Performance excellence and strategy deployment: A framework for implementing strategic initiatives

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SUPERVISOR'S DECLARATION

This is to certify that the research carried out for the Doctoral thesis entitled "Performance excellence and strategy deployment: A framework for implementing strategic initiatives" was done by Max Saunders in the Institute of Technology and Engineering, Massey University, Palmerston North, New Zealand. The thesis material has not been used in part or in whole for any other qualification, and I confirm that the candidate has pursued the course of study in accordance with the requirements of the Massey University regulations.

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Statement: Nature and extent of assistance received during the Doctoral research

The group work phase of the research involved participants from organisations that were members of the New Zealand Benchmarking Club. As part of the group work the participants cooperated with the Doctoral researcher in assessing and rating management practices from seven case studies that were conducted, and in formulating the dimensions of strategy deployment in the initial phase of the research. The group work participants also proofread the case study summaries and drafts of the Best Practice Report that was based on this part of the research. Dr Seishi Gomabuchi of the Centre for Organisational Excellence Research proofread the draft of the Best Practice Report and Dr Robin Mann edited it.

I attest that the material in this thesis has not been used for any other degree or diploma.

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Abstract

This qualitative research addressed the question of how managers in organizations implement strategy in a performance excellence (quality management) environment. The work included identification of several strategy deployment constructs, and verification of the constructs from case studies of seven diverse organizations via in-depth, semi-structured interviews, observations and documentation analysis. The unit of analysis for each case study was a strategic initiative the organization was implementing. The constructs are titled: communicating the initiative; achieving buy-in; aligning implementation; learning; creating the infrastructure for deployment; understanding the business drivers; and identifying deployment options.

By working with participants from a network of benchmarking organizations, leading practices in deployment were identified from the case studies, literature and Quality Award winners' applications. The constructs were corroborated by a review of the strategy deployment literature and from functional management disciplines that relate to the constructs. Linkages were found between the constructs, and a strategy deployment framework was developed that incorporates the constructs and the linkages between them.

The proposed framework has a greater range of applications than previous strategy deployment models. It is relevant to organizations independent of their structure or ownership (public or private sector), their industry sector or the type of technology employed. It reflects the complex and dynamic processes that occur during the implementation of a strategic initiative. While many previous models of strategy deployment were linear (sequential) in nature, the research has developed a non-linear framework approach by which these complexities may be better understood by both researchers and practitioners, as well as presenting practical implications for managers.

Contents

Table of Figures

Table of Tables

Chapter 1

Introduction

Contents

1.0 Introduction

All organizations face a challenge when implementing a new strategic initiative: how to successfully manage the changes that will occur (both within and often outside the organization) as the new initiative is deployed. This thesis addresses that challenge in two ways: by examining how managers in organizations that are committed to organizational excellence deploy strategic initiatives; and by evaluating the processes and practices these managers used when implementing a strategic initiative. According to Miller (2002) organizations fail to implement more than 70% of their strategic initiatives. The research has produced a framework and identified leading deployment practices that can raise the performance of organizations by increasing the number of strategic initiatives that are successfully implemented. Because the research findings are relevant to private sector and public sector organizations, both economic and social outcomes may be improved as new strategic initiatives are implemented more effectively and efficiently.

The research reported in this thesis is valuable for several other reasons. First, it addresses the question of how balanced strategy deployment systems can be developed. A number of researchers have proposed strategy implementation frameworks, but not how these frameworks can be populated, and what the leading deployment practices are. Second, the research methodology adopted was unique. While the strategy deployment framework was being developed, the researcher acted as facilitator to a group of practitioners who were senior managers with responsibility for implementing strategic initiatives in their organizations.

Third, the framework has a greater range of applications, both academic and practical, than previous strategy deployment models. It is relevant to organizations independent of their structure or ownership (public or private sector), their industry sector or the type of technology

employed. While the research examined strategy deployment in organizations with more than forty employees (the largest organization had 20,000 employees), and the findings are therefore restricted to organizations in that size range, the generic deployment framework is likely to prove useful to smaller organizations also. Finally, the framework can be used for the analysis of strategy implementation cases, both historical and contemporary, and the research highlights the management skills that need to in place for effective deployment.

This chapter introduces the doctoral research and the structure of the thesis. The background to the research is outlined, and the research purpose, research question, research objectives and the justification for the research are given. Terms used in the thesis are defined, and the research methodology is summarized. The content of the chapters that follow is outlined and the limitations on the scope of the research are given. The information given in this chapter is introductory, and reference is made to later chapters where the details are contained.

1.1 Background to the research.

This background section outlines the broad field of quality management in organizations, and the evolution of the concept of quality management into performance excellence. The incorporation of strategy deployment into performance excellence frameworks such as the Baldrige Criteria for Performance Excellence (CPE) is described. A gap in the literature on the process of strategy deployment in organizations was identified: specifically, the implemention of strategic initiatives within a performance excellence context. This led to the formulation of the research purpose and objectives.

Quality management and performance excellence

Quality improvement methods have broadened in recent years, moving from a focus on technical quality management issues to considering other factors that affect overall organizational performance. As quality management concepts such as Total Quality Management (TQM) have evolved to produce performance excellence frameworks there has been an increased emphasis on assessing and improving the strategic management processes in organizations. In the late 1990s performance excellence frameworks such as the CPE incorporated strategic planning as a category to address this organizational function, at the same time retaining the operational quality categories such as process management.

The historical development of quality improvement methods through the 1970s and 1980s has been well documented (for example, Shiba, Graham & Walden, 1993; Martinez-Lorente,

Dewhurst & Dale, 1998). In summary, advancements in the quality movement can be traced through the following stages: inspection, quality control, quality assurance/management and Total Quality Management (Dale, Zairi, Van der Wiele & Williams, 2000). The 1990s saw a number of developments in the concepts of business excellence, organizational performance improvement, and performance assessment against external criteria. To the traditional operational and financial quality measures were added assessing and improving the capacity for strategy development and deployment.

Previously, quality improvement had primarily focused on business processes, the activities that turn inputs into outputs. For example benchmarking, just-in-time, quality function deployment, reengineering - show how to "do things right", that is, operate more effectively. Although there have been implementation problems for some organizations, there have been substantial improvement in product quality, cycle time, inventory management and customer service (Codling, 1998; Dale & Cooper, 1994; Mann & Kehoe, 1994).

However if an organization "does the wrong things" - develops unwanted products or services - then continuous improvement or operational quality management techniques will not help. Many traditional business models have failed when 'disruptive technologies' created new products and services, and organizations that did not alter their strategy to accommodate the change also failed (Christensen & Overdorf, 2000). Quality systems such as early versions of TQM had a limitation in the area of strategy. 1980s versions of TQM did not solve strategic problems, though TQM could ensure the success of a winning strategy (Matheson & Matheson, 1998; Dervitsiotis, 2000). Although early versions of TQM did not address strategy development, from the 1980s many organizations began to focus on strategy implementation activities using techniques learned in TQM, project management, and process benchmarking (Hacker, Kotnour & Mallak, 2001).

During the 1990s the measurement of organizational performance underwent a further broadening. The dominance of financial and technical performance was moderated by the use of integrative framework approaches such as the CPE (NIST, 2000) and the European Model for TQM or Business Excellence Model (EFQM, 1999). A major point of difference between these approaches and the earlier TQM models and other performance improvement initiatives is the inclusion of an assessment of the strategic management capability of the organization.

The CPE and EBEM frameworks were developed from TQM principles and practice (Dale, Williams & Van der Wiele, 2000). The term TQM itself started to be used in the mid-1980s and only became a recognised part of the quality-related language in the late 1980s (Martinez-Lorente, Dewhurst & Dale, 1998). In the early 1990s, with a divergence of views on what

constituted TQM and widespread misunderstanding of what the term meant, the term TQM was removed from the CPE and European business excellence frameworks, although the principles and philosophical basis of TQM were retained. In the late 1990s strategy and business results were added as framework categories.

The CPE framework has a stated purpose as a working tool for understanding and managing performance (NIST, 2000). The framework encourages organizations to broaden their view of quality management from a product quality focus to an organizational focus, by emphasizing the interrelationships between the seven categories that make up the framework. The framework of the six enabler categories and the business results category is shown in Figure 1.1.

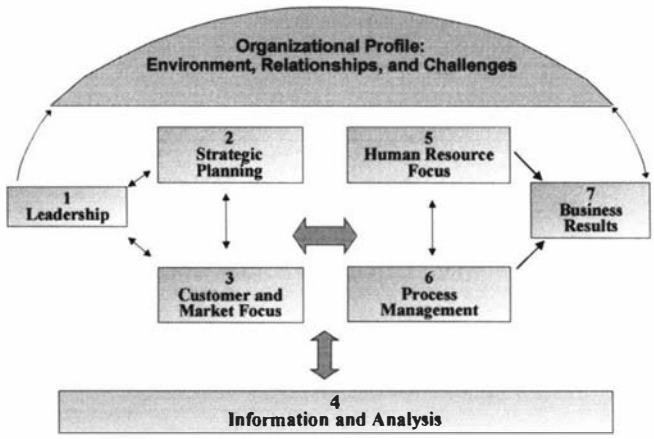

Figure 1.1 Criteria for Performance Excellence. *Source*: NIST (2000)

Ford & Evans (2000) documented the evolution of the strategic planning category in the CPE from when the criteria were first introduced in the USA in 1988. Originally titled "Strategic Quality Planning" the emphasis was on quality and quality improvement through projects. The category broadened beyond the quality focus in subsequent years so that in 1995 the revised title was changed to Strategic Planning, and quality and operational issues were integrated with business planning. The 1998 version of the strategic planning category presented "an integrated approach to translation of strategy into action plans" within a generic framework for strategic planning (NIST, 1998).

In 1999 the evolution of the category into a strategic management framework was clarified by renaming the two items Strategy Development, addressing the process for developing strategy, and Strategy Deployment, addressing implementation processes. Ford & Evans (2000) compared

the strategic planning category of the CPE against the conceptual literature on strategic planning. They found substantial alignment between the planning framework of the CPE and the strategic management literature, suggesting considerable validity for the framework.

One of the core concepts of the CPE is that performance can improve through measurement, analysis and evaluation of performance indicators derived from strategy. The strategic planning category of the CPE has two items, strategy development and strategy deployment (NIST, 2000). The strategy deployment item focuses on the implementation of the developed strategy.

Strategy deployment and the CPE framework

The deployment or implementation of strategy is the translation of strategy into action. Alexander (1991) describes implementation as the process of carrying out the organization's strategy. Implementation is concerned with how to put a strategy into effect (Johnson & Scholes, 2002). Whereas strategy-making is conceptual work often done by a small group of people, implementation is tactical work, usually carried out by different people to the strategy makers (Hacker, Kotnour & Mallak, 2001).

The CPE strategy deployment item requires a description of how the organization converts its strategic objectives into action plans, and a summary of the organization's action plans and related key performance measures/indicators. It also requires projections of the short and longer term performance of the organization based on the likely changes resulting from the implementation of the strategy. These projections should include benchmarking against best practices, and an outline of the assumptions used in the forecasts (NIST, 2002). While the CPE requires a description of these processes it does not prescribe what a strategy or action plan should contain or what form it should take. The CPE state that objectives must be converted into action plans, but do not specify how this is to be done.

Researchers have noted gaps in the literature on the process of strategy deployment, and that the literature is weak on how strategy implementation should be done, and how it can be made to happen faster and more effectively (Corboy & O'Corrbui, 1999; Kaplan, 1995; Mintzberg, 1994; Noble, 1999b; Sterling, 2003). The doctoral research addressed this gap with a qualitative study of strategy deployment practices in New Zealand organizations that were pursuing performance improvement using the CPE management framework.

1.2 Research question and research purpose and objectives.

The way the research question, research purpose and research objectives were derived is explained in Chapter 3, which details the research process.

Research question

The research question was: *How do managers deploy strategic initiatives in a performance excellence environment?* 'Performance excellence environment' meant organizations undertaking organizational performance improvement based on the Baldrige CPE model, where there was a commitment by management to a continuous improvement philosophy in all organizational functions, and regular organizational self-assessment against the CPE to monitor progress.

The purpose of the research

- To develop a strategy deployment framework, by looking at specific performance improvement approaches to strategy deployment in a wide range of contexts and informed by different theories.

Objective of the research:

- To find and verify constructs or dimensions of strategy deployment in organizations that were undertaking to improve their organizational performance using the CPE model.

To assist in achieving this objective, two further "sub-objectives" were set:

- To identify current strategy deployment practices in selected organizations (that were pursuing performance improvement initiatives)

- To identify leading practices in strategy deployment from a range of sources (literature, Quality Award winning organizations, case studies, benchmarking studies).

Outcome of the research:

The desired outcome of the research was a framework for deploying strategic initiatives that was applicable to a wide range of organizations.

1.3. Justification for the research.

The choice of the research objective and purpose is justifiable on several grounds: the importance of the specific part of the field investigated; the relative neglect of the specific research question by previous researchers; the relative neglect of the research's methodologies by previous researchers; and the usefulness of potential applications of the research's findings. The

commentary that follows summarises the more extensive treatment of these points that appears in Chapters 2, 3 and 8.

Importance of the general field of research

The general field of research is organizational studies, and within that, strategic management and quality management. Strategic management has more than fifty years of research history, although only relatively recently has strategic management been associated with quality management research. The review of literature in Chapter 2 contains a discussion of the integration of strategic management into the Strategic Planning category of the CPE in the late 1990s. Reviews of the conceptual literature on strategic management have shown that the strategic planning category of the CPE has considerable validity (Ford & Evans, 2000; Evans & Jack, 2003).

Importance of the specific part of the field investigated

Strategy deployment is an integral part of management models such as the CPE, where it is one of two components ('items') in the strategic planning category, and is therefore recognised as an important element of organizational excellence (NIST, 2002). Schroder, Banzon, & Mavondo (2001) investigated strategy implementation as a mediating variable between strategy and performance. They found that strategy implementation influences performance, both directly and as a mediating variable. The importance of effective strategy deployment in producing exceptional performance in organizations was reported in Collins' (2001) study of US companies that made substantial improvements in their performance over time. This study found that while key strategic thinking needs to be done, brilliant strategy deployment rather than brilliant strategy was the common trait of organizations that achieved world-class performance.

While Collins (2001) found excellent strategy deployment to be an important determinant of exceptional organizational performance, Miller (2002) found that organizations fail to implement more than 70% of their strategic initiatives. This implies that research into how strategy deployment may be improved, that is relevant to managers and applicable to a wide range of organizations, could dramatically increase the success rate of strategy implementation.

The successful implementation of strategic initiatives was important to member organizations of the New Zealand Benchmarking Club (NZBC), who participated in the doctoral research. Fifteen organizations completed the NZBC's self-assessment against the CPE in 2001. The results showed that strategic planning was one of the CPE enabler categories with the greatest opportunity for improvement (Saunders & Mann, 2002). Subsequently the NZBC acted on this

opportunity for improvement by initiating a benchmarking study of strategy deployment practices (Section 3.2 refer).

Relative neglect of the specific research question by previous researchers

While a number of researchers have called for a shift in focus in the field of strategic management from strategy development to strategy deployment (see, for example, Hussey, 1998; Lorange, 1998; Wilson, 1994), most researchers have focussed on the development of strategy (Ford & Evans, 2000; Mintzberg, 1994; Mintzberg, Ahlstrand & Lampel, 1998). Researchers who have reviewed the field (Noble, 1999b; Okumus, 2003) note that there remains a relatively small body of empirical research on strategy deployment, particularly from a quality management perspective (Jack, Stephens & Evans, 2001).

Jack et al (2001) found a lack of significant research in strategic management when they reviewed quality management dissertation research. It appeared to correlate with the fact that strategic business planning was not recognized as a legitimate factor in quality management until the mid 1990s when the Baldrige criteria changed from strategic quality planning to a broad focus on business strategy (Jack et al, 2001). Devinney, Johnson & Yip (2004) note that few studies have examined successful strategy deployment, and that most research has focussed on strategic change induced by trauma such as a decline in performance or a loss of market share.

While there are a number of commonly used models and frameworks for strategic analysis and strategy development, such as SWOT, five forces, value chain analysis, three horizons and others, relatively few models have been developed for strategy deployment and been widely accepted by practitioners. This is despite the fact that strategy deployment occupies a central role in strategic management. Researchers have noted for more than a decade that no generally accepted or dominant framework has emerged for strategy implementation (Alexander, 1991; Wilson, 1994; Noble, 1999b; Okumus, 2003).

Relative neglect of the research's methodologies by previous researchers

The papers by Eisenhardt (1989) and Voss, Tsikriktsis & Frohlich, (2002) on building theories from case study research provided a methodological basis for this part of the study. While multiple case study methodology has been used by researchers investigating strategy deployment (for example, Hacker et al, 2001; Noble, 1999b; Okumus, 2001), there are relatively few case study examples of network benchmarking, particularly of diverse organizations. Most benchmarking networks comprise of organizations from a single industry, or industries related through a value chain (Kyro, 2003).

The literature search found little case study research on deployment that sampled both private and public sector organizations. In common with previous reviews of the field (for example, Hacker & Akinyele, 1998; Noble, 1999b; Okumus, 2001; 2003) the literature search found limited research on deployment models and the development of deployment frameworks, particularly frameworks developed using an iterative method that cycles between empirical work and theory development (Eisenhardt, 1989; Voss et al, 2002).

Usefulness of potential applications of the research's findings.

The framework for strategy deployment has three main applications: 1) For practice – that is, for implementing strategic initiatives within organizations; 2) For better understanding of the complexities of implementing strategic initiatives, and; 3) For organizational learning and management education.

1) Implementing strategic initiatives within organizations

The framework clarifies the implementation of strategic initiatives from a management perspective and can be used as a guide to assist organizations in developing an effective strategy deployment process. The framework highlights the management skills that need to be developed or in place for effective deployment. Specific versions of the framework could be applied to strategy deployment in particular industries and to different types of strategic initiative. It is relevant to both private sector and public sector organizations as a performance improvement tool.

The leading deployment practices found in the research provide a resource for managers responsible for implementing strategic initiatives. An example of the potential applications of the research's findings was a 'toolbox' produced specifically to aid the deployment of strategic alliances. Four of the case studies concerned the formation of strategic alliances. Appendix K shows the toolbox for deploying strategic alliances that was constructed by integrating the findings of these case studies with the framework. The toolbox is a prescriptive list of leading practices and is designed to aid managers who have responsibility for implementing a strategic alliance. The framework could be used as a template to produce alternate versions of the toolbox for other types of strategic initiative.

2) For better understanding of the complexities of implementing strategic initiatives

The research has potential applications for both researchers and practitioners in explaining how managers implement strategic initiatives. The framework furthers understanding of how managers deploy strategic initiatives in a performance excellence environment by expanding previous linear models of deployment (for example, Collins & Huge, 1993; Hacker & Akinyele,

1998; Noble, 1999b) into a dynamic non-linear framework that encompasses the relevant organizational elements involved in developing an effective deployment process. The framework is relevant to deployment of both corporate strategy and business unit strategy.

3) For organizational learning and management education

The framework can be used as a tool for organizational learning and management education for better understanding and improvement of deployment practices, and is relevant to both private sector and public sector organizations. For organizations already pursuing performance excellence using the CPE model, the framework should be readily understood, as it mirrors the systems perspective of the Criteria for Performance Excellence (NIST, 2002). The framework can be used for the analysis of strategy implementation cases, both historical and contemporary. New deployment cases can be compared and evaluated against the framework and the leading practices found in the research.

1.4 Definitions.

Key terms used in the research are defined in this section.

Action plans

"Action plans" refers to specific actions that respond to short- and longer-term strategic objectives. Action plans include details of resource commitments and time horizons for accomplishment (NIST 2002).

Alignment

"Alignment" refers to consistency of plans, processes, imformation resource decisions, actions, results, analysis, and learning to support key organization-wide goals (NIST, 2002).

Leading practices

"Leading practices", also called "best practices", are those practices that have been shown to produce superior results; are selected by a systematic process; and are judged as exemplary, good or successfully demonstrated (APQC, 1997). The term "leading practice" is preferred to the term "best practice", because best is not best for everyone (APQC, 1997).

Performance

"Performance" refers to output results and their outcomes obtained from processes and services that permit evaluation and comparison relative to goals, standards, past results, and other organizations (NIST, 2002).

Performance excellence

"Performance excellence" refers to an integrated approach to organizational performance management. The Baldrige CPE provide a framework for understanding organizational strengths and opportunities for improvement (NIST, 2002).

Performance improvement

"Performance improvement" refers to systematically improving the effectiveness of organizational processes and outcomes.

Projects

A project is a unique one-off activity with a specific, clearly stated outcome, and has well defined boundaries including a specific start and finish date. Projects are usually short duration and are mostly handled within existing organizational structures.

Strategy

Strategy is the direction and scope of an organization's activities over the long term (Johnson & Scholes, 2002).

Strategy deployment

Strategy deployment is the translation of strategy into action. In the CPE it includes converting strategic objectives into action plans to accomplish the objectives (NIST, 2002). In this thesis the term "strategy implementation" has the same meaning as strategy deployment.

Strategy development

Strategy development refers to the development of strategic direction and strategic objectives. It includes strategic planning, but does not imply formalized plans, planning systems, or specific planning cycles (NIST, 2002).

Strategic initiative

A strategic initiative is concerned with or will affect the long-term direction of the organization and the scope of its activities. Strategic initiatives are broad in scope and signal important changes in the organization. For example, it may mean moving into a new area of activity. Operational activities will be affected as the strategic initiative is deployed (a change to day-to-day routines). Usually new strategic initiatives are considered and approved at senior management and Board level, with further decisions required at business unit and operational level to implement the initiative. Action plans may be developed, and often a series of projects emerge from the original strategic initiative.

Strategic management

Where the term "strategic management" is used without qualification in this thesis it refers to the management of strategy development and strategy deployment. A full discussion of the term is given in Chapter 2.

Strategic objectives

"Strategic objectives" refers to an organization's articulated aims or responses to address major change or improvement, and competitive issues. Strategic objectives are generally focused externally and relate to significant customer, market, service or technological opportunities and challenges (NIST, 2002).

Values

In the CPE the term "values" refers to the guiding principles and/or behaviours that embody how the organization and its people are expected to operate (NIST, 2002).

Abbreviations used in the text are defined on page 285.

1.5 Methodology.

This section briefly describes the methodology used in the research. Chapter 3 describes the research process including a full account of the research methodology.

The theoretical paradigm chosen for the research was realism, after Christie, Rowe, Perry & Chamard (2000) and Healy & Perry (2000). Group work including a focus group session formed the exploratory part of the research. A multiple case study methodology (Eisenhardt, 1989; Voss et al, 2002; Yin, 1994; 2003) was used to gather data for building a theory and framework of strategy deployment. Data collection in the case studies was obtained through site visits and semi-structured interviews (Guba & Lincoln 1994; Meredith, 1998; Parkhe 1993; Patton 1990). Semi structured interviews were carried out with managers responsible for strategy deployment.

Secondary sources were also used to identify leading practices in deploying strategic initiatives, including the application documents of CPE Quality Award winners and literature searches. A survey questionnaire was conducted to strengthen the validity of the constructs of strategy deployment that had been identified after the completion of the case study analysis.

1.6 Outline of chapters.

This section briefly describes the content of each chapter from Chapter 2 to 8.

Chapter 2: Literature review and research issues

This chapter reviews the relevant strands of literature in strategy deployment and performance improvement, and identifies research gaps and issues, demonstrating that prior research has been built upon and that the doctoral research will be both relevant and new. The whole chapter is related to the research objective to develop a strategy deployment framework by looking at specific performance improvement approaches to strategy deployment in a wide range of contexts and informed by different theories.

The chapter concludes with a review of the theory building purpose of the research, which was to find and verify constructs or dimensions of strategy deployment in organizations that are undertaking to improve their organizational performance using the CPE model.

Chapter 3: The research process

Chapter 3 describes and justifies the research process adopted for the research, from the underlying theoretical paradigm through methodology and research methods: multiple case studies, group work, benchmarking methods and survey questionnaire. The research purpose and objectives are presented and the research design is discussed. The chapter provides details of the case study and survey questionnaire methods, data collection and analysis techniques and how ethical issues were addressed, to demonstrate that all critical procedures have been followed. Appendices contain copies of the instruments used and instruments referred to.

A conceptual scheme for the research was developed. The purpose of the conceptual scheme was to make clear the relationship of the proposed strategy deployment framework to data and theory, and dealt with:

- the context: public & private organizations involved in performance improvement initiatives;
- data collection: through case studies, interviews, site visits, benchmarking, and surveys;
- existing theory and literature on strategy deployment.

The conceptual framework provided a focused basis to analyze the data collected from the group work, case studies, survey and other sources. The conceptual scheme for the research is shown in Figure 1.2.

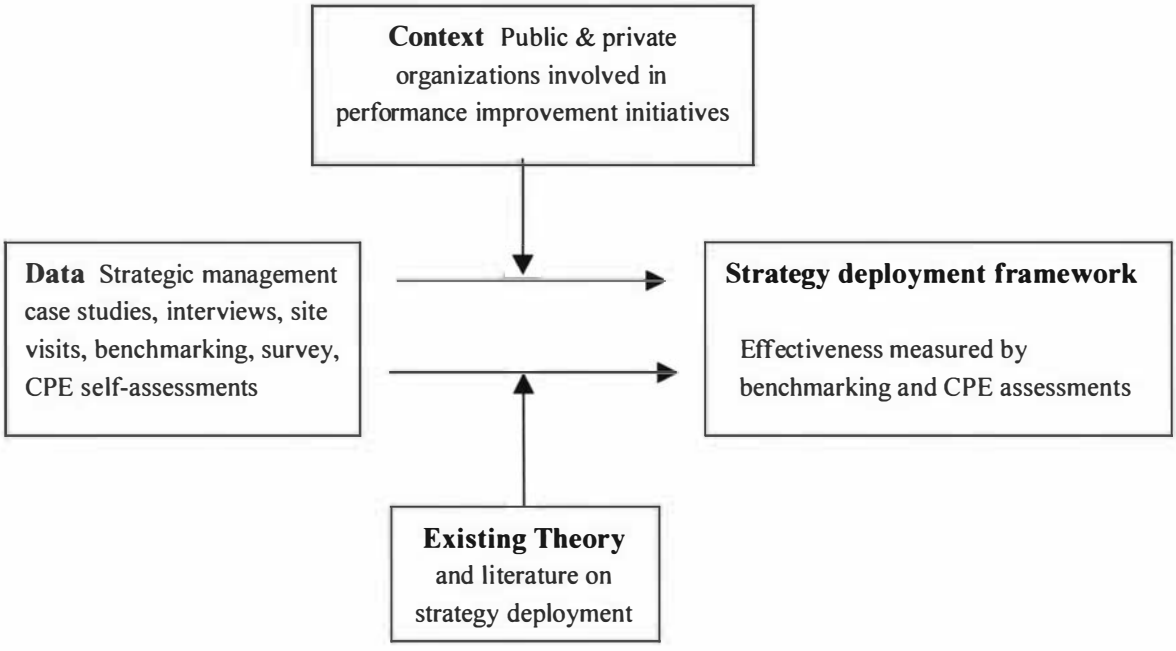

Figure 1.2 Conceptual scheme for the research [adapted from Toulmin (1958)].

Chapter 3 also outlines the benchmarking methods employed during the research (process, competence and network) and the role and function of the New Zealand Benchmarking Club (NZBC) workgroup in the research.

Chapter 4: Initial group work findings

This chapter contains the findings from group sessions that were used in the exploratory phase of the research to find a NZBC benchmarking topic, and to identify the participants' perceptions of the leading practices and opportunities for improvement in strategy deployment for their organizations.

Chapter 5: Within case analysis

Chapter 5 gives a description of the seven case organizations and the strategic initiative that each had implemented. The unit of analysis for the case studies was a strategic initiative that each organization had recently deployed. The data collected from each case study are analysed and the patterns and themes of the findings are presented.

Chapter 6: Cross-case analysis

Analysis of data from all seven the case studies was achieved through tools and techniques such as data reduction, data matrices, pattern identification and explanation (Eisenhardt, 1989; Miles

& Huberman 1994; Patton 1990; Voss et al, 2002; Yin 1994; 2003). Summary tables of findings from across the seven cases are presented.

Chapter 7: Survey findings

This chapter presents the findings from the analysis of the survey questionnaire. The function of the survey was to strengthen the validity of the case study findings by providing a degree of data and methodological triangulation.

Chapter 8: Discussion and conclusions

This chapter summarises the earlier chapters of the thesis, and discusses the findings and draws conclusions about the research described in the previous chapters. The framework for strategy deployment is presented and discussed. The implications of the research for furthering understanding of the research problem are explored, and the implications for organizational policy in both public and private sectors are covered. Limitations of the research that became apparent during the research process are discussed, and the chapter concludes with potential future research paths, as an aid to other researchers in the selection and design of research into strategy deployment.

1.7 Delimitation of scope

The boundaries of the research that were included in the research design are outlined in this section. No claims for significance of the findings beyond these limitations will be made.
The scope of the research was limited to:

- The management of strategy deployment within organizations;
- The deployment of strategic initiatives, not strategy development or strategic control;
- Organizations with a minimum of 40 employees; and,
- Organizations that were engaged in a performance improvement journey (CPE based).

The scope was limited to organizations with more than forty employees because of the size of the organizations studied, and the findings have not been extrapolated to small organizations. Most NZ organizations that are pursuing CPE based performance improvement have thirty or more employees. A likely reason is that very small organizations cannot commit the management time and resources required to conduct CPE assessments and applications. While the research examined strategy deployment in organizations with more than forty employees (the largest organization had 20,000 employees), and the findings are therefore restricted to organizations in

that size range, the generic deployment framework is likely to prove useful to smaller organizations also.

The study did not attempt to identify measures of the effectiveness of strategy deployment. This was outside the scope of the research, as were the related topics of how performance indicators were selected, and the management of projects. For the operating definitions used in the study (for example to distinguish the deployment of strategic initiatives from project management), see Section 1.4.

1.8 Summary of Chapter 1

This chapter has served to outline the doctoral research and the structure of the thesis. With the background to the research outlined, and the research purpose, research question, and research objectives given, the scope of the research had been clarified.

The research question was:

- How do managers deploy strategic initiatives in a performance excellence environment?

The purpose of the research was:

- To develop a strategy deployment framework, by looking at specific performance improvement approaches to strategy deployment in a wide range of contexts and informed by different theories.

The main objective of the research was:

- To find and verify constructs or dimensions of strategy deployment in organizations that were undertaking to improve their organizational performance using the CPE model.

The boundaries set on the scope of the research delimit the significance of the findings to within those limitations. The chapters that follow contain the details of the topics referred to in this chapter, and present the literature review, the research process, the research findings, and the discussion of the research findings and conclusions.

Chapter 2

Literature review and research issues

Contents

2.0 Introduction

This chapter surveys prior literature and ties together research issues generated from the literature review. It demonstrates that prior research has been built upon and that the doctoral research is both relevant and new. The whole chapter is related to the research purpose of developing a strategy deployment framework, looking at specific performance improvement approaches to strategy deployment in a wide range of contexts and informed by different theories.

The review of literature was ongoing throughout the research and was an integral part of the conceptual scheme for the research. The highlighted boxes of the conceptual scheme shown in Figure 2.1 indicate the areas reviewed in this chapter: existing theory and literature on strategy deployment; and the context of public & private organizations involved in performance improvement initiatives. Chapter 6 contains an additional literature review that was conducted to compare the doctoral research findings with the functional management literature.

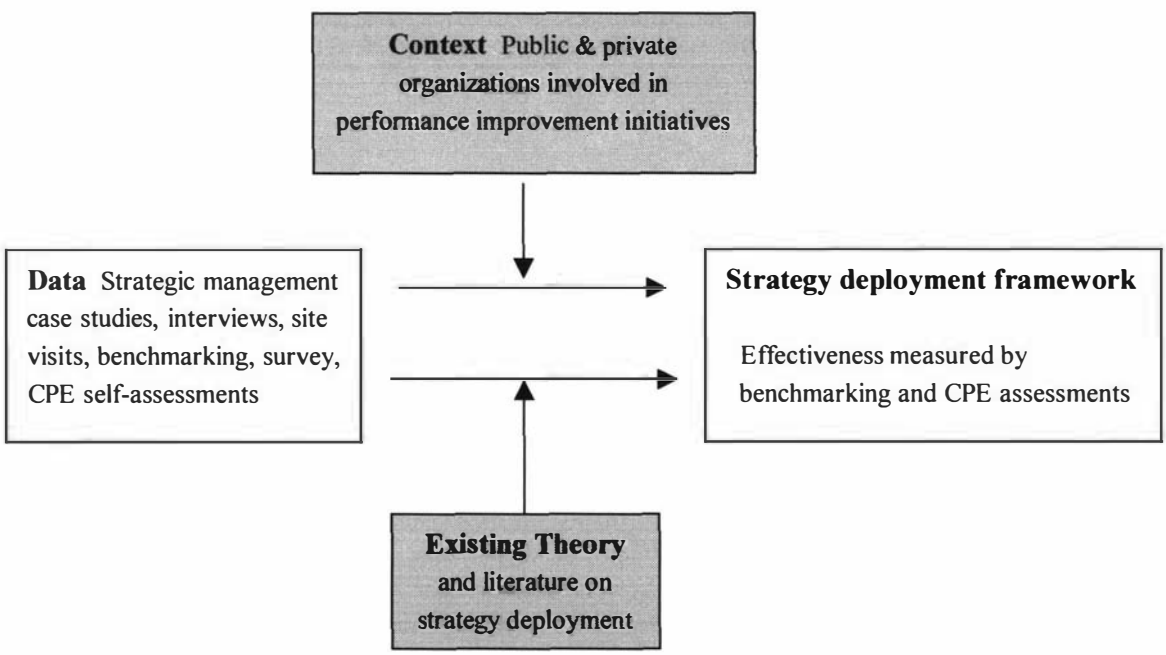

Figure 2.1 Conceptual scheme for the research [adapted from Toulmin (1958)].

There were a number of streams of literature that were relevant to the research objective. Two central research streams were strategic management (specifically strategy deployment) and organizational performance improvement (specifically quality management and performance excellence models such as the Baldrige CPE). These two streams stemming from two different fields of research were examined for their convergences and divergences with respect to strategy

deployment. Due to an underlying basis in systems theory and the evolutionary development by practitioners, the quality management and performance excellence models reflect a process perspective (Blazey, 2002; Henri, 2002; NIST, 2002). In contrast, most recent strategy deployment research reflects a construct perspective, with an underlying basis in contingency theory (Barney, 2002; Govindarajan, 1988; Marsden, 1998; Mintzberg, 1994). To achieve the objective of the research - a strategy deployment framework within a performance improvement context - ways of reconciling these two contrasting perspectives had to be examined. To that end existing frameworks and models of strategic management and strategy deployment were reviewed.

The deployment of strategic initiatives occurs within the wider context of strategic management, a topic that includes strategy development. Strategic management frameworks and models were reviewed for the linkages and interactions indicated between strategy development and strategy deployment.

Findings from studies of managing strategic change were relevant, as implementing a strategic initiative is a change process (Dawson & Palmer, 1995, Dawson, 2003). Network benchmarking and findings from benchmarking research into the implementation of best practices into organizations were also reviewed as these were relevant to the research design and the empirical work with organizations that were members of the New Zealand Benchmarking Club (NZBC).

The organizational context for the research was diverse, with the New Zealand case study organizations ranging from privately owned and public stock companies, to Crown owned companies, a cooperatively owned enterprise and Crown Entities. A literature search for the effect of the New Zealand context on the strategic management and performance improvement of New Zealand organizations was conducted, with the aim of determining whether studies have shown that strategy deployment issues in NZ public sector organization differ in any substantive way from the private sector. The doctoral research focussed on strategy deployment and performance improvement at the organizational level only, and so research streams in agency theory and organizational theory were not reviewed.

The flow of this chapter is from general to specific. The first sections of this review deal with strategic management including strategy development and deployment, and managing strategic change. The next sections review the quality management, organizational performance and

improvement literature that relates to strategy deployment and strategic management.[1] Recent models of strategy deployment and strategic control are reviewed. The chapter concludes with a summary of the research issues and gaps identified from the literature review, and relates this to the theory building objective of the research, which was to find and verify dimensions (constructs) of strategy deployment in organizations that are undertaking to improve their organizational performance using the CPE model.

2.1 Strategic management literature

The various literature definitions of strategic management reflect their authors underlying theoretical and conceptual leanings. Most of the definitions are prescriptive, some are descriptive. In the 1960s to the 1980s proponents of strategic planning, for example, Ansoff (1965; 1984) described strategic management as a structured approach to position a firm to assure its success in the business environment. David (1987) and Streiss (1985) defined strategic management as the set of decisions and actions resulting in the formulation and implementation of strategies designed to achieve the objectives of the organization. This strategic planning approach, combined with the positioning approach advocated by Porter (1985) was the dominant theoretical framework in strategic management in the 1970s and 1980s. It involved three phases, as in Figure 2.2.

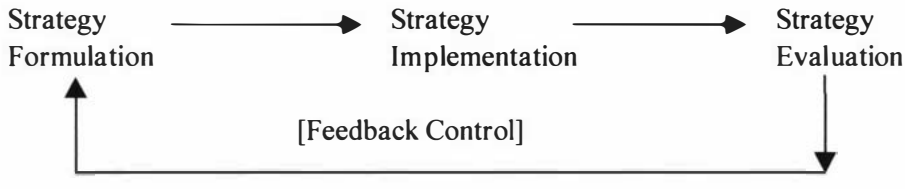

Figure 2.2. Traditional strategic planning framework *Source*: Adapted from Preble (1992)

First, strategy formulation, including determining the mission and goals of an organization in the context of its external environment, followed by implementation of the strategy. A final phase measures and evaluates the outcomes of the strategy - this phase is also known as strategic control (Ansoff, 1984; Hussey, 1998; Preble 1992). The process orientation to strategic planning shown in Figure 2.2 had its origins in the process approach to management theory advocated by Koontz (1961), and originally introduced by Fayol (1947). The planning view of strategy is a

[1] I have not comprehensively reviewed all the literature in these fields. Mintzberg, Ahlstrand & Lampel (1998) estimated the number of items in strategic management alone at more than 2000 and growing rapidly. I have attempted to review the fields relevant to my research, covering the significant literature.

normative approach and advocates that managers identify where they want to go and then develop a structured plan to get there (Eden & Ackermann, 1993; Robbins & Barnwell, 1994).

There has been a shift in strategic management in the last 20 years from formal planning and positioning to a more flexible contingent approach (Govindarajan, 1988; Marsden, 1998; Mintzberg, Quinn & Voyer, 1995). The traditional strategic planning process undertaken by large organizations was questioned because of its limited success[2] and also because it did not take account of cognitive, political and cultural processes which often influence how the strategy is formulated[3] and developed (Eden & Ackerman, 1998, Mintzberg, 1994). This approach also recognises that strategies can emerge[4] from chance events (Mintzberg, 1987). This perspective has been called an evolutionary mode, where strategy evolves over time as a pattern in a stream of decisions (Robbins & Barnwell, 1994). Evolutionary strategy development tends to be incremental, building on the skills, routines and values of those in the organization (Whittington, 1993). Johnson & Scholes (2002) claim that evolutionary change is more efficient and more likely to win the commitment of stakeholders than formal strategic planning.

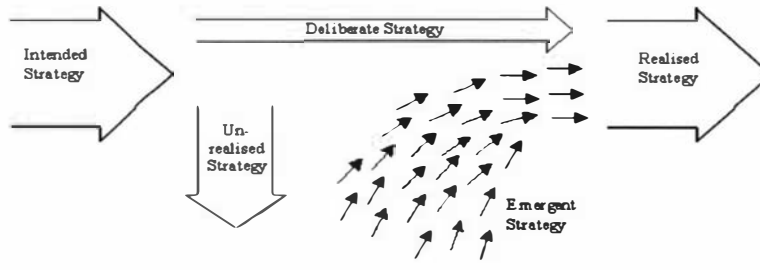

Figure 2.3 Forms of strategy *Source*: Mintzberg (1994).

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[2] Reasons for the failure of strategic planning in the 1970s and 1980s were the pace of economic and technological change and increased competitive pressure - a dynamic environment in which long term plans quickly became outdated (Marsden, 1998).

[3] The orthodox strategic planning school tried to create strategy through a process of pure analysis (Ansoff, 1984; Porter, 1985; Steiner, 1979). Mintzberg (1994) found the formalised process is only one approach to strategy formulation, and the analysis that it advocates may actually inhibit the use of synthesis and managerial intuition, particularly in framing innovative and lateral strategies.

[4] Mintzberg (1994), whose research showed that many effective organisations used an *emergent* strategy, questioned the efficacy of the strategic planning process used in the 1970s and 1980s. The concept of emergent strategy developed from his experience with many organisations, as part of a research project on patterns of strategy formation under his direction since 1971 (Mintzberg, 1987). The research showed that many realised strategies in organisations emerged in response to an evolving situation, rather than being deliberately brought about through a rational process of formulation and implementation (Ibid).

Hampden-Turner & Trampenaars (1993) and Mintzberg (1990; 1998) provided taxonomies of the best-established approaches to strategic planning and strategic management that had emerged in North America and Europe over the previous 25 years. Eden & Ackerman (1998) divide these approaches into descriptive and prescriptive schools of strategy. They note that some of these schools of strategy are overtly prescriptive, and others are:

> *supposedly descriptive but are, nevertheless, presented as prescription, often taking a highly normative stance which ignores the particular history, culture, and context of the organisation.* (Eden & Ackerman, 1998, p24)

The prescriptive rationalistic schools are: Planning (for example, Ansoff, 1965; 1984), Positioning (for example, Porter, 1985), Design (for example, Tregoe & Zimmermann, 1980). The descriptive schools include: Political (for example, Pettigrew, Ferlie & McKee, 1992), Cultural (for example, Daft & Weick, 1984; Johnson & Scholes, 2002), Cognitive (for example, March & Simon, 1963), Learning (for example, Argyris & Schon, 1978; Argyris, 1999).

The prescriptive approaches to strategy emphasize the efficient allocation of resources; a tight 'fit' between goals, current resources, and the external environment (using techniques such as SWOT analysis and gap analyses); and focused on improving performance by reconfiguring organizations through restructuring and transformational change (Hussey, 1998; Lockhart, 2001). Much of the literature on improving organizational performance in the 1980s to mid-1990s focused on transforming organizations by changing one or more aspects of organizational architecture, such as culture, strategy, structure or systems[5]. Strategic transformation involves redefining objectives, creating new competencies, and using them. Strategic shifts are seen to be more threatening than other types of change, and more difficult to implement than improving operations, as they require changes in management behaviour (Blumenthal & Haspeslagh, 1994). These transformational changes were pursued by many companies in NZ during the 1980s and 1990s, with mixed results, and the NZ government reforms of the 1980s and 1990s resulted in transformations of public sector organizations, again with variable performance outcomes

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[5] Blumenthal and Haspeslagh (1994) proposed a definition and a framework to allow comparison of transformations between organisations, based on a review of dozens of transformation case studies and interviews. The definition has two parts: to create a significant improvement in organisational performance, **and** to produce a wanted change in behaviour of a majority of individuals in the organisation. This definition highlights two features: the fact that all the transformational case studies showed creating behavioural change is a difficult and long term process that requires management's persistent effort, and that it creates a distinction between transformation and other changes, such as restructuring, which do not necessarily affect the nature of managers' and employees' work (Blumenthal & Haspeslagh, 1994).

(Campbell-Hunt, Harper, & Hamilton, 1993; Campbell-Hunt & Corbett, 1996; James, 1992; Scott, 2001; Sharp, 1994).

Porter (1985) and the positioning school of strategy-making emphasise that the environment in which organizations operate can change rapidly and needs to be continuously monitored, and the position of the organization relative to the environment regularly assessed (the opportunities and threats of the SWOT analysis framework). The premise is that effectiveness lies in strategic planning based on analysis of competition and the generation of competitive advantage (Porter, 1985).

Porter has applied this analysis to the New Zealand economy, identifying strategies to take competitive advantage of national economic resources and stressing the necessity for clusters of organizations in a sector to both compete and collaborate, as evidenced in the NZ boat building industry (Grocombe, Enright & Porter, 1991; Porter 1998; 2001). This concern for finding the most advantageous position for the organization in relation to its environment and its competitors has been moderated by the work of Prahalad & Hamel (1990) and others who have reestablished the importance of the organization's resources, capabilities and competencies as critical sources of competitive advantage.

Resource-based views of the firm (Barney, 1991; 2002; Grant, 1998; Hamel & Prahalad, 1994) relate strategic success to contingency factors including (as capabilities) some elements of processes and behaviours (Holloway, 1999). The key features of the resource-based approach have been present in strategic management frameworks for more than 30 years (Marsden, 1998; Waterman 1990; Ansoff, 1984). An organization's resources (assets, capabilities, competencies, organizational processes, firm attributes, information, knowledge) can be analysed by evaluating its strengths and weaknesses in a SWOT analysis (Barney, 2002).

