we make sure that everybody, each individual understands where we want to go, where we want to be.” (R5)*

Despite an apparent regard for the importance of relaying corporate strategy, the survey results reveal that line workers have difficulty in linking the work assigned to them to corporate strategy. The fraction of supervisors who mentioned a need for better communication on corporate strategy is not staggering – 1.3 % (Table 3) – but as 11.7 % of supervisors and 22.9 % of line workers feel that they are unaware of the objectives of the company, this is a subject that needs attention. The survey showed that a further 42.1 % of line workers feel that their supervisor has not discussed with them how the new strategy affects their work. This data is supported by what was said in the interview with a member of top management. In their experience, middle managers are often unwilling or feel uncomfortable presenting corporate strategy to their subordinates and as such top management does this in the place of middle managers.

By providing information on corporate strategy to their subordinates, the interviewed managers fundamentally play a key role in the way that corporate strategy is understood at the line worker level. The shortcoming of line workers’ understanding of corporate strategy may be explained by the form of communication conducted by middle managers; it was evident from the interviews that most middle managers do not make it their task to pass on the corporate strategy message. Respondents claimed to be comfortable relaying the strategy message onwards to their subordinates but, perhaps due to their own experiences with strategy learning, they felt that a filtered strategy message covering only the necessary parts of corporate strategy was the best way to communicate strategy. It was even stated that subordinates ought not to be engaged in the detail of corporate strategy because, according to experience, this does not produce desired results.

*“So strategies, as for the function, if we can discuss and make [my subordinate] understand, without getting him into the world of strategies, you know, what is the objective, what is the things that he or she should look into, simple understanding, then it is very good. It produces results.” (R1)*

*“My role in the biggest way is making sure that I get the people who report to me or who I deal with locally, make sure that they understand what the change in policy and strategy actually means to them because it’s not so easy to understand how their day-to-day work changes.” (R7)*

Moreover, when the middle manager is unsure of the strategy themselves, it is naturally challenging for them to relay it further.

*“Even after it had been introduced, nobody at that stage, at my level anyway, understood what it was about so we could only relay what our perception and what our understanding at that stage was.” (R4)*

One respondent was concerned that, in absence of a set system of strategy communication in the company, strategy communication may not be taking place effectively throughout the company. Because there are no guidelines for strategy communication, it may take a number of different forms and how inclined managers are to carry out strategy communication is dependent on managers’ opinions on the strategy process or on the type of their manager-subordinate relationships, for instance. Judging by the interview data, this suspicion holds true. Differences in communication style may stem from fundamental differences in management styles but some respondents communicated strategy mainly in meetings and other formal situations while others took a more constant approach to strategy communication. Moreover, instead of communicating the local or corporate strategy message itself, emphasis in strategy communication was often on concrete targets and real life examples of the execution of strategy. As a result, strategy communication to subordinates became more and more concentrated on the local, and this may

explain the reason why lower levels in the organization do not understand their role in the corporate strategy arena. The general opinion among respondents was that it is more important for subordinates to understand what is expected of them than to understand how they are contributing to the corporate strategy.

*“I just think that’s good management, people like to see targets in front of them.” (R2)*

In being a messenger of the corporate strategy, a middle manager is responsible for translating the strategy message. This, in turn, accentuates the importance of middle managers’ own understanding and the effectiveness of their strategy learning. It was clear that the further an employee is from strategic management, the less strategy communication deals with corporate strategy.

#### **4.4.2 Communication with subordinates helps middle managers**

When handing out information to subordinates, respondents were actually benefiting themselves. Some respondents felt that in explaining the consequences of corporate strategy to their staff, they were either simultaneously deepening their own understanding about it or gaining enthusiasm through it. Communication with staff also improved middle managers’ commitment to what they viewed as the strategy.

*“I find it’s an enthusiasm thing. I actually like explaining it to my people. By the time I get to the last person of my team who I’m explaining it to, I’m usually pumped up over the whole thing.” (R2)*

The input that subordinates give to local planning was considered helpful.

