

Why people in your company may or may not act on your strategy

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Ausrine Silenskyte's research revealed that employees may behave strategically without prescriptions, or even without knowing details in the strategy, if certain conditions are met. Credit: Riikka Kalmi, University of Vaasa

Despite extensive communication efforts or control systems, many

employees still do not understand a given organization's strategic goals, let alone act upon them. How could this be changed?

According to Ausrine Silenskyte's dissertation presented at the University of Vaasa, the major driver of [strategy](#) implementation is the person's commitment to their personal preferences and organizational ability to reciprocate, i.e. to ensure that the people working at the organization feel supported in achieving their personal commitments. Once this is in place, employees open up for organizational strategy and become interested in behaving strategically.

"A strategy is meaningful only when implemented. Every manager knows how difficult it is to ensure that every person in the company understands the strategic goals and behaves strategically, helping the corporate vision to become reality. Top management tends to think that performance-driven culture and strong focus on assigned targets will lead to implementation success", says Ausrine Silenskyte, university teacher and Ph.D. candidate at the University of Vaasa.

In her dissertation, Silenskyte examined how and when strategic plans become strategic behaviors among employees in different parts of a Finnish multinational corporation. Her research demonstrates that the middle and project managers as well as experts in non-managerial positions frequently experience difficulties in relating to the strategic plans and goals assigned to them by the top management, even when the company is consistent and clear in its communication about the strategy. The dissertation, which will be publicly defended on 30 September, suggests a counter-intuitive recipe to support strategy implementation.

"Research revealed that employees may behave strategically without prescriptions, or even without knowing details in the strategy, if certain conditions are met. It is equally important to make good strategies, set clear goals and communicate them, as it is crucial to uncover personal

aspirations and needs of the employees, and to create a feeling that the organization will help people achieve these personal commitments", says Ausrine Silenskyte.

Is the recipe for achieving strategic behaviors the same across all countries?

Silenskyte's research was conducted within a global service provider, a Finnish multinational corporation and its units in Finland, Russia, and India. The research reveals that the ways to achieve feelings of reciprocity will vary across countries.

Across the three countries, Finland had the weakest sense of reciprocity, i.e. individuals related to the organizations mostly formally and the importance of reaching their personal aspirations was very high.

In India, reciprocity was almost a devotion, but not for the organization or its strategy, but rather for the [business leader](#): employees were willing to put aside their personal interests and follow the strategy, if they believed that leader would take care of them and their needs.

In Russia, reciprocity was more bureaucratic: employees considered that the strategy work is a matter of the managers, but they wanted to be reassured by their manager that certain daily tasks of the employees relate to general strategy.

Thus, if a multinational corporation wishes to achieve strategic behaviors in every business unit, [employee](#) definition of reciprocity must be understood at first.

The findings imply that international experts working on strategy implementation in global teams will need to calibrate their understanding

of the importance of realizing personal commitment and achieving organizational reciprocity, otherwise conflicts will occur. When colleagues work on strategy implementation on a global, culturally diverse team, strategic behaviors can be reached by addressing these culturally-specific differences in reciprocity and personal commitment.

How to understand whether strategy implementation was a failure or a success?

Business unit visits, interviews with top, middle, and project managers, and employees, as well as analysis of a large set of organizational documents revealed that the managers evaluate strategy implementation processes under the assumption that there is one "truth" in the organization.

"It is rarely considered or remembered that the organizational systems, process descriptions, or policies are only managerial intentions described 'on paper'. Frequently, it is assumed that once we design those structures and policies, they should and will be followed as expected. When people do not fulfill such expectations, it is normally considered that the implementation failed", says Ausrine.

The case analysis in the dissertation provides detailed illustration on how more than one 'truth' exists in the organization and explains why managers must take this into consideration.

"Different behaviors, differently utilized strategic and operational systems do not yet mean that the strategy implementation has failed! If the managers are able to recognize the stratified reality, analyze it systematically by, for example, using methodology suggested in the dissertation, the implementation efforts are likely to become so much easier and managers will know what actually failed and what turned to be

an unexpected, or unintended success", says Ausrine.

Public examination

The field of dissertation is management. Professor Rebecca Piekkari (Aalto University) and Associate Professor Catherine Welch (University of Sydney) will act as opponents and Professor Adam Smale as custos. The examination will be held in English.

Silenskyte, Ausrine (2020). Corporate strategy implementation. How strategic plans become individual strategic actions across organizational levels of the MNC. Acta Wasaensia 446. Doctoral Dissertation. University of Vaasa.

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