The resources of the organization in the competence-based approach are classified as tangible or intangible. The RBV theorists argue that intangible resources (for example, patents, copyrights, knowhow of staff, product reputation) are the most likely source of competitive advantage (Barney, 2002; Marsden, 1998). A resource-based perspective has been applied to studies of environmental performance (Russo & Fouts, 1997), product development (Verona, 1999), performance of US manufacturing firms (Schroeder, Bates & Junttila, 2002) and leading New Zealand manufacturing and food and beverage companies (Campbell-Hunt et al, 2001).

Barney (2002) outlines the resource-based view that when assessing strategic options, a critical question facing firms is not "Is a strategy easy to implement or not?" but rather "Is this strategy easier for us to implement than it is for our competitors to implement?"

> *Firms that already possess the valuable, rare, and costly to imitate resources needed to implement a strategy will, in general, find it easier (that is, less costly) to implement a strategy than firms that first have to develop the required resources and then implement the proposed strategy. For firms that already possess a resource, strategy implementation can be natural and swift.* (Barney, 2002, p181)

The resource-based view maintains that firms must be careful to not overestimate or underestimate their uniqueness. An accurate assessment of the value, rarity, and imitability of a firm's resources is necessary to develop an accurate understanding of the relative costs of implementing potential strategies (Barney, 2002).

Campbell-Hunt et al (2001) found distinctive strategies were used by New Zealand world-class manufacturing and food and beverage firms to become global or regional leaders. These were: the sow and reap strategy (testing several markets and products before focusing on the most successful); the focus and grow strategy (focusing resources on the successful product or market found); networking relationships with business partners at home and offshore; high-mix/low volume production; and high performance workplace relations (Campbell-Hunt et al, 2001). The sow and reap strategy has been also been shown to be highly successful in a study of high performing US companies, who "try lots of stuff and see what works" (Collins, 2001).

The key research question in the Campbell-Hunt et al (2001) study was, *How do you grow world-class competitive capability from a New Zealand base?* The answer found to this question in the case of the ten companies studied was that there are no universal laws or patterns. The combination of capabilities and the way they fit together was distinctive to each firm. Further, other forces affected the growth of competitive capability, including the company's strategy, the aims of the firm's owners and managers, and the surrounding competitive conditions (Campbell-Hunt et al, 2001).

Collins & Porras (1997) conducted a five-year study of exactly how great US companies - defined as those that are number one in their markets - differed from merely good companies. The companies selected had been in business at least forty years, to remove short-term deviations

in performance results[6]. The research question of Collins' and Porras' study was: What makes the truly exceptional companies different from other companies? Collins & Porras (1997) found the high performing companies had core values and a purpose which were aligned though all recruitment, training, controls and decision making.

In a follow-up study of US companies that made substantial improvements in their performance over time, Collins (2001) found that a brilliant strategy is not necessary to achieve world-class performance. While key strategic thinking needs to be done, Collins (2001) found the more common trait of the enduring firms isn't brilliant strategy but brilliant strategy deployment.[7]. Other findings from this study were: the organizations were completely customer-focused; the values of the organization were continually reinforced; and decisions taken were consistent with those values (Collins, 2001).

Earlier management writers also argued that a distinguishing feature of successful organizations is their concern with values issues (Trice & Beyer, 1992; Wilkins, 1989). Morgan (1986) argues that effective change depends on changes in values. Values are an important part of the concept of organizational culture (Chell, 1993; Schein, 1985). Egan (1988) argued that awareness of differing values is crucial to organizational success. Chell (1993) supports that argument claiming that common values are essential to the effective functioning of work groups. However Argyris (1999) and Senge (1990) argue that common values are elusive in organizations, and that clarifying values and assumptions is a necessary step toward sharing a common strategic goal.

Collins (2001) found the strategic thinking in high performing US companies was to ask "What are the most important things we can do that will allow us to make the most distinctive contribution that makes economic sense and fits with our values?" The answer found was to pursue only those opportunities with the best potential, and everything else was cut out to stretch resources (Collins, 2001). The notion of stretching the organization to gain leverage from its individuality was propounded by Hamel & Prahalad (1993). The Campbell-Hunt et al (2001) research results show little evidence of positioning as a successful strategy for companies in NZ, but do support the RBV that leveraging resources and competencies is as important as allocating them, as in the focus and grow strategy.

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[6] The oldest firm (Citicorp) was founded in 1812, and the youngest (Wal-Mart) in 1945. They compared each top corporation with a competitor that had inferior performance.

[7] Collins and his team of researchers selected eleven companies after sorting through a list of 1435, looking for those that made substantial improvements in their performance over time. The research question was: *Can a good company become a great company and if so, how?* Collins (2001) concludes that it is possible, and found the common factor was that excellent companies had a corporate culture that rigorously found and promoted people to think and act in a disciplined manner. This study was not peer reviewed.

Leverage is associated with learning. Campbell-Hunt et al, (2001) define a learning organization as one that can apply the lessons learnt from one experience to the next development stage. Senge (1990) argues that the success of the strategic planning effort lies in how well the processes contribute - as one of a number of contributors - to the organization's capacity to learn about itself and its relationship with the external environment. Strategic management researchers and theorists associated with the 'learning school' include Argyris and Schon (1978), Argyris (1999), De Geus (1997), Liedtka (1998), Wieck (1983), Senge (1990), Flood (1999). Organizational and personal learning are core values and concepts in the Baldrige CPE framework, and sources for learning include employee ideas, research and development (R&D), customer input, best practice sharing, and benchmarking (NIST, 2002).

2.2 Strategic thinking and decision-making

Mintzberg (1994) distinguishes strategic thinking (a process that uses intuition and creativity to generate strategy) from strategic planning, in which action plans are developed from pre-identified strategies. Wieck (1983) argues that a vision provides the motivation to do things, while a strategy provides managers with a framework to 'act thinkingly' rather than simply 'muddling through'. Eden & Ackerman (1998) found that when a strategy has been developed and deployed, managers actions are informed by a framework of previous strategic thinking, which in turn informs future thinking and action.

The model of strategic thinking proposed by Liedtka (1998) usefully integrates five elements drawn from management theory. The first element is a *systems perspective*, based on systems thinking (Senge, 1990). The second element is *strategic intent*, a long-term sense of competitive direction (Hamel & Prahalad, 1989). The third element, *intelligent opportunism*, is an openness to alternative strategies that may emerge (Mintzberg, 1987). The fourth element, *thinking in time*, links the organizational context, history and institutional memory to strategy, particularly through the gap between the current reality and the intent for the future (Hamel & Prahalad, 1994; Lawrence, 1999). Finally, the model deals with *generating and testing hypotheses* - asking "What if.." and "If ..then" questions (Liedtka, 1998).

Part of the problem with strategic decision making processes is due to the long time frame - often some years before the results of a strategy are known. This is very different to operational decision making, where feedback is rapid and direct (days, weeks), for example, the plan-do-check-act cycle of Walter Shewhart - the basis of continuous improvement (Schneiderman, 1998). Therefore the opportunity for continuous improvement based on results is much more

difficult for the strategic decision maker. By the time the results are visible it may be too late to change the strategy that launched them. To lessen the risk of strategic failure in projects with long development times, Matheson & Matheson (1998) argue that the quality of decision making at strategic level needs improving, that is, the decision making process.[8]

Liedtka (1998) advocates addressing this problem by combining strategic thinking (for making decisions about strategy) with strategic planning (to align processes and competencies around the new intent). A number of studies have shown that strategy development and deployment have become "uncoupled" in some organizations, causing low achievement of their desired strategic outcomes (Alexander, 1991; Mintzberg, 1994). Liedtka (1998) presents an iterative cycle of strategic thinking and strategic planning (programming) to link these, in a similar manner to the experiential learning cycle of Kolb (1984). This cycle is shown in Figure 2.4.

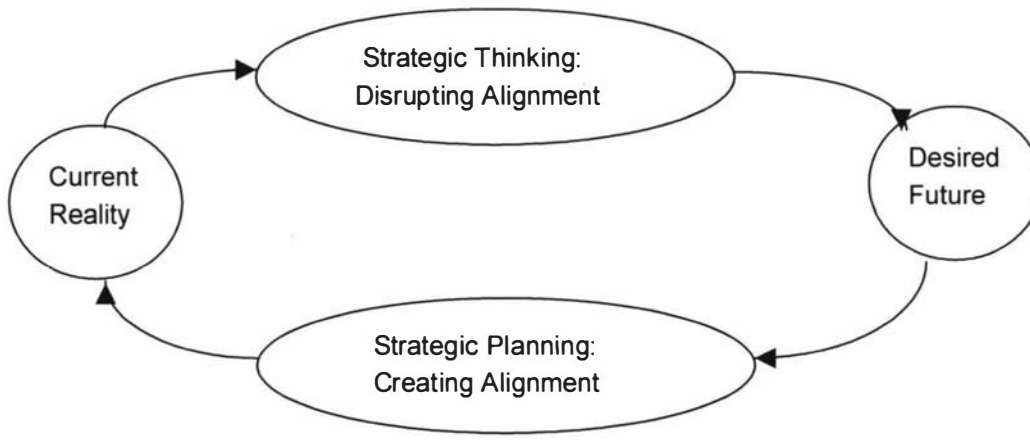


Figure 2.4. Linking strategic thinking with strategic planning. *Source*: Liedtka (1998).

2.3 Strategic management in NZ public sector organizations

Scott (2001) documents the influence of institutional economics (North, 1990), agency theory (Williamson, 1985) and contractual theory on the NZ government reforms from 1984 which aimed to improve the performance of public organizations. As a result of the influence of these theories on government thinking, new forms of NZ public sector organization were created in addition to the traditional government departments and ministries (Deeks & Enderwick, 1994; James, 1992; Scott, 2001). These were Crown entities (CEs); State owned enterprises (SOEs); and Crown- owned companies (CROCs).

[8] Matheson & Matheson (1998) define quality decisions as those that produce the best results for creating value.

Simons (2000) defines corporate strategy as the focus on *where* corporate resources will be invested. It answers the question "What businesses should we be in?", whereas business strategy is concerned with *how* to compete in defined markets. Crown entities in NZ do not have a corporate strategy in the sense that private sector and Crown- owned companies do. Instead most have statements of intent that are similar to those in SOEs. Other Crown entities have purchase agreements with the minister who purchases output on behalf of government. This is a contract that specifies expectations of organizational performance (Scott, 2001).

Crown entities can have business strategies, and the framework for these is also different to private sector companies, because of their accountability to, and involvement of, the minister. This brings a political dimension to their business and operational level strategic management (Scott, 2001). These differences between public and private organizations in environmental and transactional processes has been cited as a reason for using different approaches to strategy development in each sector (Nutt & Backoff, 1992).

The New Zealand legal framework for public sector and private sector organizations is also diverse, and has a marked influence on organizational performance and the evaluation of that performance, particularly for Crown entities (Boston, Martin, Pallot & Walsh, 1996). The NZ Companies Act (1993) regulates all companies and crown owned companies. SOEs have their own legislation. Crown entities have a range of organizational frameworks, unlike SOEs which were formed under a single policy, or government departments with their common managerial framework. Some Crown entities have purchase agreements, while most have statements of intent that are similar to those of SOEs. The Government owns Crown entities and, therefore, has rights to direct them unless constrained by law (Scott, 2001):

> *The way these rights are exercised has enormous implications for performance. For example, a lack of structure and principle in the way these rights are exercised can diffuse responsibility and accountability and even debilitate an organisation. It also affects the credibility and reputations of the organisation and the policy it serves.*
>
> (Scott, 2001, p271).

During the early 1990s, government created hybrid corporate forms of public organizations that had a mixture of commercial and non-commercial goals (Boston et al, 1996). Examples are Crown Research Institutes (CRIs) that are required to meet commercial and science goals. In 2001 hospitals were converted from Crown-owned companies to District Health Boards (DHB) that have elected and appointed board members. Mixed and often conflicting objectives add great

complexity to accountability, governance and management frameworks of these entities in comparison with SOEs and companies (Scott, 2001).

Scott (2001) notes that some Crown entities are simply an agent of the government and do its bidding within the law. Others have responsibilities that are deliberately at a distance from ministers and that are protected from interventions from ministers (for example, the Commission for the Environment, which has independent powers). Some entities are located within a network of other public institutions that are jointly responsible for the same policy, for example, DHBs are part of a network of institutions involved in decisions about health services (Scott, 2001). This has implications for performance improvement:

> *To understand how well this is operating and how to make improvements, the network needs to be analysed as a whole in addition to considering only the issues affecting the performance of particular organisations.*
>
> (Scott, 2001, p271).

Maori cultural and economic dimensions also make the New Zealand context unique for organizations. The strategic environment of all NZ organizations, but particularly the public sector is affected by political events surrounding decisions on Treaty of Waitangi issues (Deeks & Enderwick, 1994).

Eden & Ackerman (1998) and Neely & Adams (2001) have developed strategic management frameworks that encompass the differences between public, private and not-for profit sectors, with an emphasis on stakeholder involvement in strategy making. Eden & Ackerman (1998) found a key outcome of strategy making is agreeing a sense of strategic direction, expressed in a vision, mission, strategic intent or framework, that states how the organization will do business (*its goals*), satisfy its key stakeholders, and co-exist with its environment. This is an expression of the business model of for-profit organizations, and for not-for-profit and public sectors, of the 'livelihood scheme' - the purpose of its existence as a public or charitable organization (Eden and Ackerman, 1998). While these frameworks integrate strategic management approaches for public, private and not-for-profit sectors, they focus on the development of strategy. No frameworks or models were found in the literature that integrated strategy deployment for public, private and not-for-profit sectors.

2.4 Managing strategic change

A change in strategic direction or introducing a new strategic initiative is a challenge for management because it involves change. Kotter (1995) defined strategic management as a way to manage change and the increasing complexity of organizations. A major issue in implementing strategy is how to *manage* strategic change (Johnson & Scholes, 2002).

A framework for investigating strategic change was proposed by Pettigrew (1987) and consists of the interaction between three dimensions: the content or what of change (objectives, purpose and goals); the process or how of change; and the organizational context or where of change (the internal and external environment). In this model of strategic change, strategy implementation (*process* in Pettigrew's model) is understood in conjunction with the content of the strategy and the context in which it takes place (Aaltonen & Ikavalko, 2002).

Pettigrew & Whipp (1991) elaborated on Pettigrew's (1987) framework. Based on empirical research, they identified five factors for managing strategic change. Two of the factors concern strategy development (environmental assessment and coherence), while the other three relate directly to strategy deployment:

- Regarding human resources as assets - employees should know they are seen as valuable and feel trusted by the organization;
- Linking strategic and operational change - initiatives are implemented and transformed through time, and strategy and operational activities interact; and
- Leading change - moving the organization forwards; creating the right climate for change; coordinating activities; setting the agenda for the direction of the change, and also for the vision and values (Pettigrew & Whipp, 1991).

A number of strategy deployment frameworks have been influenced by Pettigrew & Whipp's 1991 framework for managing strategic change. They are reviewed in Section 2.12.

Robbins and Mukerji (1994) argue that the staff of an organization need to be aligned with the strategic direction of the organization if resistance to an initiative is to be avoided. Johnson & Scholes (2002) claim that if there is misalignment between staff and strategic direction, it can delay or jeopardise the achievement of strategic objectives. There is the risk of new initiatives being blocked, and this can lead to strategic drift (Johnson & Scholes, 1999, p468). Strategic drift and the blockage of new initiatives is the subject of a large amount of change management literature (Abrahamson, 2000; Beer & Nohria, 2000; Robbins & Barnwell, 1995; Strabel, 1996).

In a classic case study of change management, Markus (1983) examined the implementation of new information systems (IS). The insights are applicable to implementing other types of strategic initiative. Markus (1983) outlined three theories of why people resist the implementation of new information systems: because of their own internal factors; because of poor system design; and because conflict in the interaction of specific system design features with aspects of the organizational context of system use (interaction theory). Data from the case study were used by Markus (1983) to illustrate these theories of resistance and to demonstrate the superiority, for implementors, of the interaction theory. The strategy deployment implications of interaction theory are:

- The need to address organizational problems before introducing new systems;
- Specific design and implementation strategies should follow a thorough organizational analysis; and,
- If powerful authorities have decided that the system will be implemented in a way that will be unpopular with users, then asking for their participation and then ignoring their suggestions will only generate resentment (Markus, 1983).

Recent research has sought to understand IS implementation issues concerned with structure, social and historical context, power, politics and culture (Wainwright & Warning, 2004). Adams et al (2004) found that communication, user involvement, and the strategic use of consultants overcame user resistance. Sarker & Lee (2003) found that strong and committed leadership was a necessary condition for enterprise resource planning implementation success. Approaches recommended in the IS literature for improving the success rate of the implementation of new information systems include:

- User participation in system design and implementation. According to Flynn (1998), participation is psychologically based, and by having users participate in design and inplementation decisions, job satisfaction and attitudes towards the system will be improved.

- Implementation managers need to be aware of organizational culture and sensitive to it. Pliskin et al (1993) maintain that cultures are binding constraints in information system implementation.

Mumford (1996) suggests an approach to achieve the above points, taking account of stakeholders' social needs and viewpoints. It aims to meet as many desired goals for stakeholders

as possible. Any desired goals that cannot be met can become less-desired through stakeholder education. Participation in the process should help a stakeholder to see why these goals are less important, and stakeholder frustration is thus minimised. Ownership of the system is encouraged and this can improve the chance of successful implementation (Mumford, 1996).

The change management literature is largely addressed at assisting managers to implement change. It ranges from the 'calm waters' metaphor of Lewins' models of change (Lewin, 1951) to the 'white water rapids' metaphor of Peters (1987). Tools and techniques include the roles of change sponsors and change agents, sensitivity training, survey feedback, process consultation, team-building and intergroup development (Robbins & Mukerjee, 1994; McLoughlin, 1999). Kanter, Stein and Jick (1991) reviewed what they described as the voluminous amount of organizational development literature, the vast majority of which advocated management intervention to change values and culture. They noted that there was very little literature on how to arrest or resist change (Ibid, 1991).

Hassard and Sharifi (1989) noted that many management analysts in the 1980s made universal proposals for business success based on linking corporate strategy with a change in culture. Peters and Waterman (1982) maintained that 'excellent' companies create corporate cultures that are appropriate to corporate strategy - only then will good strategy succeed. Several of these excellent companies have since failed (Guest, 1992) indicating weaknesses in prescribing cultural change as a key characteristic of a strategy for future success.

Hassard and Sharifi (1989) recommend preserving and enhancing the aspects of an organization's culture which represent distinct competencies, and point out the long-term nature of cultural change. These points are supported by studies of the failure of reengineering strategies performed in the 1990s (Greengard, 1993; Blumenthal & Haspeslagh, 1994). Hassard & Sharifi (1989) refer to the limitations of a strategy to improve operations without taking account of culture ie the assumptions, beliefs and values of the people in the organization. They advocate the importance of the cultural metaphor: that change is not simply changing techniques, structures or motivation of employees. Effective change also depends on changes in values (Detert, Schroeder & Mauriel, 2000; Morgan, 1986; Whiteley, 1995).

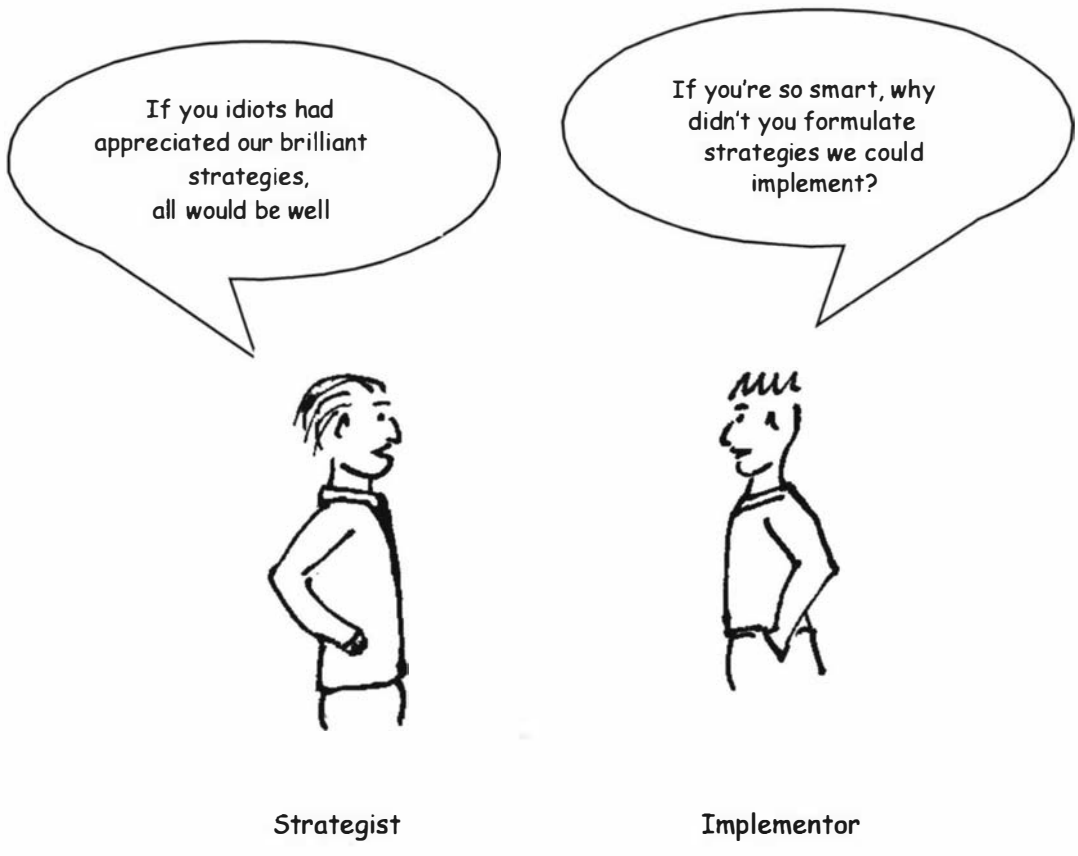
Johnson & Scholes (2002) also maintain that changing or implementing new strategy requires making changes in taken-for-granted assumptions and taken-for-granted routines and ways of doing things that are elements of culture. They argue that it is

...easier to change behaviours and thus taken-for-granted assumptions, than to change taken-for-granted assumptions and therefore change behaviour.

(Johnson & Scholes, 1999, p490)

Johnson & Scholes (2002) note that changing behaviour and routines through task alignment is a more powerful way to effect change than trying to convince people by logic and persuasion of the need for change.

Detert et al (2000) reviewed the organizational culture literature and examined its relationship to systemic improvement initiatives. They presented a culture dimensions framework that attempts to synthesise the findings from organizational culture studies with the "ideal culture" for the implementation of a quality improvement initiative (TQM). Detert et al (2000) note that contingency theorists predict that not all the values in their framework will be of equal importance in the implementation of an strategic initiative, and that not all elements of culture particular to a specific initiative need to be adopted to the same degree throughout the organization. Many researchers argue that for effective change, a willingness to change throughout the organization is necessary. Strategy implementation can be successful if the organization is ready for change (Kotter, 1996; Miller, Wilson & Hickson, 2004; Waggoner et al., 1999).



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2.5 Quality management and performance improvement literature

The first four sections of this chapter were concerned with reviewing the literature relevant to strategy management, change management, and the context of public sector and private sector organizations in New Zealand. This section and the three sections that follow review the quality management and performance improvement literature that relates to strategy deployment, building on the introduction given in Chapter 1. Included are the use of benchmarking and the implementation of leading practices in organizations.

Quality improvement methods have broadened in recent years, moving from a focus on technical quality management issues to considering other factors that affect overall organizational performance. As quality management concepts have evolved from Total Quality Management (TQM) to produce performance excellence frameworks there has been an increased emphasis on assessing and improving the strategic management processes in organizations. In the late 1990s Performance excellence frameworks such as the CPE incorporated strategic planning as a category to address this organizational function, at the same time retaining the operational quality categories such as process management.

The historical development of quality improvement methods through the 1970s and 1980s has been well documented (for example, Shiba, Graham & Walden, 1993; Martinez-Lorente, Dewhurst, & Dale, 1998). In summary, advancements in the quality movement can be traced through the following stages: inspection, quality control, quality assurance/management and Total Quality Management (Rahman, 2002; Saunders & Mann, 2002). The 1990s saw a number of developments in the concepts of business excellence, organizational performance improvement, and performance assessment against external criteria. To the traditional operational and financial quality measures were added assessing and improving the capacity for strategy development and deployment.

Previously, quality improvement had primarily focused on business processes, the activities that turn inputs into outputs. For example benchmarking, just-in-time, quality function deployment, reengineering - show how to "do things right", that is, operate more effectively. Although there have been implementation problems for some organizations, there have been substantial improvement in product quality, cycle time, inventory management and customer service (Codling, 1998; Dale & Cooper, 1994; Douglas & Judge, 2001; Mann & Kehoe, 1994).

However if an organization "does the wrong things" - develops unwanted products or services - then continuous improvement or operational quality management techniques will not help. Many traditional business models have failed when 'disruptive technologies' created new products and services, and organizations that did not alter their strategy to accommodate the change also failed (Christensen & Overdorf, 2000). Quality systems such as early versions of TQM had a limitation in the area of strategy. 1980s versions of TQM did not solve strategic problems, though TQM could ensure the success of a winning strategy (Matheson & Matheson, 1998, Dervitsiotis, 2000). Although early versions of TQM did not address strategy development, from the 1980s many organizations began to focus on strategy implementation activities using techniques learned in TQM, project management, and process benchmarking (Hacker, Kotnour & Mallak, 2001).

During the 1990s the measurement of organizational performance underwent a further broadening. The dominance of financial and technical performance was moderated by the use of integrative framework approaches such as the CPE (NIST, 2000) and the European Model for TQM or Business Excellence Model (EFQM, 1999). A major point of difference between these approaches and the earlier TQM models and other performance improvement initiatives is the inclusion of an assessment of the strategic management capability of the organization.

The CPE and EBEM frameworks were developed from TQM principles and practice (Van der Wiele, Dale & Williams, 2000). The term TQM itself started to be used in the mid-1980s and only became a recognised part of the quality-related language in the late 1980s (Martinez-Lorente, Dewhurst & Dale, 1998). In the early 1990s, with a divergence of views on what constituted TQM and widespread misunderstanding of what the term meant, the term TQM was removed from the CPE and European business excellence frameworks, although the principles and philosophical basis of TQM were retained. In the late 1990s strategy and business results were added as framework categories.

Hendricks & Singhal (1998) studied the long-term effects of implementing effective quality management programs. Their work shows a strong link between quality and financial performance[9]. The study found that quality award winners experienced increased income, sales and total assets during their respective post-implementation periods as compared with their

[9] The study used the winning of quality awards as a proxy for effective TQM implementation. The core values reflected in the Baldrige criteria and related quality awards include customer-driven quality, continuous improvement, employee development, design quality, fast response, long-range outlook, management by fact and a focus on results. The study sample comprised nearly 600 award winners, 75 percent of which came from the US manufacturing sector (Hendricks & Singhal, 1998).

controls[10]. Hausner (1999) found a similar link between quality and business results in a study of Australian Business Excellence Framework award winners and finalists.

In case studies of US government agencies, Hacker, Kotnour & Mallak (2001) found that going for a quality award is an indirect way to formalize and improve strategy deployment processes. The discipline of going for a quality award such as the US Baldrige award requires the organization to document its strategic management processes (NIST, 2000). This in turn involves evaluation of current systems and usually leads to subsequent system improvement (Bell, 2002; Hacker, Kotnour & Mallak, 2001; Hutton & Topp, 1999; Van der Wiele & Brown, 2002).

The CPE framework has a stated purpose as a working tool for understanding and managing performance (NIST, 2000; Wilson & Collier, 2000). The framework encourages organizations to broaden their view of quality management from a product quality focus to an organizational focus, by emphasizing the interrelationships between the seven categories that make up the framework. The framework of the six enabler categories and the business results category is shown in Figure 2.5.

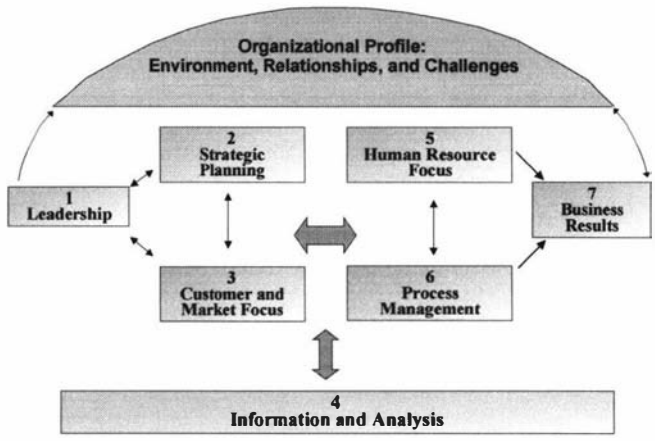


Figure 2.5. Criteria for Performance Excellence. *Source*: NIST (2000)

Pannirselvam & Ferguson (2000) reviewed quality management constructs that have been empirically tested for a relationship between quality management and business performance, and tested causal models based on the Baldrige framework. Using data from a US state quality award, they claim to have validated statistically the relationships between Baldrige categories.

[10] Hendricks & Singhal confined their study to publicly traded firms because that allowed them the flexibility to use objective and historical financial data. For study controls, they chose companies that were subject to similar economic, industry and competitive factors, and were of similar size as the award winners.

Pannirselvam & Ferguson (2000) found that the information management category is strongly correlated to effective planning and execution of the plans. However they did not test the strategic planning category as it has only two items, too few to conduct a statistically valid test in their model. From their study of Baldrige quality award winners, Pannirselvam & Ferguson (2000) found the greatest determinant of organizational performance, both in the market and internally, to be customer focus and relationship management. A very strong relationship between customer focused results and financial and market results was also found in results of self-assessments by NZ Benchmarking Club members (NZBC, 2001).

Ford & Evans (2000) have documented the evolution of the strategic planning category in the CPE from when the criteria were first introduced in the USA in 1988. Originally titled "Strategic Quality Planning" the emphasis was on quality and quality improvement through projects. The category broadened beyond the quality focus in subsequent years so that in 1995 the revised title was changed to Strategic Planning, and quality and operational issues were integrated with business planning. The 1998 version of the strategic planning category presented "an integrated approach to translation of strategy into action plans" within a generic framework for strategic planning (NIST, 1998).

In 1999 the evolution of the category into a strategic management framework was clarified by renaming the two items Strategy Development, addressing the process for developing strategy, and Strategy Deployment, addressing implementation processes. Ford & Evans (2000) compared the strategic planning category of the CPE against the conceptual literature on strategic planning. They found substantial alignment between the planning framework of the CPE and the strategic management literature, suggesting considerable validity for the framework.

One of the core concepts of the CPE is that performance can improve through measurement, analysis and evaluation of performance indicators derived from strategy (Brown, 2000; NIST 2002). This is a broader view of the function of performance measurement than the traditional view that performance management involves the analysis of performance data, and the monitoring and modification of strategy implementation through feedback control (see, for example, Simons, 1995).

2.6 Strategy deployment and the CPE framework

The strategic planning category of the CPE has two components (called "items" in the CPE), strategy development and strategy deployment (NIST, 2000). The strategy deployment item focuses on the implementation of the developed strategy. The deployment or implementation of

strategy is the translation of strategy into action. Alexander (1991) describes implementation as the process of carrying out the organization's strategy. Implementation is concerned with how to put a strategy into effect (Johnson & Scholes, 2002). Whereas strategy-making is conceptual work often done by a small group of people, implementation is tactical work, usually carried out by different people to the strategy makers (Hacker, Kotnour & Mallak, 2001). Schroder, Banzon, & Mavondo (2001) investigated strategy implementation as a mediating variable between strategy and performance. They found that strategy implementation influences performance, both directly and as a mediating variable.

The CPE strategy deployment item requires a description of how the organization converts its strategic objectives into action plans, and a summary of the organization's action plans and related key performance measures/indicators. It also requires projections of the short and longer term performance of the organization based on the likely changes resulting from the implementation of the strategy. These projections should include benchmarking against best practices, and an outline of the assumptions used in the forecasts (NIST, 2000). While the CPE requires a description of these processes it does not prescribe what a strategy or action plan should contain or what form it should take. The CPE state that objectives must be converted into action plans, but do not specify how this is to be done. Researchers have noted gaps in the literature on the process of strategy deployment, and that the literature is weak on how strategy implementation should be done, and how it can be made to happen faster and more effectively (Mintzberg, 1994; Kaplan, 1995; Noble, 1999a).

2.7 Use of benchmarking for performance improvement

Benchmarking is a process that is intrinsically linked to performance excellence frameworks. The Baldrige criteria emphasize that access to and use of organizational and industry information, through benchmarking, is essential to setting quality goals and allocating resources to achieve those goals (Brown, 2000; NIST, 2000). Self-assessment against business excellence frameworks can identify an organization's strengths and weaknesses, whilst benchmarking then enables an organization to identify and implement the best practices required to improve (Saunders & Mann, 2002).

Benchmarking concentrates attention on causal relationships and can reveal unintended effects of processes which may be damaging to organizational effectiveness or efficiency (Holloway, Hinton, Francis & Mayle, 1999; McNamee, O'Reilly & McFerran, 2001; Rodwell, Lam & Fastenau, 2000). Through benchmarking, organizations can envision that higher performance levels are achievable. It also fosters pressure for change on the grounds that only high-

performing companies are likely to remain in business, and it provides a systematic methodology for identifying and implementing "improved" processes into an organization (Bartley & Mann, 2000; Codling, 1998; Drew, 1997; Zairi, 1996). For example, US company National Semiconductor used external benchmarking of markets, best in class measures and strategic gaps to build a 'success model' before deciding on explicit strategies for their business plan. The company reported this saved time and simplified planning (APQC, 1999).

Benchmarking studies have been published of New Zealand manufacturing performance (Corbett, 1998), customer service (CGEY, 2000), and the financial performance of dairy incorporations (Kingi & Rose, 2000). A New Zealand Business Benchmarking Survey is produced annually by the University of Waikato Management Research Centre and compiles financial data relating to NZ businesses. Knuckey, Leung-Wai & Meskill (1999) and Benchmark Communication, an Auckland company, have published best practice reports (BC, 2001). The NZ based benchmarking improvement resource www.theBPIR.com is a source of best practices, benchmarking information and case studies (Saunders & Mann, 2002). Scott (2001, pp. 224-226) makes a case for the New Zealand public sector benchmarking against the private sector.

Self-assessment questionnaires and other diagnostic tools can be used to determine the benchmarking gap between a particular organization and best-performing organizations. This can be performed at category and item level in the Baldrige framework, and down to individual practice level. Mann, Adebanjo & Kehoe (1999) used self-assessment questionnaires as a method for identifying improvement opportunities in the UK food and drinks industry. Saunders & Mann (2005) documented the annual self-assessment practices and results of the NZBC network and critiqued the benefits and limitations of the self-assessment process.

Self-assessment results against the Baldrige criteria for NZBC members in 2001 showed that the strategic planning category was fourth in having the greatest opportunity for improvement, after leadership, information and analysis, and customer and market focus (NZBC, 2001). Strategy deployment also had the fourth greatest opportunity for improvement amongst all the criteria items (NZBC, 2001). Apart from this preliminary work carried out by NZBC members, no published studies of best practice benchmarking of strategy deployment in NZ organizations were found.

In an example of a benchmarking study of US companies, Lander, Matheson, Mence, & Ranley (1995) found three common characteristics that enabled these organizations to implement four leading practices in research & development (R&D) strategic management. The four practices studied were:

- measurement of R&D's contribution to strategic objectives,
- evaluating the R&D portfolio,
- coordinating long range R&D and business plans, and
- agreement on clearly measurable goals.

The three common characteristics that enabled the organizations to implement these leading practices were: all had explicit decision processes for aligning R&D with corporate strategy and for creating economic value; all used metrics that quantified this alignment and value creation; and, each company had an organizational setting that supported decision quality and the implementation of improvement efforts.

Lander et al (1995) found a decision framework served to help translate business objectives into operational plans and to track the results over time. Metrics like net present value (NPV) and economic value added (EVA) brought employees face to face with the sources of value to the firm and its customers. All the organizations in the Lander et al (1995) study had organizational settings that supported decision quality. Most important was a language for dialogue about process improvement and quality. Lander et al, (1995) concluded that cultural and organizational elements are at the root of implementation success or failure. They argue the issue is not that leading practices are intrinsically difficult to implement, the issue is the context that the organization sets for or against implementation.

In an application of benchmarking to strategic R&D decision-making[11], Matheson & Matheson (1998) found strong association between R&D decision quality and a number of leading practices. They identified forty-five leading practices that were used routinely, and consolidated these into nine logical components. In a further study involving surveying seventy-two outstanding R&D organizations, Matheson & Matheson (1998) found the following best practices were core to decision processes ('qualifiers'):

- Coordinate R&D and business plans.
- Focus on end customers needs.
- Agree on clear, measurable goals.

[11] Matheson & Matheson (1998) surveyed hundreds of US R&D organisations. A nomination system using senior people identified companies to research. Questionnaires were used to collect data on company performance and application of leading practices, and then statistical benchmarks created for each practice. These benchmarks and the questionnaire were the basis for diagnosing the performance of an organisation. They validated the results by repeating the study with different groups in Europe and the US.

- Use a formal development process.
- Use cross-functional teams.
- Maintain intimate contact with internal customers.
- Hire the best people and maintain their expertise.

A further nine leading practices were found to be core to decision processes in relatively few companies, and may be a source of competitive differentiation, that is, 'winners' (Matheson & Matheson, 1998). These practices included:

- Insist on alternatives.
- Quantify decision inputs.
- Learn from post-project audits.
- Learn from others worldwide.

The 'learn from post-project audits' practice had an average actualization of about 15% among the seventy-two companies, representing a huge potential for improvement (Matheson & Matheson, 1998). Many practices may be transferable to other types of strategic initiative. The transfer and implementation of leading practices is discussed in the next section.

2.8 Implementation of leading practices

Implementing leading practices is similar to implementing other types of strategic initiative, although leading practices are often implemented at operational level and the change may be on a smaller scale than a change in business strategy (Ausindustry, 1995; Davies & Kochar 2000; Holloway et al, 1999; Hinton et al, 2000). Researchers have identified contingency factors that are associated with successful and unsuccessful implementation of leading practices and note that best practices are not universally applicable (Harrington, 1997; Morita & Flynn; 1997).

Jarrar & Zairi (2000) reviewed case studies of best practice transfer practices in seven large US and UK organizations, and found implementing best practices had two components, enabling and transfer. Enabling factors were: leadership championing the best practice effort; understanding the barriers to best practice transfer; clarifying best practice opportunity gaps; and recognising that deploying best practices is dependent on resolving people, process and technology issues Jarrar & Zairi (2000).

Some of the critical success factors identified for the effective transfer of leading practices in the Jarrar & Zairi (2000) case study analysis were: insisting on best practices and targets against

benchmarks when translating goals and objectives into action plans; generating commitment by communicating clearly where the business needs to go and why; providing a good IT infrastructure for supporting the sharing of best practices; and demonstrating that adopted practices have closed a performance gap.

The Matheson & Matheson (1998) study of exemplar US R&D companies found that organizations that implement best practices in strategic R&D with the least difficulty have good organizational principles for decision making, the others do not. Ashton (1998) found there was a defined best practice management process in exemplar organizations, including sourcing, storage, access and transfer.

Reider (2000) found that organizations that implement leading practices easily have good performance drivers.[12] Neely & Adams (2001) found that a key reason why many strategies fail to be implemented successfully is that strategies contain inherent assumptions about the drivers of business performance and that often these assumptions are false, and the expected benefits are not achieved. Neely & Adams (2001) maintain that measurement data can enable these assumptions to be challenged.

Matheson & Matheson (1998) identified cultural and organizational elements as the root of success or failure in implementing leading practices. Jarrar & Zairi (2000) collated the cultural and organizational barriers to best practice transfer from APQC (1997), Ashton (1998), and O'Dell & Grayson (2000). Jarrar & Zairi (2000) found that most of the problems associated with transfer of best practices are of a behavioural nature. The barriers include: a culture which values technical expertise and knowledge creation over knowledge sharing; organizational structures that promote 'silo thinking'; and a lack of ownership for a business problem or improvement opportunity to be addressed (Jarrar & Zairi, 2000). O'Dell & Grayson (2000) found other barriers were an over-reliance on transmitting explicit rather than tacit information, and not allowing or rewarding people for sharing and helping each other outside their 'patch'.

On a more positive note, O'Dell & Grayson, (2000) found that organizations that were successful in effective internal best practice transfer had adopted structures or processes to facilitate this,

[12] Reider (2000) defines a performance driver as an underlying characteristic or factor of the organisation or its environment that determines the amount and type of activities performed to meet stakeholder demands. Examples are: organizational culture (for example, expected behaviour), organizational environment (for example, company policies, market constraints), performance related (for example, evaluation and promotion practices, customer responsiveness).

including[13]: benchmarking teams (short duration); best practice teams (short or long duration); knowledge and practice networks - usually software-based; and, internal assessment and audits - for example, internal reward and recognition programs, often based on the Baldrige criteria.

The literature search found many examples of the use of information systems (IS) and information technology (IT) tools and research to support the implementation of strategic initiatives, particularly implementing best practices. O'Dell & Grayson (2000) and Jaffar & Zairi (2000) report widespread use of software to store and retrieve best practices. The software includes groupware, user-friendly databases, email and intranets. US company Austin Energy developed an on-line intranet system to capture action plans and to track progress in achieving them (APQC, 1999). Frameworks exist for classifying information in leading practice databases (O'Dell & Grayson, 2000). However for transferring best practices O'Dell & Grayson (2000) found that technology is not the answer:

> *Technology has a helpful role to play, but it will not be the driver of sharing best practices, for two reasons: 1) all the important information about a process is too complex and too experiential to be captured electronically, and 2) the incentives for and barriers to sharing are not technical.*
>
> (O'Dell & Grayson, 2000, p11).

2.9 Approaches to strategy deployment

This section and the sections that follow review recent approaches to, and models of, strategy deployment. Management approaches to strategy deployment can be placed on a continuum with *prescriptive planning* at one end and *process* approaches at the other. Prescriptive planning approaches to implementing strategy take a macro perspective and focus on designing structure and control systems appropriate to the strategy, translating strategic goals into performance objectives, deploying the objectives throughout the organization, allocating resources, and motivating and aligning employees (David, 1987). According to Mintzberg (1994) this conventional model of strategic planning has the imperative of determining the consequences of strategic changes on the routine operations of the organization. It involves moving from strategies to action planning, through the process of setting objectives, budgets and performance controls.

[13] O'Dell & Grayson, (2000) worked with members of the APQC International Benchmarking Clearinghouse in this four year study.

In contrast, the *process* view of strategy implementation takes a micro view and emphasises that successful implementation depends on people changing their behaviour. This involves changing the assumptions and routines of people in the organization, including managers (Dawson & Palmer, 1995; Johnson & Scholes, 2002; Lorange, 1998; Miller, Wilson & Hickson, 2004).

Argyris (1999) argues from case study evidence that the implementation of strategy can be ineffective when the advice or actions recommended are threatening to management. According to Argyris (1999), to protect themselves from embarrassment or threat, managers may use defensive behaviours instead of productive reasoning and therefore cause implementation problems. Various methods can be used to address defensive behaviours, involving reflection and inquiry into the mental models (tacit theories-in-use) that managers use (Argyris & Schon, 1978; Argyris, 1999; Senge, 1990). As well as this organizational learning approach, many organizational behaviour studies support the process view of strategy deployment and focus on managing the interpersonal and intragroup conflicts that can derive from personality differences and poor communication (Kantner, Stein & Jick, 1991; Robbins & Barnwell, 1994).

According to Johnson & Scholes (2002) the successful implementation of strategy requires a combination of three critical elements from the prescriptive planning and process approaches. The elements from the planning approach are: having an appropriate organizational design and structure to implement strategy (see for example, Mintzberg, 1979); and having appropriate resource allocation and control - the way this is done shapes the context for deploying strategy (see, for example, Simons, 2000).

The critical element from the process approach is managing change - diagnosing barriers to change; managing political issues, communication, and changes to organizational routines (see, for example, Kantner, Stein & Jick, 1991). These critical elements from both the planning and process approaches to strategy implementation can be combined by organizations using the CPE framework to improve their performance. The CPE does not specify a particular approach to deployment and is not prescriptive as to how a strategy or action plan is deployed.