*“I try to encourage the guys to do some development tasks and those development tasks are associated with not just answering the day-to-day needs that come up from performing work but rather looking at the strategic to-do items.” (R2)*

The hoshin planning system and, more precisely, the interaction that devising subordinates' personal targets entailed forced respondents to engage in conversations about strategy with their staff. As mentioned, not all managers regarded the hoshin system as helping them in any way and wished to continue with practices that were in place before the change. Nonetheless, those respondents who felt comfortable with using hoshin also felt additional benefits from it.

#### **4.4.3 Satisfying subordinates' needs is important**

The weight that respondents gave to the welfare of their subordinates showed in their accounts of the implications of strategic change. Having subordinates' full support was considered vital for strategy implementation but it was also a priority in itself.

*“Middle management's role is something like that you also have to satisfy your working staff, you also satisfy the corporate levels. We are in between, it is like a sandwich.” (R1)*

This quotation sums up the position that respondents are in as both subordinates and managers. The supervisory element of their work is present in their work and sets certain conditions for strategy implementation. Subordinates are ultimately the channel through which respondents can execute any strategy that they embark upon and having their support was of utmost importance. However, the well-being and needs of subordinates was a major concern for the respondents for the simple reason that they felt responsible for their subordinates.

Subordinates' motivation was a topic that came up regularly in the interviews. Having motivated subordinates was one of the key factors in achieving targets set for their team – a factor that, according to respondents, was affected by both the content of their work as well as by knowledge of their purpose. Subordinates' motivation was undeniably a source of pride for respondents and a general positive attitude towards the changes among subordinates was something that made respondents' strategy work easier.

*“[My subordinates] are an intelligent bunch of people and they’re all very keen on making or helping Company perform as well as they can. They’re all very ambitious so, yeah, no it’s gone well.” (R2)*

*“Here --- actually we have been going through a lot of changes and growing but I think the mood here is very good. The people are, let’s say, very motivated and really, let’s say, looking forward to achieving the vision that we have.” (R5)*

A few respondents were apprehensive about applying corporate strategy to their local plans because they felt it threatened their subordinates. For instance, it was felt that the objectives written into the strategy do not take into consideration the workload and limits of their subordinates.

*“[The changes in strategy] are causing all sorts of concerns because even my people now – and I try to relay their fears – are very concerned that they --- will they lose their jobs. So on and so forth.” (R4)*

A common concern was the fact that changes that the changes in operations that affected them required a new set of skills from their subordinates to what was previously required. Despite a will on the part of these respondents to accommodate these new requirements, they were not given the opportunity – time wise or resource wise – to have their subordinates training on the new skills. In reference to Table 3, training was one of the prominent areas of improvement acknowledged by managers and this is an example of what may have been meant by those responses.

*“And more importantly, it takes training also. Presently, with the present setup, this is very much visible room for improvement because we are not getting that opportunity to get ourselves trained to these activity procedures.” (R1)*

These examples reveal just how much subordinates can impact middle managers' felt will to implement strategy. It is not only up to middle managers to execute whatever objectives are given to them but they have to consider their subordinates as well.

#### **4.4.4 Strategy brings consistency**

The corporate strategy system helped respondents in their supervisory work by giving consistency and perseverance to objectives of their teams. The system of setting long-term targets was generally regarded a good management practice and the fact that it was in use throughout the corporation motivated its use further.

*“I think the best thing [about corporate strategy] is this vision about the future and where we want to go because it's very good to know that we are reviewing our future, not that we are just going.” (R5)*

The consistency that corporate strategy was felt to bring to middle managers' work provided a sense of purpose in the short term. Moreover, continuity had an impact on productivity and managers felt that it helped them to achieve more by their subordinates than they otherwise would have.

*“I've been able to set consistent development tasks which is good for [my subordinates], they can achieve quite a lot, um, and then realize that the development that they do plays a big part in meeting strategic objectives.”(R2)*

Corporate strategy could, hereby, aid respondents in performing well in their supervisory tasks by providing a guideline which to follow. The common denominator with these respondents was a feeling that following the targets set for them would lead to a bright future for their team as well as a patent understanding of what was being aimed for.

## **4.3 Summary of data analysis**

### **4.3.1 The impact of strategy on middle managers**

The system of strategic management in Company likens a systemic approach to strategy management but with certain features of a classical approach. Corporate strategy planning and formulation was an isolated event that involved top management and an external consultant. However, a slightly wider group of employees is included in the annual reassessment of strategic plans in which the courses of action could theoretically be changed, although it is unknown how effectively these assessments are taken into account. The results presented here express the impact of strategy on middle managers' work as well as the various roles and influencing forces that are present in their implementation practices. Strategy was with no doubt present in middle managers' daily activities in one way or another. However, perhaps the most prominent result is the vast variation in nearly all areas of the strategy process. Respondents' understanding and learning about corporate strategy, and their attitudes towards it differed significantly, as did the strategy process and respondents' views of their own roles in the process.

Corporate strategy had both positive and negative effects on respondents' work. It affected respondents positively when it was seen as providing direction and aid in their organizing of work in their team. Strategy effectively aided these respondents in fulfilling their supervisory responsibilities and in making decisions about the right courses of action. Being an integrated part in the company was valued to an extent by all employees and those who rated this highly in their list of responsibilities felt that corporate strategy relieved them of the task of aligning local operations with other departments.

Corporate strategy had a number of negative effects on respondents' work also and the chief causes for these were conflicts between corporate strategy and respondents' own goals or with the needs of their subordinates. Another cause of discontent was the strategy process and this took numerous forms. There were differences between respondents in the approaches that they took despite a cohesive and corporate-wide strategy implementation system. Referring back to the discussion of

strategy implementation in a multinational company, the differences between these respondents could be explained by notably different views of their roles in the corporate strategy process that stem from their cultural background.

#### **4.3.2 Strategy implementation practices used**

##### **Direct implementation of strategy**

The corporate strategy process is designed in such a way that most respondents understood their role as falling into the categories of implementing deliberate strategy or facilitating change. Respondents valued having a clear understanding of what was expected of them within the corporate strategy umbrella and the interface between middle managers and top management was a crucial contributor to this understanding.

By taking a look at how corporate strategy was present in respondents' work, it is possible to see how differently respondents regard the amount of influence that corporate strategy *should* have on their work. Although all but one respondent had ideas for improvement of corporate strategy or the strategy process, it was clear that some respondents responded more positively towards strategic change than others. Certain respondents were very trusting of the planning process that top management had undergone and did not question its success in practice. On the other hand were those respondents who suspected isolated strategic planning at corporate headquarters to be inadequate in determining the direction for all business units. This variation can be linked to the degree of autonomy that middle managers wish to have in determining their targets as well as how well-equipped they consider top management to be in doing this in their place. Referring back to previous research on cultural differences, the acceptance of the role of an implementer of plans which a middle manager was not involved in formulating may vary across geographical borders.

According to this data, effective initial communication of strategic changes is imperative in minimizing resistance to change under the classical and systemic approaches. Adopting the new strategy is a process which is kick-started by a clear account of how this strategy was derived at,

what changes it will cause, and how these will affect each middle manager and their team. Failure in one of these areas of communication, in combination with a wary attitude towards the omniscience of top management, can result in middle managers feeling as though corporate strategy is merely a hindrance. The objects of change were curious and responsive to begin with but when this feeling of dissatisfaction was born, its extinguishing became difficult as their reaction to the change shifted from curiosity to regarding it irrelevant. Admittedly this data is not sufficient in determining whether all those respondents who were compliant with the changes did not recognize any conflicts or whether their trust in strategic planners offset their doubts. Nevertheless, effective communication at the beginning of the implementation process can help to alleviate opposition in those who are fundamentally more suspicious of changes which they have not planned.

The formal implementation system in use, the hoshin planning system, was central to strategy implementation. Its purpose is to ensure that all team specific and personal targets are in line with corporate strategy while allowing for freedom at lower levels to allocate tasks as is seen fit. However, respondents' attitudes towards the hoshin system were not united. Some respondents considered the hoshin system a useful tool for tying their own targets to corporate strategy and for monitoring progress. It was seen as providing freedom to organize work in their team and an alternative for direct controlling of their actions by top management. Conversely, others saw it specifically as a means for top management to control the actions at lower levels and tie their hands in addressing the challenges that surfaced in operative activity.