2.10 Models of strategic management

Some recent conceptual models of strategic management that encompass performance measurement link strategy deployment with strategy development and strategic control (for example, Ittner & Larcker, 1997; Simons, 2000). This reflects a dynamic and holistic view of strategic management. Researchers have found that planned strategy and emergent strategy evolve hand in hand and affect each other in the process of strategy deployment (Mintzberg,

1987, Mintzberg, Ahlstrand & Lampel, 1998; Noble, 1999b), and strategic initiatives are continually evaluated and adapted during the process of deployment (Ittner & Larcker, 1997; Kaplan & Norton, 2001a; Moncrieff, 1999). Figure 2.6 shows a conceptual model of strategic management and control that incorporates these interactions.

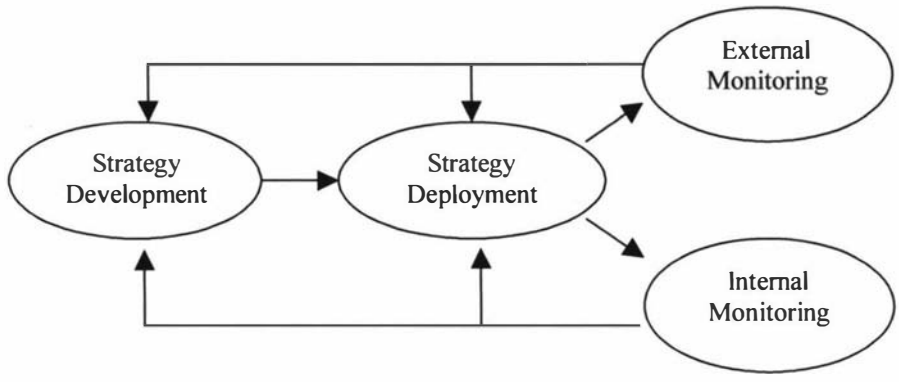


Figure 2.6 Iterative model of strategic management. *Source*: Adapted from Ittner & Larcker (1997). Strategic control is split into internal monitoring and external monitoring. Internal measures and targets include the formal reporting cycle comparing actual results against planned outcomes. External environmental factors are monitored separately.

Strategy deployment is central in the model shown in Figure 2.6. The internal and external monitoring results in feedback to both the strategy development and deployment stages to effect changes. The learning that is gained during deployment is used to continually reconsider and adapt deployment and the strategy (Ittner & Larcker, 1997; Simons, 2000; Moncrieff, 1999). The learning process enabled by the feedback loops gives the opportunity to revise ineffective strategies or deployment processes and to foster new strategic initiatives or deployment practices (Otley, 1999). In summary, five elements were identified by Simons (2000) to comprise a holistic view of a strategic management model that includes performance measurement: communication, decision-making, control, signalling and learning. In Moncrieff's (1999) dynamic model, five processes interact: strategic intention, the alignment of action with strategic intent, the organizations response to emergent environmental issues, the dynamics of the actions of individuals within the organization, and strategic learning.

2.11 Strategic control and performance measurement

While the topic of strategic control was outside the scope of the research, it is briefly reviewed here because of its link to strategy deployment in recent conceptual models (see, for example, Figure 2.6). Strategic control has been described as monitoring the implementation and progress of policies to achieve strategic goals (Goold & Quinn, 1993). The rational normative models of strategic management commonly have a strategic control element, with the assertion that

performance measurement data can be analysed and used to challenge whether the strategies are working as planned (see Figure 2.2).

There are two different ways organizations can use performance measures: for monitoring operations; and for strategic management purposes (Neely et al, 2000). It is the use of performance measures for assessing strategy implementation that is of interest here, rather than the use of performance data to monitor routine operations. Measurements of performance can be used to monitor and control the implementation of strategy, and to track whether or not the strategies chosen are actually being implemented (Neely & Adams, 2001; Bourne et al, 2002).

A number of performance measurement frameworks have been developed that include elements of strategic control. The frameworks are designed to help organizations choose measures that assess performance against their strategic objectives using a balance of financial and non-financial measures. Examples of these types of frameworks are the balanced scorecard[14] (Kaplan & Norton, 1996), the results and determinants framework (Fitzgerald et al., 1991), and the performance prism (Kennerley & Neely, 2000).

These frameworks appeared in the 1990s, as practitioners were interested in integrated measurement systems (Neely & Bourne, 2000) rather than the narrow focus of previous systems, particularly those based on traditional cost accounting principles (Dixon et al., 1990; Johnson & Kaplan, 1987; Neely et al., 1995; Neely at al., 2000). The older cost measurement systems provided a historical view, not necessarily linked to future performance (Neely, 1998) or strategy (Kaplan & Norton, 2000). Suggested performance measures for these frameworks relate directly to the organization's vision and objectives, competitive environment, learning needs and customer requirements (Kennerley & Neely, 2002; Kaplan & Norton, 1996; Wisner and Fawcett, 1991).

The use of diagnostic control systems to focus on critical performance variables is standard in financial control systems (for example, budgets), and these types of feedback control systems can be applied to the deployment of strategy (Simons 1995, 2000; Kennerley & Neely, 2002). However the availability of feedback control information for strategy implementation is likely to be slow because it is generally not examined until processes are complete (Preble, 1992). Simons (2000) suggests this problem can be addressed by interactive control systems to focus on strategic uncertainties (see Figure 2.7). Interactive control is defined as frequent senior

[14] The balanced scorecard approach is reviewed in depth in Section 2.12. It is a performance measurement framework that is also promoted by its authors as a strategy deployment framework.

management attention to decisions affecting strategy, to increase responsiveness to strategic uncertainties (and so enable personal and organizational learning about the implementation of the strategy) and to subsequently revise strategy if necessary (Durden, 2001; Simons, 2000).

In Simons' (2000) model shown in Figure 2.7, senior management's vision of how the current business strategies are evolving gives rise to strategic uncertainties (for example, customer wants, competitor actions). Managers chose one (or more) performance measurement and control system and use it interactively (data from the system is used to question and challenge current action plans). This signals that debate is needed from all levels of the organization, and from the organizational learning that occurs a new strategy can emerge.

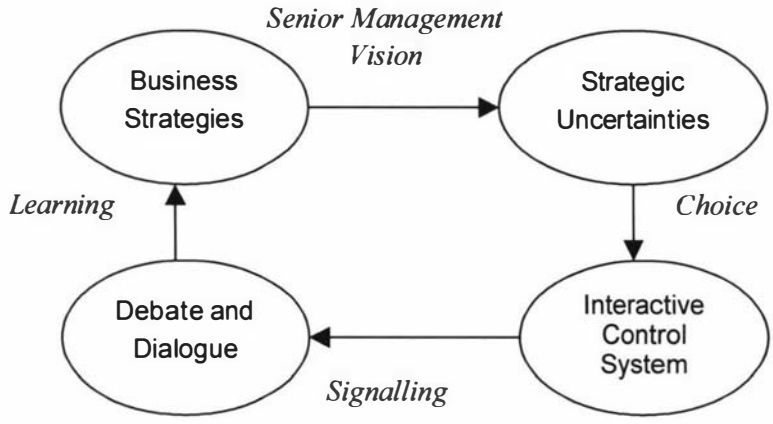


Figure 2.7. Model using the interactive control process for learning. *Source*: Simons (2000)

Strategic control focuses on the implementation and accomplishment of strategy (through feedback information), and monitoring the continuing viability of strategy (feedforward information) (Durden, 2001). Strategic control models have been proposed by Screyogg & Steinmann (1987), Preble (1992), Ittner & Larcker (1997), Simons (1995, 2000), and strategic control is implicit in the balanced scorecard approach (Kaplan & Norton, 1996; 2000).

There appear to be significant unresolved issues in relation to strategic control design and implementation. In a review of strategic control literature, Durden (2001) found cost, measurement and behavioural issues were barriers to implementation. Simons (2000) advises caution is required to ensure that the performance measures used reflect the strategic priorities, and potential distortions such as people gaming the system and the dangers of measuring the wrong variable are avoided. Durden (2001) notes that there is a low level of strategic control implementation and uncertainty concerning where and how it should operate in organizations. Maintaining and changing performance measurement systems to ensure that they continue to reflect the organization's environment and strategy can be problematic (Kennerley et al, 2003).

According to Simons (2000), using too many measurement systems interactively disperses the time and attention of both senior and lower-level managers so widely that focus is lost and a critical mass of management attention is not achieved. This is supported by Neely & Bourne (2000) and Bourne et al (2002) who found that a major reason why performance measurement implementations failed was due to a loss of management focus because of the time, effort and resource required.

In the emergent and evolutionary descriptions of strategy, evaluation of strategic progress has an intended purpose of enabling organizations to be more responsive and flexible (and may not be called strategic control). Mintzberg (1987; 1994) found that many organizations track deliberate strategy *and* the emergence of unintended strategies, so that the effectiveness of the strategies that are actually realised can be measured.

2.12 Models of strategy deployment

While there are a number of commonly used models and frameworks for strategic analysis and strategy development, such as SWOT, five forces, value chain analysis, three horizons and others, relatively few models have been developed for strategy deployment and been widely accepted by practitioners. This is despite the fact that strategy deployment occupies a central role in strategic management (figure 2.6 refer). Researchers have noted for more than a decade that no generally accepted or dominant framework has emerged for strategy implementation (Alexander, 1991; Wilson, 1994; Noble, 1999b; Okumus, 2003).

Although there is no generally accepted framework for strategy deployment, researchers have identified many contingency factors that influence the outcome of strategy implementations. Several models and frameworks that include these factors have been proposed since the early 1980s, when the first strategy implementation frameworks appeared (for example, Galbraith & Kazanjian, 1986; Hbebiniak & Joyce, 1984; Reed & Buckley, 1988; Stonich, 1982 and Waterman et al, 1980). None of these early frameworks have been tested empirically (Okumus, 2003). These frameworks contain factors that are similar to those referred to in conceptual studies by Alexander (1991), Judson (1995), Miller & Dess (1996) and Thompson & Strickland (1999). Typical factors in these models are: strategy formulation, organizational structure, culture, people, communication, control and outcome (Okumus, 2003).

Deployment frameworks based on empirical research have been proposed by a number of writers, some influenced by Pettigrew & Whipp's 1991 framework for strategic change that was

outlined in Section 2.4 (for example, Bryson & Bromiley, 1993; Okumus, 2001). The key findings from empirical research into strategy deployment frameworks in a wide range of organizations are summarized in Table 2.1.

Table 2.1 Key findings from empirical research into strategy deployment frameworks

Researcher	Organization(s)	Key findings and determinants of deployment success
Hambrick & Cannella (1989)	Multi-business company	Emphasized the role and importance of communication in strategy implementation
Skivington & Daft (1991)	Integrated circuits; petroleum; health care	Process and structural factors that influence differentiation or low-cost strategies: intended strategy; structure; systems; interactions; and sanctions
Roth et al (1991)	82 business units in global industries	Six organizational design factors for implementing global or multi-domestic strategies: coordination; managerial philosophy; configuration; formalization; centralization; and integrating mechanisms
Hrebiniak (1992)	Global companies	Leadership; facilitating global learning; developing global managers; matrix structure; and strategic alliances with external companies
Yip (1992)	Global companies	Organizational structure; culture; people; and managerial processes
Schmelzer & Olsen (1994)	3 restaurant companies	Company size and geographic location; life cycle stage of the company; and the demographic background of the managers
Feurer et al (1995)	Global IT company	Cross-functional teams, learning; organizational structure and culture
Miller (1997)	6 private and public companies	Realizing factors: backing; assessability; specificity; cultural receptivity. These factors were more powerful than the enabling factors: familiarity; priority; resource availability; structural facilitation and flexibility
Okumus (2001)	2 international companies	Multiple project implementation; organizational learning and working with external companies
Hacker, Kotnour & Mallak (2001)	3 US Government agencies	Communication; improvement infrastructure; identify drivers; develop action plans
Kaplan & Norton (1996; 2001)	Company case studies; Kaplan (1995) survey	Clarifying and translating the vision and strategy; communication and linking; planning and target setting; and strategic feedback and learning
Aaltonen & Ikavalko, (2002);	12 service organizations	Communication; the backing of senior management; developing management systems and skills for change; organizational structure and culture that is receptive to change, commitment of employees to the company vision ; incentives; marketing orientation; alignment between implementation factors
Dobni & Luffman, (2003); Freedman, (2003); Linton, (2002); Noble 1999b		

The frameworks in Table 2.1 contain different numbers and types of factors. There are issues that arise in attempting to identify the similarities and commonalities among many of the key findings shown in Table 2.1. The use of the term "factor" is somewhat problematic as many researchers reserve the term for factors determined using the statistical technique of factor analysis. For this reason the terms determinant, element or dimension may be used instead of factor. However in

most cases it is clear that the factors are proposed as contingency variables (moderating variables) that influence the progression from strategy to a successful outcome for the implementation of the strategy. The method used to measure the outcome of the implementation of the strategy, and what exactly is measured as an outcome, also varies with the different studies.

The different titles given to similar concepts can be confusing. Outcome, for example, may also be called results, performance or success. Okumus (2003) notes that communication is referred to as interactions (Skivington & Daft, 1991) information systems (Schemelzer & Olsen, 1994) and selling the strategy (Hambrick & Cannella, 1989). Communication is itself not a single concept, but a group of related concepts, and is an example of a construct or 'constructed type' (Cooper & Emory, 1995). While most frameworks propose that multiple factors be considered simultaneously when implementing a strategic initiative, the frameworks vary in whether they keep elements separate or aggregate them into constructs.

Four of the frameworks from Table 2.1 are discussed further here to illustrate the range and diversity of the deployment models. Three were produced from empirical work with organizations from different sectors: Noble (1999b) - private sector organizations; Hacker et al (2001) - public sector organizations; and Kaplan & Norton (1996; 2001b) – public and private sector organizations. The fourth framework (Okumus, 2003) is a conceptual model developed from a review of previous empirically derived models.

Noble framework

Noble (1999b) developed a general strategy deployment model of four stages from a study of five diverse manufacturing firms. This is shown in Figure 2.8. The first stage, strategy development (named *pre-implementation* in the model), was included to emphasize that input into strategy formulation from a wide cross-functional group has benefits for understanding, ownership and communication of the strategy. The second and third phases are organising and managing the deployment process. Maximizing cross-functional performance was the final stage. A key objective of the study was to find factors that led to cross-functional success.

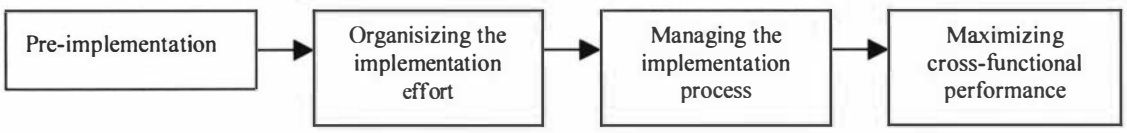


Figure 2.8. Linear model of strategy deployment stages. *Source*: Noble (1999b).

Hacker et al framework

Hacker & Akinyele (1998) developed a deployment and implementation model. Building on the work of Collins & Huge (1993), they distinguished between deployment and implementation, designating deployment as a transitional stage between planning and implementation. The concept of a deployment phase (distinct from implementation) first appeared in Japan as part of TQM initiatives, and was recognised by US companies when they benchmarked Japanese corporations in the 1980s (Hacker et al, 2001).

The deployment phase of the Hacker & Akinyele (1998) model consists of four steps as shown in Figure 2.9. An implementation phase follows on from the deployment phase, and this involves three further steps: executing the project action plans; reviewing performance; and sustaining the improvements. According to Collins & Huge (1993), the advantage of recognising an intermediate deployment phase is that these activities can be formalised and better linked to strategic objectives, and the implementation phase becomes less complex and focuses on project management.

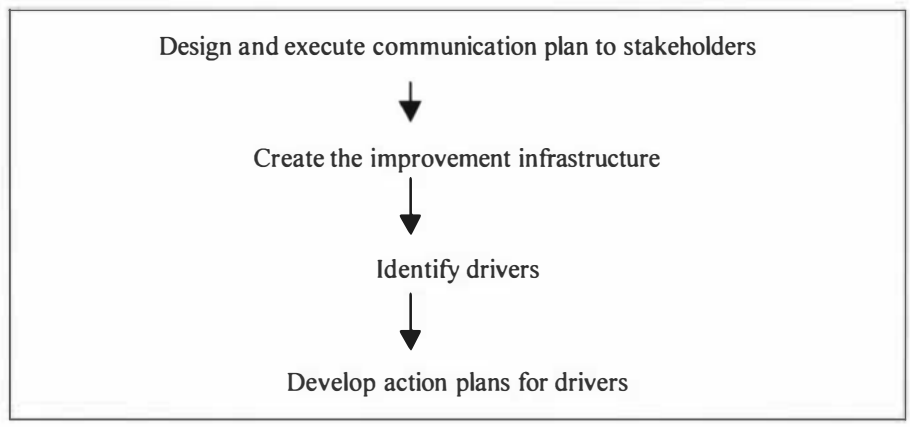


Figure 2.9. Deployment phase of a strategic management model. This model depicts strategy deployment as linear in nature. *Source*: Adapted from Hacker & Akinyele (1998).

Hacker et al (2001) applied the Hacker & Akinyele (1998) model when conducting 3 case studies of large US government agencies[15] that had adopted an intermediate deployment phase in their strategic management. Their findings for each step of the deployment phase are summarized in Table 2.2:

[15] The agencies studied were very large by NZ standards, for example, the US Postal Service had 800,000 employees.

Table 2.2. The deployment phase findings for 3 US government agencies.

Source: Adapted from Hacker, Kotnour & Mallak (2001).

	Deployment Phase	Case study findings
1	Communicate the strategic direction	Communication was interactive and allowed for feedback, questions and clarifications.
2	Create the improvement infrastructure	A form of team, either cross-functional or within business units.
3	Identify drivers for the objectives	Derived by the team and presented in formal documents.
4	Develop project action plans	Teams translate the strategy into plans for implementation.

Hacker et al (2001) found that a systematic process was needed to identify drivers for objectives and to develop action plans. For example, in the United States Postal Service (USPS) where the objective was to increase productivity, data was analysed to determine the biggest opportunity for improvement (typically a specific operation). The team then determined what the focus should be - for example, training, maintenance, operating procedures or a combination of these. The USPS case used Hoshin planning to provide a structure and process for planning and deployment. Hacker et al (2001) studied the effect of formalizing these deployment practices at one USPS distribution centre. They analyzed three operational performance indicators and found all three demonstrated statistically improved results.

While identifying a separate deployment and implementation phase is useful conceptually, in the majority of the strategic management literature, strategy deployment and strategy implementation have the same meaning and the terms are used interchangeably. The distinction between the two terms proposed by Hacker & Akinyele (1998) has not been widely accepted. For that reason in the remainder of this thesis the two terms are treated as synonyms.

A limitation of the deployment models outlined in Figures 2.8 & 2.9 is their linear[16] approach in which deployment is depicted as a step-by-step process. The empirically based step-by-step

[16] The use of the term *linear* in this thesis to describe models signifies a step-by step sequence in time. For example, step A is completed before step B, which in turn is completed before step C is commenced. The term is not used in the mathematical sense, where it describes a relationship between two variables that are directly proportional to each other.

models are process oriented, and mostly exclude the wider context of strategy development and strategic control. They also omit a representation of the inherent complexity in deployment, when multiple processes are in action simultaneously, and influence each other in a dynamic fashion. The step-by-step models are however valuable for proposing certain tasks be undertaken at each phase of deployment, and for the linkages exhibited between some of the dimensions of deployment.

Kaplan & Norton framework

Kaplan (1995) found from survey data that control processes in organizations were directed at short-term performance and rarely evaluate progress on long-term objectives. To address this gap Kaplan & Norton (1996) developed the balanced scorecard, with a mix of outcome measures (feedback or lagging indicators) and performance drivers (feedforward or leading indicators). Balanced scorecards and strategy mapping have been linked to strategy deployment (Creelman, 1998; Epstein & Manzoni, 1998; Kaplan & Norton, 1996; 2000). The balanced scorecard aims to extend the scope of management information from financial measures to include non-financial aspect linked to business strategy (Henri, 2002; Letza, 1996). Kaplan & Norton (2000) maintain balance scorecards can be used to implement and obtain feedback about strategy, through a visual framework - a strategy map.

> *A strategy map enables an organization to describe and illustrate... its objectives, initiatives, and targets; the measures used to assess its performance; and the linkages which are the foundation for strategic direction.*
>
> (Kaplan & Norton, 2000, p6.)

Balanced scorecards and strategy maps connect strategy implementation with organizational vision. In a case study of Mobil North American Marketing and Refining, Kaplan & Norton (2000) found that strategy mapping assisted in implementing and monitoring a strategic change from a centralised commodity manufacturer to a decentralised customer-focused organization. Financial performance was improved (Kaplan & Norton, 2000).

While Kaplan & Norton (1996; 2001b) have developed the balanced scorecard and strategy mapping as a means of assisting strategic management, this is directed at ensuring a series of appropriate measures are used to evaluate and improve progress by ensuring a link back to the organizational vision and strategic objectives. Many articles were found in the literature search on the use of balanced scorecards but few published of applications of strategy mapping using a balanced scorecard approach, with Kaplan & Norton (2001b) the only empirical study of strategy mapping found.

There appear to be significant issues in the practical application of balanced scorecards and strategy mapping. Neely & Bourne (2000) noted that the majority of balanced scorecard implementations fail. Okumus (2003) argues that the balanced scorecard model separates strategy implementation from strategy development, provides no new insights into strategy deployment, and does not emphasize cultural, political or resource allocation issues. Richmond (2001) critiques balanced scorecard strategy maps as not addressing time delays and feedback loops, and argues for a systems dynamics approach to understanding relationships in strategic management. Otley (1999) reports that the balanced scorecard neglects links with reward incentives. In practice, balanced scorecards are used more to fulfill the performance measurement and strategic control functions of strategic management (Kaplan & Norton, 2001a) rather than as a guide to effective strategy deployment practices (Norreklit, 2000).

Okumus framework

Okumus (2003) reviewed the literature on strategy implementation models and frameworks and then categorised the research into three groupings, noting their limitations:

1. Early frameworks that simply listed and described implementation factors, for example: Hambrick & Cannella, (1989); Hbebiniak & Joyce, (1984); Stonich, (1982) and Waterman et al, 1980).

2. Those that suggest step-by-step sequential implementation models, for example: Bergadaa (1999) – four step; De Feo & Janssen, (2001) – ten stage; Galpin, (1997) – six stage; Hacker et al (2001) - four step; Noble, (1999b) – four stage; and Vasconcellos e Sa (1990) – ten step. Although representing deployment as a step-by-step process makes these models potentially easier for managers to understand, it is also limits these models by oversimplifying or ignoring dynamic or reflexive interactions that occur between the stages depicted in the models.

3. Processual frameworks that emphasize the importance of context and process but do not give details of which factors are important, and what the roles and impact of the factors are during implementation, for example: Dawson (1994); Pettigrew, (1987); Pettigrew & Whipp, (1991). These frameworks were reviewed in Section 2.4.

After analyzing the deployment frameworks summarized above, Okumus (2003) proposed a conceptual framework that is similar to that shown in Figure 2.6, and which grouped factors into four categories derived from Dawson (1994), Pettigrew (1987) and Pettigrew & Whipp (1991).

The four categories these frameworks all include are: content; context; operational process; and outcome. These each have sub-categories: strategy development (under "content"); environmental uncertainty (under "external context"); organizational structure, culture and leadership (under "internal context"); and, operational processes (five sub-categories, including control and feedback). Given that these frameworks all include categories for strategy development, strategy implementation and strategy control they are more correctly described as strategic management models (see Figure 2.6) that include strategy implementation as a category or component. It is the "operational processes" component in these models that represents strategy implementation.

In the Okumus (2003) framework, "operational processes" consist of: operational planning; resource allocation; people; communication; and performance measurement, control and feedback. These five constructs were proposed from previous empirical work, and were not empirically tested by Okumus (2003).

2.13 Gaps in the literature and potential benefits of the research

The literature review revealed a number of gaps and unresolved issues in research into the deployment of strategic initiatives, and the role of managers in improving strategy implementation processes. Strategy deployment is an integral part of the strategic management literature, but has been researched less intensely than the strategy development side of the strategy cycle. While a number of researchers have called for a shift in focus in the field of strategic management from strategy development to strategy deployment (for example, Hussey, 1998; Lorange, 1998; Wilson, 1994), most researchers have focussed on the development of strategy (Ford & Evans, 2000; Mintzberg, 1994; Mintzberg, Ahlstrand & Lampel, 1998).

Researchers who have reviewed the field found there is a relatively small body of research on strategy deployment (Noble, 1999b; Okumus, 2003), particularly from a quality management perspective (Jack, et al, 2001). Devinney, Johnson & Yip (2004) note that few studies have examined successful strategy deployment, and that most research has focussed on strategic change induced by trauma such as a decline in performance or a loss of market share. No generally accepted or dominant framework for strategy implementation has emerged in the last fifteen years (Alexander, 1991; Wilson, 1994; Noble, 1999b; Okumus, 2003).

The literature review found a number of studies that identified determinants of successful implementation of quality initiatives (for example, the implementation of TQM) and of leading practices. Common determinants of successful implementation of quality improvement initiatives

include: a supportive organizational climate for implementation; the use of "soft" (behavioural) management practices, for example reward and recognition schemes linked to strategy deployment goals; learning from post - implementation audits; learning from external sources; and, the use of benchmarking teams and networks.

Although various forms of benchmarking have been used to help improve organizational performance (as measured against performance excellence criteria such as the CPE), no studies were found of benchmarking strategy deployment practices, in NZ or elsewhere. Multiple case study methodology has been used by researchers investigating strategy deployment (for example, Hacker et al, 2001; Noble, 1999b; Okumus, 2001), but there are relatively few case study examples of network benchmarking, particularly of diverse organizations (most benchmarking networks comprise of organizations from a single industry, or industries related through a value chain) (Kyro, 2003).

While there were no studies found that benchmarked deployment practices, there were studies of implementing leading practices in other functional areas of organizations. These identified cultural and organizational elements that were important, including: leadership championing the implementation effort; market constraints, and recognising that deploying leading practices is dependent on resolving people, process and technology issues.

The organizational context for the doctoral research was NZ public and private sector organizations that were undertaking CPE based improvement initiatives. The literature review found little case study research on deployment that sampled both private and public sector organizations in the same study. Of the empirical research found on the development of deployment frameworks (for example, Hacker & Akinyele, 1998; Noble, 1999b; Okumus, 2001) none used an iterative method that cycles between empirical work and theory development (after Eisenhardt, 1989; Voss, et al, 2002).

Recent strategic management models that have a holistic and dynamic view contain the following elements: communication, decision-making, control, signalling and learning (Simons, 2000); and strategic intention, the alignment of action with strategic intent, the organization's response to emergent environmental issues, the dynamics of the actions of individuals within the organization, and strategic learning (Moncrieff, 1999); operational planning; resource allocation; people; communication; and control and feedback (Okumus 2003). From these and other strategic management models a number of possible dimensions or constructs that affect strategy deployment are discernible, including: communication; people, alignment and the influence of organizational values; and learning (organizational and individual learning).

Many of the models of strategy deployment found in the literature have a linear process perspective and do not reflect the dynamic nature or complexity of implementing strategic initiatives, or the interactions of implementation with ongoing strategy development (emergent strategy) and strategic thinking. No strategy deployment frameworks were found that include a dynamic model of constructs (dimensions) for the implementation of strategic initiatives, and that populate the framework with leading deployment practices.

Potential benefits of the research

Because of the research gaps identified above, the doctoral research and proposed framework for strategy deployment have potential benefits for both researchers and practitioners in explaining how managers implement strategic initiatives, and how deployment practices may be improved. Constructs will be developed and empirically validated that incorporate the literature and doctoral research findings. The development and definition of the constructs has the potential to aggregate the research findings and many of the factors and concepts from the literature into a more coherent framework.

The framework could be used for the analysis of strategy implementation cases. New deployment cases could be compared and evaluated against the framework and the leading practices found in the research. Leading deployment practices found in the research could provide a resource ("toolbox") for managers responsible for implementing strategic initiatives. The framework could be used as a template to produce alternate versions of the toolbox for different types of strategic initiative, or for strategy deployment in particular industries or types of organization.

The research findings have potential as a tool for management education and organizational learning for better understanding and improvement of deployment practices. A framework that clarifies the implementation of strategic initiatives from a management perspective could be used as a guide to assist managers in developing an effective strategy deployment process. Management skills that need to be developed or in place for effective deployment can be identified. Because the findings will be relevant to both private sector and public sector organizations, both economic and social outcomes may be improved as new strategic initiatives are implemented more effectively and efficiently.

2.14 Summary and conclusions: Major themes of Chapter 2

- Strategy deployment is an integral part of the strategic management literature, but has been researched less intensely than the strategy development side of the strategy cycle. This is despite studies showing that effective strategy deployment is a major determinant of excellent organizational performance.

- The organizational behaviour and change management literature indicate a process approach to implementing strategic initiatives, including managing political issues, communication, and changes to organizational routines; and staff alignment with the strategic direction.

- The organizational context for the doctoral research was NZ public and private sector organizations that were undertaking CPE based improvement initiatives. Private sector organizations are autonomous in developing and implementing strategy. While most NZ public sector organizations have their strategic direction set by Government, public sector organizations are largely or completely autonomous in implementing strategy (the amount of autonomy varies with the legislation governing the different entities: SOEs, CROCs, and CEs).

- Although various forms of benchmarking have been used to help improve organizational performance (as measured against performance excellence criteria such as the CPE), no studies were found of benchmarking strategy deployment practices, in NZ or elsewhere.

- While there were no studies found of benchmarking deployment practices, there were studies of implementing leading practices in other functional areas of organizations. These identified cultural and organizational elements that were important, including: leadership championing the implementation effort; market constraints, and recognising that deploying leading practices is dependent on resolving people, process and technology issues.

- Many studies have identified determinants of successful implementation of quality initiatives (for example, the implementation of TQM) and of leading practices. Common determinants of successful implementation include:

    - A supportive organizational climate for implementation
    - Learning from post - implementation audits

- Learning from external sources
- Use of benchmarking teams and networks
- The use of "soft" (behavioural) management practices, for example reward and recognition schemes linked to strategy deployment goals.

- Recent strategic management models that have a holistic and dynamic view contain the following elements: communication, decision-making, control, signalling and learning (Simons, 2000); and strategic intention, the alignment of action with strategic intent, the organization's response to emergent environmental issues, the dynamics of the actions of individuals within the organization, and strategic learning (Moncrieff, 1999); operational planning; resource allocation; people; communication; and control and feedback (Okumus 2003).

- A number of possible dimensions or constructs that affect strategy deployment are discernible in the deployment literature, including: communication; alignment and the influence of organizational values; and learning (organizational and individual learning).

- Many models of strategy deployment found in the literature have a linear process perspective and do not reflect the dynamic nature of the implementation of strategic initiatives, or the interactions of implementation with ongoing strategy development (emergent strategy) and strategic thinking. No strategy deployment frameworks were found that include a dynamic model of constructs (dimensions) for the implementation of strategic initiatives, and that populate the framework with leading deployment practices.

Some excerpts and figures contained in this chapter have previously appeared in Saunders & Mann (2002), Organisational performance measurement and improvement: Recent developments and the New Zealand context. *Q-NewZ - Official Newsletter of the New Zealand Organisation for Quality*, (*9*), 5-11. This paper is reproduced in Appendix M.

Chapter 3

The research process

Contents

3.1 Introduction

The previous chapter surveyed prior research and identified research issues. This chapter presents the research purpose and objectives, discusses the research design and justifies and describes the methodology and methods adopted for the research. The research context influenced the decisions on choice of methodology, methods and research design that were used, and in this context the role played by the NZBC network is described. The use of mixed methodology is discussed, and how inductive and deductive approaches were linked to achieve the research purpose. The remainder of the chapter provides details of the case study and survey questionnaire methods; data collection and analysis techniques and how ethical issues were addressed. Appendices contain copies of the instruments used and instruments referred to.

3.2 Research purpose, objective and outcome

The purpose of the research was influenced primarily by the demand for a study of strategy deployment practices by New Zealand organizations that were undertaking performance improvement initiatives based on the Baldrige CPE model. The New Zealand Benchmarking Club (NZBC) was a network of organizations undertaking such CPE-based improvement. In 2001 the NZBC network initiated a benchmarking project to study strategy deployment practices, and the researcher had the opportunity to work with a group of representatives from NZBC member organizations to facilitate this study.[1] The NZBC-initiated study was complementary to the researcher's own doctoral research and was integrated into it. The NZBC benchmarking project objectives and the pre-established benchmarking method used by the NZBC are outlined in Section 3.6.5 of this chapter.

Within the background context of a literature search that found gaps in the strategy deployment and organizational performance improvement literature (see Chapter 2, Summary of major themes) and the opportunity to do empirical research work with NZBC organizations, the researcher identified the doctoral research purpose. The purpose was: "to develop a strategy deployment framework, by looking at specific performance improvement approaches to strategy deployment in a wide range of contexts and informed by different theories". The term "framework" here means a representation of ideas about strategy deployment. The definitions

[1] Throughout this chapter and the rest of the thesis the term "NZBC workgroup" refers to this group of representatives.

used of "performance improvement" and "strategy deployment" are given in Chapter 1, Section 1.4. The "wide range of contexts" refers to the differing nature (size, industry type, ownership) of the organizations sampled and the range of strategic initiatives examined in the research. The "different theories" include systems theory and systems thinking (in the quality management and performance excellence literature) and contingency theory (in management research).

With the research purpose defined, the main objective of the research was set:

- To find and verify constructs or dimensions of strategy deployment in organizations that were undertaking to improve their organizational performance using the CPE model.

To assist in achieving this objective, two further sub-objectives were set:

- To identify current strategy deployment practices in selected organizations (that were pursuing performance improvement initiatives)

- To identify leading practices in strategy deployment from a range of sources (literature, Quality Award winning organizations, case studies, benchmarking studies).

Taking account of the purpose of the research, the outcome of the research was set as: A framework for deploying strategic initiatives that is applicable to a wide range of organizations.

3.3 Philosophical perspective

With the purpose and objectives of the doctoral research determined, consideration was given to the philosophical perspective underlying the research design, prior to deciding on methodology and methods. Myers (1999) states that research should move from the underlying philosophical assumptions to research design and data collection. Easterby-Smith, Thorpe & Lowe (1997) suggest consideration for philosophical and theoretical issues assists the researcher to clarify the overall configuration of the research design.

A theoretical paradigm can be defined as the "basic belief system or worldview that guides the investigation" (Guba & Lincoln 1994, p105). Theoretical paradigms used in management research include positivism, realism, constructivism, and critical theory. Realism was the theoretical paradigm chosen and the rationale for selecting realism over other alternative inquiry paradigms is outlined here.

The positivist paradigm holds that reality is external and objective and can be apprehended, and that findings can be confirmed as true (or disconfirmed as not true) by other researchers repeating the same research (Easterby-Smith et al, 1997). A feature of the positivist paradigm is that the researcher should formulate a hypothesis and test it (Burrell & Morgan, 1979). Unlike most positivist research, the doctoral research did not set out to test a hypothesis, or assess how well an established theory fitted the findings of research into strategy deployment into New Zealand organizations. There was a possibility that at the conclusion of the research one or more hypotheses could be induced from the data. However, to achieve the research purpose it was not possible to apply the pure objectivity of positivist epistemology (where all findings are objectively true), as a degree of researcher interpretation of the data would be required, and much of the data were the recorded perceptions of participants.

Interpretive research is used extensively in organizational settings, for example in implementation studies of information systems (Myers, 1999). Constructivism proposes that "meaning is not discovered but constructed" (Crotty, 1998, p8). The constructivist and critical theory paradigms are similar in that they are concerned with the values which are beneath the findings (Christie et al, 2000). Constructivism uses inductive methods and requires the researcher to be a 'passionate participant' (Guba & Lincoln 1994, p114) during fieldwork. While the researcher was an active participant in part of the research (in facilitating the NZBC workgroup) this was more of a participant-observer role than a 'passionate participant' or action research role. The epistemology of the pure constructivist stance, in which all findings are created by the researcher, did not fit well with the research purpose, even though interpretation of the data by the researcher would be a part of the research design.

Some researchers maintain that positivist and interpretive research paradigms are not opposed and can be accommodated within one study (Lee, 1991). The paradigm chosen for the research was realism, which has elements of both positivism and constructivism (Christie et al, 2000; Healy & Perry, 2000; Perry et al, 1997). This paradigm is also known as postpositivism (Guba & Lincoln, 1994; 2000). According to Outhwaite (1983), if the purpose of a piece of research is to discover, identify, describe and analyze a complex social situation, then a realism methodology may be most appropriate.

Realism can be distinguished from the two other main qualitative research paradigms, constructivism and critical theory, by examining realism's ontology and epistemology. Ontology is the "reality" that researchers investigate, epistemology is the relationship between that reality and the researcher, and methodology is the technique used by the researcher to investigate that reality (Healy & Perry, 2000; Guba & Lincoln, 1994; 2000):

- Ontology of realism: Realism holds that there is a "real" world, although it is only imperfectly apprehensible (Godfrey & Hill, 1995; Guba & Lincoln, 1994; 2000).

- Epistemology of realism: Unlike positivism which is completely objectivist and findings are believed to be true, realism is termed "modified objectivist", and findings are believed to be probably true (Guba & Lincoln, 1994; Healy & Perry, 2000; Perry et al 1997). According to Healy & Perry (2000), in constructivism research a participant's perceptions are studied for their own sake, but in realism research, these perceptions are being studied because they provide insight into a reality that exists beyond those perceptions. For example, a case study could be used to understand an extrinsic reality that could be discerned through the perceptions of the interviewees (Stake, 1995).

- Common realism methodologies: Case studies, triangulation, in-depth interviews and focus groups methodologies that have an interview protocol with questions based on what the researcher wants to find out about a predetermined outside reality (Guba & Lincoln, 1994; Healy & Perry, 2000). The interpretation of research issues uses mainly qualitative methods but some quantitative methods may be used.

Park (1997) recommends realism for management research, quoting Archer (1988) that a realist approach addresses both phenomenological and positivist concerns about differences in objective versus subjective views of the social world, and provides a "methodological rapprochement" for research in management disciplines. The researcher decided that the research purpose of investigating 'specific performance improvement approaches to strategy deployment in a wide range of contexts' would be well examined from the realist theoretical perspective.

3.4 The research design

The research design - the way the research was organised, what evidence was gathered and where, and how the evidence was interpreted (Easterby-Smith et al 1997) - was determined by a series of choices based on the underlying philosophical assumptions and the sources and types of information required to answer the research question, taking account of time and cost constraints. Easterby-Smith et al (1997) and Cooper & Emory (1995) list the significant choices that need to be made when developing a research design. These are outlined here with the rationale for the decisions made.

Degree of researcher involvement (independent vs involved)

Consistent with the realist perspective taken, the degree of researcher involvement was a mix of independent and involved. One aspect of involvement was the researcher facilitation of a NZBC workgroup, which researched and disseminated leading practices for NZBC members. This could be conceived as a form of co-operative inquiry (Heron, 1988; 1996), in which all those involved in the group are co-researchers, whose thinking and judgment contribute to generating ideas and drawing ideas from the experience, and also co-subjects, participating in the activity being researched. In other aspects of the research, for example, in conducting the survey questionnaire, the researcher was independent.

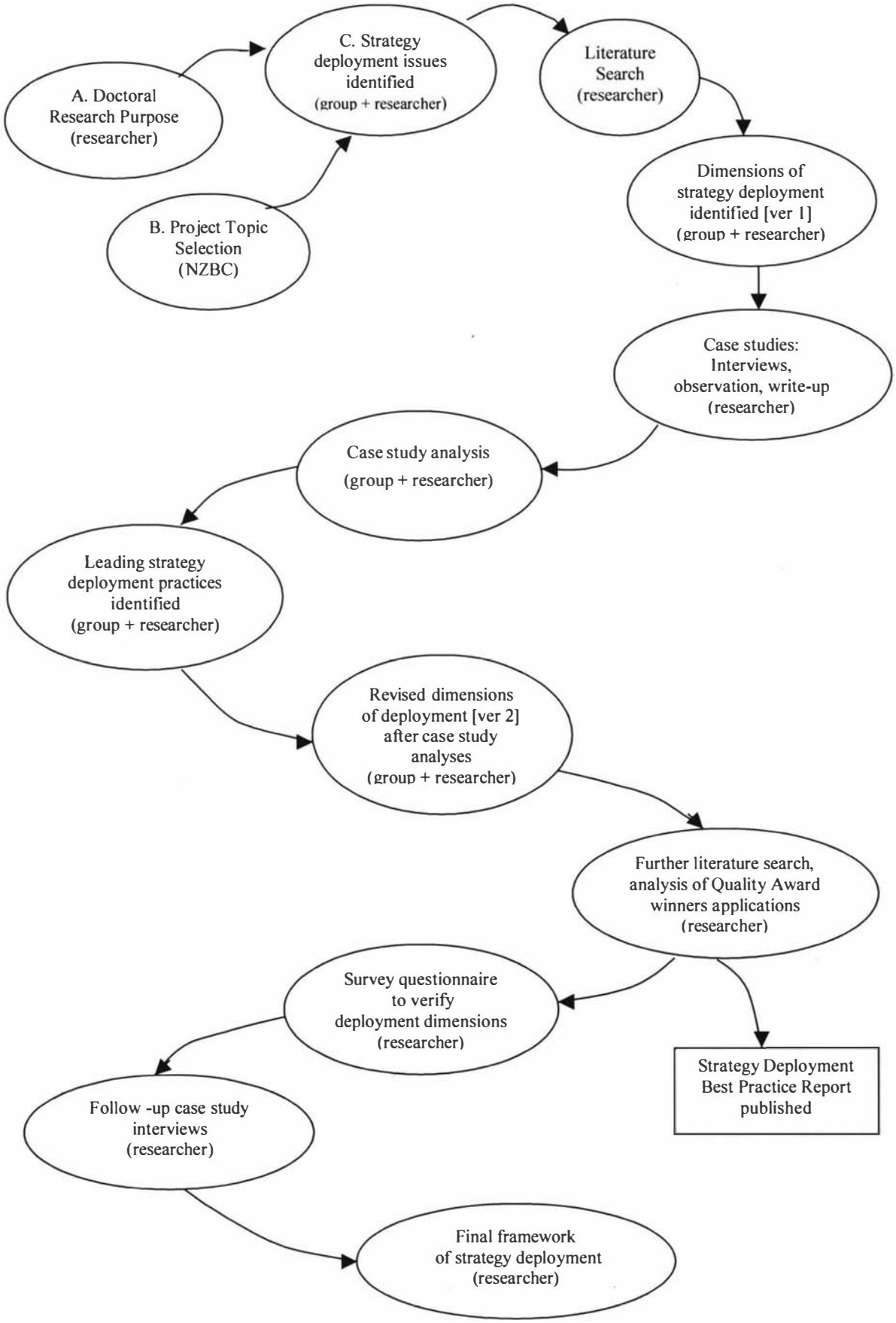
Exploratory or formal design

The empirical work had a two-stage design, with an exploratory stage and a formal stage. According to Cooper & Emory (1995) a two-stage design is appropriate when the scope of the research problem is not well known, but should be before effort and resources are committed. As noted in Section 3.2, the doctoral research included a NZBC-initiated benchmarking project. The first stage was exploratory, with the objectives of (1) clearly defining the NZBC research topic and (2) developing the doctoral research design to integrate the NZBC benchmarking project.

The NZBC research topic was determined with input from NZBC members using a structured selection process, following a NZBC meeting attended by thirteen member organizations that examined the CPE strategic planning category and identified eight potential topics in strategic planning. The selection process ensured that the ultimate research topic was considered by NZBC members to be of practical relevance (Saunders & Mann, 2002). The doctoral research purpose and research question were developed by the researcher independent from the NZBC project process. The diagram of the research process in Figure 3.1 shows the flow of the research. The exploratory phase is marked "B" and "C" in Figure 2.1.

The second stage of the design was a formal study structured to examine strategy deployment practices. This is represented in Figure 3.1 by the rest of the diagram that follows "C". During the second stage of the study an iterative process was used, with the emergent framework for strategy deployment compared systematically with evidence from case studies and the literature, to assess how well it fitted with the data (Eisenhardt, 1989; Voss et al, 2002). Figure 3.1 shows the role of the participants, and how the group research was interspersed with data collection and analysis by the researcher. The details of these methods are given in Section 3.7.

Figure 3.1 The research process, showing the research flow, the role of the participants, and outputs.



Data collection (observational or survey; large or small sample)

There was a mix of observational data and survey data collected. This was designed to allow a degree of methodological triangulation, with observational data collected from site visits, interviews and workgroup meetings compared with survey data collected with a questionnaire. Data triangulation was achieved by collecting data from different organizations. The sample size was small for the case studies, and larger for the survey questionnaire. The use of mixed of data collection methods in quality management research is well established (Dawson & Palmer, 1995; Mann & Kehoe, 1995; Voss et al, 2002), and improves the validity and reliability of qualitative case study findings (McCutcheon & Meredith, 1993). To provide the depth of detail required to investigate strategy deployment practices, case studies were chosen as the principal data collection method rather than a statistical survey. The choice of a case study approach in turn indicated a field (on-site) setting for data collection.