Further differences in implementation came to pass in the use of hoshin planning. The hoshin system was implemented in different ways, perhaps as a result of differences in managers' views of their own standing in the organization; with some, hoshin planning was implemented in a hierarchical top-down fashion while in other cases it was used as a medium for negotiation of action and as a means for relaying information upwards in the organizational hierarchy. What followed was that some managers had more power in affecting local decisions. Different takes on the same mechanism gives indication to the fact that a single system of implementation can take many forms when it is executed by persons with different views of hierarchy and autonomy.

A final, but equally important, aspect of strategy implementation for middle managers is the task of communicating strategy onwards to their subordinates. Respondents regarded it their responsibility to develop a thorough understanding of changes – both for the sake of successful strategy implementation and for the well-being of their subordinates. Consensus existed in the importance of this communication but not in the way it was to be done. As one of the respondents mentioned, there is no company-wide system that would make certain that strategy communication is taking the same shape throughout the company. The hoshin planning system doubles as an instrument of strategy communication but, as mentioned, its execution was understood differently and this led to varying outcomes in what type of communication it stirred.

### **Resistance to change**

Respondents considered the implementation of corporate plans one of their most important tasks because the majority of respondents had experienced a certain measure of conflict between expectations projected by top management and what they considered the best action. Respondents recognized what their position required of them in conflict situations: to make the necessary changes possible via appropriate organization of their teams and prioritization of actions. However, the importance of middle managers' supervisory responsibility was emphasized in facilitating change. When conflicts were recognized, respondents certainly wished to make their contribution to corporate strategy but they would not do this at the expense of their team. They trusted their own judgement in determining what the best action was and if there was a discrepancy, they would not implement strategy before attempting to find a way around it.

When respondents experienced strategic changes as disrupting their daily operations or leading them in the wrong direction, the initial response was to try and bypass the changes if possible. Some respondents in this research had made use of informal relationships with colleagues to pursue projects that would not have been able to actualize within the boundaries set by corporate strategy. The term “informal” could be underlined when reviewing the benefits of interaction with other middle managers. Those respondents who had, prior to strategic change, not been part of a network that would allow for them to swerve from the path determined by corporate strategy were less likely

to make an effort to build such a network after the change in order to solve the problems that had emerged. When a respondent felt they could do nothing to influence their course of action, they would reluctantly execute the bare minimal part of change that could not be ignored.

### **Active attempts to minimize discrepancies**

Classical and systemic approaches to strategic management are not optimal for making use of information that flows upwards in the organizational hierarchy. In spite of the fact that respondents perceived their main role within the corporate strategy process to be that of an executor of strategic plans, discrepancies were sometimes difficult to ignore and if these could not be resolved by small adjustments in the local environment, concerns were voiced to higher levels – ordinarily to their immediate supervisor. The existence of informal channels of communication that allow for frequent and open communication was the cornerstone for voicing concerns about discrepancies.

However, the limitations of a rational approach to strategic management came to light when respondents tried to affect strategic plans by expressing their concerns instead of simply acting on them. Many of the respondents mentioned issues concerning their worries about strategy implementation and the majority felt that they had a good channel for expressing their concerns but very few had seen their worries dealt with. The strategic planning system's relative stiffness in employing upward information can be a reason why these concerns had not been acted upon. In other words, the annually arranged forum for reassessment of strategy provides a medium for steering the ship in a new direction but whether this happens in practice is uncertain. For middle managers, not having their concerns addressed may lead them to take other measures to cope with the situation.

### **Championing alternative action**

The hoshin system is designed to allow projects born on the operative level to be built into strategic plans and when executed properly, this provides a medium for advocating these projects. A certain amount of championing of alternatives can be noticed in the results and respondents' immediate

managers are in a central position in determining how much room the respondents had to negotiate directions written into the corporate strategy. Sundry execution practices of hoshin planning meant that some respondents had more room to argue than others. This is yet another reflection of different approaches to strategic management and how the hoshin system can be executed differently in within the same company.