Testing theories or generating theories

Eisenhardt (1989) noted that most empirical management studies lead from theory to data (theory testing), and that the less common direction of conducting research is from data to theory (theory development). The purpose of the doctoral research was to take the less common direction, and generate a framework for strategy deployment from the data collected (Christensen & Raynor, 2003), as a first step toward developing a theory of strategy deployment in a performance improvement context. Generalising from data is an inductive process, also known as the generative approach, where an understanding of the phenomena being studied is progressively developed (Simon, Sohal, & Brown, 1996). At the conclusion of the research propositions or hypotheses may be induced from the data. This is the reverse of theory testing, which is a deductive process that begins with propositions or a hypothesis and sets out to verify these (Handfield & Melnyk, 1998).

3.5 Contribution to knowledge

The Massey University Doctoral Research Committee (DRC) states a requirement for doctoral research "to make an original contribution to the knowledge of the subject" (DRC, 2002, p5). The original contribution was to be achieved in three main ways and was partly descriptive and partly theoretical in nature. From the purpose and objectives of the research the contribution to knowledge was identified as:

1) developing constructs of strategy deployment by examining organizations that were undertaking to improve their organizational performance using the CPE model;

2) describing and evaluating of the strategy deployment practices of selected New Zealand organizations; and,

3) building a framework of strategy deployment that incorporated the above constructs of organizational strategy deployment.

An original contribution in management research can be achieved by "looking at a practical problem from two different theoretical perspectives" (Easterby-Smith et al, 1997, p9). The research proposed examining the strategy deployment of organizations from the perspective of two theories of organizations, systems theory and contingency theory. This opened the possibility of theoretical triangulation (Easterby-Smith et al, 1997; Denzin & Lincoln, 2000), where models of strategy deployment developed in one discipline, for example, strategic management, could explain data in another discipline, quality management.

Quality management and performance excellence models in the literature have an underlying basis in systems theory and reflect a process perspective. A system is defined as a coherent whole with an input upon which a transformation occurs and an output produced. Systems theories have a concern with 'organised wholes', with boundaries that separate them from their environment and internal divisions into sub-systems and elements (Holloway, 1999) and the system is altered if parts are added or taken away. Systems thinking deals with coherent wholes by studying interrelationships rather than linear cause-effect chains, and examining processes of change rather than snapshots (Senge, 1990). Examining strategy deployment from a performance improvement systems and process view is one theoretical perspective.

In contrast, most recent strategic management models reflect a construct perspective, with an underlying basis in contingency theory. Contingency theory holds that there are no universally valid rules of organization and management (Burrell & Morgan, 1979; Lawrence & Lorch, 1967). A contingency approach to researching strategy development and deployment has been recommended particularly when the organizational environment is uncertain or dynamic (Feurer & Chaharbargi, 1995). This allows the researcher to adjust continuously the research processes to accommodate new emerging issues.

Another potential contribution of the doctoral research was to theory development. Eisenhardt (1989) noted that most empirical studies lead from theory to data (theory testing), and that the less common direction of conducting research is from data to theory (theory development). While the strategy deployment framework is built from data, it is at least one step short of theory

formation. It is a step in theory building, it is based on empirical evidence and it models the deployment of strategy in organization undertaking performance improvement. The research purpose of developing a framework for strategy deployment can be viewed as a first step toward building a normative theory of strategy deployment (Bourgeois & Eisenhardt, 1988; Christensen & Raynor, 2003).

3.6 A conceptual scheme for the research

Having determined the research purpose, objectives and undertaken an initial literature search, a conceptual scheme was developed prior to data collection to aid research design and communication. Miles & Huberman (1994) suggest that a conceptual scheme can explain graphically the general constructs or categories to be studied, and the presumed relationships amongst them. The conceptual scheme or model was adapted from Toulmin's (1958) model of the 'components of argumentation' and attempts to make clear the relationship of the proposed strategy deployment framework to data, context and theory. Figure 3.2 shows the data are collected empirically and from the literature. Also shown is the role in the research process of existing theories of organization (for example, systems thinking, contingency theory, organizational behaviour theories), to be used to explain the relationship of the data to the final framework of strategy deployment. The 'qualifier' is that the conceptual scheme only applies to organizations that are undertaking performance improvement initiatives using a performance model such as the CPE, where performance can be measured against the CPE criteria.

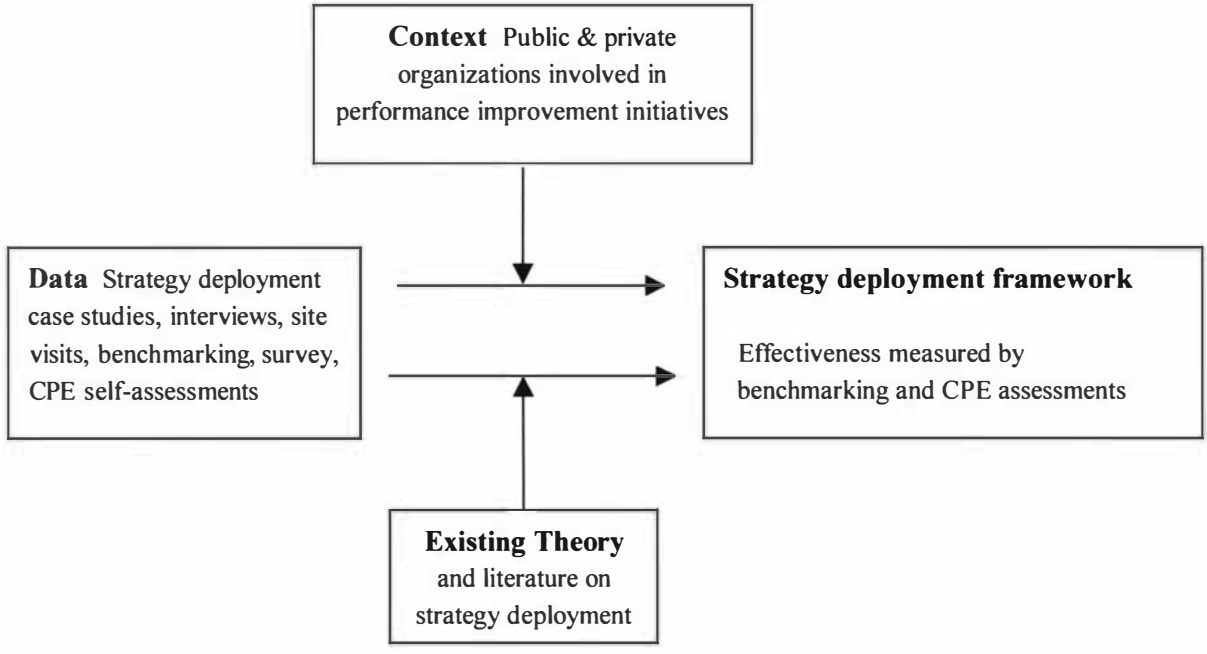


Figure 3.2 Conceptual scheme for the research [adapted from Toulmin (1958)].

The research question was developed in parallel with the conceptual scheme (Miles & Huberman, 1994; Holloway, 1999; Voss et al, 2002). According to Voss et al (2002) the research question commonly evolves over time during case-based research. To enhance flexibility and to be open to emergent questions during the course of the research a general research question was posed:

- How do managers deploy strategic initiatives in a performance excellence environment?

"Performance excellence environment" here means organizations undertaking organizational performance improvement based on the Baldrige CPE model, where there is a commitment by management to a continuous improvement philosophy in all organizational functions, and regular organizational self-assessment against the CPE to monitor progress.

3.7 Research methodology

The remainder of the chapter describes the methodology and methods used in the research. In Section 3.4 it was noted that the research used a degree of methodological triangulation, with observational data collected from case studies, interviews and group work, and compared with survey data. The data collected in the research was primarily qualitative and was collected through a variety of methods. Using more than one method to collect data can enhance understanding of phenomena by generating deeper and broader insights and enables confirmation and verification of data (Miles & Huberman, 1994; Patton, 1990; Yin, 2003). In qualitative research, triangulation with multiple means of data collection is used to strengthen validity (Voss et al, 2002). As well as increasing the accuracy of judgements and results, data and methodological triangulation can reduce researcher bias in interpretive studies (McIlroy, 1998).

3.7.1 Multiple case study method

A multiple case study methodology was used to investigate the strategy deployment practices of seven NZ organizations. According to Eisenhardt (1989) case studies are a research methodology that focuses on understanding the dynamics present in a management situation. The case study method focuses on a phenomenon within its context by obtaining data from a many sources in order to comprehensively investigate and analyze the phenomenon in-depth (Yin, 2003). The multiple case study method is recommended for use when the phenomenon being studied is embedded in the context and when the researcher has little control over events (Bourgeois & Eisenhardt 1988; Miles and Huberman, 1994; Yin, 1994). According to Voss et al (2002), case

research provides an excellent means of studying emergent practices, and these were a focus of the study.

Case studies and interviewing are methodologies associated with realism (Christie, Rowe, Perry & Chamard, 2000). The realist research methodology of qualitative case studies is process orientated and does not deal with cause and effect relations, but with underlying causal tendencies (Bhaskar 1997; Tsoukas 1989).

In addition to identifying leading deployment practices, the objective of the case studies was to find evidence that confirmed (or disconfirmed) the emerging deployment framework, and to use the data to extend the strategy deployment models of, for example, Collins & Huge (1993), Hacker & Akinyele (1998), and Okumus (2001). The multiple case study methodology enabled framework development through an in-depth investigation of practices and the surrounding context (Eisenhardt, 1989; Voss et al, 2002; Yin, 1994; 2003).

3.7.2 Case study design

Case selection

The decision on the number of cases and the type of organization selected was made on conceptual grounds, taking account of the research purpose, research question and the conceptual scheme. This set the boundaries for case selection. Unlike quantitative research studies which "depend on larger samples selected randomly" (Patton, 1990, p. 169), qualitative research typically uses a small sample representing the group of interest. In the doctoral research the selection of seven case study participants from the group of interest (organizations undertaking CPE based organizational improvement) was determined using theoretical sampling.

Glaser & Strauss (1967) distinguished 'theoretical sampling' (which generates theory from data) from statistical sampling (which tests pre-determined theory against data). Eisenhardt (1989) argued that the choice of case studies in theory building research (as opposed to hypothesis-testing research) relies on theoretical sampling (cases are chosen for theoretical not statistical reasons). Theoretical sampling has been defined as the systematic non-random sampling of participants possessing specific characteristics selected to aid the development of theory (Glaser & Strauss, 1967). In theoretical sampling new research sites or cases are chosen to compare with those already studied. The goal of theoretical sampling is to select a sample that will aid the development of concepts and deepen the understanding of the research topic, not to sample to capture all possible variations (Ragin, 1994). An example of theoretical sampling used in a

multiple case study is given by Åhlström et al (1998), who researched the impact of benchmarking interventions.

In theoretical sampling the focus is on theoretically useful samples, 'those that replicate or extend theory by filling conceptual categories' (Eisenhardt, 1989, p533). For the doctoral research the conceptual category was the use of the CPE model by the participating organizations.

As well as cases being chosen to fill theoretical categories, they may be chosen to provide examples of polar types (Miles & Huberman, 1994). Pettigrew (1990) noted that given the limited number of cases that can be studied, it makes sense to choose cases such as extreme situations or polar types in which the process of interest is transparently observable. By choosing diverse organizations for the case studies, the framework that is developed is then applicable to a broad range of organizations (Eisenhardt, 1989; Voss et al, 2002).

The selection of cases was influenced by the fit with the sampling plan and also by the gaining of the organizations consent to participate. Potential case organizations were identified via the NZBC network. These organizations were contacted (typically via the Chief Executive) by the researcher and invited to participate. If there was a positive response an information sheet about the research was provided, and a consent form to be completed and returned to the researcher (see Appendix A for copies of these documents). The seven case organizations were selected based on their fit with the sampling plan so that at least two organizations were represented in each category to allow data replication.

The seven case organizations were from throughout New Zealand. Organizations are classified by business type as defined by the New Zealand Standard Industry Classification, and by ownership type. They are identified in this thesis by letter. The seven organizations were:

- Organization A: Central Government: State Owned Enterprise
- Organization B: Registered Limited Liability Company: Public Stock
- Organization C: Central Government: Crown Entity
- Organization D: Registered Limited Liability Company: Cooperative Owned Enterprise
- Organization E: Central Government: Crown Entity
- Organization F: Registered Limited Liability Company: Crown Owned
- Organization G: Registered Limited Liability Company: Owner Managed

The researcher relied on contacts in the NZBC network to identify relevant individuals and groups to interview. The selection included people from the following groups:

- Chief Executive Officer
- Executive, senior or middle managers
- Business excellence champions
- Strategic initiative implementation leaders

The seven case study organizations chosen for the study filled theoretical categories and provided examples of polar types. Three organizational dimensions represented by polar types are shown in Table 3.1: size (small/large); ownership (public/private); and industry type (service/product). The two smallest organizations had between 49 and 99 employees, the largest over 20,000. Multiple cases within each category allowed for the findings to be replicated within categories, which would strengthen the external validity of the findings (replication logic). If similar results are replicated across categories, then the validity of the findings are further strengthened (Yin, 1994; 2003).

Table 3.1. The seven case study organizations classified by size, ownership and industry type.

Size:	**Small**	**Medium**	**Large**
Number of organizations (N=7)	2	3	2
Ownership:	**Public agency**	**Public Sector company**	**Private Sector company**
Number of organizations (N=7)	2	2	3
Industry:	**Service**	**Service & Product**	**Product**
Number of organizations (N=7)	3	1	3

The unit of analysis for the case studies was a strategic initiative that the organization had recently deployed, or was in the process of deploying. The population was organizations that were undertaking CPE based performance improvement.

Instrumentation

Reliability and validity of case research data are enhanced by a well-designed research protocol (Voss et al, 2002; Yin, 2003). A case study template (protocol) was developed to guide data collection and analysis (see Appendix I). This supported consistency in data collection and

enhanced the replication logic across the multiple case studies (Voss et al, 2002; Yin, 1994; 2003). The case study protocol was piloted with NZBC workgroup members before the case study interviews were conducted.

Case study data collection

Site visits, documents supplied by the organizations, and interviews were used to collect case study data. Semi-structured interviews were conducted with senior and middle managers who were involved in deploying strategic initiatives. In semi-structured interviewing, while the questions are planned, the interviewer probes for clarification and deeper understanding (Holstein & Gubrium, 1995; Miles & Huberman, 1994). Both individual and group interviews were conducted. The case study template containing forty statements and questions was used as the basis for an interview schedule. The interviews were transcribed and returned to each participant for comment and editing. Offering the interviewee the opportunity to comment on the transcripts and case study write-ups is an important way of validating data and gaining new insights (Easterby-Smith et al, 1997; Voss et al, 2002). The detailed case study narratives for each site were also returned to the participants for comment and valuable feedback was obtained.

Case study analysis

The completed case studies were analysed at workgroup meetings (see Section 3.6.3) and separately by the researcher. The different types of data source - observational data from site visits, interviews, group work - were exploited for the insights available from the different types of data collection by looking at the data in divergent ways (Eisenhardt, 1989). Senior managers from five of the case study organizations participated in the workgroup and this provided an additional dimension to the analysis, as they were able to clarify and comment on issues in the written case studies of their own organizations. Practices from each case study were tabulated and after group discussion and comparison with best practices from the literature, were scored by the group on a scale of 1 to 5 (see Appendix H for the instrument used by the workgroup for this purpose). Practices with scores over 4 were selected as leading practice examples.

Cross-case analysis consisted of looking for commonalties and patterns in the cases. The leading practice examples were sorted into separate dimensions (constructs) of strategy deployment. Each construct was examined for within-group similarities and differences. The emergent constructs were reviewed against the existing literature during the cross case analysis. Literature discussing similar findings helps tie together underlying similarities, and effective enfolding of literature increases both the quality and the validity of the findings (Eisenhardt, 1989; Voss et al, 2002). For these reasons each construct presented in Chapter 6 is followed by a section that

reviews the enfolding literature. Cross-case analysis also looked for linkages between the constructs.

3.7.3 Group research

Group research consists of small groups of people lead by a facilitator. It is a qualitative research method in which groups discuss topics that are important for the research topic (Stewart & Shamdasani 1990). A feature of the research design was the integration of the NZBC benchmarking project into the doctoral research. As noted in Section 3.4, the NZBC network had an input in the exploratory phase of the research, and this was achieved by an initial NZBC group session where possible benchmarking project topics were discussed, using a structured group process.

The first session was 2 hours in duration and the participants were from 9 NZBC network organizations. For the session three facilitated teams of five participants discussed and shared best practices and opportunities for improvement in strategic planning. The teams were selected so that each team member represented a different organization and the group members were not well acquainted with each other. People who are well acquainted with each other may be reluctant to express their views freely, and their relationship may distract other participants from the subject at hand (Krueger, 1988).

The purpose of this initial group work was to get input from knowledgeable people on leading practices and potential benchmarking project topics in strategic planning. The participants were managers or chief executives who were engaged in their organizations' strategic planning and thus were a fairly homogenous group. According to Krueger (1988) the more participants have in common, the more likely they are to express themselves freely, stay focused on the topic and talk in greater depth.

The group engaged in a form of network benchmarking, in which a network of organizations compare and share leading practices, and the group participants learn with others, in addition to learning from others (see Section 3.6.5 for a description of the role of network benchmarking in the research process). Five potential benchmarking project topics were produced from this initial group work. The final project topic was subsequently selected from these five by an email ballot. Thirteen NZBC members ranked each potential project in order of priority (COER, 2001). This initial NZBC group work is marked "B" in Figure 3.1.

Later group work was performed by another group (the 'workgroup') that consisted of representatives from eight NZBC organizations, and who had been selected to represent their organization in the group to work on the selected benchmarking topic. The function of this group and the research method used is detailed next.

The role and function of the workgroup

The workgroup participants were managers who were responsible for implementing strategic initiatives, and each represented one NZBC organization. They participated in this part of study as partners with the researcher. The involvement of the group in the doctoral research is shown in Figure 3.1 from the point marked "C" forward. The researcher acted as the group facilitator.

Krueger (1988) defined a focus group as "a carefully planned discussion designed to obtain perceptions on a defined area of interest in a permissive, non-threatening environment". According to Cooper & Emory (1995) the qualitative data that focus groups produce can be used to enrich the research questions and objectives. The researcher decided that for the first session the group would operate as a focus group because it was an effective and efficient way to gather data on strategy deployment issues and practices affecting the participants.

Prior to the first session the participants were not well acquainted with each other, were reasonably homogenous with respect to their position and role in their organization, and therefore met the selection criteria to participate in a focus group. The selection of participants for focus groups is not random and is not meant to be statistically representative. Group members were encouraged to share their views, to clarify each other's viewpoints, and provide detailed information and answers to a set of questions about the topic (Greenbaum 1987; Krueger 1994; Morgan, 1997). The facilitator's role was to ensure all participants were able to 'speak their minds and to respond to the ideas of others' (Walker, 1985, p. 5).

The first group session identified common strategy deployment issues among members. Operating definitions and procedures were established (see Section 1.4). Terms of reference and project objectives were agreed (see Appendix G). This ended the exploratory stage of the study. Subsequently three further workgroup meetings were conducted at various locations around New Zealand. Each was five to six hours in duration. On average there were seven participants per group. The group analyzed the data collected, and generated and refined the emerging framework for strategy deployment. All meetings were minuted and the minutes and research findings circulated to members. Action plans were agreed and tasks were allocated to team members to complete between meetings. Over the complete research period, participants were involved in:

- undertaking group work with managers from other participating organizations;
- site visits to organizations for interviews with senior managers responsible for strategic management and deployment;
- group discussion and individual comment on deployment practices, and input into the report on strategy deployment best practices; and,
- commenting on the case study write-ups.

Following the exploratory stage of the research, the second stage was a formal study structured to examine strategy deployment practices. During the second phase of the study an iterative process was used, with the emergent framework for deployment compared systematically with evidence from case studies and the literature, to assess how well it fitted with the data (Eisenhardt, 1989). The iterative process allowed learning gained to be used for further improvement to processes, in an experiential learning cycle (Kolb, 1984).

The empirical data for the second stage were collected from case studies of seven NZBC member organizations as detailed in Section 3.6.2. A literature review was used to identify theories, concepts, and leading practices in strategy deployment. Key dimensions or constructs of deployment were determined through group discussion of the literature findings, elements of the CPE framework, and the experiences of group members in deploying strategic initiatives.

The constructs were corroborated in a further literature search of the functional management areas that had been identified as important in strategy deployment. Secondary sources were also used to identify leading practices in deploying strategic initiatives. A survey (Knuckey et al, 2002) provided data on current New Zealand business practices in strategic planning. The Quality Award applications of eight Australian CPE award-winning organizations were also evaluated to identify leading practices in strategy deployment (AQC, 1999; 2001).

3.7.4 Survey method

The survey was used to strengthen the validity of the constructs of strategy deployment that had been identified after the completion of the case study analysis. This was achieved by sampling a wider number of organizations with a questionnaire. This allowed data to be collected from a wider sample of respondents. The questionnaire examined strategy deployment activities, and sought information on the deployment of strategic initiatives. The questionnaire was pilot tested on NZBC workgroup members prior to use and was updated following the pilot studies.

Appendix B contains the survey information sheet and cover letter, and Appendix C the survey questionnaire.

Questionnaire design

The survey was conducted in September 2003. The sample was all 288 organizations that were members of the New Zealand Business Excellence Foundation (NZBEF). The NZBEF members use the CPE framework as a performance improvement tool.

The main segment of the questionnaire had one question with 30 statements about activities drawn from the constructs of deployment identified from the case studies. Another five questions covered the following areas:

- Human Resource planning and support for strategic initiatives (1 question)
- The metrics used to measure future performance (1 question)
- The management and governance of strategy deployment (3 questions).

3.7.5 Reliability, validity and bias

Researchers are concerned with the quality of their research, particularly research quality as it is perceived by their peers. The outside scrutiny of peer review and the criteria used to ascertain the quality and appropriateness of the methodology and techniques used in the research are important to the research findings being accepted and believed (Easterby-Smith et al, 1995). The criteria for research quality in positivist research are typically expressed in terms of validity and reliability, but these terms have also been adopted and adapted for other research paradigms. Validity and reliability are not fixed concepts, but rather contingent constructs, grounded in particular research paradigms and methodologies (Denzin & Lincoln, 1998).

A number of authors have outlined methodological strategies for enhancing reliability and validity in qualitative research (for example, Miles & Huberman, 1994; Silverman, 2001; Taylor & Bogdan, 1998; Voss et al, 2002; Yin, 1994; 2003). This section summarises how the researcher addressed the issues of reliability and validity, and researcher and respondent bias.

Validity and reliability were originally defined for quantitative research in the positivist tradition, and positivist researchers consider reliability, internal validity, external validity and construct validity as defined in the positivist paradigm to be essential criteria for research quality (Neuman, 1997). Yin (1994) defined these concepts for use in case research, and Miles &

Huberman (1994) defined them for qualitative research. Healy & Perry (2000) redefined these concepts within their rendition of the realism paradigm, the paradigm enfolding the doctoral research.

In the realism paradigm of Healy & Perry (2000), the quality criteria of contingent validity, methodological trustworthiness, and analytic generalization correspond to internal validity, reliability and external validity respectively in the positivist paradigm. Table 3.2 summarises the quality criteria for case study research within Healy & Perry's (2000) realism paradigm and compares them with the criteria used by Yin (1994) for case research and Miles & Huberman (1994) for qualitative research.

Table 3.2 Quality criteria for case study research within the realism and other paradigms

	Brief description of criteria for realism	Case study techniques within realism	Criteria for case research	Criteria for qualitative research
Main authors	Healy & Perry (2000)	Healy & Perry (2000)	Yin (1994)	Miles & Huberman (1994)
Methodological trustworthiness	Trustworthy – the research can be audited	Case study database, use in the report of relevant quotations and tables that summarise data, and descriptions of procedures such as case selection	Reliability – can a study can be repeated with the same results, that is, consistency	Reliability / dependability
Contingent validity	Open "fuzzy boundary" systems involving generative mechanisms rather than direct cause-and-effect	Theoretical and literal replication, in-depth questions, emphasis on "why" issues, description of the context of the cases	Internal validity. How well causal relationships are established	Internal validity / authenticity
Analytic generalisation	Analytic generalisation (that is, theory building) rather than statistical generalization (that is, theory-testing)	Identify research issues before data collection, to formulate an interview protocol that will provide data for confirming or disconfirming theory	External validity by specifying theoretical relationships, from which generalizations can be made	External validity / transferability / fittingness
Construct validity	How well information about the constructs is measured	Use of prior theory, case study data, triangulation	Construct validity	Utilization / application / action orientation

Source: Adapted from Healy & Perry (2000)

Methodological trustworthiness and reliability

Reliability is a gauge of how accurately a research method produces data (Silverman, 2001). In the positivist paradigm it is the extent to which a study can be repeated with the same results, that is, consistency (Cooper & Emory, 1995; Yin, 2003). Methodological trustworthiness refers to the extent to which the research can be audited, for example, by developing a case study database and the use of quotations in the narrative (Healy & Perry, 2000). The following procedures were used to enhance reliability and methodological trustworthiness:

- The researcher was the sole interviewer, and was well trained and supervised, so consistency in the conduct of interviews was attained.

- Interviewees were quoted *verbatim* in the text.

- The reliability of the interpretation of the case study transcripts and narratives was enhanced by having each member of the workgroup independently interpret the text before workgroup meetings. At the meetings the workgroup members compared their interpretations and there was a high degree of agreement on the evaluation of each deployment practice.

- A data recording worksheet was designed to guide analysis of the deployment practices identified from the transcribed interviews and case study narratives (see Appendix H). This addressed reliability issues regarding consistency of methods for recording data.

- The recorded deployment practices, examples of their use, and quotations from interviewees formed a database that was analysed and tabulated.

- Reliability of data was increased by using multiple sources of data on the same phenomenon (Voss et al, 2002), as detailed in Section 3.7.

Validity

In qualitative research, validity has a number of dimensions. Validity requires that the methods used to collect data are appropriate to the research question (Mason, 1996). Validity also centres on the reasons given by the researcher for claims of the truth of descriptions, inferences, interpretations, generalizations and other claims made from the data (Silverman, 2001). The way issues of validity were addressed in the research is now discussed, using Healy & Perry's (2000) criteria as outlined in Table 3.2.

Contingent validity and internal validity

Rather than transfer positivism's criterion of internal validity to realism research, Healy & Perry (2000) argue that the contingent context of realism needs to be emphasised. The premise is that causal effects in social phenomena are not fixed but are contingent upon their environment. In positivism research, internal validity is achieved by establishing a causal relationship - the extent to which changes in a dependent variable can be attributed to controlled variation in an independent variable (Lincoln & Guba, 1985). Rather than direct cause and effect, realism research discovers, describes and attempts to explain broad, generative mechanisms that operate in the social world of "open fuzzy boundary systems" (Bhaskar 1979; Healy & Perry, 2000; Perry et al, 1999). The following were used to enhance contingent validity:

- Literal replication by using the multiple case study methodology (see Section 3.7.1).
- Semi-structured interviews that allowed in-depth answers to the researcher's questions.
- A description of the context of the cases.

Analytic generalisation and external validity

Analytic generalisation is a term attributed to Yin (1994), and refers to theory building. Realism research is concerned primarily with theory-building, rather than the statistical testing of the generalisabilty (external validity) of a theory to a population, which is the primary concern of positivism (Healy & Perry, 2000). Theory building that is grounded on data requires a large and rich amount of primary data (McCutcheon & Meredith, 1993), and in-depth case studies are a principal source of this (Eisenhardt, 1989; Handfield & Melnyk, 1998; Voss et al, 2002).

According to Voss et al (2002) case research has a high validity with practitioners. Multiple cases augment external validity (the extent to which a study's findings can be generalised beyond the immediate case) (Voss et al, 2002; Yin, 2003). In the research design, a rationale for choosing a multiple case method was to increase the research's external validity through replication logic. Both within case and cross-case analyses were conducted. Multiple cases within each category allowed for the findings to be replicated within categories, which strengthened the external validity of the findings (replication logic). Similar results were replicated across categories, and the validity of the findings was further strengthened (Yin, 1994; 2003).

A case study template (protocol) and a well defined unit of analysis was used for the cases. This supported consistency in data collection and enhanced the replication logic across the multiple case studies (Voss et al, 2002; Yin, 1994; 2003). In turn this enhanced analytic generalisation (Healy & Perry, 2000). Research issues were identified before case study data collection, with the collaboration of the NZBC workgroup. The case study protocol was piloted with NZBC workgroup members before the case study interviews were conducted (see Appendix I for the case study template).

Construct validity and interpretation of data

In the realism paradigm of Healy & Perry (2000) construct validity is similar to the construct validity of positivism research and refers to how well information about the constructs in the theory being built are measured in the research. Realism relies on multiple perceptions about a phenomenon. This can be achieved through triangulation of several data sources, and peer researcher's interpretations of those triangulations (Healy & Perry, 2000). In qualitative research, triangulation with multiple means of data collection is used to strengthen validity (Voss et al, 2002). Data were collected from multiple sources: case study interviews, documents, group work and a questionnaire.

All interpretation of qualitative data is subjective, and therefore researchers need to show that their interpretation is the product of conscious analysis (Scandura & Williams, 2000; Silverman, 2001). The literature review provided the context to interpret the data. Literature discussing similar findings helps tie together underlying similarities and effective enfolding of literature increases both the quality and the validity of the findings (Voss et al, 2002). The initial literature review of strategy deployment (Chapter 2) was followed by a further literature review after the constructs had been developed (Chapter 6). The second literature review corroborated the evidence found for the constructs in the case study analyses, and so enhanced construct validity (Voss et al, 2002).

Offering the interviewee the opportunity to comment on the interview transcripts and case study write-ups is an important way of validating data (Easterby-Smith et al, 1997; Voss et al, 2002). Validity is increased because the participants can verify or disapprove of the interpretation. The detailed case study narratives for each site were returned to the participants for comment and valuable feedback was obtained.

Bias

All research, whether qualitative or quantitative is subject to error or bias (Silverman, 2001). Error and bias compromise validity. The following were used to reduce researcher and respondent error and bias:

- Multiple cases studies were conducted - multiple cases help guard against observer bias (Voss et al, 2002).

- Data and methodological triangulation - these reduce researcher bias in interpretive studies by increasing the accuracy of judgements (McIlroy, 1998). Both forms of triangulation were used, as detailed in Section 3.4.

- Content validity is the extent to which an instrument provides adequate coverage of the topic under study (Cooper & Emory, 1995). Determining content validity is subjective. For the case study interview questions, the NZBC workgroup members acted as an expert panel to independently judge that the content and scope of the questions were appropriate, and that the questions were unbiased. NZBC workgroup members also performed the same function for the survey questions. Both the case study protocol and the questionnaire were piloted with NZBC workgroup members. This provided a check on possible biased wording in the researcher's formulation of the questions. Several wording changes were made following the feedback.

- For the questionnaire, order bias was not an issue as no multiple-choice questions were used. Rating scales were used for question 1 of the questionnaire, and leniency errors and bias (the halo effect) by respondents can be problems (Cooper & Emory, 1995).

- Leniency errors (introduced when a respondent may be an "easy rater" or "hard rater" in a questionnaire) were minimized by designing the scales for question 1 about a central term on a five point likert-type scale that was either "neutral", "about half" or "average". The expectation was that the mean ratings would be near the central term, with a symmetrical distribution about that point (Cooper & Emory, 1995).

- The halo effect (systematic bias where the rater carries over a generalized impression of the subject from one rating to the next) was counteracted by rating one topic at a time in Questions 2-6 in the questionnaire.

3.7.6 NZBC benchmarking methods

A number of generations of benchmarking have been identified in the literature (Camp, 1995; Kyro, 2003; Watson, 1993). The use of benchmarking by the NZBC workgroup reflected the evolving concept of benchmarking (Ahmed & Rafiq, 1998; Bhutta & Huq, 1999) and the group functioned on three benchmarking levels. The first was process benchmarking, also called best practice benchmarking (Camp, 1992). The emphasis in process benchmarking is on how processes operate and how to transfer proven good to better practices based on the idea that learning can be made from organizations outside the industry or sector of the benchmarking party (Camp, 1992, 1995; Codling, 1992, 1998).

A process benchmarking approach was used by a number of NZBC workgroups to identify and share leading practices within a particular Baldrige CPE category. The benchmarking topic for each CPE category workgroup was chosen using a structured selection process, following a regular core group meeting involving representatives of all NZBC members. Each core group meeting examined one of the six Baldrige CPE enabling categories. NZBC members volunteered to form a workgroup to address the selected topic area and the workgroup set its own terms of reference, operating procedures and project methodology. The benchmarking code of conduct used by the NZBC is shown in Appendix D.

The CPE category for NZBC project and the doctoral research was Category 2, strategic planning. The project involved an analysis of workgroup members' processes and performance, a literature review of international leading practices, and case studies or surveys to identify best practices and best practice organizations. The workgroup's findings were published as a best practice report, so individual member organizations could review the findings of the workgroup and adapt and adopt the practices for their own use (Saunders & Mann, 2002; Saunders, 2003).

The process benchmarking method used was adapted from the 12 step process of Codling (1992). Codling's method has been divided into three areas in Table 3.3, to highlight the role of the group ('workgroup', second column) in the process.

Table 3.3. The NZBC's benchmarking process. *Source: Adapted from Codling, (1992).*

Project Selection	Benchmarking	Application
The NZBC Members	**The Workgroup**	**The Members then**
1. Select a subject area at a core group meeting	2. Defines the process 3. Profiles potential partners 4. Identifies data sources 5. Collects data 6. Establishes best practice and performance gaps	7. Establish process differences 8. Target future performance 9. Communicate information 10. Set and adjust the goal 11. Implement changes 12. Review process and set future goals

Two other forms of benchmarking were used by the NZBC: competence and networking. According to Kyro (2003) competence benchmarking recognises that the foundation of organizational change processes lies in the change of actions and behaviours of individuals and teams. It brings into benchmarking the organizational behaviour approach to organizational studies.

The NZBC network organizations viewed the benchmarking project as a developmental tool for the participants, who were managers in their enterprises. This was the competence benchmarking aspect of the group's work - sharing and learning about the organizational change processes that support strategy deployment. In support of this developmental focus, two expert speakers in strategic management were engaged to address group sessions: Dr James Lockhart, Massey University and Professor Colin Campbell-Hunt, Professor of Management at Otago University and co-leader of the CANZ research group (Competitive Advantage New Zealand).

Network benchmarking was the third method used, in which a network of organizations is benchmarked instead of one target organization. According to Kyro (2003) network benchmarking is exemplified by learning *with* others, in addition to learning *from* others. An example is Prado's (2000) account of Spanish businesses networking for sharing experience in quality improvement.

Saunders & Mann (2002) describe the NZBC network benchmarking experience. Instances of benchmarking networks, and of the role played by benchmarking networks in actively facilitating the benchmarking and networking process, both within and across sectors can be found in a variety of articles, including: Bowerman et al (2002 - health services); Davis (1998 - local authorities); Dale et al (1995 – sports club); Favret (2000 - libraries); Jackson (2001 –

universities); Mann et al (1999 - food industry); Ogden & Wilson (2001 - leisure management); and Prado (2000 – various manufacturing).

Kyro (2003) found the advantages of networking over other benchmarking approaches were that learning was faster, and the sharing can lead to new practices being invented, rather than simply benchmarking "old" and outdated practices, a criticism leveled particularly at benchmarking public sector practices (Davis, 1998; Holloway et al, 1999; 2000). The doctoral study was an example of network benchmarking, with eight of the fifteen member organizations of the NZBC network represented in the workgroup.

3.7.6 NZBC self-assessment

The 'qualifier' in the conceptual scheme for the research (see Figure 3.2) required that the organizations studied were undertaking performance improvement initiatives using a performance model such as the CPE, where performance was measured against the CPE criteria. New Zealand Benchmarking Club (NZBC) members undertook regular self-assessment against the CPE to track performance improvement (Saunders & Mann, 2002).

The self-assessment process is one method of promoting continuous improvement, and is used to identify the areas where an organization may most benefit from adopting a best practice approach (Van der Wiele et al., 1996; Ford & Evans, 2001). The effectiveness of self-assessment against business excellence models in improving performance has been well debated, and a number of self-assessment tools and approaches for both the CPE and the European Foundation for Quality Management (EFQM) models have been evaluated in the literature (EQFM, 1999; Jonas, Kikuo, & Tadashi, 2002; Jarrar, 2001; Lee & Quazi, 2001; Reames, 1988).

In a study of European and Australian companies, Van der Wiele & Brown (1999) found very positive perception about the effects of self-assessment on business results. Leggitt & Anderson (2001) reported the outcomes from improvement initiatives developed from a Baldrige CPE self assessment at a US Hospital. These included market share improvement, listing as a Top 100 hospital, and a successful complaint management program. In a study of nine large organizations, Samuelsson & Nilsson (2002) noted there was no universal method for self-assessment, and that successful approaches fit the organization, are used continuously, and foster participation. The self-assessment process used by the NZBC was developed using both the academic literature and practitioner experience, and was management driven. In a study of self-assessment practices in Europe and Australia, Van der Wiele & Brown (1999) identified a number of approaches to self-assessment, and found that a management driven approach tended to work best.

The question of the accuracy and validity of self-assessment scores, which could be subjectively biased, has been raised. This issue has been addressed in a study by Lee & Quazi (2001) that confirmed the accuracy and validity of a well-constructed self-assessment. They tested the scores from a self-assessment questionnaire against the scores of the same organizations in their Quality Award applications. The results showed significant correlation between the assessment score bands and the actual score bands received in their Quality Award application (Lee & Quazi, 2001).

Table 3.3 shows NZBC scores for the seven members that participated in all three annual self-assessments, 2000-2002, with New Zealand benchmarks for comparison. Drawing on the experience of the New Zealand Business Excellence Foundation, who conduct CPE-based assessments throughout NZ, the estimated average score of a NZ organization is around 150 points. A NZ National Award winner deemed to be world class would score greater than 600 points.

Table 3.4. NZBC scores for the seven members that participated in three annual self-assessments, 2000-2002; and NZ benchmarks.

	CPE Points Score*
New Zealand Organization Average Score	150
2000 NZBC Average Score	260
2001 NZBC Average Score	287
2002 NZBC Average Score	362
Highest Points Score of NZBC member, 2001	435

*The maximum CPE score is 1000 points

Only the average scores for the seven members that participated in all three annual self-assessments are given in Table 3.4. Table 3.4 shows the significant increase in average score for 2002, an improvement of 75 points over the 2001 average score. The results indicate that the seven organizations made significant performance improvement over a three-year period (Saunders & Mann, 2005). Not all the case study organizations were represented in this group of seven NZBC members, as some of the case study organizations had not completed the three annual assessments, or had been members for only two years.

3.8 Ethical issues

This section outlines potential ethical issues that were identified and addressed. The doctoral research was approved by the Massey University Human Ethics Committee: PN Protocol - 02/109.

Recruiting participants: The participants in the group work and case studies were employees of organizations that were members of the New Zealand Benchmarking Club (NZBC). Organizations, on joining the NZBC, agreed in principle to participate in research conducted by PhD researchers from the Centre for Organisational Excellence Research (COER), Massey University.

Informed Consent: Potential participants were invited to take part and given an Information Sheet to read and an Informed Consent Form to sign if they agreed to participate. Appendix A contains the interview Consent Form and Information Sheet, and Appendix B the survey questionnaire Information Sheet and cover letter.

Procedure in which research participants were involved: Face to face interviews with follow up telephone calls/emails for clarification purposes. The interviews were audio taped if agreed by the participant. Some participants were also involved in workgroup sessions consisting of representatives from NZBC members. The workgroup was facilitated by the researcher.

Access to participants: Participants were interviewed in their workplace. The participants were senior managers who agreed to participate in that role, with the approval of the Chief Executive of the organization.

Anonymity and Confidentiality: For the thesis, organizational data was coded so that organizations were not identifiable. A pseudonym was used for all individuals in all published material arising out of interviews, unless the participant and their organization gave permission for their names to be used. In the latter case they were given the opportunity to place limitations on their use.

Potential harm: There was very low risk of potential harm to participants, researcher, or the University. The participant's right to decline to take part was indicated on the Information Sheet and Informed Consent Form. There were no conflicts of interest for the researcher.

Access to data: A summary of the research results was sent to all participants. All interview notes, audio tapes and other data will be kept for at least five years before being destroyed.

Legal concerns: There were no legal concerns in respect of any legislation or other legal issues.

3.9 Summary and conclusions: Major themes of Chapter 3

- Chapter 3 discussed the research purpose and objectives, the research design and the methodology adopted for the research.

- Realism (after Christie et al, 2000) was chosen as the theoretical paradigm that guided the research.

- The exploratory phase of the research design integrated a NZBC-initiated study of strategy deployment practices with the doctoral research.

- The formal phase of the research used a mixed data collection method. Data was collected from site visits, interviews, workgroup meetings and from a survey questionnaire.

- The seven case study organizations were members of the NZBC network. The unit of analysis for the case studies was a strategic initiative that the organization had recently deployed, or was in the process of deploying.

- Group research methods were used in both the exploratory and formal phases of the research to identify strategy deployment issues (focus group) and to assess strategy deployment practices (workgroup).

- A survey questionnaire was designed to test the validity of the constructs of strategy deployment that had been identified after the completion of the case study analysis.

- Three types of benchmarking were used by the workgroup. Process benchmarking was used to identify and share leading practices in strategy deployment. Competence benchmarking facilitated sharing and learning about organizational change processes that support strategy deployment. Network benchmarking occurred when seven organizations from the NZBC network were benchmarked, instead of one target organization.

- New Zealand Benchmarking Club (NZBC) organizations undertook regular self-assessment against the CPE to track performance improvement. NZBC members that had three consecutive annual self-assessments showed significant performance improvement in CPE score over the three-year period, 2000-2002.

- Ethical approval for the research was obtained from the Massey University Human Ethics Committee: PN Protocol - 02/109.

Some excerpts and figures in this chapter have appeared in the following:

Saunders, M., & Mann, R. (2005). Self-assessment in a multi-organizational network. *International Journal of Quality and Reliability Management, 22(6).* Forthcoming.

Chapter 4

Initial group work findings

Contents

4.1 Introduction

This chapter contains the findings of the exploratory phase of the research. The findings are from the following group sessions: the NZBC network session and the first workgroup session (marked respectively "B" and "C" and highlighted in Figure 4.2). The participants in these group sessions were all representatives of NZBC network members and had management roles in their organizations. The exploratory phase covered the period from September 2001 to December 2001 and the relationship of the exploratory data with the other components of the conceptual scheme for the research is highlighted in Figure 4.1.

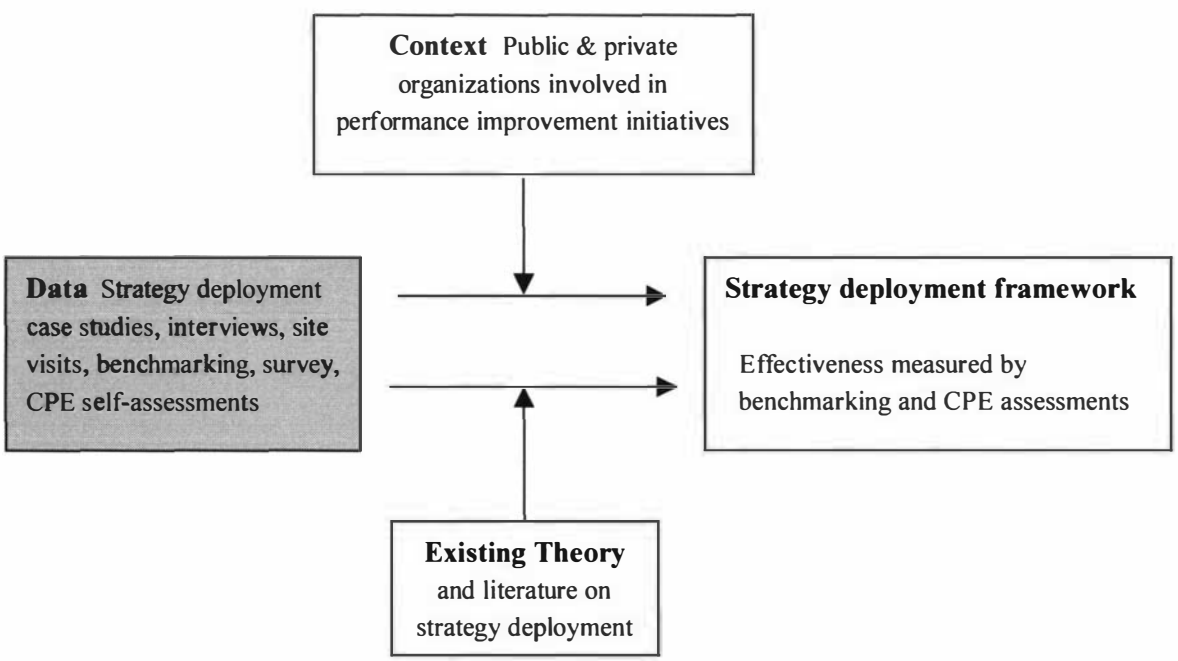


Figure 4.1 Conceptual scheme for the research [adapted from Toulmin (1958)].

The exploratory phase was essential for ensuring that the doctoral research purpose and the emerging NZBC benchmarking project topic were compatible. The exploratory phase effectively comprised of four group sessions. For the NZBC network session three groups operated independently, before combining to discuss and identify themes from their group work, while the first workgroup session operated as a single group. The four sessions supplied enough opinions and information to be able to see patterns and themes in the responses.

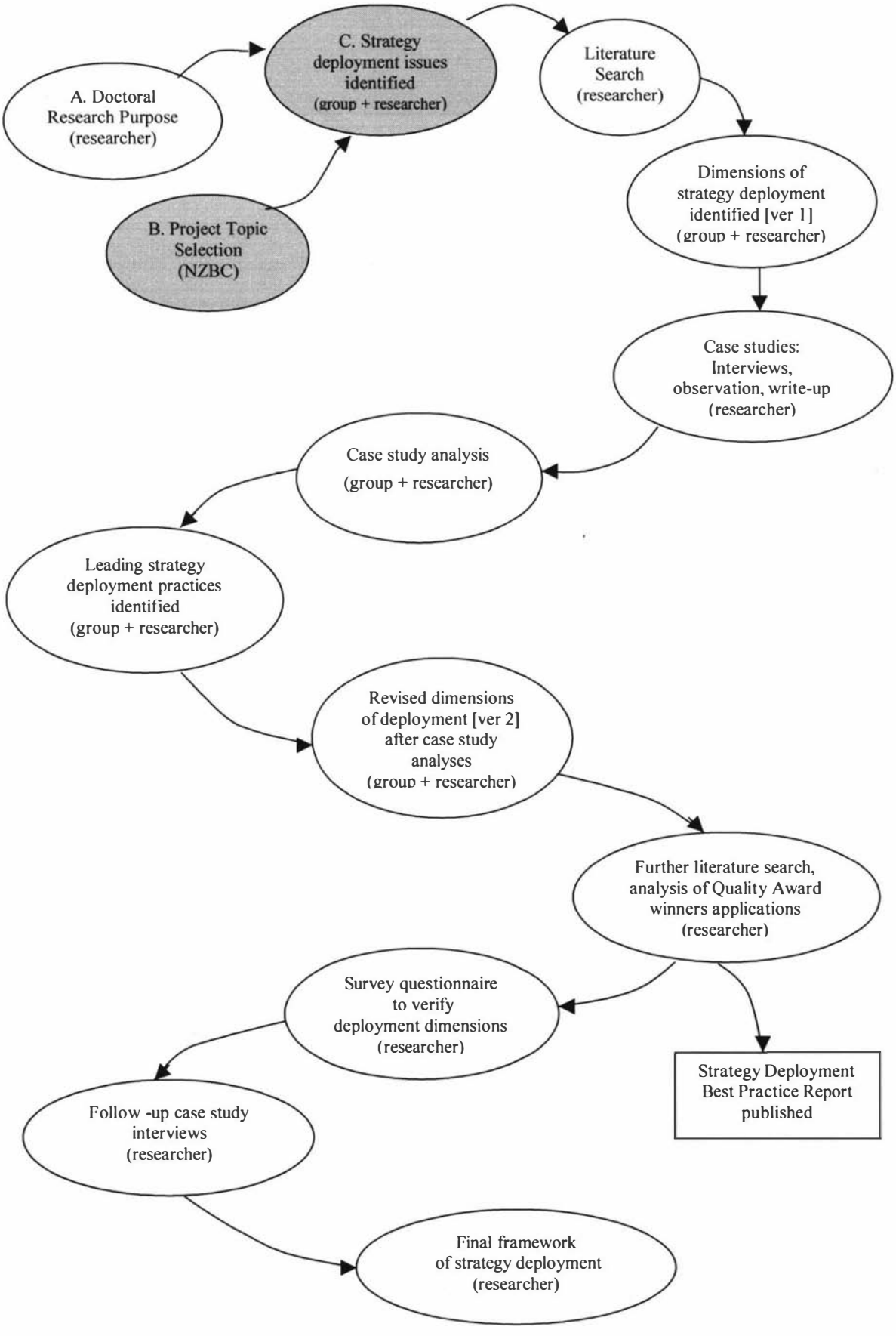
The initial group work findings were the result of group discussions in response to thematic questions. For the NZBC network session, the theme was strategic planning (strategy development and strategy deployment). For the first workgroup session the theme was strategy deployment only. The most important strategic planning issues identified in the NZBC network session appear in Appendix E.

The analysis for the exploratory phase of the research centred around two sets of data. First, the practices that participants perceived to be good or best practices, that is, practices that lead to improved organizational performance. The second data set were the perceived opportunities for improvement (OFIs), that is, areas to address to improve organizational performance.

While the NZBC's objective was to identify a benchmarking topic, the focus of the researcher's analysis for the exploratory phase was on categorising and finding themes in the data that would inform the research design for the formal phase of the doctoral research. To this end both the practices and opportunities data were categorised into 'hard' (systems or analytical) management issues or 'soft' (people, social, cognitive or behavioural) management issues, and then further coded into themes. The following sections identify the themes and trends elicited for each area of discussion. There was agreement among the groups (three of the groups combined to reach agreement) and the identified themes should be considered reliable information about the perceptions of the NZBC participants.

Some further process detail is included here in addition to the description of the group work processes given in Chapter 3. This is to clarify how and when particular data were collected.

Figure 4.2 The research process, showing the research flow, the role of the participants, and outputs.



4.2 NZBC network session

This session was 2 hours and was part of a regular full-day core meeting of all NZBC network organizations. The topic for NZBC core meeting was the CPE category of strategic planning (strategy development and strategy deployment). The fourteen participants represented nine organizations, and four other NZBC organizations that were not able to attend also supplied information and participated subsequently, so that in total thirteen organizations had input.

For the session the participants were split into three groups, plus a facilitator. The three groups were selected so that each group member represented a different organization and the group members were not well acquainted with each other (see Chapter 3, Section 3.6.3 for a description and justification of the group process). The functional roles of the fourteen participants in their organizations were: manager operations; IS development manager; development manager; asset manager; quality manager; logistics manager; business analyst; director; CEO; business excellence manager; quality coordinator; programme director; manager business strategy.

The discussion topics for the three groups in the NZBC network session were identical and focused on two areas: leading or innovative practices in strategic planning in their organizations; and, opportunities for improvement (OFIs) in strategic planning in their organizations. Each organization shared up to three leading/innovative practices and up to three opportunities for improvement with their group. This produced 32 practices and 37 OFIs from thirteen organizations (these are shown in Appendix F). After discussion each group selected three overall best practices and opportunities for improvement. Therefore in total nine best practices and nine opportunities were identified across the three groups to go forward for further consideration by the participants.

A structured process was used to analyse and categorise the OFIs into themes, and to cluster the themes where possible. The three groups combined to do this. The themes and clusters were given a category title to identify them as potential benchmarking projects. A similar process was used to sort and select the leading practices from the participating organizations. Note that only the 9 selected OFIs were used as the basis for the potential study topics, and not the identified leading practices. This was because the OFIs represented the areas to address that the participants perceived as most important to improving their organizations' performance, and these areas were by definition those where there was a perceived lack of knowledge or skills. The analysis process used in this group session is shown in Table 4.1.

Table 4.1. Group analysis process for the NZBC strategic planning session

Analysis of question responses	Selection of practices and OFIs by the 3 groups	Validation of potential project topics	Themes and clusters
Information was drawn from comments by the participants and notes taken by the facilitator in each of the 3 groups	Participants each chose and ranked 3 practices they judged the leading practices	The 3 groups combined to review the selected practices and OFIs and clarify issues	The combined group sorted and grouped the 9 OFIs to into major themes that could be potential projects
	Participants each chose and ranked 3 OFIs they perceived as the most relevant	The practices and OFIs from the 3 groups were pooled to give 9 leading practices and 9 OFIs	OFIs that were common amongst the 3 groups were combined
	Rankings for practices and OFIs were added and the 3 highest were selected to go forward to the combined group for validation	After group discussion the 9 OFIs were each given a project title	2 OFIs were considered better fitted to another CPE category (Information and Analysis)
			The 9 potential study topics were reduced to 5 by consensus.

At the completion of the session, the nine potential benchmarking project topics had been reduced to five through discussion and agreement of the combined group. The group also agreed by discussion and consensus the issues that needed investigation for each topic.

Two other topics that were identified by the meeting were considered to be more appropriate to the Information and Analysis CPE category, and were put to one side to be considered at a NZBC Information and Analysis core meeting. The two topics involved measuring the performance of strategic initiatives through the selection and tracking of key performance indicators. The two topics could clearly be categorised as part of performance measurement and evaluation. While performance measurement and evaluation form part of the strategy cycle, the NZBC's Information and Analysis core meeting was considered the appropriate forum to address a benchmarking exercise in this area.

The five potential topics that were selected at the NZBC network session, and the issues that were identified as needing investigation for each topic, are shown in Table 4.2.

Table 4.2. Potential benchmarking study topics in strategic planning and related issues.

Potential benchmarking topics	Issues needing investigation
To determine best practices for implementing strategic initiatives	• Cascading of goals and measures through the organisation - vertically and horizontally • The development of specific, relevant goals and measures for each tier • Integration of strategic and operational plans
To determine best practice for communicating strategic plans	• Communication of strategies to whom, in what form and how often • Assessment of effectiveness of different communication strategies • Level of organisational understanding/buy-in to strategies
How do best practice organisations involve their stakeholders in strategic planning	• What methods are used to obtain stakeholder input • How many types of stakeholders (e.g. shareholders, suppliers, employees, customers, local community, government) should be involved • Value of stakeholder input versus time and cost • How should information be obtained from each stakeholder group • How should stakeholder input be analysed, prioritised and managed
How do best practice organisations assess the effectiveness of their strategic plans/strategic planning process over time	• Methods used for measuring the success rate of past strategic plans • How is this learning incorporated into the strategic planning process • How is KPI performance related to the review and development of strategy
What planning horizons do best practice organisations have and how do they ensure the relevance of long-term plans and align short-term plans to them.	• How far ahead should you plan • How often should you plan to ensure their relevance • What methods should be used to ensure their relevance • How do you ensure alignment between long-term and short-term plans

NZBC members subsequently selected a single topic by email ballot from the five potential topics. Thirteen NZBC organizations rated the five potential topics and the topic "to determine best practices in deploying strategic initiatives" was selected for the benchmarking study.

4.2.1 Analysis of the NZBC network session data

The responses of participants on the opportunities for improvement were further analysed. The participants' comments were categorised using content analysis. Content analysis has been defined as a technique for reducing text into fewer content categories using coding rules (Carley, 1990; Silverman, 2001; Weber, 1990). A category has been defined as "a group of words with similar meaning or connotations" (Weber, 1990, p37). Categories were developed following examination of the data (emergent coding) and in the context of the literature review (see Chapter 2). The coding units were the complete sentences or phrases that had been recorded by the NZBC network session participants.

The development of the categories and the coding of the comments was an iterative process involving the researcher and the NZBC workgroup participants. The complete process is shown in Table 4.3, and six themes were ascertained in the data. The six themes were given the following titles: communication; involvement or buy-in; learning and review; human resource management; performance measurement; and deployment options. The opportunities data were categorised into 'hard' (system or analytical) management issues or 'soft' (people/social or cognitive/behavioural) management issues. The opportunities for improvement, the themes and categories are shown in Table 4.4.

Table 4.3. Analysis process for opportunities data

Analysis of Notes	Categorization of Comments	Validation of Categories	Themes and Clusters
• Information was primarily drawn from notes taken by the facilitator and minutes of the session	• Participants' comments were extracted from the notes	• Facilitator performed a review of categorizations	• Comments were sorted based on category titles and grouped into major themes
	• Category titles were developed based on content analysis	• Participants in later group work confirmed the categories, with some changes in order to adapt the categories to strategy deployment	
	• Each comment was categorized according to actual content		

Table 4.4. Opportunities data themes

Theme or Cluster	Opportunities for Improvement (Areas to Address)	H/S*
Communication	Dissemination of strategic plan - communication	S
	Deployment -communication	S
	Accessibility of strategic plans	H or S
Involvement or Buy-in	Ensuring involvement of external stakeholders	S
	Including customers, partners and suppliers in strategic planning process.	S
	Expanding involvement internally and with other stakeholders	S
	Involvement and input from employees	S
	Involvement of all levels	S
	Involvement of stakeholders	S
	Seeking customer and agent input	S
	Increasing business unit input into the process	S
	Employee contributions (input)	S
Learning and review	Review process of feedback	S
	Data Capture - accuracy and timeliness reviewing progress	H
	Reviewing work plans and KPIs and feeding back into issue analysis	H
	Measuring success rate of past strategic planning	H
	Re-education of Balanced Scorecard approach	H
	Seeking and forming stronger business partnerships - new business opportunities	H & S
	Balancing political agenda with business imperatives	S
	Sourcing market trend information	H
	Sourcing environmental information	H
Human Resource Management	Training/education about planning and various tools	S
	Strengthening link from strategy to personal objectives	S
	Strategic planning for people: development, career planning	S
	Human resource plan to support strategic plan	H & S
	Incentive plans supporting strategy	H & S
Performance Measurement	Developing and tracking more meaningful key performance indicators (KPIs)	H
	Establish KPIs that are meaningful	H
	Cascading of goals and measures down through the organisation	H
	Pushing strategic objectives down to individual KPIs - performance framework	H
	Ability to measure progress against goals	H & S
	Further development of the scorecard technical system and measures	H
Deployment options	Horizontal integration	H
	Vertical and horizontal integration	H
	Planning process	H
	Matrix management	H
	Deployment of Strategic Plan through the organisation.	H & S

* H, 'Hard', systems or analytical; S, 'Soft' or people/social or cognitive/behavioural

The leading practices in strategic planning identified by the session participants were disseminated through the NZBC network and formed part of the input into the workgroup sessions that were held subsequently. These leading practices are shown in Table 4.5. The practices relevant to strategy deployment were categorised using same process shown in Table 4.3 for the opportunities data.

Table 4.5. The leading practices in strategic planning from the NZBC network session.

Organization*	Leading Practice	Theme	H/S**
W	Well-defined strategy tree. Clear links between outcomes, activities, operating projects and capital projects. Visual and easy to comprehend. Links to performance measures. Assists in determining resource and budget needs. Clear reporting framework.	Communication	H
B	Strategy deployment. Link from strategic plan to individual action plans, budget and capital expenditure plans.	Alignment	H
B	OSP analysis. A risk analysis approach - using contingency plans for addressing points/unplanned events where major actions are required.	Deployment options	H
G	Control processes in planning, management and implementation. The use of automated software tools to facilitate the business planning process and track progress against action items. Helps in the tracking of unresolved issues, report generation, issue tracking down to the person responsible, and the date of completion of issues.	Performance measurement and alignment	H
X	Strategic issue generation. Wider stakeholders (suppliers) are involved in a 50-person workshop that identifies strategic issues.	Involvement or buy-in	S
Y	Strategy deployment. Management plans are based on the overall strategy and core areas identified in the organisation's balanced scorecard. A template is provided to facilitate this.	Deployment options	H & S
D	Long term vision (farsightedness by board, good utilisation of long-term planing 5-15 years ahead demonstrated by expansion and acquisitions)		
Z	Vertical integration of strategies. Links a hierarchy of plans, ensures alignment of unit plans with corporate plans, allows for corporate action plans.	Alignment	H
C	Seeking stakeholder input. Annual roadshow throughout NZ. Visible, goes to the people. As a results of this a formal report is produced that is used as an input to the strategic planning process.	Involvement or buy-in	S

**Organizations A to G were later the focus of case studies.
* H, 'Hard', systems or analytical; S, 'Soft' or people/social or cognitive/behavioural

4.3 Initial workgroup session

The initial session of the workgroup operated as a focus group to gather data on strategy deployment issues and practices of the participants. The eight participants represented seven organizations. The functional roles of the focus group participants in their organization were: general manager strategy and policy; operations manager; business development manager; programme director; operations manager; manager strategy deployment and business development; business excellence manager; manager quality systems. Prior to the first session the participants were not well acquainted with each other, were reasonably homogenous with respect to their position and role in their organization, and therefore met the selection criteria to participate in a focus group. Group members were encouraged to share their views, to clarify each other's viewpoints, and provide detailed information and answers to a set of questions about the topic (Greenbaum 1987; Krueger 1994).

The participants were aware that the topic selected by the NZBC for the benchmarking study was "to determine best practices in deploying strategic initiatives". With this topic or theme in mind the questions posed for discussion were:

- What frameworks and practices are used in your organization to aid strategy deployment?
- When a new strategic initiative is implemented, how does your organization explain the reasons for the changes to employees throughout the organization?
- How does your organization develop action plans to support strategic initiatives?
- What are the issues or improvement areas in strategy deployment for your organization?

The discussions focused on these questions but also ranged to other areas of strategic management.

4.4 Analysis of the initial workgroup session data

The common strategy deployment issues were analysed using a similar process to that noted for the opportunities data in Section 4.2, and the process is shown in Table 4.6. The analysis of the strategy deployment issues among participants is summarised in Table 4.7.

Table 4.6. Analysis process for strategy deployment issues data.

Analysis of Notes	Categorization of Comments	Validation of Categories	Themes and Clusters
•Information was primarily drawn from notes taken by the facilitator and minutes of the session	•Participants' comments were extracted from the notes	•Facilitator performed a review of categorizations	•Comments were sorted based on category titles and grouped into major themes
	•Category titles developed from the opportunities data analysis were used	•Participants in later group work confirmed the categories with minor changes	
	•Each comment was categorized according to actual content		

Table 4.7. Common strategy deployment issues among participants.

Issues common to participants	Theme	H/S*
Varying definitions of strategic planning terms, for example, names for levels of strategy and planning - terminology differs between organisations	Communication	S
The implementation gap between formulating a strategic initiative and the plans (unit plans, action plans) produced at the operating levels of organisations (lack of linkage between the two)	Alignment	H & S
Problems in finding a best practice for cascading strategic initiatives into business plans at all levels in the organisation	Alignment	H & S
Problem getting the strategy message across to staff, especially at routine operational level	Communication	S
The issue of managing change, and the dual dimensions of task and people (behavioural change) to improve organisational results	Involvement and buy-in	S
Identified need for an update on new strategic management tools and techniques	Learning	H & S
Identified need for a "take-away" best practice framework for implementing/deploying strategy.	Learning	H & S

* H, 'Hard', systems or analytical; S, 'Soft' or people/social or cognitive/behavioural

The discussion of the frameworks and practices used in the organizations revealed a number of innovative practices to aid strategy deployment. These are summarised below, with the identified theme for each.

Organizations A & G: [Communication]

- Company day(s) - to educate and give 'the big picture' to staff. 1 to 4 times/year.

Organization G: [Alignment]

- Use of a database to track and drive implementation of initiatives. Database has planning view and implementation view, which links strategy to planning meetings (agenda and actions). Also has automatic report generation capability.

Organization F:

- Used a framework for strategic planning and generating objectives, action plans and milestones. Another framework was used for implementing new initiatives. An example of implementing a new initiative was increasing the generation and exploitation of intellectual property (IP) developed within the organization. Individual versus group ownership of IP generated was an issue.

Organization B & F: [Learning]

- Extensive use of strategic planning tools: foresight, scenarios, market and technology forecasting. Also use flowcharting during implementation.

Organization A: [Deployment options]

- Have developed an implementation framework that includes business development and service delivery, with a business case process for managing the risk of new business developments.

With the conclusion of the discussion of the thematic questions, the focus group section of the initial workgroup session ended. From this point and for subsequent group sessions, the group ceased functioning as a focus group, and the participants acted more as co-researchers with the facilitator/researcher and each other.

For the remainder of the initial session the benchmarking study design was discussed, with agreement that the project should centre on identifying best practice within an iterative framework of strategic management. The group worked on the project aim, objectives, and parameters. The project benchmarking objectives were: to identify the key features of strategy deployment; and to identify the leading practices for each feature. The terms of reference for the project were agreed. The terms of reference developed by the group appear in Appendix G.

The workgroup held subsequent sessions to analyse the case study data that were collected (see chapters 5 & 6). The participants in these sessions had the following functional roles in their organizations: general manager strategy and policy; manager strategy and policy; operations manager; CEO; business development manager; programme director; operations manager; manager strategy deployment and business development; business excellence manager; manager quality systems.

4.5 Summary and conclusions: Major themes of Chapter 4

- Group process and a network benchmarking process were used in the exploratory phase of the research to find a NZBC benchmarking topic and to identify the participants' perceptions of the leading practices and opportunities for improvement in strategy deployment for their organizations.

- Six strategy deployment themes were ascertained in the opportunities data. These were titled:

    - Communication
    - Involvement or buy-in
    - Learning and review
    - Human resource management
    - Performance measurement
    - Deployment options

- The themes identified in the opportunities data were also apparent in the leading practices data, with the addition of a seventh theme: alignment.

- The individual practices and opportunities for improvement were categorised in management skill terms as either 'hard' (systems or analytical) or 'soft' (people/social or cognitive/behavioural) or a combination of both.

- The exploratory phase ensured that the doctoral research purpose and the NZBC benchmarking project topic were compatible. The benchmarking project that emerged - to determine best practices in deploying strategic initiatives - was complementary to the doctoral research purpose - to develop a strategy deployment framework.

- The findings from the exploratory phase helped shape the design and direction of the formal case studies of strategy deployment that followed.

Chapter 5

Within case findings

Contents

5.1 Introduction

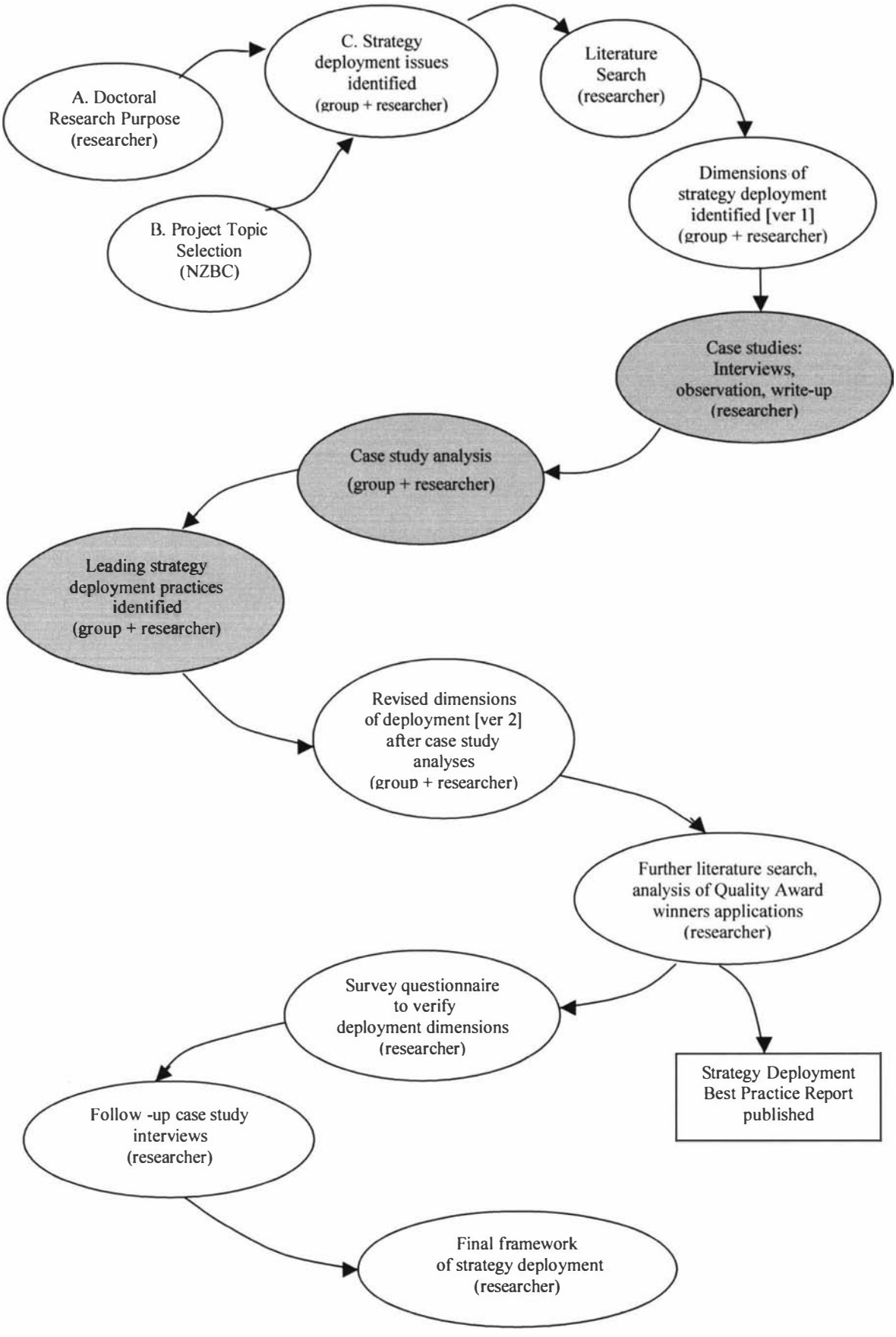
The previous chapter contained the findings from the group sessions that formed the exploratory phase of the research. The exploratory phase of the research described in Chapter 4 used a group process to identify the participants' perceptions of the leading practices and opportunities for improvement in strategy deployment for their organizations. The exploratory phase ensured that the benchmarking project that emerged - to determine best practices in deploying strategic initiatives - was complementary to the doctoral research purpose - to develop a strategy deployment framework.

The findings from the exploratory phase helped shape the design and direction of the case studies of strategy deployment that are presented in this chapter. Leading deployment practices were identified, and seven deployment themes were found in the group process data. These themes were titled: communication; involvement or buy-in; alignment; learning and review; human resource management; performance measurement; and, deployment options.

Chapter 5 gives a description of the seven case organizations and the strategic initiative that each had implemented. The data were collected over a thirteen month period between November 2001 and December 2002. The highlighted areas in Figure 5.1 show the parts of the research process that are covered in this and the following chapter. The relationship of the case study data with the other components of the conceptual scheme for the research is highlighted in Figure 5.2.

The organizations were all New Zealand-based. Four were registered limited liability companies (two private sector, one crown owned company, and one cooperative owned company) and three were public sector organizations (two crown entities and one state owned enterprise). All the organizations were undertaking performance improvement (CPE based) initiatives as members of the NZBC network. The organizations undertook regular (annual) self-assessment against the CPE (at least one division of the large organizations, and the whole enterprise in the smaller organizations).

Figure 5.1 The research process, showing the research flow, the role of the participants, and outputs.



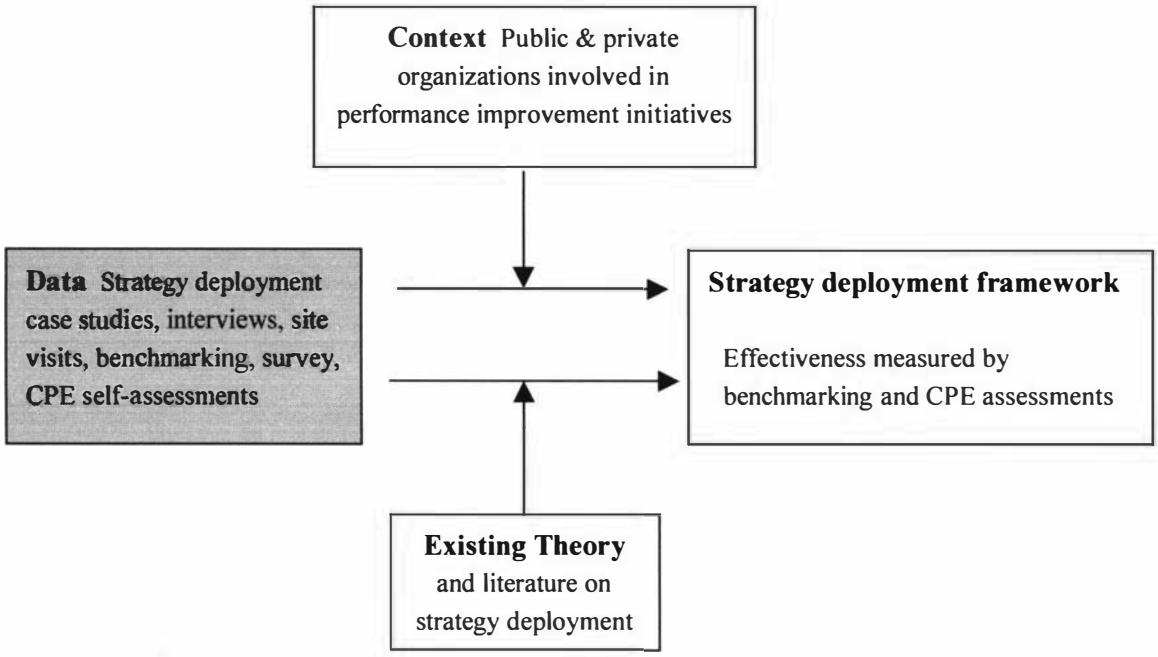


Figure 5.2 Conceptual framework for the research [adapted from Toulmin (1958)].

The knowledge gained from the exploratory phase of the research was used to guide the writing of the case study template that was used for each case. The themes identified by the group work were incorporated as questions in the template. At the beginning of the formal phase of the research further group work with the NZBC workgroup led to seven constructs[1] of strategy deployment being proposed for further investigation in the case studies. Eisenhardt (1989) argues that *a priori* specification of constructs permits researchers to measure constructs more accurately. The constructs evolved from the seven deployment themes identified in the initial group work and were provisionally titled communication, buy-in, alignment, learning, deployment infrastructure, understanding the business drivers, and deployment options. These constructs were explicitly measured in the case study template (interview protocol) and the survey questionnaire (Chapter 7). Having questions relating to the constructs in the case study protoco; and the survey questionnaire gave strong triangulated measures on which to ground the emergent framework (Eisenhardt, 1989; Silverman, 2001; Voss et al, 2002).

The case study template was the basis for the interview schedule and was sent to each interviewee prior to the site visit by the researcher to conduct the interview. The unit of analysis

[1] The terms *construct* and *dimension* are used interchangeably in the text from this point when referring to the constructs of strategy deployment. The definition used of construct was from Cooper & Emory (1995, p33) "an idea or image specifically invented for a research or theory-building purpose". The constructs were referred to by the NZBC workgroup participants as *features*.

for the case studies was the strategic initiative that each organization had recently deployed. Chapter 3 detailed the data collection process used for the cases.

Transcripts of the interviews were created and studied. Transcript analysis consisted of a careful review of the emergent practices and their perceived importance, and the central themes were further delineated. The description of each strategic initiative presented in this chapter is based on data collected from interviews, documents and observations while the researcher was with the organization and its people.

The within case analysis focussed on the strategy deployment practices used by the organization, and looked for evidence of the constructs in the individual organization's implementation of a strategic initiative. In this chapter the broad strategic environment for each organization is also described, with an outline of the strategic planning process used by the organization. The same format is used throughout the chapter to describe each organization and its strategic initiatives, and follows the 10 points of the case study template shown below. A summary review of each case study is given at the end of each section.

1. Brief description of the strategic initiative

- Origin of idea
- Sources of background information on the strategic initiative
- Overview of implementation
- Reference to any models/approaches used to guide the implementation process
- Is the strategic initiative now in use? or not? (still being developed/implemented?)

2. Objectives of the strategic initiative

List these or outline their nature. For example, intended benefits

3. Design / analysis / planning

- Crucial design/development/planning decisions (for example, what were the business drivers and how were they derived)
- Any features designed to facilitate deployment
- Consideration given to alternatives to this initiative (for example: careful, casual, not at all)

4. Chronology of case

This could be a narrative, timeline or bullet points of the main events (with dates or timeframe)

5. Deployment (implementation)

- Communication (for example: was/is there a communication plan; type of communication used - meetings, documents, informal etc; use of feedback)
- Were action plans developed from the objectives? Who developed them? How were they aligned throughout the organisation?
- Barriers encountered (technical or political)
- Brief account of how these were overcome (or what needs to be done to overcome them)
- Reference to any guidelines/advice used or developed as a result

6. Champion(s) [Infrastructure for deployment]

Was there a champion? Individual or team? If a team was it created especially to implement this initiative?

Organisational position(s) of champion(s) (CEO, team leader, staff members etc)

Characteristics of champion(s)

- Driven by (for example: need, technology, available funds, strategy)
- Recognition (awards, compensation, other?)
- Technology orientation (innovator, leader, follower)
- Other

7. Organisational climate for the initiative

Level of buy-in (eg supportive, neutral, resistant, variable)

Has this changed during implementation?

8. Organisational support

- Financial
- Human resources (HR). For example, sufficient staffing
- Moral / other
- Policy on intellectual property (who owns the IP?)

9. Outcomes (highlight critical elements)

- Benefits/costs to clients/customers,
- Benefits/costs to organisation/staff/other stakeholders
- Achievement of objectives
- Learning accomplishments (value added)
- Changes in practices, policies, attitudes or culture
- Demand for the initiative or outcome of the initiative (growing, steady, declining)

10. Evaluation and review

- Evaluation method(s) used. For example, post project audit
- Did the planned strategic initiative get changed during implementation? How and why?
- Dissemination activities undertaken
- Any further developments planned
- New skills or expertise developed as a result of this initiative
- Future requirements for skills, expertise or staff development.

The within case findings present the key practices perceived by participants to have influenced the strategic initiative. The comments in quotation marks are verbatim comments from the participants or from documents.

5.2. The strategic initiatives

The industry sector and a summary of the strategic initiatives investigated for each case study organization are shown in Table 5.1.

Table 5.1. Organizations, industry sectors and strategic initiatives investigated in the case studies.

Organization	Industry Sector	Strategic Initiative
A	Data management	The company provided electronic business to business transfer of data files and a secure data transfer facility for a utility market. The strategic initiative was to enter new markets off-shore. The case study examined the deployment of a proposal for a data management system in Australia.
B	Food manufacturing	This case study examined a strategic initiative to commercialize third party product technology. It involved forming a strategic alliance with a Canadian corporation. The intent of this alliance was to leverage capabilities in manufacturing and marketing by licensing technology from the Canadian corporation and using it to grow the business.
C	Insurance	The strategic initiative was to improve organizational performance using the CPE framework. "Champions" were appointed for each CPE category. The case study centred on the division who were the champion for the strategic planning criterion of the CPE, and involved the implementation of a strategic management framework for the organization.
D	Dairy manufacturing and marketing	The case study examined the deployment of a strategic framework and a strategic planning model for the operational side of the business, and the implementation of new initiatives arising from the strategic plan.
E	Medical Laboratory	The broad strategic initiative was to grow services to clients. One strand of the initiative was examined, the formation of a strategic alliance with external laboratories for registering and processing test samples. The case study examined the forming of a strategic alliance with another laboratory to share one overall laboratory information system.
F	Scientific research	The case study examined the forming of strategic alliances between the case study organization and other research agencies to undertake collaborative research programs. The aim was to increase value from existing research programs through partnering. It also involved changing the research programs to target high value markets, making them more attractive to international investors, and improving the potential to commercialize intellectual property.
G	Software development	The case study examined the deployment of a strategic framework in an IT and automation technology development company. It involved deploying a groupware based strategic management system developed by the company. The system was also being implemented on the operational side of the business.

5.3 Organization A

Organization A was a subsidiary of a state-owned enterprise and operated independently in a competitive deregulated market. It was established in 1998 to provide an integrated metering and reconciliation service for utility companies. The organization had expanded from the original core role to develop expertise in metering and communication technologies including remote monitoring data extraction, design and implementation of databases, and data processing. Organization A was a small company by international standards, with between 49 and 99 people. The case study was conducted over 6 months from late 2001 and the first half of 2002.

A CPE-based performance improvement initiative had been in place for 2 years and the organization had made a greater than 50 point increase in their CPE self-assessment score in each of the two years. The organization received an award for one of the highest points increase in the CPE self-assessment in the NZBC network in 2002. The CPE assessments had identified a weakness in the organization's implementation of strategy and senior management had a desire to act on this opportunity to improve performance.

5.3.1 Strategic management at organization A

Organization A had a growth strategy to exploit their expertise by applying it across an expanded range of industries, using their skills in process design, project management, information technology, telecommunications and engineering. Strategic plans were developed by managers and business development staff using a cyclic process shown in Figure 5.3.

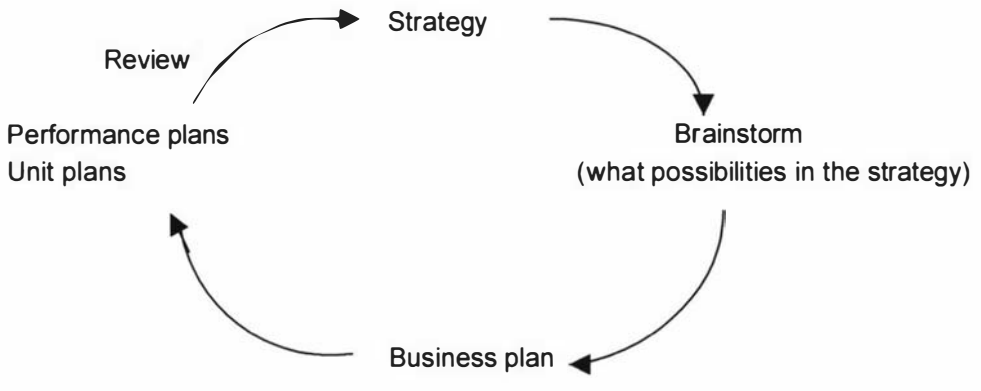


Figure 5.3. Strategy cycle of Organization A

The people responsible at each stage of the strategy cycle were:

Strategy [Board]	→	Business plan [Management team]	→	Unit plans [Team leaders]	→	Performance plans [Team members]

The strategic plan was reviewed annually. It included an environmental overview, a section on the business development side - including new strategic initiatives - and a financial summary of planned expenditure and expected revenue. The plan was developed internally with input from senior managers, and presented to the Board of Directors for consideration. 'What we do is sort of lead the Board into it - before we produce the document we'll give them an indication of what we're planning to do, just at a high level, to get their buy-in'. It was a rolling plan, monthly over one year and then annually over 5 years.

The implementation of strategy was the management team's role. The team would go offsite for a day and 'talk about potential opportunities, markets, products, services, customers - all different aspects - to look at where we were going. And then we look at each of those - how we tackle them - drilling into each for opportunities'.

5.3.2 Strategic initiative at Organization A

The case study examined an initiative to enter the Australian utility services market. It involved a proposal for a data management system in Victoria, Australia. This was a strategic initiative to enter new markets off-shore and was driven by the Board of Directors (See Table 5.2). Part of Organization A's strategy was to develop a service, run it in NZ and then take it offshore. Organization A already provided electronic business to business transfer of data files and a secure data transfer facility to a NZ utility market. The proposal was to provide an almost identical service for the Victoria market, with Organization A the lead player in a consortium of three organizations, with an Australian company and another NZ company.

Table 5.2 Strategic initiative at Organization A

Intention	Reasons why (business drivers)	Evidence
Expand provision of services to off-shore markets	Growth strategy driven by Board. Greater utilization of expertise and skills base.	Strategic plan, business plans & case files

5.3.3 Features designed to facilitate deployment

Organization A used the authority process described in Table 5.3 to facilitate deployment. For each new strategic initiative the business development managers, a team of business analysts and project managers, went through the business authority process, then implemented the service, before handing over the routine delivery to the service delivery people.

The authority process 'gives the Board comfort that we've got a robust process and that we're considering all the issues before we go off and spend money'. It offered an opportunity to plan and check resource availability at an early stage. 'The authority document will specify what resources are required. If the program director hasn't got any business analysts available she will say you're going to have to employ a contractor or get someone from outside cause I've got no-one available, or what ever the issue is. So it not only gives the person doing it get their head round all the facts and issues and requirements, its an opportunity for the rest of the company, as required, to become familiar with what the persons working on and what the impact is going to be on the organization.' Table 5.3 summarises the deployment process at Organization A and the reasons for the practices employed.

Table 5.3 Strategic initiative deployment process at Organization A

Step	Activity/Practice	Reason
Origin of idea	Business proposal website monitored for new opportunities (Requests for Proposals)	Looking for new applications for the organization's services within the overall strategic direction. Website encourages development of consortia with other players to make proposals. Decision to proceed made by champion 'We saw a problem in the market and we were able to provide a solution. '
Use of an existing model or approach	Use a standard staged authority process. Requires a business case. Each form needing to be signed off before proceeding to the next step in the process. Some questions are scored.	Minimises risk. Makes resource needs transparent and ensures alignment of plans throughout the organization. Allows funding to phased and controlled Reassures Board 'Gives some structure, it makes sure you are meeting the intent of the strategy, it guides you and checks you're not over-committing'.
Key deployment decisions (business drivers)	Developed the service in NZ and then deployed off-shore	The strategy included - develop a service, run it in NZ before entering new markets off-shore. 'The business drivers in the strategic plan were to take what we've learned in NZ and use it overseas. We've done this in NZ, we do it quite well, we think we can offer something to Australia.'

Consideration of alternatives	Prioritize initiatives. Did consider alternatives Established risk register, issues register.	To assess risks and benefits of each potential initiative and deployment decision To monitor the risks and other issues arising during deployment.
Communication	External: communication plan Internal: report to Board 'Town Hall' weekly, Yahoo group (post questions, download documents) Conference call every day	New initiative to all parties so a communication plan was required Report and accountability function Update for all staff. All of the above promotes buy-in from stakeholders Ease of access and dialogue for consortium members 'We established a communications contact list and distributed that around the consortium team members' 'There was going to be a significant communication plan in terms of the roll-out, the testing we had to do.'
Action plans developed	Authority process requires written action plan, timeline, people responsible Champion responsible for developing plans	Breaks down tasks, assigns responsibility, due dates Promotes alignment throughout the organization as each step in the authority process has to be checked by affected parties. 'We produced a project plan/action plan/timeline - who's responsible for what rolled into one. It worked well, everyone they understood what their role was and what they had to do'.
Infrastructure for deployment	Champion and small team appointed for the initiative plus one outside consortium person.	Authority process requires a minimum team of champion, sponsor and support person for an initiative, to ensure that sufficient human resource to implement.
Evaluation and review	Post project audit - written report Assessment against KPIs.	Learning - feedback and lessons learned able to be used in future. Provides closure, financial wrap-up. ' one of the outcomes would be to update the project methodology'

5.3.4 Influences on the deployment process

There were a number of other organizational characteristics and dimensions that were found to influence the deployment of the initiative, in addition to the practices and actions outlined in Table 5.3. These are summarized in Table 5.4.

Table 5.4. Characteristics and dimensions that influenced the deployment

Case study dimension	Influence	Examples
Organizational climate	+ Very supportive + High level of buy-in at all levels	'There was plenty of support to say yeah it's great idea'
Characteristics of champion	+ Driven by strategy, + Technology orientation. + Innovator	'What we focus on is IP around the design and operation of the systems.' 'We are a young dynamic company'
Organizational support	+ Boundaries around time and money were a good discipline + Moral support given + Sufficient external and internal staffing	'I specified I needed some resource, external and internal and that was signed off.' 'I had a chat with my boss, the comment was go with your gut feeling, you know what's right.'
Barriers encountered	- The commercial aspects of the terms and conditions that the Australians had set down were unacceptable	'We confirmed that the Australian market is tough, they had certain views, they wanted to do certain things, we didn't think they were realistic.'
Achievement of objectives	- The objective of implementing an Australian service was not achieved and the initiative was not completed.	'We saw it as an entry level opportunity into Australia. The perception was that it was going to be low risk as well, but that didn't turn out to be the case so that's why we pulled out.'
Learning accomplishments	+ A lot was learned during the deployment process that can used later.	'We did make a relationship with the Australian company. There's opportunities for us to work with them elsewhere, both in NZ & Australia.'
	+ the knowledge built up by the company can be transferred to new initiatives.	'The development and transfer of that knowledge - that's fundamental to our strategy. If we have an idea and we build it, and we can reuse it, we will reuse it. '

+ Enabling influence
- Constraining influence

5.3.5 Outcomes

The objective of implementing an Australian service was not achieved due to the fact that commercial aspects of the terms and conditions that the Australians had set down were unacceptable to the members of the consortium. 'We decided that it wasn't worth proceeding ...because there was too much risk that couldn't be mitigated unless we put in a whole lot of contractual out clauses. We tried to clarify those in a conference call and there was no room for negotiation on their part.' So Organization A pulled out and the initiative was not completed. This was not viewed as an issue in the company or by the Board. Organization A had a "sow and reap strategy" (Campbell-Hunt et al, 2001) and the board were prepared to fund a number of initiatives, in the knowledge that only some would be successful. 'Part of the strategy is we have to spend money to make money, we're not going to win every deal we go after, so it's a matter of - the Board is prepared to throw a bit of money at it so long as there's some controls around it.'