A will to champion alternative courses of action was generated by situations where respondents felt unable to integrate corporate strategy into existing operations. As with any attempts made to synthesize information, the championing of alternative courses of action usually remained at a verbal level because the corporate strategy system does not allow for their incorporation into corporate plans, at least in the short term. The fact that respondents usually did not rate themselves as having power to influence corporate strategy may have prevented them from pursuing this any further.

More important than considering how well the championing of alternatives is incorporated into the current strategy process is to note the fact that certain middle managers felt a need for this option. Thorough discontent with the changes combined with inability to affect them resulted in its dismissal completely. Those members of Company who wished to contribute to planning may, therefore, unintentionally and unknowingly be less efficient in implementing top management's plans than those who innately are less likely to contradict official plans. Inefficient implementation by one middle manager may have far-reaching consequences due to the fact that middle managers are positioned at the nexus of numerous interactions. One unsatisfied manager may impede implementation efforts of many other members of the company.

## 5 CONCLUSION

### 5.1 Discussion and theoretical contribution

The questions this research set out to answer were:

How do middle managers take part in the implementation of a multinational corporate strategy?

- What does corporate strategy entail in a middle manager's work?
- What practices are used by middle managers to combine the demands of strategy implementation and supervisory work?

To answer the first sub-question, this research shows that the form that corporate strategy takes and the strength of its impact in middle managers' work can vary considerably within a single company. All middle managers in this research recognized themselves as being the persons in charge of corporate strategy implementation in their realm of authority, and they appear to have the fundamental will and desire to contribute to the ultimate targets of their company. They are aware of the expectations projected onto them and are carrying out orders given by higher level managers in the way that formal planning necessitates. However, the different views that these managers hold of strategy's purpose is reflected in the actions taken towards its implementation and as a consequence strategy is present in their tasks in varying forms and degrees.

Using Whittington's (2001, 10) framework as a frame of reference, the managers in this research can be described as working under a deliberate mode of strategic planning and within a planning system that falls in between the classical and systemic approaches. These approaches have been criticized directly by scholars such as Mantere and Vaara (2008) for their neglect of the implementation process as a key phase in strategic management, and more subtly by scholars who have noticed a more emergent approach as heightening the success of strategy implementation (e.g.

Guth & MacMillan, 1986; Bourgeois & Brodwin 1984). The hoshin planning system used in this company is designed to leave room for middle managers' input on targets and, in theory, this could compensate for some of the negative effects formal planning has on strategy implementation. Although the demotivating effect of formal planning did come across in this research, this data suggests that the effect is not as clear-cut as current management literature often insinuates.

At best, corporate strategy aids middle managers in taking care of their responsibilities; strategy gives middle managers relief from the responsibility of ensuring that their team's actions make a contribution to their company and is aligned with other teams' and departments' operations. Consequently, being a subordinate of top management or other middle managers, in fact, complements the supervisory tasks that they themselves have to complete. This is the ideal effect of corporate strategy mentioned by Suominen et al. (2009, 94); strategy pools the individual operations coexisting within the organization while supporting its implementers work.

On the other hand, middle managers can also view themselves as being in the crossfire of two or more counteractive forces, of which corporate strategy is one. Middle managers' first and foremost responsibility is for their subordinates and for the results of their team's work, and the majority of managers have a clear vision of how their team is to operate at its best. If corporate strategy is seen by a middle manager to counter their own perception of appropriate action and to threaten the welfare or the future of their team, it is considered a nuisance. Strategy deters middle managers from acting according to their best judgment, and having to act against their own outlook is a major cause of resistance to implement a strategy.

It can be concluded that what strategy entails in a middle manager's work is not consistent across the company. Strategy can be an aid or an impediment in the combining of responsibilities that middle managers hold even when they are a part of the same implementation system. Due to the different perceptions of corporate strategy among middle managers, an all-encompassing answer cannot be given to the second sub-question either. The fact that all the practices identified by Floyd and Wooldridge's (1992, 154) typology are present in the focal company highlights the variance in strategy implementation practices. Interestingly each middle manager does not show elements of

each of the four behaviours – as should be the case if each manager is expected to use the same practices for implementation – but instead their behaviour differed from one manager to the next.

Middle managers identify their role in the strategy process as being an implementer of a deliberate strategy and it serves as the target for them in their undertaking. Floyd and Wooldridge (1992, 155) describe direct implementation as an integrative activity where middle managers aim to turn strategy into action precisely as it appears to them. The stiffness of formal planning almost guarantees that direct implementation is not a possibility throughout a large company, however, as it is unrealistic for all external influences that affect the line worker level to be taken into consideration in top management's planning. Often the discrepancies encountered by a middle manager necessitate facilitation of change and change, in turn, calls for the consent of a middle manager's subordinates. The supervisory task is a top priority for middle managers both for the sake of strategy implementation as well as for the sake of their subordinates' welfare. Middle managers emphasize the need for passing on the corporate strategy message but if the message is not considered to be of help to their team, they will filter the message to only include the necessary information, possibly resulting in a lacking message from the perspective of top management. However, these middle managers will see themselves as having relayed the corporate strategy message.

According to this data, certain middle managers are not satisfied with merely facilitating change, and take a more aggressive and active approach to strategic changes. They wish to have the option of influencing corporate strategy but not all felt that this was a possibility. Westley (1990) found that when middle managers feel excluded from the formulation of strategic plans, it can result in inefficient strategy implementation and his findings correlate with those of this research. The synthesizing of information, where middle managers adapt their operations to conform to corporate strategy, and the championing of alternatives are both used to oversee discrepancies. Alternatives born at the operative level can be directly taken up with higher level managers, often a middle managers' immediate supervisor, or they may also be pursued without explicit consent of upper levels. The acts of neglecting to execute strategic directions or simultaneously pursuing alternate

courses of action are directly analogous to the conjecture Floyd and Wooldridge (1992, 155) put forward. They state that middle managers find ways of stretching the directions given to them and making use of informal channels of communication or flexible structures when they detect a directive that they do not wish to implement. These projects which make use of lateral interaction may be pursued out of sight of top management but this data shows that secretive divergence from official plans does not take place if informal communication channels with respondents' immediate supervisors result in these options being brought to light and later incorporated into a wider strategy. When informal channels of communication are lacking, however, middle managers may deliberately resist changes or facilitate them with a doubtful mind.

Theories and previous research on strategy implementation practices frequently suppose that middle managers are a heterogeneous group in terms of their approach to strategy implementation and in their reaction to the form of strategic management used by their employer. The underlying assumption in middle manager research is that the approach taken to strategic planning is reflected in the success of middle managers' strategy implementation. While this may hold true, the present research suggests that a company-wide perspective on middle manager behaviour, let alone a generalization of middle managers, can be a faulty foundation for research. This research provides support for Hofstede's (1983, 88–89) and Sekaran's (1981) inference of management theories being culture specific. What follows is that when large and multinational corporations are in question, strategy implementers should not be considered similar cogs in the same machine which need the same momentum and direction to function in coordination. Instead, middle managers ought to be rightfully segmented to ensure that each manager is able to function to their full capacity.

Overall, this research shows that the conflicts inherent to middle managers' position can, indeed, affect their strategy implementation practices. A formal planning approach increases the likelihood of conflicts' surfacing but differences among middle managers results in different experiences and reactions to discrepancies. Middle managers certainly have a direct effect on the outcome of corporate strategy through their implementation practices and a multinational strategy is more likely

to take a number of forms on lower echelons because of the varying cultural backgrounds of its implementers.

## **5.2 Managerial Implications**

Communication – both lateral and vertical – is central to effective strategy implementation. Clear and exhaustive communication of strategy on the part of top management ensures initial motivation to take in the corporate strategy message and begin its incorporation into existing operations. What this research shows, however, is that the corporate strategy message can give guidance on lower levels in the organizational hierarchy despite their relative ignorance of its entity. It could even be argued that it is preferable, at times, to allow middle managers to remain unaware of their place in the grand scale as it can lead to less disturbance and to improve motivation to implement strategy. However, in doing so, one places additional significance on the seamlessness of communication channels within that company. The obvious danger of allowing implementers of corporate strategy to remain unaware of their place in the entire corporation is that what they consider to be a correct plan of action may not, in actual fact, be in line with corporate strategy.