Evaluation and review

Organization A completed a post project audit of every new initiative, and a summary report on the initiative was written. It was distributed for all the business analysts and the management team to review. The report contained the lessons learned, which detailed what could be done to improve next time, any significant changes to the methodology, and closure details with outcomes. The people who signed the original authority for the initiative signed off the report. After that process another review six months later by the finance team of the financials ensured the project had been closed down correctly and the money was assigned correctly.

Changes to the planned strategic initiative during implementation

The original strategic plan focused on developing systems in NZ before moving into Australia. In the case study initiative the NZ market was not ready but the Australians responded well. So Organization A decided to drop the NZ opportunity and go straight into Australia. That conflicted with the strategic plan. 'We don't have the ability to change the strategy - we rely on Board sign-off.' The issue of an emerging strategy that was in conflict with the strategic plan was resolved through regular communication with the Board. 'The problem that I saw was that you can't really change the strategy or the plan midstream, you've got to go through the whole process again and present it to the Board. What we have done is monitored along the way and reported to the Board in our monthly reports our actual versus plan, and highlighted why we've been different or what issues have impacted the business.'

5.3.6 Review of case study A

Case study A has demonstrated the following themes.

The decision to launch the strategic initiative was influenced by:

- *Internal drivers*: Board of Directors, the strategic plan, the champion for the initiative
- *External drivers*: For example, customer demand for a new service, the availability of partners to form a consortium.

There were multiple dimensions to deploying the strategic initiative:

- *Communication*: communicating internally and externally to promote understanding of the initiative. For example, Yahoo group externally, reporting internally to staff
- *Buy-in*: actions to gain acceptance and commitment of stakeholders to the initiative. For example, relationships with Board, external partners

- *Alignment*: Deployment activities were aligned with the strategic direction. For example, initiative was aligned with the growth strategy for offshore markets
- *Infrastructure for deployment*: Organizing the people, roles and responsibilities For example, champion appointed, team put together
- *Business drivers*: Understanding the business reasons for the initiative. For example, innovation and finding new applications for existing services
- *Deployment options*: Assessing alternative actions and decisions, assessing risk. For example, risk register, issues log
- *Learning*: Increasing the knowledge and capability in the organization. For example, feedback and lessons learned are disseminated in the post project audit report.

Collectively other characteristics influenced the deployment of the strategic initiative:

- *Organizational climate*. For example, continuous improvement philosophy
- *Organizational support*. For example, sufficient resources, moral support
- *Characteristics of champion or team leader*. For example, innovative.

5.4 Organization B

Organization B was a specialist food and beverage (F&B) company that processed and marketed its products globally. The company also offered a wide range of packaging options for the food service and food manufacturing industries. Organization E was a medium sized organization by international standards with between 100 and 500 staff (full-time equivalent).

Organization B's two factories had full ISO9002 certification and the organization had adopted the CPE model for performance improvement in 2001, and the annual self-assessments against the CPE model showed steady improvement in total score (a more than 50 point increase in 2003 over 2002). The researcher interviewed the senior manager responsible for strategy deployment, and two managers participated in group work. The case study was conducted over a six month period in 2002.

5.4.1 Strategic management at Organization B

Organization B's corporate strategy was the responsibility of the management team, which consisted of the CEO and four senior managers. The strategic planning cycle was annual. Organization B had a growth and diversification strategy and the strategic plan included initiatives for incremental growth and strategic growth. There were a number of projects for each growth initiative. Strategic growth initiatives were concerned with new businesses and the need 'to build new capabilities, manufacturing novel products, reaching new segments of the F& B industry, different kinds of commercial arrangements - licensing, sub-licensing, joint ventures.' The case study initiative was a strategic growth initiative that involved licensing F&B processing technology from a partner organization and commercializing it.

5.4.2 Strategic initiative at Organization B

The strategic initiative was to commercialise another organization's product technology. It involved forming a strategic alliance with a Canadian corporation. The intent of this alliance was to leverage Organization B's capabilities in manufacturing and marketing by licensing technology from the Canadian corporation and using it to grow Organization B's business.

Organization B had previously been quite successful in entering existing markets with new products. They were 'very good at adapting technology and improving it and applying it'. So Organization B had undertaken a global search to find companies or people that had patents or had developed new products or processes and needed a partner to make them a commercial reality. The business development manager found a common interest and developed a relationship with a Canadian food technology company. They agreed on an partnership plan that would protect the IP jointly. A Heads of Agreement was signed that led to the licensing of the Canadian technology to Organization B. An implementation plan was developed jointly, and the plan deployed - all market leads, technical barriers, opportunities were explored jointly by the partners. A summary of the strategic initiative is shown in Table 5.5.

Table 5.5 Strategic initiative at Organization B

Intention	Reasons why (business drivers)	Evidence
To seek an alliance with another food technology company and use their product technology to manufacture and market value-added products.	Reduce the vulnerability of being a commodity food supplier as competitors (for example, China) moved into the market, by moving to be a supplier of sophisticated food ingredients.	Strategic plan, business plan, project plans

Organization B was 'very good at taking an idea and actually translating that into a commercial reality'. The company took up the patent from the Canadian corporation, 'skipped the pilot plant, we went straight from the patent to a small commercial plant...we integrated the whole thing into a process, made it work, commissioned it.'

Once the technical and production issues had been overcome, marketing the product became the focus. There was a change in tactics from selling a finished product to one of selling ingredients 'which opens up opportunities in the beverage market as well as other food uses'. The company's existing agency representation in the market was augmented with 'new representatives who have got strategies that have been customized for each of the markets'. The company built a plant in NZ to supply the Pacific Rim countries.

5.4.3 Features designed to facilitate deployment

The partners had complementary skill bases and similar organizational cultures. Regular meetings, visits to Canada and joint market development all facilitated deployment. Organization B engaged an ex employee of the partner organization to help deployment in North America. The partners met and had conference calls as required. There was monthly ongoing and regular review of the initiative. Table 5.6 summarises the deployment process and the reasons for using the practices employed.

Table 5.6 Strategic initiative deployment process at Organization B

Step	Activity/Practice	Reason
Origin of idea	Do a global search for new F&B technologies that Organization B could commercialize	Many companies and people have capability in adding value to processed fruits 'but they don't have a commercialization partner that has competency to source the material, scale up their commercial manufacture'. Often the ideas are sitting dormant 'in a pilot plant or a laboratory or in a patent' and Organization B could 'give them life'.
Use of an existing model or approach	No existing deployment models used Organization B had experience of contracts and agreements that had been used in other partnerships.	No reference was made to models other than 'good communication, good project management, good leadership, having a vision, articulating it to Directors, the business and partner.'
Key deployment decisions (business drivers)	There were four business drivers that influenced deployment decisions: 1. Achieving growth through forming strategic alliances 2. Companies are looking for alternative sources of supply 3. Global exclusivity 4. Global trends	 'we deliberately went out to find know-how that we could commercially partner' 'if there's a fire, and earthquake, a food scare - people don't want to launch food products with only one source of supply.' 'Part of the big up-front investment in this case was to secure global exclusivity. By taking a global position you eliminate one competitive source which is other people trying to do a similar thing.' 'Strategically it's very important for a business like ours to monitor global F&B trends. We are a perfect conduit for taking an idea that is successful in one market and transferring it into another'
Consideration of alternatives	Careful consideration of alternatives, there were a number of alternative options. The chosen initiative had less risk than other options.	'You don't have to resource everything yourself because that entails risk and a lot of investment - if you can get the relationships right you can market your capability to the (partner) organisation. They are marketing themselves as a provider of IP, the quid quo pro is you are a strategist, a marketer, have global reach, and a reputation.'
Communication	Very active communication at all levels. Maintained communication with the partner organization with phone conferences, emails, sharing of	Champion captures the key points, briefs the CEO

	documentation Monthly strategic report. Press releases Set up website	Monthly report briefs colleagues Suppliers and the wider industry are updated through press releases For communication with customers.
Action plans developed	Action plan was jointly developed with the partner for North America. The champion was responsible for developing plans for Organization B	Breaks down tasks, assigns responsibility, due dates, promotes alignment between the partners
Infrastructure for deployment	The initiative had a champion, and a leader and a team of people	Champion was a member of the management team The team consisted of a cross-section of people from the business
Evaluation and review	The management team met monthly to discuss progress with strategic initiatives and to review projects. The company has an annual management conference half way through the year to evaluate progress with initiatives.	Ongoing regular monitoring and learning from deploying the initiative. Changes can be made, keeps information flowing. 'This is part of deployment, part of completing the loop - part of the review process. We do a lot of pre-work, so we arrive having looked at the market, scorecarded our progress of our projects 6 months into the year -, we look at the objectives, the milestones, outstanding issues. ' 'Are we going to hit or miss - [targets] if miss- why? because we want to focus on corrective action.'

5.4.4 Influences on the deployment process

There were a number of other organizational characteristics and dimensions that were found to influence the deployment of the initiative, in addition to the practices and actions outlined in Table 5.6. These are summarized in Table 5.7.

Table 5.7. Characteristics and dimensions that influenced the deployment

Case study dimension	Influence	Examples
Organizational climate	+ High level of buy-in from all parties	High level of buy-in. Good buy-in from both partners. Very supportive climate for the initiative from Organization B's Board and CEO. 'Why is this working? Well there's trust and respect - that's very important. I share everything with them [partner organization].
Characteristics of champion	+ Driven by strategy and business need and a technology orientation.	Growth and added-value strategies motivated the champion, together with the mix of technology innovation and licensing existing technology in the initiative.

Organizational support	+ Sufficient staffing - no barriers	The GM supplied supporting resources.
	+ Moral support given for management from Board	'Our Board have been very supportive and very appreciative, we as a business and personally, professionally. Very supportive in making available funding to support these kinds of initiatives'
Barriers encountered	- Technical	Some manufacturing problems to overcome
	+ Very few and small political barriers	'Directors have been very supportive.'
Achievement of objectives	+ The objectives were partly or fully achieved and this led to further opportunities for the company	Partnerships, licensing and joint IP initiatives with other companies resulted from the success of the intiative
Learning accomplishments	+ Licensing	Now able to write license documentation
	+ Writing Confidentiality and Heads of Agreements	Are now quasi-lawyers, have developed more capability to do this themselves, 'rather than being reliant on lawyers.'
	+ Have developed a working relationship with a range of new companies. These are based in Europe and North America and include the dairy industry.	'In the past [Organization B] did not think to sell to anyone other than juice, drink or beverage marketers. But are now able to take this ingredient into other sectors of the food industry'
	+ A number of practices were used for the first time or improved	The skills learned were transferable and were captured in a knowledge management system. 'We'll learn from this project – this is our first major strategic growth project of this ilk'

+ Enabling influence
- Constraining influence

5.4.5 Outcomes

The strategic initiative of setting up a strategic alliance with another food and beverage (F&B) company was successful, 'it's worked out well because of the people involved, the trust, good relationship, similar culture, we speak the same language.' It gave Organization B international diversification and financially was showing success. In addition there were 'intangible benefits' to the organization as it moved 'onto the global stage'.

The product technology licensing had opened a new array of opportunities. A number of further projects were being generated from this initiative. Networks were opening for Organization B as they formed relationships with new companies. Organization B were negotiating a Heads of Agreement with a German company to license transfer of technology technology. The relationship with the company in Germany would 'give us an opportunity to introduce new ideas

to them for their market.' Organization B were developing the skills and expertise of their staff in manufacturing and marketing.

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5.4.6 Review of case study B

Case study B has demonstrated the following themes.

The decision to launch the strategic initiative was influenced by:

- *Internal drivers*: growth strategy, desire to leverage existing competencies
- *External drivers*: For example, competition from commodity producers in the market.

There were multiple dimensions to deploying the strategic initiative:

- *Communication*: communicating internally and externally to promote understanding of the initiative. For example, comprehensive regular communication in person and at distance
- *Buy-in*: actions to gain acceptance and commitment of stakeholders to the initiative. For example, buy-in promoted through good communication, regular updates
- *Alignment*: Deployment activities were aligned with the strategic direction. For example, initiative was aligned with the growth and added-value strategy
- *Infrastructure for deployment*: Organizing the people, roles and responsibilities. For example, cross-functional team was appointed with a champion
- *Business drivers*: Understanding the business reasons for the initiative. For example, need to increase value from existing competencies
- *Deployment options*: Assessing alternative actions and decisions, assessing risk. For example, risk was minimized and shared by partnering and licensing - less investment in IP development, patents
- *Learning*: Increasing the knowledge and capability in the organization. For example, access to the partners IP.

Collectively other characteristics influenced the deployment of the strategic initiative:

- *Organizational climate*. For example, continuous improvement philosophy, high level of buy-in
- *Organizational support*. For example, initiative well resourced, moral support from management team and Board
- *Characteristics of champion or team leader*. For example, driven by strategy technology and business need.

5.5 Organization C

Organization C was a New Zealand Government crown entity that provided accident insurance cover, injury prevention services, case management, medical and other care and rehabilitation services. The Board of Directors of the organization was responsible to the government Minister. The organization had a divisional structure, with ten divisions. The case study involved the implementation of a strategic initiative by the Strategy and Capability Division.

Organization C had adopted the CPE model for performance improvement in 2000, and the annual assessments against the CPE model showed steady improvement in total score each year, with one section of the organization applying for and winning a CPE quality award in 2002. The organization also scored one of the highest CPE points increases in the NZBC assessment process for 2003. The participants reported that a significant change since adoption of the CPE model had been an increased focus on strategic planning, as the CPE assessments had shown this to be an area to address.

Organization C was a large organization by international standards with over 1000 staff at multiple sites around New Zealand. The case study was conducted over 4 months in the first half on 2002. The researcher interviewed two senior managers, one of whom responsible for implementing the case study strategic initiative, and both managers also participated in group work.

5.5.1 Strategic management at Organization C

The broad strategy for Organization C was determined by government and an annual business plan was produced based on agreement with the government minister responsible for the organization. Each year the government indicated what the business objectives would be for the year, in consultation with the Chief Executive. The CEO had personally 'played a key role in developing the business plans and still does'.

The CEO had decided to formalize strategic planning after adopting the CPE model. This followed feedback from the managers responsible for completing the CPE-based self-assessment questionnaire and answering CPE criteria statements for an application for a CPE quality award found that the strategic planning category was the most difficult to complete. This was due in part to the ministerial involvement in strategy development and a lack of information on systems for deploying strategy.

A corporate review also identified the gap in strategic management capability. There had been no written strategic plan for the organization, and the business plans had a one-year horizon only. A new division was set up to address both strategy and capability, with one of its roles to assist with strategic thinking and strategy and business implementation.

5.5.2 Strategic initiative at Organization C

Organization C had a strategy to improve organizational performance using the CPE framework. "Champions" had been appointed for each of the seven CPE categories. The case study strategic initiative centred on the implemention of a strategic management framework for the organization. A new division in the organization, Strategy and Capability (S&C) was implementing the new framework, and the manager of the division was the champion for the strategic planning criterion of the CPE. The division 'helps do the business planning, strategic management, responding to opportunities, looking at future horizons, and helping facilitate that and sometimes lead that within the business.'

The case study examined the initial stages of the deployment of the initiative. The initiative aimed to formalize the strategic management process that already existed in the organization, and to increase the capabilities of the organization in strategy deployment. The specific objectives of the strategic initiative were to enable a move from reactive to proactive planning, and improve the organization's CPE score in Category 2, strategic planning. A summary of the strategic initiative is shown in Table 5.8

Table 5.8 Strategic initiative at Organization C

Intention	Reasons why (business drivers)	Evidence
To implement a strategic management framework for the organization.	Identified need to formalize systems and practices in strategic management	Strategic plan, business plans, communication documents, increase in CPE score

5.5.3 Features designed to facilitate deployment

A new division (S&C) was set up as a result of the corporate review, with one of its roles to enable the deployment of a strategic management framework. Although strategic management was a new function in the organization, there had previously been a planning function carried out in another division. This division 'did plan, and the process was pretty much collect input from the divisions, collect their draft divisional plan and initiatives, and from that develop, working very closely with the chief executive, the business plan.'

A feature that was designed to facilitate the deployment of the framework was a high level of consultation and communication. A focus group was set up to discuss the S&C team's ideas on strategic management. There were 13 key managers representing different divisions of the organization in the group. Three focus group sessions were conducted on aspects of the framework. The model of three horizons thinking was presented and a framework around analysis, choice and implementation. 'The first question we would ask is, do we even need a strategic planning framework, never had one before. But I think the Baldrige (CPE) deals to that, it's more about the understanding and the buy-in and the clarity as an organisation'. The S&C manager explained to the group that 'what we need is contribution, insight and advice on how we might go about developing the tools and processes and approach that fits our organisation, and that's what we'd like from you.'

The focus groups identified other methods of consultation and forums within the organization that could be used encourage buy-in and alignment with the initiative. The focus group participants were 'key influencers' and in 'key roles' and the process worked 'really well'. A number of other groups were used for consultation and feedback in both the development and implementation of the framework, including areas of the organization that were 'not normally tapped into'. Table 5.9 summarises the deployment process at the company and the reasons for the practices employed.

Table 5.9 Strategic initiative deployment process at Organization C

Step	Activity/Practice	Reason
Origin of idea	Idea came from the CEO, who appointed CPE category champions, and the strategic planning champion. It was the strategy champion's idea to develop and circulate a draft strategic management framework.	A corporate review had been conducted. 'Out of that came a recognition that perhaps we weren't as strategic as we could have been. A lot of decisions could be classified as emergent strategies, things that came about on the hoof that we reacted to.'
Use of an existing model or approach	Analysis-choice-implementation strategic management framework	Prior to 2002 the organization did not have a formal strategic plan. 'I'm just using the basic [textbook] approach with a little bit of an adaptation of our own.'
	Three horizons process as a basis for strategic thinking.	'Horizon one is right now, what are we doing. Horizon two is the current performance year we're in, and Horizon three is out three - five years' The three horizons concept was used because: 'I wanted to draw people's attention to the fact that strategy is beyond the current operational year. That might sound really basic but in our organisation we do retrospective reporting a lot'
Key deployment decisions (business drivers)	The decision to proceed with the initiative was driven by the need to improve strategic management processes The strategy champion made the decision to	A corporate review also identified the gap in strategic management capability, and this was verified in a CPE assessment. There had been no written strategic plan for the organization, and the business plans had a

	circulate a draft strategic management framework and consult with a senior managers group, the Board and the wider organisation.	one-year horizon only. A new division was set up to address both strategy and capability, with one of its roles to assist with strategic thinking and strategy and business implementation.
Consideration of alternatives	Did consider alternatives, one option was not to implement a strategic framework	'The decision to have a framework was effectively made by adopting the CPE model for the business.'
	Considered whether a strategic plan was necessary, as there had not been one previously	'People said the first thing you need to do is a strategic plan. My response to that was, well yeah, that would seem sensible but in order to develop a good strategic plan we need to have a firm fix on where we are right now.'
Communication	Very active communication at all levels	'We want to develop forums and get a regular conversation. I want to build in a hybrid network of people'
	Plan was to maintain communication	'Now we could have done what normally gets done which is to jump in and say this is the framework and this is how we're going to do it but that wouldn't help satisfy the need to gauge how people understood or bought into the approach.'
	Internal: "Town Halls" focus groups, all employees attend an annual strategy meeting, report to Board	'Feeding people information and relating it to what they do - it's a key part to getting them ready to think about what's different, how should we improve, where we're headed.'
Action plans developed	Action plans were well developed. Champion was responsible for developing plans	Breaks down tasks, assigns responsibility, due dates. Promotes alignment throughout the organization
	The key steps were set out in a framework on a one page outline	'We did a one pager to our GM saying these are all the "get rights" to do in strategic management - are you happy with this approach. We got that.'
	Project management function	'We've also got a project management office, so they turn those ideas into reality and help integrate them back into the business. So strategy (S&C) goes further than identifying ideas and just chucking them over the fence, it helps the business operationalise them.'
Infrastructure for deployment	The CEO had appointed champions for each of the seven CPE categories. One strategy manager had the role of champion for CPE Category 2 (Strategic Planning).	To promote performance improvement across the whole business, and to ensure that each aspect had a senior manager responsible
	New division set up with responsibility for strategy deployment	To address the identified lack of strategic management capability
Evaluation and review	Feedback from managers initially.	'The ultimate link is to the customer and we're going to know in a couple of years whether we made good choices. But at a day to day level it's going to be feedback from our managers internally about how we've helped them, enabled them.'
	Performance measurement - assessment against the objectives. Achievement of objectives was to be the main evaluation measure.	'Let's develop some skills and competence and some good performance assessments of the business'
	Learning	Feedback and lessons learned from deploying the initiative were able to be used in future initiatives.

5.5.4 Influences on the deployment process

There were a number of other organizational characteristics and dimensions that were found to influence the deployment of the initiative, in addition to the practices and actions outlined in Table 5.9. These are summarized in Table 5.10.

Table 5.10. Characteristics and dimensions that influenced the deployment

Case study dimension	Influence	Examples
Organizational climate	+ High level of buy-in from management for the CPE model + Winning CPE awards was a motivator for staff + Promoting a set of values for the organization had a positive effect	'Baldrige is the minimum requirement. It's a qualifier. In this organisation if you didn't have that mandate it might be a little more challenging, getting buy-in from your staff and things like that, because they're pretty operationally focused here.' The set of values was the basis of the induction process for new staff, values displayed on posters, website.
Characteristics of champion	+ Driven by strategy and need	' A letter from the CEO to champions sets out his expectations'
Organizational support	+ Moral support given	Senior management recognises and promoted the initiative 'Very supportive'
Barriers encountered	- Lack of research capability - Defensive attitude from other Divisions that had planning functions before the review - A change in strategy leader and champion part way through the deployment	'If you look at the analysis part of the strategic management framework, part of the analysis is doing the environmental scan, to do that you need to have research capability. I want to kickstart that ASAP.' 'A key "get right" for us is not to overlap and overstep our mark into the operational business, but build collaborative relationships with them and help with skills transfer.'
Achievement of objectives	+ Initiative was in initial stage and the objectives were not due for completion, but part of the effect if the initiative was successful would be a culture change. + Action planning process	'This initiative aims to integrate the strategic management framework into the management culture so it becomes part of the business as usual. How I'll know we've achieved what we need to achieve overall is when thinking about the future becomes an everyday conversation not just a one-time massive effort that is called a business plan.'
Learning accomplishments	+ A lot was learned during the deployment process that can used later. + The knowledge built up by the company can be transferred to new initiatives.	'Need to develop and integrate a strategic research capability' 'There is a need for the development of a knowledge management function'

+ Enabling influence
- Constraining influence

5.5.5 Outcomes

Phase one of the strategic initiative was achieved with the consultation and communication processes in operation. Internal communication processes about the organization's strategy and its implementation were significantly improved, with every employee throughout New Zealand attending an annual strategy meeting, with senior executives presenting at the meetings. 'Town Hall' and 'department of internal communications' approaches to promote were also in operation to promote communication and consultation.

Short-term planning processes were 'generally very good' but an on-going issue was long-term planning because of the 'one year nature of the annual agreement with the minister'. An example given was the implementation of a new IT system, 'because it takes 2-3 years to implement a new IT system and the planning is only on an annual cycle'.

The organization had a target of achieving a 300 points score in assessment against the CPE by 2003 (including an improvement in the strategic planning category). This was achieved and the organization received an award and trophy for the most improved score in the NZBC self-assessment for 2003. The organization was preparing an application for an externally assessed CPE award for 2004.

5.5.6 Review of case study C

Case study C has demonstrated the following themes.

The decision to launch the strategic initiative was influenced by:

- *Internal drivers*: Chief Executive, need for a coherent strategic management process
- *External drivers*: For example, Increased capability and capacity required by government.

There were multiple dimensions to deploying the strategic initiative:

- *Communication*: communicating internally and externally to promote understanding of the initiative. For example, comprehensive communication to employees about the strategic plan
- *Buy-in*: actions to gain acceptance and commitment of stakeholders to the initiative. For example, consultation with groups and forums at all levels, engaging senior managers in focus groups
- *Alignment*: Deployment activities were aligned with the strategic direction. For example, initiative was aligned with the overall organizational commitment to improvement using the CPE model

- *Infrastructure for deployment*: Organizing the people, roles and responsibilities. For example, Setting up of the new division to implement the initiative; champions appointed for all seven levels of the CPE framework
- *Business drivers*: Understanding the business reasons for the initiative. For example, improved planning and deployment processes
- *Deployment options*: Assessing alternative actions and decisions, assessing risk. For example, Options were explored and the final form of the framework was negotiable
- *Learning*: Increasing the knowledge and capability in the organization. For example, The new division was building an increased capacity for strategic management.

Collectively other characteristics influenced the deployment of the strategic initiative:

- *Organizational climate*. For example, continuous improvement philosophy, high level of buy-in to CPE model
- *Organizational support*. For example, very active communication, initiative well resourced, moral support from management team
- *Characteristics of champion or team leader*. For example, skilled communicator.

5.6 Organization D

Organization D was a cooperatively owned group of companies. The group manufactured and marketed dairy products. The group company had a Board, a senior executive team of six and two strategic business units at the corporate level. Organization D was a large organization by international standards with over 1000 staff.

Organization D had been formed in 2002 from the merger of several smaller organizations one of which had adopted the CPE model for performance improvement and had taken annual assessments against the CPE model, showing steady improvement in total CPE score each year. In the period after the merger, self-assessments against the CPE were not feasible in the shorter term as new management structures were put in place, with the accompanying personnel and role changes. However the organization maintained active participation in the NZBC network and continued to pursue performance improvement. The researcher interviewed a senior manager responsible for strategic initiatives and four other managers participated in group work. The case study was conducted over a twelve month period beginning in the second half of 2002.

5.6.1 Strategic management at Organization D

There were two strategic business units (SBUs) at Organization D. Each of the SBUs did strategy planning and strategy implementation. One unit worked on corporate strategy, 'the big picture, high level, long term strategic framework.' The other unit worked on short term 'business-as-usual' issues, such as how enter particular markets or how to increase market share (business strategy).

The group had only been operating as a merged organization for eight months when the case study commenced, and the strategic initiatives that were being worked on at corporate level were confidential and had yet to be or were only partially implemented. The conceptual work had been completed on defining the strategic framework for the new company, and work was proceeding on planning the implementation of new initiatives. A strategic planning model for the operational side of the business had also been agreed. The strategic management systems and practices that had been agreed at the corporate level were still theoretical, in the sense that they had only been partially tested in practice. The company was only part way through its first year and therefore was still in its first planning cycle.

The strategic framework

The Board and the leadership team defined the strategic framework, with close collaboration from people in the businesses. Very broad questions were asked such as, 'what is the new company to look like?' The strategic framework was 'the rules of the game - strategy means to define the playing field of the company.' A comprehensive market outlook was defined, and the Board and leadership team 'came up with what we're calling the main strategic themes'. The identified themes formed the basis of the strategic framework and strategic initiatives were being developed from the framework of themes 'now we're operating within each of those strategic themes to develop the key initiatives'.

5.6.2 Strategic initiative at Organization D

The case study examined the implementation of a strategic framework for the organization. A strategic framework had been agreed between the Board and the leadership team. A number of strategic themes had been identified, and strategic initiatives were being developed from these themes. High level goals and targets for the next three years were set by the Board and the leadership team. These were then worked on through a six-month planning process (three year horizon), followed by six months for the budget process (one year horizon), making an annual cycle. Running in parallel with the planning and budgeting processes and tied to it is the human

resource process of setting incentives for individual staff to meet performance targets. A summary of the strategic initiative is shown in Table 5.11

Table 5.11 Strategic initiative at Organization D

Intention	Reasons why (business drivers)	Evidence
To deploy a new strategic framework for the group	The new organization, formed from several entities, in a new regulatory environment, needed a new strategic framework, and the framework had to be communicated to the whole organization	Strategic plan, business plans, communication plan

The seven strategic themes that made up the strategic framework were:

- Lowest cost supplier of commodity dairy products.
- Leading price and inventory manager in the global commodity market.
- Effective developer of dairy ingredients partnerships in selected markets.
- Leading specialty milk components innovator and solutions provider.
- Leading consumer nutritional milks marketer.
- Leading dairy marketer to foodservice in key markets.
- Develop integrated strategies for four key regional markets.

While initiatives were being developed for each of the strategic themes, the case study examined the deployment of the whole framework package, which took place over a 12 month period.

5.6.3 Features designed to facilitate deployment

Having defined the strategic framework, work proceeded on deployment across the whole group. The deployment plan had three parts: a communication plan, the annual planning cycle, and one-off strategic initiatives.

1. Communication plan

A comprehensive communication plan - 'we need not only to repeat and reiterate the strategy, but also we need to create excitement across the organization. Creating that excitement is one of the key challenges of the communication strategy.'

A series of communication materials were prepared for shareholders, employees and the media by the strategic initiatives SBU and the corporate communications centre. The communication plan was implemented by the corporate communication centre. The seven themes of the strategic

initiative were packed into various communications including video. Presentations were cascaded throughout the organization, 'we are briefing to a certain level, and then that level needs to start cascading.' The presentation materials were tailored for the audience at each level, 'the way you brief will be diluted as you go down, there are things that are commercially sensitive.' The communication was to come from the CEO and his team initially, 'the communication needs to come from the CEO and the Board to have credibility.'

2. Annual planning cycle

The second component of the deployment was the planning cycle. Business plans were developed for each of the strategic themes. The business plans then defined the budget, and the finance team played a key role in developing this, 'the best way to achieve your strategy is to lock-in the initiatives in the budget. If the strategy feeds into the budget then it's already in your next year's plan to carry out the strategy, and that's how everyone is going to be behaving. The final touch is to tie the whole thing to the HR performance and remuneration process.'

3. One-off Initiatives

The third component of the implementation comprised of organization wide initiatives that were designed to change particular aspects of the organization. These were initiatives that were perceived by the leadership team as fundamental to create the changes required to ensure the implementation of the strategy.

Another feature designed to ensure that strategic initiatives were implementable was to have one corporate strategy team member on the initiative planning team, 'only one of us is on the project team, it is always with other people from the business.' The corporate strategy person on the team was a champion and consultant who brought the process management skills - 'forcing the step up to think beyond business-as-usual - the demanding partner who will force you think a bit beyond your day to day.' The rest of the people on the team were from the business unit that would be implementing the initiative, and therefore had an interest in ensuring the initiative was implementable. This gave a sense of ownership and buy-in of the initiative amongst the people who would be implementing it. Table 5.12 summarises the deployment process and the reasons for the practices employed.

Table 5.12 Strategic initiative deployment process at Organization D

Step	Activity/Practice	Reason
Origin of idea	CEO and the leadership team decided the new organization needed a new strategic framework	Compared to the past 'we're in a totally new strategic horizon' and 'we're operating in a new regulatory environment'. The three companies had merged into a single entity and 'the problem has changed, and therefore the strategic framework needs to be different'.
Use of an existing model or approach	The organization defined its playing field with its themes, 'It's a relatively top-down structured way of thinking'. Large commodity companies 'need to be structured' in their approach to strategy, and 'need to define the playing field'.	'For a large commodity organisation like ours I do not believe in a lot of lateral thinking, out of the box stuff - I believe that kind of approach is extremely valuable for start-ups and the smaller more dynamic companies. For strategy we use ... a relatively structured issue tree, rather than the more lateral thinking, out of the box brainstorming approach. Every business needs to find out which of those 2 models is best for them.
Key deployment decisions (business drivers)	The strategic framework was defined by the Board and the leadership team, with close collaboration from people in the businesses. Very broad questions were asked such as, 'what is the new company to look like?' The decision to proceed with the initiative was driven by the Board and leadership team	'What we've tried to define what are the imperatives both in terms of value creation and defending the core of the business. And within those what are 4 or 5 things given the contextual environment in which we're operating that are going to be the most challenging - that defines more or less the pieces where we need to focus. '
Consideration of alternatives	The SBU did consider alternatives for implementation, one of their functions was to challenge proposals and to set up a dialogue with the businesses	The SBU engaged in 'demanding partner dialogue' with the businesses that were implementing the initiative, and 'some of the assumptions and hypotheses might be revisited in that process. '
Communication	Comprehensive communication plan Very active communication at all levels Create a sense of excitement around the initiative	'The strategic framework is going to be important for all the stakeholders, that's why the communication plan is so complicated and comprehensive.' 'The communication plan also has a flavour of the targets- the aspirational things we should all be seeking to achieve in the next horizon.'
Action plans developed	The strategic initiatives SBU team developed the action plans The SBU and the corporate communications centre developed the communication plan	Comprehensive action plans had to be developed to enable the initiative to be communicated to everyone in the large organization
Infrastructure for deployment	The strategic business unit team and the corporate communications centre jointly deployed the initiative The SBU manager was champion for the implementation of the initiative	The SBU unit had the function of assessing, challenging and helping implement new initiatives. The communications centre assisted with the communications requirements.
Evaluation and review	Questionaries used to survey stakeholders' understanding and alignment with the initiative Feed back to corporate level on the outcome of the initiative was from the businesses as they implemented	Defining the framework was 'relatively structured, top-down', in contrast to the implementation, which was when it was tested within the business, and 'the feedback comes from the bottom up, things are going to shift, which is good, and they'll get enriched.'

5.6.4 Influences on the deployment process

There were a number of other organizational characteristics and dimensions that were found to influence the deployment of the initiative, in addition to the practices and actions outlined in Table 5.12. These are summarized in Table 5.13.

Table 5.13. Characteristics and dimensions that influenced the deployment

Case study dimension	Influence	Examples
Organizational climate	+ High level of buy-in at senior management level for the initiative	The organisation had been formed from a merger of several other entities, and much effort had been put into training and development sessions for the new senior managers, to develop trust and teamwork
	+ Mature and commoditised market meant a stable and long term outlook for the organization	'we have a huge core business, that is operating in an extremely mature and commoditised market'
Characteristics of champions	+ Driven by strategy	The champion was manager of the strategic business unit responsible for long term strategy
	+ Production and market orientation.	'at the end of the day on the manufacturing side of the business it's really about cost reduction and price maximization and inventory organisation -
Organizational support	+ Sufficient staffing - no barriers + No resource constraints	'The initiatives are the big projects. Each is a stand-alone project that is resourced and implemented to get to whatever the goal is.'
Barriers encountered	- A barrier was communicating the new framework at the manufacturing plant level	Issues were around the difficulty bringing shift workers together for a presentation, and in developing action plans for the initiative at the factory production level
Achievement of objectives	+ Initiative was on track and the execution of the communication plan was almost complete	'A lot of it is really making sure that your strategies have clear targets and objectives and that they are the responsibility of the people that are going to be implementing them. And we create in that way the ownership of those initiatives.'
Learning accomplishments	+ Learning during the deployment process was used to improve the deployment. + The knowledge built up by the company can be transferred to new initiatives.	Learning was part of the process 'that's where it's a two way feedback' The framework initiative was top-down, but then the businesses in trying to implement the initiative would be 'coming back to us and there will be a creative tension which I think is valuable to improve the overall process.'

+ Enabling influence
- Constraining influence

5.6.5 Outcomes

Twelve months after the start of the implementation of the strategic framework the execution communication plan was almost completed. An issue arose part-way through the deployment of

the new strategic framework when a new CEO was appointed for the group. The communication materials for the initiative were still in use, featuring the former CEO in print and on video presenting the new framework. While the communication materials were now out-of-date, the new CEO endorsed the strategic initiative so the message was still current, and the materials continued to be used.

The final stage of the deployment was at the factory (production) level. An issue for managers at the factory level was how to get employees together to explain the new framework. The factories worked shifts with virtually no down time and there was no time that all the employees could be brought together as a group for a presentation. The plant managers also faced the difficulty of planning how to implement the framework in their factory. The seven themes of the framework were articulated in the communication materials for management, but there were 'no details on how to implement' at the factory level.

Feedback and review

The organization had two mechanisms for feedback and review of the initiative.

1. Every initiative was reviewed on a scorecard. Some initiatives had very objective measures and the feedback and review process was straightforward. However to review the implementation of the strategic framework, 'it's something that requires creating alignment' and how well alignment had been created was measured by a series of questionnaires. The questionnaires were conducted to assess how well people had understood the initiative. Teams and individuals had their incentives and performance pay linked to the outcome of these surveys, and the results were confidential.

2. The more formal content feedback came through the planning cycle, when the performance in the market was fed back from the businesses. This would lead to improvements and changes to the framework, 'some of the assumptions and hypotheses might be revisited in that process. '

5.6.6 Review of case study D

Case study D has demonstrated the following themes.

The decision to launch the strategic initiative was influenced by:

- *Internal drivers*: COE, Board of Directors, shareholders
- *External drivers*: For example, global industry competition.

There were multiple dimensions to deploying the strategic initiative:

- *Communication*: communicating internally and externally to promote understanding of the initiative. For example, comprehensive communication plan and execution
- *Buy-in*: actions to gain acceptance and commitment of stakeholders to the initiative. For example, clear targets and assigning people to be responsible for them, plus incentives for good performance
- *Alignment*: Deployment activities were aligned with the strategic direction. For example, initiative was aligned with the strategy
- *Infrastructure for deployment*: Organizing the people, roles and responsibilities. For example, two units in the organization implemented the initiative
- *Business drivers*: Understanding the business reasons for the initiative. For example, new organization, new regulatory environment meant a new strategic framework was needed
- *Deployment options*: Assessing alternative actions and decisions, assessing risk. For example, options and risks fully explored before and during implementation
- *Learning*: Increasing the knowledge and capability in the organization. For example, management development programmes were used to promote trust and teamwork; feedback evaluation and review of the initiative was comprehensive.

Collectively other characteristics influenced the deployment of the strategic initiative:

- *Organizational climate*. For example, emphasis on management teamwork; stable, long-term outlook
- *Organizational support*. For example, very active communication, initiative well resourced, moral support from management team
- *Characteristics of champion or team leader*. For example, strategy driven, market and production orientation.

5.7 Organization E

Organization E was a crown entity, part of a District Health Board (DHB) and provided medical laboratory services to public sector and private sector hospitals throughout New Zealand. It had a multi-site operation with one main laboratory and several smaller laboratories. Organization E was a medium sized organization by international standards with between 100 and 500 staff (full-time equivalent). The organization had a general manager (GM), and was to have a clinical director appointed at an equivalent level to the GM, as part of a policy to have clinical governance. The GM reported to the chief operating officer of the DHB.

Organization E had adopted the CPE model for performance improvement in 2000, and the annual self-assessments against the CPE model showed steady improvement in total score each year. The organization already had accreditation with International Accreditation New Zealand in all disciplines and for all procedures it performed. The researcher interviewed three managers

responsible for quality management, business development and information services. Two managers from Organization E also participated in the research group work. The case study was conducted over a two month period in the first half of 2002.

5.7.1 Strategic management at Organization E

Organization E's corporate strategy was determined by government through the DHB, and the core business was providing medical laboratory services. The business level strategy was to position the organization as one of two major reference laboratories in NZ. This would enable the organization to grow external revenue by expanding the services provided to external clients - community and hospital laboratories.

Strategic management at Organization E had been greatly affected in recent years by the many structural changes imposed by governments on the health sector, which in turn affected their business strategy, and impacted on the strategic initiative. From the 1993 government health reforms the organization had been part of a Crown Health Enterprise (CHE). CHEs were companies with boards of directors, were completely autonomous and competed with each other. There was a funder-provider split, and competitive bidding between CHEs to the funder for the provision of hospital services. 'What we got as a result of CHEs was a lot of replication' as the autonomous CHEs bought their own laboratory systems and IT systems. The result was 'added cost', 'things took a very commercial focus' and because they were competitive, 'communication between CHEs stopped.'

With the change from CHEs to DHBs which are both funder and provider, 'politically the push now is to get DHBs to work together'. Where possible DHBs are encouraged to share services rather than replicating them, and for one DHB to provide a service, 'rather than each one does its own thing.' But there were 'a lot of legacies of that competitive environment' and that takes time to change, 'as you have to dismantle the old systems'. Organization E's DHB was formed in 2001 from the merger of two CHEs, 'that means we now have two IT systems', one at each hospital and 'they can't yet communicate properly with each other'.

5.7.2 Strategic initiative at Organization E

The case study examined the forming of strategic alliance between Organization E and another DHB's laboratory to share one overall laboratory information system. This concept involved external laboratories sending laboratory test samples to Organization E for processing, and they were linked into the Organization E computer system for registering tests and obtaining test results. The aim was to increase value from existing resources through sharing an IT system with

the partner and servicing their laboratory needs. The initiative had been formulated throughout 2000 and 2001 and was completed and reviewed in early 2002.

A consultation process with the partner lasted 12 months. A formal agreement was negotiated. A consortium was formed between the two DHBs and the IT vendor, with the signing of a Heads of Agreement by the CEOs of the organizations. This agreement listed the objectives and stated the expectations of the partners. A summary of the strategic initiative is shown in Table 5.14

Table 5.14 Strategic initiative at Organization E

Intention	Reasons why (business drivers)	Evidence
To seek a collaborative alliance with another organization to share one overall laboratory information system.	The strategy was to grow external revenue by growing the services provided to community and hospital laboratories. This was only possible if compatible IT systems were in place in each participating laboratory	Business plan, project plans, post-implementation report

5.7.3 Features designed to facilitate deployment

Organization E had previously implemented two initiatives that had similar objectives to the case study initiative and the lessons learned from these influenced the approach to the new initiative. A feature that facilitated the deployment of the initiative was that the partners had very compatible skill bases and organizational cultures. Table 5.15 summarises the deployment process at the company and the reasons for the practices employed.

Table 5.15 Strategic initiative deployment process at Organization E

Step	Activity/Practice	Reason
Origin of idea	Idea was adapted from a similar previous initiative	The initiative was part of the strategy to expand services to other laboratories
Use of an existing model or approach	Organization E used a model for deployment based on their experience of previous multi-lab initiatives Organization E had experience of contracts and agreements that had been used in other partnerships.	Similar linkages had been completed previously with two other laboratories and a plan was developed to leverage off the learning gained in these 'The shared services model had a big impact - the project fitted the political policy of the Ministry of Health.'
Key deployment decisions (business drivers)	Growing the services provided to community and hospital laboratories. This was only possible if compatible IT systems were in place in each participating laboratory	The decision to proceed with the initiative was driven by need to grow external revenue For the partner, security of data was a major consideration, and the risk was minimized by partnering with another DHB rather than a private commercial IT provider.
Consideration of alternatives	Did consider alternatives, there were other options.	Both partners explored other options as they consulted, but preferred the final contractual arrangement.

Communication	Very active communication at all levels. Face to face planning meetings between partners Maintained communication with the partner organization, with weekly audio and video conferences, minutes, email, phone. Monthly status reports	The users of the system in the partner organization needed training and updates regularly. A "buddy" system was used for technologists between the laboratories, who could phone each other to discuss issues.
Action plans developed	Action plans were developed at each meeting between the partners. Had joint plans and separate Organization E action plans also. IT champion was responsible for developing plans	Breaks down tasks, assigns responsibility, due dates Promotes alignment between the partners
Infrastructure for deployment	Organization E had an overall champion and an IT champion who put a team of six together to do the implementation The partner organization had a team of three, the champion and two staff.	The teams needed IT and laboratory staff for a successful implementation. The partner champion 'sold it to their staff, even though the lab staff must have been wary, because by sending tests away there would be less jobs.'
Evaluation and review	Did a formal post-implementation report, with lessons learned.	Feedback and lessons learned from deploying the initiative can be used in future initiatives. The outcome was good in terms of government expenditure in that it 'frees up money for other patient care.' The benefits for the partner were that 'they are now closer to a high quality reference laboratory.'

5.7.4 Influences on the deployment process

There were a number of other organizational characteristics and dimensions that were found to influence the deployment of the initiative, in addition to the practices and actions outlined in Table 5.15 These are summarized in Table 5.16.