The importance of communication is not limited to official informing of strategic changes and interactive communication is important even when a formal approach is taken to strategic management. Even though a planning system such as hoshin provides a platform for the exchange of ideas, informal and open communication is significant in both learning of corporate strategy and in its implementation. Open communication aids in problem solving during implementation and it restores autonomy lost by middle managers because of corporate strategy. Encouragement of lateral and vertical communication and its facilitation can be an unexpectedly efficient way of ensuring successful strategy implementation.

Furthermore, this data suggests that there is significant variation among middle managers in their views of how strategy implementation ought to take place. Approaches taken to strategy implementation vary from middle managers who actively seek to contribute to strategic planning to those who directly implement directions given from above with little resistance. The degree of

empowerment of middle managers is not consistent, either, as certain managers feel sufficiently in control of their work while others desire more influential power. This type of variation may have repercussions on corporate implementation systems, and it places the efficiency of using one common implementation practice throughout an MNC under scrutiny. When a formal planning approach is used, it is often assumed that the same type of strategy communication is used and the same amount of bargaining power is exerted to middle managers throughout the company. However, this research shows that even control systems such as hoshin can take many forms at lower echelons.

One solution to the variance could be to exert greater control of its use but the effects of further control could worsen the success of strategy implementation. Previous studies of middle managers have showed how much their consent can affect the outcome of strategy implementation. If middle managers vary across cultural borders in their views of their due roles in the corporate strategy arena, using a single approach to corporate strategy implementation throughout a company may result in a situation where certain middle managers are enthusiastic about strategy implementation while other's motivation suffers. This naturally hinders the efficiency of global strategy implementation overall and may be one cause for the infamous gap between strategic planning and implementation. An alternative solution, therefore, would be to acknowledge different needs of middle managers and not coerce uniformity. Management practices may need to vary across an organization, attending to the varying needs.

### **5.3 Limitations and future research**

Middle managers' strategy work and strategy implementation in MNCs have both been subjects of research but rarely simultaneously. This research took a different approach to strategy implementation in a multinational corporation by focusing on strategy implementation practices on the managerial level. The results place existing MNC strategy research under question for two reasons: its overlooking of emergent schools of strategic management and its focus on planning of implementation practices. According to this research, top management cannot control strategy

implementation with control systems and focus may have to be placed on what occurs in the execution of these systems.

The yielded results may be slightly skewed by the setup of this research, however, and this creates opportunities for follow-up research. The focal company has undergone extensive changes which have affected members of the company differently. Due to limited time and resources, respondents could not be controlled for all contextual variables which may explain variance in strategy implementation practices. For instance, the relative impact of strategic changes on each respondent, respondents' level in the organizational hierarchy, their working history and the size of their respective teams may affect the approaches taken to strategy implementation. The reliability of these results would have benefited from greater control of such variables.

On a related matter, resource constraints and the current setup meant that respondents were not dispersed in a way that would have enabled reliable comparison of geographical areas. In its current state, the data does not allow for the analysis of correlations between culture and middle managers' strategy work. If comparison had been possible, it would have enabled a more reliable analysis of the impact of national culture on middle managers' strategy implementation practices. Controlling for national cultures would aid in establishing a deeper understanding of the effect of culture on management practice and hence its impact on MNCs' strategic management.

An additional limitation lays in the method of data collection. The interview situations used in this research were not optimal for a research whose purpose is to learn about respondents' personal experiences. Building a good rapport with respondents usually requires a calm, safe setting, and body language plays a vital role in building trust in respondents. Face-to-face interviews may therefore have generated more in-depth research data. As such, repeating this research using a different methodology would not only complement the obtained results but could also result in more reliable data.

A final suggestion for future research lays in the strategy as practice research field. Strategy as practice takes a novel perspective to strategic management by emphasizing the positive effects of

middle manager involvement in strategic planning but this has not yet been applied to the multinational context. Management research could benefit from the global perspective in strategy as practice research to discover its applicability to larger and diverse companies such as MNCs.