Table 5.16. Characteristics and dimensions that influenced the deployment

Case study dimension	Influence	Examples
Organizational climate	+ Shared services outlook + High level of buy-in at all levels	High level of buy-in from all parties. Shared services model in Health sector helped buy-in at top management level. Management and vendor very supportive. Lab staff had contact at staff level with the partner. 'Great buy in at [the partner organization]'.
Characteristics of champions	+ Driven by strategy and business need + Technology orientation.	'The initiative was technically different from the other two. It was the first time two DHBs have exchanged so much information over online links.'
Organizational support	+ Sufficient staffing - no barriers	'The necessary people were made available to work on the project. Most people had additional responsibilities (i.e. their normal jobs) and as such were not always available for an immediate response. However given these circumstances few serious resourcing problems were encountered. Support has

		improved over the life of the project'
	+ Moral support given for management, with lab seen as a revenue source rather than a cost centre	'Getting CEO signoff of the Heads of Agreement made life a lot easier on the implementation side to get things to happen. It was being driven down from the top.'
Barriers encountered	- The biggest barrier was from the partner side, 'the feeling that something's being imposed on them.' - Resource constraints meant the system was not able to be tested before 'go-live'. Training sessions had to be condensed	'This is unique, the first time it's happened in the public sector. The private sector tends to buy the lab and say righto from Monday this is the way you'll do it - no choice. So we've said we don't own you, we don't control you but we see merit in working together so we think the way we evolve will be the best way not necessarily our way, so that's the approach we've tried to sell.'
Achievement of objectives	+ The principle objectives were met and the partner DHB have been supplied the services as outlined in the Heads of Agreement	'The project was completed within one week of the original schedule.' 'Long term computing operations are now a lower risk' 'The project was a "win-win" for both DHBs.'
Learning accomplishments	+ Joint learning between the partners + Use of the health intranet for real-time data exchange	Lab staff: groups formed between both DHB laboratories to work through issues.' Lab staff now have lots of skills to draw on to do a project.'
	+ New knowledge of IT systems can be transferred to new initiatives.	Looking at having same procedures for maintenance of IT systems in both labs, save on training, quality manuals, do deals on consumables.
	+ A number of practices were used for the first time or improved	Buddy process, videoconferencing, IT systems

+ Enabling influence
- Constraining influence

5.7.5 Outcomes

The strategic initiative of setting up a strategic alliance with another laboratory was successful. The principle objectives were met and the partner DHB have been supplied the services as outlined in the Heads of Agreement. The strategic initiative was completed within one week of the original schedule. The outcome was good in terms of government expenditure because 'it frees up money for other patient care'.

The benefits to the partner organization were that they were now closer to a high quality reference laboratory, so standards and quality assurance processes were improved. Organization E's reference laboratory was able to provide other solutions to the partner such as pathologist's supervision, other IT systems, and continuing education. 'We provide our seminars via video streaming on the internet so their people can sit in. To continue to practice you need to maintain professional standards and that requires continuing education.'

For Organization E there were only minor adjustments rather than major changes in practices as a result of the deployment. Long term computing operations were now a lower risk for both partners, and the initiative 'was a "win-win" for both DHBs.'

5.7.6 Review of case study E

Case study E has demonstrated the following themes.

The decision to launch the strategic initiative was influenced by:

- *Internal drivers*: strategy, Business Development Manager
- *External drivers*: For example, shared services model of the Ministry of Health.

There were multiple dimensions to deploying the strategic initiative:

- *Communication*: communicating internally and externally to promote understanding of the initiative. For example, comprehensive communication in person and at distance
- *Buy-in*: actions to gain acceptance and commitment of stakeholders to the initiative. For example, buy-in promoted at both organizations
- *Alignment*: Deployment activities were aligned with the strategic direction. For example, initiative was aligned with the multi-lab strategy
- *Infrastructure for deployment*: Organizing the people, roles and responsibilities. For example, teams were appointed in both organizations
- *Business drivers*: Understanding the business reasons for the initiative. For example, need to increase value from existing laboratory services
- *Deployment options*: Assessing alternative actions and decisions, assessing risk. For example, risks of IT systems failure were assessed
- *Learning*: Increasing the knowledge and capability in the organization. For example, post implementation report contained the lessons learned.

Collectively other characteristics influenced the deployment of the strategic initiative:

- *Organizational climate*. For example, continuous improvement philosophy, high level of buy-in
- *Organizational support*. For example, good communication, initiative well resourced, moral support from management team
- *Characteristics of champion or team leader*. For example, driven by strategy and business need.

5.8 Organization F

Organization F was a crown-owned company providing research, technology and services to New Zealand and international food producers. The company specialised in developing sustainable land use technologies, and developing and commercialising food products and technologies for high value markets. Organization F was a medium sized organization by international standards with between 100 and 500 staff (full-time equivalent). The company had a Board, a senior management team of six called the Executive Management Group (EMG) and over 100 research scientists.

Organization F had adopted the CPE model for performance improvement in 2000, and the annual assessments against the CPE model showed steady improvement in total score each year, and a consistent improvement in business results. The participants reported that a significant change over the period had been the realization of a more commercial focus on the outcomes of research programmes. The researcher interviewed the senior manager responsible for strategy and two other managers participated in group work. The case study was conducted over a five month period in the first half of 2002.

5.8.1 Strategic management at Organization F

The broad strategy for Organization F was determined by government and set out the Statement of Corporate Intent. The Board, CEO and senior management team set the vision. A five year rolling strategic plan with a 15 year vision was developed from the Statement of Intent. The Board had an annual strategic planning meeting and the management team prepared plans for the Board to consider at the meeting. The strategic plan was also discussed with the government Minister responsible.

The strategic plan for 2001-2005 contained three business strategies and their objectives, and these are summarised in Table 5.17. The business themes in Table 5.17 were further developed by the research teams into team plans.

Table 5. 17 Key business areas for Organization F

Strategic area	Key Objective
Food, nutrition and health	Be a leading technology provider to New Zealand and international food producers
Environment, sustainability and productivity	Develop sustainable land use technologies
Quality niche markets	Develop and commercialise quality products and technologies for high value markets.

Organization F was undertaking a change in strategic direction from being primarily a service provider to an intellectual property (IP) business, by developing joint ventures, licences and patents. This would involve spinning off companies as IP was developed into marketable products or services. This was 'a definite mind-set change'. While capital funding was not a problem, finding an entrepreneur with the skills and capabilities to lead a new companies was difficult.

The company was launching IP initiatives for risk minimisation reasons. Organization F applied annually to a government funding agency in a competitive bidding round for funding and were 65% government funded in 2001 and wanted to reduce this dependence on government as their main client and have more private funding than public. This strategy required increasing income from private sector clients, partners and IP returns.

Issues in this transition to an IP focus were:

- a potential conflict between science provider work (consultancy that was closely related to staff expertise, and was broad in scope) versus IP generation, which required a focus on 2 or 3 areas - that is, narrow in scope.

- consumer megatrends were key to business strategy. The ultimate customer was the food consumer, although the company's primary customer was industry.

- some sections of Organization F were able to generate high value IP relatively easily, for example, food ingredients. Other sections did not have the same scope to produce IP easily.

In 2000 the CEO had identified five drivers for the strategic direction of the company: science discovery, people, partnership, growth, and value. Management initiatives were measured against the drivers, and KPIs were aligned to the drivers as well. An example of the role of the drivers in the deployment of strategic initiatives was the partnership driver, which encouraged the forming of strategic alliances between Organization F and other research agencies to undertake collaborative research programmes.

5.8.2 Strategic initiative at Organization F

The case study examined the forming of strategic alliances between Organization F and other research agencies to undertake collaborative research programs. The aim was to increase value from existing research programs through partnering. It also involved changing the research

programs to target high value markets, making them more attractive to international investors, and improving the potential to commercialize intellectual property.

The aim of the initiative was to increase value from an existing research programme that the company had in this area for some years. The strategic initiative was to seek a collaborative alliance with one or more partner organizations rather than running the programme in isolation.

A partnership with another research organization had been formed and the strategic initiative was being implemented during the case study. It also involved changing the market that was targeted by the programme. Organization F's needs were: to make the research programme more attractive to international investors; improve the control and potential to commercialise IP in NZ; and to target it at the high value market. The partner research institute had the same aspirations with their equivalent programme. A summary of the strategic initiative is shown in Table 5.18.

Table 5.18 Strategic initiative at Organization F

Intention	Reasons why (business drivers)	Evidence
To seek a collaborative alliance with one or more partner organizations to run a research programme.	The company needed to increase the value of its IP. Government funding was at risk. The company wanted private sector funding as well - an external investor.	Strategic plan, business plans

The company began joint science level strategy work with the partner organization in 2001 and worked on a partnership plan in Sept 2001 - Feb 2002. The partners met in June 2002 to finalise contractual arrangements and IP management. 'We have a good shared view of how to go forward.' The alliance was successful in their bid for government funding and began marketing the programme. They agreed the project objectives for the funded work and were putting together a plan to attract non-government investment.

Objectives of the strategic initiative

Work with the alliance partner to:

- Increase the value of the IP
- Obtain Government funding;
- Obtain private sector funding - an external investor.

5.8.3 Features designed to facilitate deployment

Organization F had previously attempted to set up a strategic alliance with an overseas research agency over a four-year period. Agreement was never reached and the attempt lapsed by mutual agreement. This failed initiative had similar objectives to the case study initiative and the lessons learned from the failure influenced the approach to the new initiative. An example of the learning was the need for communication and relationships to form at several levels between the partners 'we have to work at the relationship at all levels.... it's no good if just the management get on, or just the top and the middle'. There were 3 levels of interaction between the partners: the two science programme leaders, the two people responsible for client interface, and management. Another feature that facilitated the deployment of the case study alliance was that the partners had very compatible skill bases and organizational cultures. Table 5.19 Summarises the deployment process at the company and the reasoning behind the practices employed.

Table 5.19 Strategic initiative deployment process at Organization F

Step	Activity/Practice	Reason
Origin of idea	Idea of collaborating with the partner organization came from the science team.	The science team already had a relationship with the partner organization through professional links for many years, and did some joint science level strategy work with them in 2001. It was a logical step to approach them to seek a strategic alliance.
Use of an existing model or approach	Organization F used a model for deployment based on their experience and analysis of problems with previous attempts at forming strategic alliances Organization F had templates for contracts and agreements that had been used in other partnerships.	'We've discovered that if we're going to have a strategic collaboration like this, to be successful we have to work at the relationship at all levels.... it's no good if just the management get on, or just the top and the middle. So the model was that the interface had to be at all the important levels.'
Key deployment decisions (business drivers)	The decision to proceed with the initiative was driven by the science discovery driver, the partnership driver and the focus on IP. These drivers set the broad parameters within which the decisions about the initiative could be made.	There was a need to make the research programmes more attractive to international investors; to improve the control and potential to commercialise intellectual property in NZ; and to target the programmes at high value markets. 'The company needed to increase the value of the IP; it was a Government funded programme that was up for review, so funding was at risk; and the company wanted private sector funding as well - an external investor. '
Consideration of alternatives	Did consider alternatives, there were other options to fund the programme. An strategic alliance was not the only option	There were other potential partners. The organization F team discussed abandoning the collaboration several times, and discussed alternative partners. 'There was a potential third partner, and the most difficult decisions were about them. '
Communication	Very active communication at all levels Plan was to maintain communication at all levels with the main partner organization, and Organization F were	'The plan was to have a lot of communication. The company had scientists at several sites around New Zealand and made a committment to fly them to meet with the

	committed to meeting with the partner whenever they needed to. Internal: report to Board	partner's scientists. 'The main thing we paid attention to was the meeting frequency and commitment to meet face to face. That was the main investment.'
Action plans developed	Action plans were developed at each meeting between the partners. Had joint plans and separate Organization F action plans also. Champion was responsible for developing plans	Breaks down tasks, assigns responsibility, due dates. Promotes alignment throughout the organization
Infrastructure for deployment	An Organization F champion appointed at three levels - the science leader, the business leader and the organisational leader.	'We've discovered that if we're going to have a strategic collaboration like this, to be successful we have to work at the relationship at all levels'
Evaluation and review	Did a formal report against the strategic plan. At the corporate level Organization F had five drivers that the CEO introduced: science discovery, people, partnership, growth, and value. Management initiatives were measured against the drivers, and KPIs were also aligned to the drivers	Performance measurement - assessment against the drivers and KPIs Learning - feedback and lessons learned from deloying the initiative were able to be used in future initiatives.

5.8.4 Influences on the deployment process

There were a number of other organizational characteristics and dimensions that were found to influence the deployment of the initiative, in addition to the practices and actions outlined in Table 5.19. These are summarized in Table 5.20.

Table 5.20. Characteristics and dimensions that influenced the deployment

Case study dimension	Influence	Examples
Organizational climate	+ Stable workforce, long term outlook + High level of buy-in at all levels	'We're not a U-turn type company.' The organizational culture of the two partners was compatible and their respective research teams worked well together
Characteristics of champions	+ Driven by strategy and need + Science orientation. + Innovators	Two of the champions were driven by need. Scientists needed funding, Business manager needed products to market. The senior management champion wanted the strategic outcome of a long term opportunity for the company. 'We want to be sure we're incentivizing innovative science. So we've set up an internal competitive process where everyone puts up their best ideas, and the best idea of the month gets $10,000 to spend on it'
Organizational support	+ Sufficient staffing - no barriers + Moral support given	'Very supportive - an important programme for the company. With phase one secured, commitment will be needed to take phase two forward.'
Barriers encountered	- The main barrier was understanding the client's needs	'We had to talk to the client a lot, and change direction to meet their needs. '

	- The current research programmes did not fit the client's needs	Had to restructure the research programmes to meet the client's needs.
Achievement of objectives	+ Initiative was on track and this had a positive effect on the partnership.	Had obtained funding for phase one.
Learning accomplishments	+ A lot was learned during the deployment process that can used later. + The knowledge built up by the company can be transferred to new initiatives.	'Don't try to go to far to fast - we have rushed things in the past.' 'Think more about the needs on both sides. If only one of the levels aren't talking then it won't work.' This was the first major test of developing a strategic alliance framework with the theory of having to work at each level of the relationship. 'First time we have done this properly.' 'My conclusion is: don't do too many of them' (alliances)

+ Enabling influence
- Constraining influence

5.8.5 Outcomes

Phase one of the strategic initiative was underway, with the research programme proceeding. An important stage one objective had been achieved when government funding was obtained. The company was seeking private sector funding to complement this. The portion of government funding to overall revenue was trending down toward 50%, compared with 80% government funding two years previously.

The strategic initiative of setting up a strategic alliance with another research agency had been successful. The scientific outcome was longer-term and would become clearer further into the joint five year research project. The future market demand for the research output was uncertain 'we are selling the services of a research team - it is a risky market'.

There were only minor adjustments rather than major changes in practices as a result of the deployment. One potential issue was with the IP commercialisation system, which involved the senior manager responsible for overseeing the initiative handing over to an operational manager when the initiative was fully developed. 'Some of the initiatives that haven't gone well haven't been helped by a change of personnel when there was a handover to an operational manager.' There was a perceived need to involve the operational managers all the way through to avoid problems at handover time.

IP policy between two research partners was complex but they shared similar views. IP work done by Organization F scientists belonged to Organization F. Similarly for the other research

partner. The policy included how to commercialise IP, and the partners had compatible views on this.

5.8.6 Review of case study F

Case study F has demonstrated the following themes.

The decision to launch the strategic initiative was influenced by:

- *Internal drivers*: COE, Board of Directors, new strategy on IP
- *External drivers*: For example, market demand for new products, competitive bidding for government funding.

There were multiple dimensions to deploying the strategic initiative:

- *Communication*: communicating internally and externally to promote understanding of the initiative. For example, multi-level communication between partners in the alliance
- *Buy-in*: actions to gain acceptance and commitment of stakeholders to the initiative. For example, active relationship of management team with Board and Minister, engaging teams from both partners in planning
- *Alignment*: Deployment activities were aligned with the strategic direction. For example, initiative was aligned with the company drivers for strategy
- *Infrastructure for deployment*: Organizing the people, roles and responsibilities. For example, Champions appointed at three levels in the company
- *Business drivers*: Understanding the business reasons for the initiative. For example, innovate research, development of IP
- *Deployment options*: Assessing alternative actions and decisions, assessing risk. For example, Option of alternative partners and funding explored
- *Learning*: Increasing the knowledge and capability in the organization. For example, managers built on a model developed from previous alliance initiatives.

Collectively other characteristics influenced the deployment of the strategic initiative:

- *Organizational climate*. For example, continuous improvement philosophy, stable, long-term outlook
- Organizational support. For example, very active communication, initiative well resourced, moral support from management team
- *Characteristics of champion or team leader*. For example, innovative.

5. 9 Organization G

Organization G was a group of specialist technology companies, comprising two service companies and four subsidiary product companies. The companies were structured around competency centres, with each company focused on a particular technology or service. The group specialised in the design and commercial development of technology solutions for the retail oil industry and other retail and financial services markets, with clients in Europe, the Americas, Asia and Australasia. Organization G was a small company by international standards with between 50 and 99 people (Full time equivalent).

The Managing Director had adopted the CPE model for the business in 2000, and the company had undertaken annual self-assessment against the CPE criteria. The organization had experienced steady growth and significant improvement in business results, and had shown an average annual 50 point increase in CPE score over three years. The case study was completed over 5 months, in the first half of 2002. Documents and on-line systems were reviewed. The researcher interviewed the managing director and two other managers participated in the research group work.

5.9.1 Strategic Management at Organization G

The managing director led strategic management and strategic planning and had personally put much time and effort into the process used to develop strategy and deploy strategic initiatives. The Organization G strategy cycle was annual, and began with a SWOT analysis, as a snapshot or representation of the internal and external environment for the company at that time. The vision was also reviewed, with wide input from managers and staff. Next, objectives were set based on the vision. 'The objectives are one to five years - a long way out, but not time bound. They are difficult to measure but are expressive - they express the sentiment.' Measurable goals were then set from the objectives, mostly with a one year timeframe. The objectives and goals that had been developed were then incorporated into business plans, and action plans were developed for each strategic initiative.

An issues analysis was done on an annual cycle and revisited as required during the year. The intent was to update the issue analysis quarterly but this had proven an ambitious goal. The analysis included budget issues, resource allocation, risk and compliance, quality processes, KPIs and benchmarks. This was followed by a review of the roles in the business. This review had been comprehensive in the past, mainly involving changes in the management structure. In 2001 there was not as much change as in previous years, as the company has become more mature and stable, and that had continued to be the case in 2002.

Organization G distinguished between strategic initiatives and projects. Projects had clearly defined completion criteria, while strategic initiatives were bigger and were potential new businesses. A new company may be set up within the group to develop a new initiative. Projects were usually short duration and were handled within existing company structures.

5.9.2 Strategic initiative at Organization G

The strategic initiative involved the design and implementation of a groupware based strategic management system. This initiative was instigated by the MD, and was one of a number of changes he had undertaken to improve the performance of the company. The MD and a mentor had worked on a business process model they called management effectiveness tools (MET). This model underpinned the database system that was deployed.

The vision, mission, objectives, goals and business plans derived from them were all entered in the database system. The database was an integrated strategic planning / business planning / action planning management tool. It also tracked strategy deployment, projects, electronic communication, and incorporated a strategic control system. The database had a planning view and implementation view, which linked strategy implementation to planning meetings (agenda and actions). It had an automatic report generation capability. The system was also used on the operational side of the business. All significant company actions and activities were initiated and recorded on the database, which was accessible to all staff on the organization's intranet and to all staff over the Internet. The initiative is summarised in Table 5.21.

Table 5.21 Strategic initiative at Organization G

Intention	Reasons why (business drivers)	Evidence
Implement an IT based strategic management system with the company	To improve business efficiency and promote transparency in communication and decision-making, as staff are able view all actions and activities Continuous improvement philosophy	Strategic plan, business plans & actions all on-line Database system demonstrated

Management controls had been developed and incorporated in the software, for example to define meetings. Meetings had to have an assigned chairperson and aim. The controls allowed activities and actions to be tracked easily, as they were automated within the system. An *activity* was defined as a piece of work that can be allocated to a project or account, and the time spent on it by a staff member was recorded by them on a timesheet in the database. This allowed the time to be tracked (as a measure of effort) and to be charged against a project or activity. The time

spent on activities could then be measured at the end of a reasonable period (typically yearly). This helped with role sizing, budgeting, and aspects of role gap analysis. 'It's not just time spent on a project at work, if someone is working at home at night trying to complete a piece of software then I want them to record that time too - it should be a record of the total time spent on that activity.'

Unlike activities, *actions* were not costed, but were initiated and recorded in the database. For example a request by the MD to a staff member to send a client in Singapore a document would be recorded as an action in the database. 'The business runs on actions. When you generate an action on the system it will automatically send an email to the person you want to do the action. Actions are reviewed through meetings. At a meeting the actions will be prioritised if they are uncompleted, and they can be reallocated or delegated to others.'

The database had checklists that are used for reviewing the integrity of the business plan as it relates to the SWOT, vision, objectives, goals and roles. Checklists were used to review the appropriateness of the control mechanisms (primarily meetings), ensuring action items raised are relevant to the meetings, ensuring action items and other commitments were tracked through to an adequate resolution. It also was designed to ensure that items (for instance, agreement to do something in a meeting) were not lost 'they have no cracks to fall through, and keep recurring on meeting agendas until resolved'.

5.9.3 Objectives of the strategic initiative

The main objective was to develop and deploy in the company a technology-based management database system that could track strategy deployment, marketing, sales, software development projects, and use the system to archive documents and communications including emails, meetings and reports. Other goals for the initiative were:

- Staff able to access the system worldwide
- Reduce the use of paper documents in the company
- Achieve transparency in management decision making
- Ensure commitments (especially internal commitments) are tracked and adequately resolved to the satisfaction of all stakeholders in the commitment.
- Possible commercialization of the system as a business management tool

5.9.4 Features designed to facilitate deployment

Table 5.22 summarizes the deployment process at the company and the reasons for the practices employed.

Table 5.22 Strategic initiative deployment process at Organization G

Step	Activity/Practice	Reason
Origin of idea	The managing director adapted the idea from a mentor who had developed the concept. The concept was a business process model called management effectiveness tools (MET).	A continuous improvement philosophy motivated the MD and the system was designed to improve business processes. The MD was motivated to implement the fully IT-based strategic management system as Organization A was an IT company and it was appropriate to trial the system in-house before possible commercial release.
Use of an existing model or approach	A framework was used: - the organization had previously implemented an IT based project management methodology.	The lessons learned from implementing the project management methodology were used to aid the deployment of the strategic management system.
Key deployment decisions (business drivers)	Provide an infrastructure for collaborative business planning and execution where the people involved may be spread over a wide geographic area	'Reduce tensions in a fast changing organisation where management of internal commitments and communication of them was important (dealing with the issue of "I needed you to do X by Y" and "X is not important to me so I haven't done it").' 'The system should ultimately reduce business management overhead and provide the basis of future business improvements and efficiency gains.'
Consideration of alternatives	A conventional paper-based planning system had been used. The option of continuing with it was considered but ultimately rejected in favour of the database system.	The MD and other staff travelled frequently to meet with clients, and there was a need for on-line access to updated plans, meeting minutes and other documents, especially when overseas for long periods.
Communication	Written communication is on-line and networked. All meeting documents and minutes on-line. Company day - to educate and give 'the big picture' of strategic direction to staff. One day/year.	MD claimed the system promotes transparency in communication and decision-making, as staff are able view all actions and activities on-line. It is possible to secure documents from public view – and this is often done with sensitive board minutes. In general however, material is kept as accessible as practical. Actions can be assigned upwards, for example, to the MD by staff.
Action plans developed	Plans were developed from the objectives. These were then reviewed and refined in the respective meetings that the actions are assigned to. Checklists assist with ensuring action items from the plan are relevant to meetings.	Checklists were designed to ensure action items and other commitments are tracked through to an adequate resolution. ' We are trying to get away from "fixed" business plans because we don't have perfect knowledge (to base it on), and the environment changes anyway. For example this year many companies have canned their venture investment arms, whereas it was all go last year.'

Infrastructure for deployment	Managing Director was the champion with a company director as mentor.	MD recognised that implementing the system in the company would mean a significant change to work routines for staff. The MD considered that the implementation required 'commitment and drive by the MD - must be driven from the top'
Evaluation and review	Evaluation by MD and Board. The system was developed and refined over three years and went through a number or review cycles. All users were encouraged to give feedback on the system.	Feedback and review allowed a continual improvement process for the development and improvement of the system Feedback process encouraged buy-in and a sense of ownership by users.

5.9.5 Influences on the deployment process

There were a number of other organizational characteristics and dimensions that were found to influence the deployment of the initiative, in addition to the practices and actions outlined in Table 5.22. These are summarized in Table 5.23.

Table 5.23. Characteristics and dimensions that influenced the deployment

Case study dimension	Influence	Examples
Organizational climate	+ Dynamic fast moving internal and external environment - Industry downturn and increased competition in 2001-2002	The company undertook 'leading edge research and development projects with multinational clients.' 'We were sailing close to the edge for a while.'
Characteristics of champion	+ Driven by strategy + Technology orientation + Innovator	According to the MD, implementing the initiative required 'commitment and drive by the MD - must be driven from the top' 'There's a focus on technology innovation and accelerated commercialisation.'
Organizational support	+ Boundaries set around time and money were a good discipline + Sufficient material resources - Finding suitably qualified staff was a constraint + Moral support given.	'The group is resourced to allow all members to access the necessary software, electronic, and mechanical engineering skills.' The system required one equivalent full time person to maintain it. 'A new position of Business Development Manager is being considered to maintain the system plus other duties.'
Barriers encountered	- The d/base was under development. In the first year of operation there was an issue around the time involved using and maintaining it.	'Huge change was required in the organization's approach to handling commitments and the disciplines required in strategic and business planning.'
Achievement of objectives	+ The first iteration of the system was developed in 2000. The learnings were reviewed by thew MD and	In 2001 business planning and execution was successfully facilitated by the new database. In 2002 the database was further refined by

	mentor and improvements made. - Issues with staff adapting work practices to fit the system during initial deployment	taking feedback from all users. In 2002 all business planning and operation were facilitated through the database.
Learning accomplishments	+ A lot was learned during the deployment process that can used later.	A continuous improvement philosophy also motivated the MD, and the implementation of this initiative was one of a number of changes he had undertaken to improve the performance of the company.
	+ the knowledge built up by the company can be transferred to new initiatives, or the IP can be sold.	'The business model is based on an internal incubator.' The organization had a strategy to incubate new technology solutions, develop them as products and then sell down the IP. 'Selling the IP moves the responsibility for the ultimate direction and success of the product to another organisation outside the group.'

+ Enabling influence
- Constraining influence

5.9.6 Outcomes

The system was implemented in 2000, and was in its third year of operation in 2002. 'The first year grappled with the issues of trying to model a business planning and execution process within an IT system.' During this time Organization G failed to achieve a working system that had reasonable user acceptance but they did advance their understanding considerably. 'The second year was a big hurdle, with lots of time spent on it but a working system was achieved, and formed the basis of the business operation for the first time. The third year has been easier. The system is more mature, staff are more familiar, and for new staff it is the only system they have experienced in the company so for them it is the 'Organization G way'.'

The system was in use throughout the organization in 2002, and further development work was being undertaken as resources permitted. The MD claimed the system had promoted transparency in communication and decision-making, as staff were able view all actions and activities on-line. It was possible to secure documents from public view and this was often done with sensitive board minutes. In general material was kept as accessible as practical. Actions could be assigned upwards for example to the MD by staff. There was some debate in the company as to when to use the action process. An example given was "If you want me to do that then send me an action", for a task that in other organizations would only be requested verbally.

5.9.7 Review of case study G

Case study G has demonstrated the following themes.

The decision to launch the strategic initiative was influenced by:

- *Internal drivers*: Board of Directors, MD looking for business efficiencies
- *External drivers*: For example, customer demand for new products.

There were multiple dimensions to deploying the strategic initiative:

- *Communication*: communicating internally and externally to promote understanding of the initiative. For example, Company days, reporting internally to staff
- *Buy-in*: actions to gain acceptance and commitment of stakeholders to the initiative. For example, relationships with Board, encouraging feedback from users
- *Alignment*: Deployment activities were aligned with the strategic direction. For example, initiative was aligned with the growth strategy for offshore markets
- *Infrastructure for deployment*: Organizing the people, roles and responsibilities. For example, MD was champion
- *Business drivers*: Understanding the business reasons for the initiative. For example, innovation
- *Deployment options*: Assessing alternative actions and decisions, assessing risk. For example, IP sell-down
- *Learning*: Increasing the knowledge and capability in the organization. For example, feedback and lessons learned folded back into developing the system.

Collectively other characteristics influenced the deployment of the strategic initiative:

- *Organizational climate*. For example, continuous improvement philosophy
- *Organizational support*. For example, sufficient resources, moral support
- *Characteristics of champion or team leader*. For example, innovative.

5.10 Summary and conclusions: Major themes of Chapter 5

- Chapter 5 gives a description of the seven case organizations and the strategic initiative that each had implemented.

- The seven case study organizations were all New Zealand based. Four were registered limited liability companies (two private sector, one crown owned company, and one cooperative owned company) and three were public sector organizations (two crown entities and one state owned enterprise).

- The unit of analysis for the case studies was the strategic initiative that each organization had recently deployed.

- Group work with the NZBC workgroup led to the deployment themes identified during the exploratory phase of the research (see chapter 4) being incorporated as seven proposed constructs of strategy deployment. Questions relating to the constructs were included in the case study template for further investigation in the case studies.

- The strategy deployment practices used by each organization were analysed and tabulated with the reasons for their use. The analysis of the deployment practices helped refine the definitions of the constructs, which had been provisionally titled: communication; buy-in; alignment; learning; deployment infrastructure; understanding the business drivers; and, deployment options. The definitions of the constructs after the within case analysis are shown in Table 5.24.

Table 5.24. The constructs of strategy deployment following within case analysis

	Construct of strategy deployment	Definition
1	Communication	Communicating internally and externally to promote understanding of the strategic initiative
2	Buy-in	Actions to gain acceptance and adoption of stakeholders to the initiative
3	Alignment	Deployment activities are aligned with the strategic direction
4	Learning	Increasing the knowledge and capability in the organization
5	Infrastructure for deployment	Organizing the people, roles and responsibilities
6	Business drivers	Understanding the business reasons for the initiative
7	Deployment options	Assessing alternative actions and decisions, assessing risk

- Other characteristics that influenced deployment, for example, organizational climate, organizational support, and the characteristics of champions, were also tabulated for each case study organization, to be analysed in the cross case analysis (Chapter 6).

Chapter 6

Cross case findings

Contents

6.1 Introduction

Chapter five analysed the with-in case data and presented the evidence found in each case to support the seven proposed dimensions (constructs) of strategy deployment. Chapter six continues the analysis of the data from the case studies by conducting a cross-case pattern search of the seven cases. Sections 6.2 to 6.8 of this chapter present the findings of the analysis of the evidence for the seven dimensions.

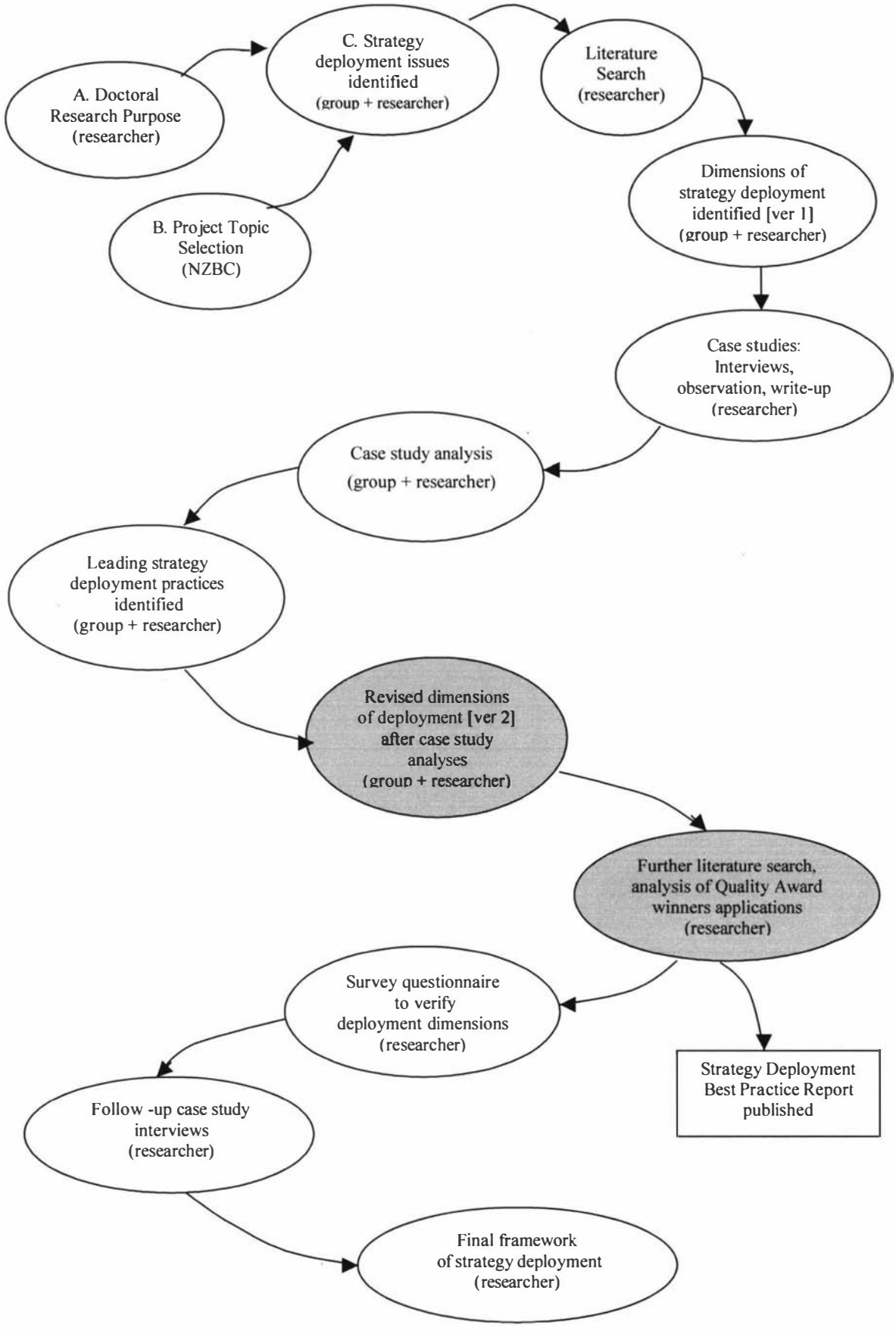
For the initial cross-case analysis the researcher worked with the NZBC workgroup in a form of cooperative inquiry (Heron, 1988; 1996). The workgroup (which the researcher facilitated and participated in as a member) used a structured worksheet process to sort the practices and the evidence for the seven dimensions (the worksheet appears in Appendix H). The workgroup participants judged the strength of the practices and the consistency of the evidence for each dimension. This collective judgement was arrived at through group discussion after the worksheet analysis, and the practices were individually rated on a Likert-type scale of 1 to 5, where 5 = a best or leading practice, 4 = good-to-best, 3 = good, 2 = fair and 1 = poor.

The evidence was also examined for replication of the findings across the seven case study organizations. In this chapter tables of the evidence for each of the seven dimensions of deployment are presented. The leading practices for each dimension have been published in a report of the NZBC workgroup findings (Saunders, 2003).

The definitions of the constructs were further refined and sharpened as a result of the cross-case analysis and are given at the beginning of each section of the chapter. An additional review of the functional management literature was conducted for each construct, to compare the research findings with evidence from the literature. When findings rest on a limited number of cases, Eisenhardt (1989) contends it is important to link the results to the literature.

A summary of the literature search is given for each deployment dimension. The search was not exhaustive but scanned the literature for confirming and disconfirming evidence, sufficient to build validity for the constructs. The search of the literature for each dimension corroborated the case study findings. Although there was relatively little literature on the CPE strategy deployment item there were studies from functional management disciplines that support the seven dimensions. A table summarising this literature search appears in Section 6.11 at the end of the chapter (Table 6.12). The position of the cross case analysis in the flow of the doctoral research process is highlighted in Figure 6.1.

Figure 6.1 The research process, showing the research flow, the role of the participants, and outputs.



6.2 The communicating the initiative dimension

The participating managers from all the case study organizations indicated that communicating the initiative to stakeholders was a major planning and deployment consideration. The managers gave numerous examples of internal communication activities to support and promote the initiative. Large organizations such as organization D had a comprehensive communication plan for the deployment of the strategic initiative, while smaller organizations (A, G) did not have a dedicated communication plan for the initiative, but communication practices were incorporated into their action plans for the deployment.

The definition of the communication construct was further refined and sharpened as a result of the cross-case analysis. The construct title became *communicating the initiative* with the purpose of *ensuring understanding of the strategy*. Examples of evidence for communicating the initiative in each organization are given in Table 6.1.

Table 6.1 Tabulated evidence for communicating the initiative

Case	Practice	Perceived Strength	Examples	Score
A	Yahoo group set up on web for consortium partners	Consortium members can access the Yahoo group 24/7. All members can view all communications - no one feels 'out of the loop'	'All information was sent formally through this Yahoo group. If you wanted to ask a question you could post it, and download documents.'	5
B	Regular updates and written report presented monthly to management team and deployment team on progress with the initiative	Keeps teams informed, allows discussion of issues, update on milestones, priorities. 'We talk to the organisation about what we're doing so staff understand it'	'All information is shared, so the monthly reporting is delivered to me, to the management team - we consider it, and then it goes out to the project team members - so they see what is happening elsewhere, and it's up to us to communicate priorities and communicate progress.'	5
C	All employees attend a presentation of the annual plan where they are briefed on new initiatives. CEO or senior executives do the presentation	All staff get the same message on the strategic direction. - CEO presence adds weight to the message in large multi-site organisation	'Every employee has to attend one of the presentations of the annual plan. It a big exercise, we have to hire auditoriums and do morning and afternoon sessions all around the country.'	4
D	Communicating a sense of excitement around the initiative, the new possibilities in the future	The initiative is perceived to be setting goals or outcomes that people can aspire to and feel positive about	'Creating that excitement is one of the key challenges of the communication strategy. The communication plan also has also has the flavour of the targets, the aspirational things.'	5

E	Weekly audio and videoconferences between partners during deployment	Open and frequent communication helped overcome the fear of a 'takeover' by one partner	'Weekly videoconferencing was a major factor in developing a comfortable working association between [the partners] particularly when a few more difficult issues arose.'	5
F	Equivalent levels in each partner organization communicate - mgt to mgt, middle to middle, staff to staff	Found that partnerships that only communicate at one level often fail, and that having all the important functions talking to each other helps deployment	'To be successful we have to work at the relationship at all levels.... it's no good if just the management get on, or just the top and the middle. So the model was that the interface had to be at all the important levels.'	5
G	All written communication about the initiative is on-line and linked to objectives, meetings and action plans	Promotes transparency in communication as all staff had access to the system. Reduces tensions.	'Reduces tensions in a fast changing organization where management of internal commitments and communication of them is important.'	4

* Score range of 5, 5 = best, 1= poor. In this example table only leading practices are shown (Score=5).

Links to literature findings for communicating the initiative

Communication has been defined as the transference and understanding of meaning (Robbins & Mukerji, 1994). Perfect communication exists when a message is perceived by the receiver exactly as it was meant by the sender (Lewis, 1987), although in practice perfect communication is unlikely. The importance of communication during change is supported by the literature. Ford & Ford (1995, p560) note that 'change is created, sustained and managed in and by communication'.

Two different styles of management communication for two types of initiative have been recognised in recent organizational studies (Eisenberg, Andrews & Murphy, 1999). The first is top-down (or one-way) communication, which reflects unilateral action (Bokeno & Gantt, 2000), and is associated with transactional change management (Eisenberg et al, 1999).

The second style is two-way communication, where managers are engaged in a two-way dialogue with stakeholders, and is more appropriate for continuous change contexts (Eisenberg et al, 1999; Weick & Quinn, 1999). Two-way communication improves message clarity (Fisher, 1993). The importance of two-way communication with all stakeholders about strategy deployment is emphasised by many researchers (for example, Alexander, 1991; Bokeno & Gantt, 2000; Brown & Eisenhardt, 1997; Hacker, Kotnour & Mallak, 2001; Johnson & Scholes, 2002; Scholes & Clutterbuck, 1998) to avoid misinformation or lack of information impeding deployment.

A recent survey found that a hallmark of leading New Zealand businesses was their emphasis on ensuring open and constant communication flows throughout the organization (Knuckey et al, 2002). Top down communication is prevalent in many organizations, and can impede understanding of the strategy if there is not continuous two-way communication with feedback and reacting to bottom-up messages (Farace, Taylor & Stewart, 1992; Hambrick & Cannella, 1989). Managers need to demonstrate interest in two-way communication so that employees are convinced they are free to speak, and that new ideas will be considered (Lewis, 1987; Daly & Geyer, 1994). In a study of deployment of best practices, O'Dell & Grayson (2000) found that effective deployment was best achieved through a people to people process that encouraged discussion and debate. Examples of two-way communication practices to ensure understanding of the initiative by organizations A, B, E, and F are shown in Table 6.1.

Pettigrew & Whipp (1991) stress the need for linking strategic and operational change not only in developing detailed action plans and key tasks and control processes, but also in how change is communicated through mundane and symbolic aspects of the organization. In a study of strategy deployment, Kaplan (1995) found that while communicating a vision is important, the vision often not translated into operational terms. To address this problem, workshops across all levels of management have been used to focus on particular strategic problems and to promote change in routine aspects of organizational life (Johnson & Scholes, 2002).

Daly & Geyer (1994) found that when employees receive a justification for a change intervention they are more likely to achieve commitment to change. In large organizations mass briefings about strategy have been shown to be less effective than small group briefings and relying on top-down communication can be problematic (Johnson & Scholes, 2002). Managers also need to be aware of the effects of information overload when people are unable to process the amount of information received (Farace et al, 1992) and the intrapersonal and interpersonal factors that introduce distortion and disturbance to messages as they flow through the organization (Fisher, 1993; Gibson & Hodgetts, 1986; Rudolph, 2000).

In a survey of twelve service organizations, middle managers were found to have a key role in communicating strategies and for ensuring understanding of the strategy. Informal communication was considered more important than formal communication of strategy (Aaltonen & Ikavalko, 2002). In the case study organizations the managers on the deployment team filled this role.

According to Dilts (1980) communication is the feedback it receives. If feedback shows the meaning has not been fully conveyed, then the sender can attempt to correct the

misunderstanding. Quality award winning firms have used questionnaires to provide feedback on deployment (ASQ, 1999). Organization D used a formal survey of employees to get feedback on the effectiveness of the communication of the initiative. The other six case study organizations reviewed communication as part of a post-implementation process that reviewed all aspects of the deployment.

6.3. The achieving buy-in dimension

Participants from six of the seven case study organizations indicated a high level of buy-in for their case study initiative. For the seventh organization (G) buy-in from users improved as the implementation proceeded (see Chapter 5, section 5.9). The within case analysis linked a positive organizational climate to a high level of buy-in for initiatives. The continuous improvement philosophy that underpins the CPE model was also linked to enhancing buy-in. These findings were supported by the cross-case analysis. Practices that were used to achieve buy-in included: consultation processes, incentive schemes, formal agreements between partners, establishing trust, informal communication and visible commitment from senior management.

The participants viewed achieving buy-in to the initiative important both internally and externally. Buy-in was sought from the Board (in most cases Board approval was required for the initiative), from management, the deployment team and other employees. Externally buy-in was sought from customers and other stakeholders.

The definition of the buy-in construct was further refined and sharpened as a result of the cross-case analysis. The construct title became *achieving buy-in* with the purpose of *acceptance and adoption by stakeholders*. Examples of evidence for achieving buy-in in each organization are given in Table 6.2.

Table 6.2 Tabulated evidence for achieving buy-in

Case	Practice	Perceived Strength	Examples	Score
A	Informal communication of the purpose of the initiative	Understanding the purpose and reasons for the initiative promotes buy-in before deployment begins	'What we do is lead the Board into it - we'll give them an indication of what we're planning to do, just at a high level, to get their buy-in.'	5
B	Establishing trust and a good relationship with partners	Helps the partnership endure, issues are resolved quickly, and leads to further business opportunities, and networking	'A good relationship is so important...the old adage, people remember how you made them feel. If they felt you were not being bone fide and genuine they'll always be second guessing you.'	5

C	Focus group of internal stakeholders	Involvement of operational managers increased awareness and buy-in for the initiative	Having 'key influencers' involved was 'about the understanding and the buy-in.' 'Having these people involved is going to help create the demand for it.'	5
D	Incentive system (bonuses) linked to initiative success	Human resource policies are aligned with the strategic initiative, and incentivise and reward the deployment of the initiative	The incentive system seeks to make initiatives 'the responsibility of the people that are going to be implementing them. And we create in that way the ownership of those initiatives.'	5
E	Involve partner CEOs in formal signing of an agreement	Visible commitment from the top is taken note of throughout the organisation and increases buy-in.	'Getting CEO sign-off of the Heads of Agreement made life a lot easier on the implementation side. It was being driven down from the top.'	5
F	Team involved in decision making	A consultative environment promotes buy-in	Consultation was with all levels in both organizations 'the main thing we paid attention to was the meeting frequency and commitment to meet face to face.'	5
G	Visible commitment of senior management	Demonstrates the importance of the initiative to all employees	The initiative 'must be driven from the top'	5

* Score range of 5, 5 = best, 1= poor. In this example table only leading practices are shown (Score=5).