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## **APPENDIX A: Invitation for research participation**

I am a student at the School of Management of the University of Tampere, Finland, and seeking your assistance in conducting research for my Master's thesis. The research is being done in collaboration with [name omitted] and Professor Johanna Kujala, University of Tampere.

The topic of my research is **strategy practices of middle managers** and the aim is to discover ways in which middle managers can be helped in this area of their assignment. In effect, I am looking into the nature of middle managers' work and the consonance between the particularities of middle managers' work and corporate strategy processes.

A significant part of research data will be gathered through interviews with middle managers where interviewees share their experiences of strategy work. Hearing about your views on the strategy process and effects it has had on your job would be very valuable for my research. I must underline that the purpose is not to test your knowledge of the corporate strategy – I am interested in hearing your experiences. If desired, I can send a more detailed list of topics I hope to discuss with you closer to the date.

The duration of an interview is approx. 1 hr and it will be conducted as a personal interview at a time appropriate for you. With your consent, I would like to tape-record our discussion so that I can ensure complete accuracy of data gathered. You will remain anonymous throughout the presentation of my results and I will be happy to provide you with a detailed report of the findings once the research is complete.

If you kindly agree to participate in this research I will be in contact with you to decide on a suitable time for the interview. With interviewees not based in the headquarters in Espoo, the interviews will be conducted over Skype or on the phone, or if you are traveling to the headquarters in the coming weeks the interview can take place during your visit.

I will readily answer any questions you may have about this research and I thank you in advance for your help.

Best regards

Reetta Lenkkeri

## **APPENDIX B: Interview guide: Interviews with middle managers**

### **INTERVIEW THEMES**

#### **I BACKGROUND**

- Years at “Company”
- Years in current position

#### **II MIDDLE MANAGERS’ WORK**

- Describe a typical workday
  - *What takes up your time? Examples*
  - *Who do you collaborate with? In what kinds of situations?*
- What is your job description?
  - *What are your responsibilities?*

#### **III STRATEGY PROCESS**

- Tell me about the new strategy
  - *What is it?*
  - *What effects has it had?*
- How would you describe your role in the strategy process?
  - *Examples & elaboration*
  - *Positive and negative experiences*
- How do you learn about the strategy?
  - *Examples of situations where you find it easiest to learn about it*
  - *What is your supervisor’s role in your learning?*
    - *Where does (s)he tell you about it?*

#### **IV STRATEGY AND MIDDLE MANAGERS’ WORK**

- How do you see the strategy in relation to your work?

- *How do you use the strategy in your own work?*
- *Does the strategy affect the way you organize work in your team?*
- *Do you feel you understand the link between strategy and your work?*
- *What has made the link easy/difficult to understand?*
- *Do you get ad hoc help from anyone in interpreting the strategy?*
- *Does anyone / anything disturb your ability to use the strategy?*
- **Have you told others about the strategy?**
  - *If not, why do you think that is?*
  - *If yes, what happened? How did you feel telling about it?*
  - *Can you give an example of when it went particularly well?*
  - *Examples of when you found it difficult? Why?*

Final question: When you think about the strategy, what is the worst thing that comes to mind?

## **APPENDIX C: Interview guide sent to respondents**

UNIVERSITY OF TAMPERE

School of Management

REETTA LENKKERI

Master's Thesis research

February, 2012

### **INTERVIEW THEMES**

#### **I BRIEF BACKGROUND ON INTERVIEWEE**

#### **II NATURE OF MIDDLE MANAGERS' WORK**

- Your responsibilities and tasks in your current position
- Who do you collaborate with regularly?
- Inherent positive aspects of/ challenges in your current position

#### **III STRATEGY PROCESS IN "COMPANY"**

- Thoughts on corporate strategy and its message
- Your role in the strategy process
- Ways of learning about the strategy

#### **IV CORPORATE STRATEGY AND MIDDLE MANAGERS' WORK**

- Connection between the new strategy and your existing tasks
- Ways of telling others about the strategy, relaying the message