Links to literature findings on achieving buy-in

Buy-in (gaining commitment to the initiative) is linked to communication in that communication facilitates understanding, and thus helps buy-in (Aaltonen & Ikavalko, 2002). Gagnon & Judd (2003) evaluated employee buy-in to a strategic initiative to deploy a lean manufacturing program. The results indicated that employees with increased knowledge of a strategy tend to exhibit increased levels of commitment, job satisfaction, and trust (Gagnon & Judd, 2003).

A consultative approach through participation can be helpful in increasing ownership of a strategic change, and in increasing commitment to it (Hambrick & Cannella, 1989; Johnson & Scholes, 2002). Daly & Geyer (1994) found that when employees have a voice in the decision making prior to the change intervention they are more likely to achieve commitment to change. Knuckey et al, (2002) found that leading NZ businesses consult widely when planning and deploying strategic initiatives, with almost all leading New Zealand firms incorporating the needs of employees, 88% incorporating the needs of customers 'frequently' or 'always', and 76% incorporating the needs of suppliers either 'frequently' or 'always'. This consultation with key stakeholders at the planning and implementation phases increases buy-in, and the relationships and networks formed are components in the competitive advantage of leading NZ

international companies (Campbell-Hunt et al, 2001). Major strategic change was effected by British Airways (BA) through consultation workshops involving all levels of management. Buy-in was promoted by the BA Chairman and senior management focusing on a single KPI – the departure of BA flights on time (Johnson & Scholes, 2002).

Many researchers have identified a link between management behaviour and achieving buy-in (Reider, 2000; Jarrar & Zairi, 2000; Morita & Flynn, 1997; O'Dell & Grayson, 2000). Cultural elements have been identified as determinants of success or failure in implementing best practices (Matheson & Matheson, 1998) and the implementation of TQM (Dawson & Palmer, 1995; Lazlo, 1998; Sohal & Terziovski, 2000). Organizational climate has been defined as the morale and emotional state of the organization's members. The climate of the organization plays a role in determining buy-in and affects quality (Loewen & Loo, 2004; Sheard & Kakabadse, 2002). Participants from all seven case study organizations in the doctoral research reported a positive organizational climate and six of the seven reported a high level of buy-in for the strategic initiative.

Compensation packages, employee relations and training (HR policies) are not only operational issues but are linked to how employees relate to the strategic direction of the organization, and as such can be facilitators or barriers to implementing strategies (Aaltonen & Ikavalko, 2002; Dunphy & Stace, 1993; Pettigrew & Whipp, 1991; Shaw, Gupta & Delery, 2002) and so affect buy-in. Organization D used an incentive scheme for managers linked to the outcomes of the initiative to promote buy-in.

6.4 The aligning implementation dimension

All seven case study organizations used deployment practices designed to align implementation actions with the intent of the strategic initiative. The participants gave examples of practices that centred on action planning and control processes designed to assist aligning actions with the strategic direction of the organization. Practices included: a staged authority approval process that allocated resources to the initiative as goals were achieved; incentive and reward schemes tied to the strategic goals of the initiative; action planning; use of supporting software to plan and track progress against action plans; linking budgets to the strategic initiative; and linking a hierarchy of plans to achieve alignment of the plans.

The participants viewed aligning implementation to the initiative important internally and organizations B, D and G had plans for the initiative that were integrated with other planning processes (for example, human resource plans) for the organization.

While the interview data produced mainly planning practices to achieve alignment, there were examples and observational data that indicated that awareness of an individual's values and the promotion of a set of organizational values also influenced alignment with the initiative. Organizations B, C and D actively promoted a set of organizational values. A continuous improvement philosophy underpins the CPE model, and formed part of the case study organizations' values and influenced their organizational culture. The aligning implementation dimension therefore has a people (or social) component in addition to the planning component identified above.

The definition of the alignment dimension was further refined and sharpened as a result of the cross-case analysis. The construct title became *aligning implementation* with the purpose of *aligning actions to the strategic direction.* Examples of evidence for aligning implementation in each organization are given in Table 6.3.

Table 6.3 Tabulated evidence for aligning implementation

Case	Type of Initiative	Practice	Perceived Strength	Supporting Evidence	Score *
A	Generic	New opportunities identified undergo an Authority Approval process. Has questions on fulfilling the strategy, benefits	Proposed new initiatives must align with strategy. Promotes alignment throughout the organization as each step in the authority process has to be checked by affected parties. Also allows new ideas or innovations to be assessed and introduced quickly.	Opportunity Form: Some questions are scored. Goes to development manager for assessment.	5
B	Generic	Staffing and staff performance plans & incentives are developed from the business plan for the strategic initiative	Improved linkage between deployment of the initiative and HR plan/performance scheme	Human Resource plans and policies	5
C	Generic	Vertical integration of strategies - links a hierarchy of plans	Ensures alignment of unit plans with corporate plans	Linked plans	5
D	Generic	Profit plan/budget and business plans are aligned to strategy /strategic initiatives. Person or team has a role to check/challenge business plans	Ensures that strategy is "locked in" the budget for the following year and that operational plans align with strategic direction - continuing feedback loop as the budget is developed	Budget plans from subsidiary companies or divisions are assessed by a team to check alignment with the strategy	5

E	Strategic alliance	Joint Heads of Agreement signed, and action plans derived from HoA	The action planning process across partner organizations promotes alignment	HoA document, action plans.	5
F	Strategic alliance	Joint action plans developed by partners at each meeting. Separate action plans for each partner also.	For alliances, work can be broken down into tasks and assigned to people in different organizations	Action plan circulated and agreed to by partners	5
G	Deploying a strategic management framework	Automated software tools used to facilitate business planning process and track progress against action plans.	Helps in the tracking of unresolved issues, report generation. Action plans are linked to strategic goals and objectives.	Software system, linkages demonstrated	5

* Score range of 5, 5 = best, 1= poor. In this example table only leading practices are shown (Score=5).

Links to literature findings on aligning implementation

The aligning implementation dimension has two components, a planning component and a people component. Reviews of the strategic management literature note that alignment of actions through planning is critical to successful deployment (Mintzberg, 1994; Johnson & Scholes, 2002). Examples of the role of managers in effecting alignment in the deployment of strategic initiatives can be found in a variety of articles, including Beal, (2000 - manufacturing); Brennan, (2004 - information technology); Lawrence, Andrews & France, (1998); Papke-Shields & Malhotra, 2001 - manufacturing); and Pispa & Eriksson, (2003 - information technology). Kyng (1991), and Sjöberg & Timpka (1998) found that implementing the change that a strategic initiative introduces to an organization can be facilitated if the users have contributed to the changes at the stages of planning and design.

Alignment of plans, processes, measures and actions to ensure consistency is a component of the CPE systems perspective concept (Brown, 2000; NIST, 2002). Transforming strategy into concrete objectives and action plans is generally perceived as challenging, 'the problem gets tougher the lower one gets in the organisation (for example, team level objectives)' (Aaltonen & Ikavalko, 2002, p417). Table 6.3 shows examples of planning practices that the case study organizations used to produce action plans that aligned with the intent of the strategic initiative.

The people component of the aligning implementation dimension is concerned with the alignment of individual's behaviours and actions to the implementation of the strategic initiative. According to Johnson & Scholes (2002) and Kerr & Jackofsky (1989) changing behaviour and routines through task alignment is more powerful than trying to convince people by logic and persuasion. Kathuria & Porth (2003) confirmed the importance of matching the characteristics of

senior executives with the requirements of their organizations' strategies. Strategy-manager alignment was related to the performance of manufacturing companies based on a sample of 196 managers from 98 companies (Kathuria & Porth, 2003).

Aligning compensation and recognition systems with the strategy can help ensure that behaviours support the strategic objectives (Kaplan & Norton, 1996; Shaw et al, 2002). Organization D used an incentive and bonus system aligned to achievement of the goals of the strategic initiative.

Implementing new strategic initiative requires making changes in taken-for-granted assumptions and routines that are elements of culture. Meers & Samson (2003) found that misalignment between a performance improvement initiative and the organization's culture lead to an unsuccessful implementation. Conversely, Detert et al, 2000 found that organizations with a continuous improvement philosophy have cultures that are in alignment with performance improvement initiatives.

A set of organization values that govern decisions can help ensure that a degree of coherence and alignment is achieved in strategy deployment (Barney, 2002; Detert et al, 2000). Strategic decisions remain consistent with these values, while retaining scope for autonomous action as initiatives are deployed (Knuckey et al, 2002). Organizations B, C and D actively promoted a set of organizational values and for all the case study organizations the continuous improvement philosophy of the CPE model meant that performance excellence values influenced decision-making about implementation. Knuckey et al (2002) found that 81% of leading businesses in NZ promote company values 'a great deal' amongst their staff.

6.5 The learning dimension

The definition of the learning construct was further refined and sharpened as a result of the cross-case analysis. The construct title remained unchanged, with the purpose of *continuous evaluation and adaptation.*

All seven case study organizations used deployment practices designed to promote learning with the purpose of evaluating the progress of the initiative during deployment, and adapting the implementation and the initiative as a result of the evaluation. Examples of practices included: changing aspects of the initiative in response to changed market conditions; feedback gathering (questionnaires and focus groups); post-implementation reviews; and applying lessons learned from previous deployments. Examples of evidence for learning in each organization are given in Table 6.4.

Table 6.4 Tabulated evidence for learning

Case	Practice	Perceived Strength	Examples	Score
A	Ability to change aspects of the initiative during deployment (but not a change to strategy without Board approval)	Allows response to changing market/environmental or business conditions	'What we have done is monitored along the way and reported to the Board in our monthly reports our actual versus plan, and highlighted why we've been different or what issues have impacted the business.'	5
B	Forming an strategic alliance can be better strategically than approaching the market directly with finished products.	The skills learned in forming the alliance are transferable and are being captured in a knowledge management system.	As a result of this initiative 'we've developed skills in licensing, writing Confidentiality and Heads of Agreements.' 'We've developed a working relationship with a range of companies that (we) don't sell to at present.'	5
C	Focus group of internal stakeholders	Highlights issues or gaps, and allows the learning to be applied to improve the deployment of the initiative.	'The ultimate link is to the customer and we're going to know in a couple of years whether we made good choices. But at a day to day level it's going to be feedback from our managers internally about how we've helped them, enabled them.'	5
D	Questionnaires are used to get feedback from staff of their perceptions of the deployment of the initiative	Gives information about the understanding of staff of the new initiative, and the perceived performance of the deployment team.	'This is the most subjective feedback, it's the interpretation, the perception of how the process was run, and the perception of how the communication was executed and it's the perception of whether people accept the strategy or has it been useful or not.'	5
E	Post-implementation report and review and ongoing monitoring of initiative post-implementation.	Makes the learning accessible to for later use, and allows reflection after the event. The report gives closure details, outcomes.	Report discusses lessons learned, identifies factors that were identified as critical to successful implementation, and gives recommendations for future initiatives. 'The steering group are still meeting six months after the 'go-live' for the project'	5
F	Learning - lessons learned about the value of multi-level relationship between partners from deploying previous initiatives able to be used for this initiative.	Experiential learning gained can be applied to other initiatives	'we've discovered that if we're going to have a strategic collaboration like this we have to work on the relationship at all levels.'	5

G	Learning - feedback and lessons learned from deploying the initiative able to be used in future initiatives.	The knowledge built up by the company can be transferred to new initiatives, or the IP can be sold.	'The business model is based on an internal incubator.' The organization had a strategy to incubate new technology solutions, develop them as products and then sell down the IP.	4

* Score range of 5, 5 = best, 1= poor. In this example table only leading practices are shown (Score=5).

Linking literature findings on learning

Strategy researchers have found that strategic initiatives are continually evaluated and adapted as events unfold during the process of deployment. Planned strategy and emergent strategy evolve hand in hand and affect each other in the process of strategy implementation as strategies are communicated, interpreted, adopted and enacted (Aaltonen & Ikavalko, 2002; Mintzberg, 1994; Noble, 1999a).

The 'organizational learning' school stresses the continuous and dynamic interaction between the organization and its environment, and the consequent need for learning, particularly 'double loop learning' (the principles or governing variables) that underlie a change (Argyris, 1999; Senge, 1990). Pettigrew & Whipp (1991) and Nevis, Dibella & Gould (1995) argue that organizations that successfully manage change are 'open learning systems': the whole organization is sensitive and responds to external environmental signals. Campbell-Hunt et al (2001) found that one of the determinants of world-class competitive capacity in New Zealand firms was continuous adaptation to a changing environment.

Surveys of employees can provide important feedback on the effective deployment of a strategic initiative (AQC, 1999). A measure or series of measures is needed to evaluate the progress of the deployment of a strategic initiative. These can range from a large number of metrics to a single KPI. The choice of these KPIs determines the activities management will focus on during deployment. A 1995 survey of US companies found that strategic control was directed at short-term performance and rarely evaluated progress on long-term objectives (Kaplan, 1995). This was a barrier to effective deployment.

Another barrier that Kaplan (1995) found was that strategy was not linked to departmental and operational goals (incentives were tied to annual financial performance and not to strategic objectives). Kaplan & Norton (1996; 2001b) developed the balanced scorecard and strategy map approaches to address this gap, and maintain their "Learning and Growth" perspective can be the foundation of all strategy. This perspective defines and categorises the intangible assets needed

to enable organizational activities and customer relationships to improve, and includes sharing leading practices (Kaplan & Norton, 2001b).

Strategic control focuses on the implementation and accomplishment of strategy (through feedback information such as KPIs), and monitoring the continuing viability of strategy through feedforward information systems, which managers can use to personally interact in the decision making of their staff. Simons (2000) advocates managers use data from one of the formal measurement and control systems (for example, budgeting or balanced scorecards) to encourage learning.

The traditional view of Boards of Directors is to oversee the setting of strategy and not to be actively involved in strategy deployment. While active intervention in individual projects may not be appropriate, there should be regular evaluation of the progress of strategy deployment Connor (2001), and of the impact of new strategic initiatives on other strategic projects (Okumus, 2003). The Board can ensure a steady flow of initiatives and projects is established in order to achieve the strategic objectives the Board has set (Connor, 2001; Ingley & Van der Walt, 2001).

6.6 The infrastructure dimension

All seven case study organizations used a team of people to deploy the strategic initiative. In all cases a champion was appointed to promote and provide impetus to the deployment. In some cases the champion also led the deployment team (organizations A, C, and G).

The definition of the infrastructure for deployment construct was further refined and sharpened as a result of the cross-case analysis. The construct title became *creating the infrastructure for deployment*, with the purpose of *organizing teams, roles and responsibilities.* Examples of evidence for forming the infrastructure for deployment in each organization are given in Table 6.5.

Table 6.5 Tabulated evidence for creating the infrastructure for deployment

Case	Practice	Perceived Strength	Examples	Score
A	Champion and a team appointed to implement the initiative plus one outside consortium person.	A champion with a role to promote the initiative sends a positive signal to the team and wider organization about the importance of the initiative	The authority process used by the organization required a minimum team of champion, sponsor and support person for the initiative, to ensure a sufficient minimum human resource to implement the initiative.	5

B	Appointing a champion, a leader and a team of people for the initiative	The champion was a member of the management team and guided the implementation. The leader and team consisted of a cross-section of people and functions from the business, which was necessary to implement a complex technical manufacturing process.	'I have an excellent team that I lead and I'm very reliant on our product development manager who works closely with Marketing and Manufacturing to scale up and commission the process - make product for sampling and commercial product. We develop all the manufacturing specifications, help train people to operate the plant, we communicate how the product is characterised in a QA/QC sense in the laboratory.'	5
C	The CEO appointed champions for each of the CPE categories.	To promote performance improvement across the whole business, and to ensure that each business aspect had a senior manager to promote and be responsible for performance improvement	A new division was set up with responsibility for strategy deployment to address the identified lack of strategic management capability. One strategy manager had the role of champion for CPE Category 2 (Strategic Planning).	5
D	The SBU manager was champion for the implementation of the initiative	The SBU unit had the function of assessing and challenging potential initiatives and helping implement new initiatives. The communications centre assisted with the communication plan and execution.	The strategic business unit team and the corporate communications centre jointly deployed the initiative	5
E	Organization E had an overall champion and an IT champion who put a team of six together to do the implementation The partner organization had a team of three, the champion and two staff.	Cross-functional teams including IT and laboratory staff were needed in each partner organization for a successful deployment.	The partner champion 'sold it to their staff, even though the lab staff must have been wary, because by sending tests away there would be less jobs.'	5
F	An Organization F champion appointed at three levels - the science leader, the business leader and the organisational leader.	Involving staff at all levels affected by the initiative increased the chance of success	'We've discovered that if we're going to have a strategic collaboration like this, to be successful we have to work at the relationship at all levels'	5
G	Managing Director was the champion and a company director was mentor.	MD recognised that implementing the system would mean a significant change to work routines for staff, and therefore the MD needed to be seen to be committed.	The MD considered that the implementation required 'commitment and drive by the MD - must be driven from the top'	4

* Score range of 5, 5 = best, 1= poor. In this example table only leading practices are shown (Score=5).

Links to literature findings on creating the infrastructure

Creating the deployment infrastructure involves assigning roles and responsibilities for the deployment. Many researchers note this is context specific, so a single change agent or 'champion' may be appropriate in some circumstances, and a team approach in another. A consultative approach to deployment often entails setting up project teams or task forces (Hodgkinson & Wright, 2002; Johnson & Scholes, 2002; Klein & Irwin, 1992). Those involved are then able to make a meaningful contribution to decisions and this also increases buy-in.

Sterling (2003) found that chief executives advocated involving a cross-section of management as teams in the deployment process, as it increased buy-in and responsibility for the initiative. Case studies of deployment in three large US federal agencies found that in all three the structure was a form of team, either cross-functional or within business units, which then identified drivers for the objectives and developed action plans (Hacker, Kotnour & Mallak, 2001).

An alternative is the intervention approach, where co-ordination and authority remain with the change agent, but aspects of deployment are delegated (Dawson, 2003). Teams may be set up that have responsibility for partial implementation of solutions, which promotes buy-in. The sponsor of the change monitors progress and may intervene to ensure changes are deployed (Nutt, 1987). Case organization G, where the chief executive lead the implementation team, was an example of this approach.

The use of team-based structures as a preferred method of organization and decision making requires different behaviours to those needed to build individual power. The collaborative skills necessitated by team-based structures creates a number of leadership challenges for individuals and organizations (Callanan, 2004). Instances of the skills required to create, develop and lead teams can be found in a variety of articles, including: Francis & Mazany (1996); Loewen & Loo (2004); Margerison & McCann (1992); Rushmer (1997); Sheard & Kakabadse (2002) - team development; Erdem & Ozen (2003); Erdem, Ozen & Atsan (2003) - trust within teams; and Cartwright (2003); Callanan (2004); Margerison (2003) - team leadership.

Neely & Bourne (2000) found that a main reason why performance measurement systems fail in implementation is through lack of deployment infrastructure in the organization. Gabris (1986) also found a barrier to implementation was internal capacity, where organizations lacked the in-house capability to support an initiative.

Johnson & Scholes (2002) maintain that a participative approach to deployment (such as project teams) is most appropriate for incremental change in organizations, but where transformative change is required directive approaches are more common. Dunphy & Stace (1993) found that even when top management see themselves adopting participative styles, their subordinates may perceive this as directive, and may welcome such direction.

6.7 The understanding the business drivers dimension

The main business reasons for undertaking a strategic initiative were typically called business drivers by the case study participants. In most cases high level drivers were identified during the strategy development phase by the chief executive and senior management. Examples of this process were found in organizations B, C, D and F. In these cases the CEO and/or senior management articulated the drivers after assessing the business environment and taking account of the strategic direction of the organization. The intention of senior management was that the drivers would influence deployment decisions made by the implementation team when they were deploying a strategic initiative, so from a management perspective an understanding of the drivers by implementors was important for the deployment phase.

For example, the CEO of organization F identified five high level drivers for strategic initiatives which were widely communicated in the organization. Three of these drivers were relevant to the decision to proceed with the case study initiative (the high level drivers were science discovery, partnership and intellectual property). For the case study initiative three business-level drivers were then identified by the champion for the initiative and influenced decisions taken during the implementation of the initiative (see Table 6.6, organization F).

The definition of the understanding the business drivers construct was further refined and sharpened as a result of the cross-case analysis. The construct title became *understanding the business drivers*, with the purpose of *awareness of the business reasons for the initiative.* The case study participants all identified business-level drivers for their initiatives, and examples of evidence for understanding the business drivers in each organization are given in Table 6.6.

Table 6.6 Tabulated evidence for understanding the business drivers

Case	Practice	Perceived Strength	Examples	Score
A	Develop the service in New Zealand and then deploy it in new markets off-shore	Part of a 'sow and reap' strategy which meant developing and running a number of services in NZ before trying new markets off-shore, knowing only some would be successful	'The business drivers in the strategic plan were to take what we've learned in NZ and use it overseas. We've done this in NZ, we do it quite well, we think we can offer something to Australia.'	5

B	There were 4 drivers:			
	1. Achieving growth through forming strategic alliances	Buying in IP played to the company's strengths in production and marketing	'we deliberately went out to find know-how that we could commercially partner'	5
	2. Companies are looking for alternative sources of supply	Opens up new markets and companies to form strategic alliances with.	'if there's a fire, and earthquake, a food scare - people don't want to launch food products with only one source of supply.'	
	3. Global exclusivity	Strengthened the company's competitive advantage in every market globally	'Part of the big up-front investment in this case was to secure global exclusivity. By taking a global position you eliminate one competitive source which is other people trying to do a similar thing.'	
	4. Global trends	Monitoring global trends gave the company a strategic advantage when deploying a new initiative that involved an alliance with a partner	'Strategically it's very important for a business like ours to monitor global F&B trends. We are a perfect conduit for taking an idea that is successful in one market and transferring it into another'	
C	The decision to proceed with the initiative was driven by the need to improve strategic management processes	A new division was set up to address both strategy and capability, with one of its roles to assist with strategic thinking and strategy and business implementation throughout the organization.	A corporate review also identified the gap in strategic management capability, and this was verified in a CPE assessment. There had been no written strategic plan for the organization, and the business plans had a one-year horizon only.	5
D	The strategic framework was defined by the Board and the leadership team, in close collaboration with people in the businesses.	The framework was developed taking account of the business drivers 'both in terms of value creation and defending the core of the business.'	It was after 'a relatively comprehensive market outlook, a comprehensive understanding of the position of [the company] right now in the competitive environment - that we came up with what we're calling the main strategic themes.'	5
E	The decision to proceed with the initiative was driven by need to grow external revenue	Growing the services provided to community and hospital laboratories was an extension of existing resources and skills	'We took the view that if we wanted to grow our business we had to take it off other people, and to get people to stop doing it themselves and see the merits of sending it [tests] to us. So we had to overcome the issues that they saw.'	5
F	The decision to proceed with the initiative was driven by the science discovery driver, the partnership driver and the focus on IP.	There was a need to make the research programmes more attractive to international investors; to improve the control and potential to commercialise intellectual	'The company needed to increase the value of the IP; it was a Government funded programme that was up for review, so funding was at risk; and the company wanted private sector funding as well -	5

	These drivers set the broad parameters within which the decisions about the initiative could be made.	property in NZ; and to target the programmes at high value markets.	an external investor. '	
G	Provide an infrastructure for collaborative business planning and execution where the people involved may be spread over a wide geographic area	'The system should ultimately reduce business management overhead and provide the basis of future business improvements and efficiency gains.'	The system should 'reduce tensions in a fast changing organisation where management of internal commitments and communication of them was important.'	4

* Score range of 5, 5 = best, 1= poor. In this example table only leading practices are shown (Score=5).

In all the cases the Board and/or chief executive and senior management had identified drivers for the initiatives, and promoted the drivers. The external drivers were varied, with customer demand, stakeholder pressure, and competition in the market the main drivers. There was no pattern seen in the external drivers and the type of strategic initiative undertaken. Table 6.7 collates the data on internal and external drivers for each case study that was presented in Chapter 5.

Table 6.7 Internal and external drivers for the case study initiatives

Case	Internal Drivers	External drivers	Type of Initiative
A	Board of Directors; the strategic plan; the champion for the initiative	Customer demand for a new service, the availability of partners to form a consortium	Strategic alliance
B	Growth strategy; desire to leverage existing competencies	Competition from commodity producers in the market	Strategic alliance
C	Chief Executive; need for a coherent strategic management process	Increased capability and capacity required by government	Strategic management framework
D	COE; Board of Directors; shareholders	Global industry competition	Strategic management framework
E	Strategy; Business Development Manager	Shared services model of the Ministry of Health	Strategic alliance
F	CEO; Board of Directors; new strategy on IP	Market demand for new products, competitive bidding for government funding	Strategic alliance
G	Board of Directors; MD looking for business efficiencies	Customer demand for new products	Strategic management framework

Links to literature findings on understanding the business drivers

The business drivers are the main business reasons for undertaking a strategic initiative and are typically identified by senior management. The importance of understanding the business drivers in the deployment of a strategic initiative has been noted across a range of sectors in a variety of articles, including Brueck & Cassidy (2000 - utility); Craig & Roy (2004 - construction); Lutchen (2004 - information technology); Sykes (2002 - public relations); and Wilson (2001 - finance).

Johnson & Scholes (2002) emphasise the importance of understanding the business environment (drivers) when effecting change. Business drivers can function as drivers of change and are often used by management to communicate the business reasons for introducing a change in an organization (Kuperman, 2002). Examples of managers using the communication of drivers for this purpose were found in the case studies of organizations B, C, and F. For the drivers to be effective in influencing change, an understanding of them by the implementors of a strategic initiative was perceived to be important.

Hacker, Kotnour & Mallak (2001) found in case studies of three public sector organizations that a systematic process was needed to identify drivers when writing objectives for strategic initiatives. The business drivers then formed the basis for developing action plans for initiatives. Aaltonen & Ikavalko (2002) found that a lack of understanding of strategy and the drivers for strategic initiatives was one of the main obstacles to implementation. Problems in understanding arose when the strategic issues had to be applied in everyday decision-making, and using a formal process to convert strategic objectives into action plans helped alleviate these problems (Aaltonen & Ikavalko, 2002).

Ensuring a customer and market focus has been a dominant business driver recently in New Zealand, overcoming a deficiency identified previously (Brooks, 1997, Campbell-Hunt et al, 2001). A recent survey has shown that most New Zealand businesses now have a good customer and market focus, and manufacturing firms are moving to an emphasis on innovation as an important driver of future success (Knuckey et al, 2002). Five of the case study organizations (A,B,D, F and G) identified the development and commercialization of intellectual property as a driver of current strategic initiatives.

6.8 The identifying deployment options dimension

The definition of the identifying options dimension was further refined and sharpened as a result of the cross-case analysis. The construct title became *identifying deployment options*, with the

purpose of *identifying and deploying projects, assessing risk, choosing performance measures.* The purpose statement gives examples of the activities and decision areas associated with this construct, and other deployment options besides these are included.

In all the case studies the strategic initiatives were implemented as projects, typically a series of projects. The choice of project, its scheduling in relation to other projects and the choice of performance measures for the initiative were all deployment decisions that were assigned to the identifying deployment options dimension.

All the case study organizations used an action planning process to guide the implementation of the initiative. It was during the action planning process that most deployment options and alternative actions were considered. Assessing the risks attached to the options and minimizing the risk was important to a number of the organizations, and the financial risk weighting was a major factor in deciding which projects were chosen to proceed. For example, organization A pulled out of a case study project when the financial risk escalated. Examples of evidence for identifying deployment options in each organization are given in Table 6.8.

Table 6.8 Tabulated evidence for identifying deployment options

Case	Practice	Perceived Strength	Examples	Score
A	Authority process requires written action plan, timeline, people responsible Establish a risk register when deployment starts Prioritize initiatives and consider alternatives	Breaks down tasks, assigns responsibility, timeline and milestones Monitors risks and identifies potential opportunities for minimizing risk. Assesses risks and benefits of each potential initiative and deployment decision	'We produced a project plan/action plan/timeline/ who's responsible for what rolled into one. It worked well, everyone they understood what their role was and what they had to do'. Risks of the initiative can be broken down into smaller chunks, and each risk addressed separately. This can reduce the risk weighting required.	5
B	Careful consideration of alternatives, there were a number of options Action plan was jointly developed with the partner for North America.	The chosen initiative had less risk than other options. Regular review of action plans and progress toward objectives - a formal continuous evaluation process eg at each meeting; to sponsor, manager, Board	'You don't have to resource everything yourself because that entails risk and a lot of investment - if you can get the relationships right you can market your capability to the (partner) organisation. They are marketing themselves as a provider of IP, the quid quo pro is you are a strategist, a marketer, have global reach, and a reputation.'	5
C	Project management function is integrated into strategy deployment	Projects arising from the initiative are linked back to the intiative.	'We've also got a project management office, so they turn those ideas into reality and help integrate them back into the	5

	Action plans were well developed. Champion was responsible for developing action plans	Breaks down tasks, assigns responsibility, contains timeline, milestones.	business. So strategy (S&C) goes further than identifying ideas and just chucking them over the fence, it helps the business operationalise them.'	
D	The strategic initiatives SBU considered alternatives for implementation The SBU and the corporate communications centre developed the communication plan	One of the functions of the SBU was to set up a dialogue with the businesses and challenge and critique their proposed initiatives. Comprehensive action plans had to be developed to enable the initiative to be communicated to everyone in the large organization	The SBU engaged in 'demanding partner dialogue' with the businesses that were implementing the initiative, and 'some of the assumptions and hypotheses might be revisited in that process.'	5
E	Key managers were given full delegation to make decisions as required. Action plans were developed at each meeting between the partners. Had joint plans and separate Organization E action plans also.	Consultation and delegation occurred as necessary and allowed all options to be considered Breaks down tasks, assigns responsibility, due dates, promotes alignment between the partners	'Local managers were fully responsible for meeting deadlines and were able to act decisively regarding issues during the 'go-live' period.' Both partners explored other options as they consulted, but preferred the final contractual arrangement. For the partner, security of data was a major consideration, and the risk was minimized by partnering with another DHB rather than a private commercial IT provider.	5
F	Decisions were made after considering alternatives. There were other options to fund the programme. A strategic alliance was not the only option.	Reduces risk and also helps set priorities among alternatives	There were other potential partners. The organization F team discussed abandoning the collaboration several times, and discussed alternative partners. 'There was a potential third partner, and the most difficult decisions were about them. '	5
G	Action plans were developed from the objectives. These were then reviewed and refined in the respective meetings that the actions are assigned to. Checklists assisted with ensuring action items from the plan were relevant to meetings.	Checklists were designed to ensure action items and other commitments are tracked through to an adequate resolution.	'We are trying to get away from "fixed" business plans because we don't have perfect knowledge (to base it on), and the environment changes anyway. For example this year many companies have canned their venture investment arms, whereas it was all go last year.'	4

* Score range of 5, 5 = best, 1= poor. In this example table only leading practices are shown (Score=5).

Links to literature findings on identifying deployment options

The purpose statement for this dimension was: identifying and deploying projects, assessing risk, and choosing performance measures. There is a large body of literature on project management and performance measurement, but relatively little on the interface between a strategic initiative and the realisation of the goals of the initiative through projects. Strategic initiatives are strategy focussed and often emerge and evolve over time (for example in case study B), while projects have an inward, task-oriented view and are time-bound (Bryde, 2003; Lycett et al, 2004).

All the case study organizations considered alternatives when making the decision to deploy the initiative. It was during the action planning phase that many options and alternatives for deployment were examined. Miller et al (2004) found that effective implementation decisions were made by managers with a large experience base to utilize. Connor (2001) argues that if the strategic initiative is to be deployed through a series of projects, then identifying which potential projects will proceed, and the scheduling of a flow of projects to ensure continuity is important. A decision framework for terminating unsuccessful projects is beneficial, and the role of the Board in these decisions needs to be clear to avoid tension between the Board and management (Connor, 2001; Nutt, 2000).

Identifying deployment options is an important element of risk management in strategy implementation. Matheson & Matheson (1998) advocate use of a decision process to rationally structure alternative courses of action and evaluate them using business models and proven decision tools. Identifying choices in implementing business strategies is important to gaining a cost advantage in manufacturing firms, for example, in choices of products and prices (Barney, 2002; Helfat & Raubitschek, 2000). Recent instances of managing risks associated with implementing a strategic initiative can be found in a variety of articles including: Baccarini, Salm & Love, (2004 - information technology); Bhattacharya, Behara & Gundersen, (2003 - information systems); Dey, Prasanta & Ogunlana, (2004 - construction); Glover, (2003 - service); and, Mackay & Sweeting, (2000 - service and manufacturing).

Bourgeois & Eisenhardt (1988) found that effective CEOs "let go" of strategies once the decision to deploy had been made, and delegated the authority for implementation decisions to other executives. For the case studies, in all but the smallest organization (G) the CEO delegated the implementation decisions. Lawrence & ul-Haq (1998) found that relationships had a pre-eminent place in managers' choice of possible partners in strategic alliances. For three of the case study organizations (B, E and F), an existing relationship with a potential partner organization was a major determinant for the forming of a strategic alliance.

One aspect of the identifying deployment options construct is choosing performance measures. Deciding how to measure performance has links to other constructs of deployment. Neely & Bourne (2000) found that the act of choosing performance measures forces management to clarify their language and to define their strategy precisely. Clearly defined measures help achieve organizational alignment, and linking the measures to clearly defined reward systems resulted in clarity of communication about what mattered to organizations (Neely & Bourne, 2000). Thus performance measurement is important as a means of communication (construct 1), alignment (construct 3) and encouraging implementation of strategy (buy-in, construct 2) (Kennerley & Neely, 2002).

A set of organization values that govern decisions can help ensure that a degree of coherence and alignment is achieved in strategy deployment (Barney, 2002). Strategic decisions remain consistent with these values, while retaining scope for autonomous action as initiatives are deployed (Knuckey et al, 2002). The values act as a reference point as options are considered at all levels of the organization as initiatives are deployed (Detert et al, 2000). Organizations B, C and D actively promoted a set of organizational values, and for all the case study organizations the continuous improvement philosophy of the CPE model meant that performance excellence values influenced decision-making about implementation.

6.9 Other deployment practices found in the case studies

The previous sections in this chapter have given examples of deployment practices that were scored as leading practices (see Appendix H for the scoring system used by the workgroup). A number of other deployment practices were identified during the case studies that were scored as less successful than the leading practices identified. These practices are shown in Appendix J.

The practices in Appendix J were not considered by the workgroup to have negative effects on the success of an initiative, but were good or standard practices not innovative/leading practices. The case study interviews indicated it was the absence of a practice (for example, a lack of appropriate communication materials for production employees in case study D) that was perceived to have the most negative impact on deployment, rather than the use of a standard (non-leading) practice. Barriers or constraints that had negative effects on deployment were tabulated in Chapter 5 for each individual case study. The data on constraints across all the case studies are summarised in Table 6.9.

Table 6.9 Barriers or constraints to strategy implementation

Type of constraint	Case study	Barrier or constraint
Financial	A	• High financial risk associated with deployment
	B	• Negative commercial conditions
	G	• Industry downturn affected company viability
	D	• Resource constraints limited testing
People/HR	C	• Defensive attitudes in other company divisions
	C	• Lack of research capability
	C	• Change of leader during deployment
	F	• Existing programs made redundant by the new initiative
	G	• Recruiting suitable employees
	G	• Increased workload in first year of implementation
	G	• Staff adapting work practices to the new system
Communication	D	• Communication issues with manufacturing employees
	E	• Partner's perception of potential loss of control
	F	• Understanding the client's needs
Technical	A, B	• Product development and production issues

6.10 Other influences on the deployment of the case study initiatives

In the case study interviews, participants were asked about the organizational climate and the degree of organizational support for the initiative. They were also asked for the characteristics of the champion for the initiative. The review of each case study in Chapter 5 gave the results of these questions, and a summary appears in Table 6.10.

Table 6.10 Other influences on the deployment of the case study initiatives

Case	Organizational climate	Organizational support	Characteristics of champion
A	Continuous improvement philosophy	Sufficient resources, moral support	Innovative
B	Continuous improvement philosophy, high level of buy-in	Initiative well resourced, moral support from management team and Board	Driven by strategy, technology and business need
C	Continuous improvement philosophy, high level of buy-in to CPE model	Very active communication, initiative well resourced, moral support from management team and Board	Skilled communicator
D	Emphasis on management teamwork; stable, long-term outlook	Very active communication, initiative well resourced, moral support from management team	Strategy driven, market and production orientation

E	Continuous improvement philosophy, high level of buy-in	Good communication, initiative well resourced, moral support from management team	Driven by strategy and business need
F	Continuous improvement philosophy, stable, long-term outlook	Very active communication, initiative well resourced, moral support from management team	Innovative
G	Continuous improvement philosophy	Sufficient resources, moral support	Innovative

The continuous improvement philosophy of the CPE was noted as a major influence on the organizational climate of six of the seven case study organizations. The continuous improvement philosophy was linked to a positive organizational climate and to a high level of buy-in for initiatives. Practices that were used and that reflected the continuous improvement philosophy included: establishing trust, consultation processes, informal communication and visible commitment from senior management.

All the case study participants reported a high degree of organizational support for the initiative, reflected in sufficient resources to implement the initiative and moral support from Boards and management teams. The champions were observed to play multiple roles in the deployment process, and there was no single characteristic that was noted as common to all the champions.

6.11 Linkages among the deployment dimensions

Linkages emerged between several of the dimensions as a result of the cross-case analysis, for example, *communication*, *achieving buy-in* and the people component of *aligning implementation* are closely linked and relate to the 'soft' (cognitive and behavioural) management skills of changing behaviour and attitudes. Examples of 'soft' practices from the cross-case analysis include: informal communication; establishing trust; consultative decision-making processes; and promotion of cooperation.

Understanding the business drivers, *forming the infrastructure for deployment* and *identifying deployment options* are also closely linked, these three associated with 'hard' (systems or analytical) management skills. Examples of 'hard' practices from the cross-case analysis that were common to all the case studies include: scheduling projects; choosing performance measures; analysing the business drivers for the initiative; organizing the deployment teams; assigning roles and action planning. Other links existed, for example, between *achieving buy-in, creating the infrastructure for deployment*, and *deployment options*, where buy-in was increased when teams have responsibility for developing action plans. The *learning* dimension underpins

and supports all the other deployment dimensions, with evaluative feedback leading to adaptive change during deployment.

The linkages between the dimensions were supported by evidence from the case studies and confirmed in group discussion by the NZBC workgroup. The evidence for and examples of linkages are discussed in Chapter 8. That a number of the deployment dimensions are interrelated is supported by the fact that the CPE strategy deployment item itself is closely linked with other items and categories in the CPE (Blazey, 2002; Brown, 2000). Examples of key linkages between the CPE strategy deployment item and other Criteria categories and items are shown in Table 6.11 together with the corresponding deployment dimensions from the doctoral research. All seven deployment dimensions can be mapped onto one or more of the CPE strategy deployment links.

Table 6.11 Key linkages with the CPE strategy deployment item (*Source*: After Blazey, 2002)

CPE Item or category	Application of each CPE Item or Category to strategy deployment	Deployment Dimension*
Item 1.1	Leadership: For how senior leaders communicate strategic direction	1, 2, 6
Category 3	For gathering customer and market knowledge for deploying action plans	3, 4, 7
Category 4	Information and Analysis: To track progress relative to action plans	4, 7
Category 5	For human resource factors resulting from action plans	3, 5, 7
Category 6	For process requirements resulting from action plans	4, 7
Item 7.5	For specific accomplishments relative to strategy and action plans	4, 7

*The seven dimensions of deployment are summarised in Table 6.12

6.12 Summary and conclusions: Major themes of Chapter 6

- The cross case analysis enabled the definitions of the seven dimensions for the deployment of strategic initiatives to be refined and sharpened. These are summarized in Table 6.12.

Table 6.12. Seven dimensions of strategy deployment

	Dimension of strategy deployment	Purpose of each dimension
1	Communicating the initiative	Ensuring understanding of the strategic initiative
2	Achieving buy-in	Acceptance and adoption by stakeholders
3	Aligning implementation	Actions are aligned to the strategic direction
4	Learning	Continuous evaluation and adaptation
5	Creating the infrastructure for deployment	Organizing teams, roles and responsibilities
6	Understanding the business drivers	Awareness of the business reasons for the initiative
7	Identifying deployment options	Identifying and scheduling projects, assessing risk, choosing performance measures

- Evidence was found and tabulated for each dimension from all seven case studies.

- The replication of the findings from each of the seven cases added to the validity of the deployment dimensions.

- The search of the functional management literature for each of the seven dimensions corroborated the case study findings for each dimension. The supporting literature for each dimension is summarised in Table 6.13.

- Linkages among the dimensions emerged, between:

  - Buy-in and alignment (Constructs 2 & 3)
  - Understanding drivers and deployment options (Constructs 6 & 7)
  - Communication, buy-in and alignment (Constructs 1, 2 & 3)
  - Learning and the other six dimensions
  - Infrastructure and deployment options (Constructs 5 & 7)
  - Infrastructure, deployment options and understanding drivers (Constructs 5 & 6 & 7)

Table 6.13 Supporting literature examples for the seven dimensions of strategy deployment

Dimensions of Strategy Deployment	Supporting literature
1 Communicating the initiative	Aaltonen & Ikavalko (2002); Alexander (1991); ASQ, (1999); Bokeno & Gantt, (2000); Brown & Eisenhardt, (1997); Daly & Geyer (1994); Dilts (1980); Farace, Taylor & Stewart (1992): Eisenberg et al, (1999); Fisher (1993); Ford & Ford (1995); Gibson & Hodgetts (1986); Hacker, Kotnour & Mallak (2001); Hambrick & Canella (1989); Johnson & Scholes (2002); Kaplan (1995); Knuckey et al, (2002); Lewis (1987); O'Dell & Grayson (2000); Pettigrew & Whipp (1991); Prado (2000); Robbins & Mukerji (1994); Scholes & Clutterbuck (1998); Weick & Quinn, (1999).
2 Achieving buy-in	Aaltonen & Ikavalko (2002); Campbell-Hunt et al (2001); Dawson & Palmer (1995); Dunphy & Stace (1993); Gagnon & Judd (2003); Jarrar & Zairi (2000); Johnson & Scholes (2002); Hambrook & Cannella, (1989); Kantner, Stein & Jick 1991; Knuckey et al (2002); Lazlo (1998); Loewen & Loo (2004); Matheson & Matheson (1998); O'Dell & Grayson (2000); Pettigrew & Whipp (1991); Reider, (2000); Sheard & Kakabadse (2002); Sohal & Terziovski (2000)
3 Aligning implementation	Aaltonen & Ikavalko (2002); Alexander (1991), Barney, (2002); Beal (2000); Brennan (2004); Brown (2000); Detert et al (2000); Johnson & Scholes (2002); Kaplan & Norton (1996); Kathuria & Porth (2003); Kerr & Jackofsky (1989); Knuckey et al (2002); Kyng (1991), Meers & Samson (2003); Lawrence et al (1998); Mintzberg (1994); NIST (2002); O'Dell & Grayson (2000); Papke-Shields & Malhotra (2001); Pispa & Eriksson (2003); Shaw et al (2004); Sjöberg & Timpka (1998)
4 Learning	Aaltonen & Ikavalko, (2002); AQC, (1999); Argyris (1999), Barney (2002), Campbell-Hunt et al (2001); Connor (2001); Dunphy & Stace (1993); Feurer et al (1995); Ingley & Van der Walt (2001); Kaplan, (1995); Kaplan & Norton (1996; 2001b); Mintzberg (1994), Nevis et al, 1995); Noble, (1999a); Nutt (1987), Okumus (2001); Okumus, (2003); Pettigrew & Whipp (1991); Senge, (1990); Simons (2000)
5 Creating the infrastructure for deployment	Callanan (2004); Cartwright (2003); Conner, (2001), Dunphy & Stace (1993); Erdem & Ozen (2003); Erdem, Ozen & Atsan (2003); Francis & Mazany (1996); Gabris, 1986; Hacker, Kotnour & Mallak (2001); Hodgkinson & Wright, (2002); Johnson & Scholes, (2002); Klein & Irwin, (1992); Loewen & Loo (2004); Margerison (2003); Margerison & McCann (1992); Neely & Bourne, 2000; Noble (1999a, 1999b); Nutt, (1987); Rushmer (1997); Sheard & Kakabadse (2002); Sterling (2003)
6 Understanding the business drivers	Aaltonen & Ikavalko (2002); Brooks, (1997); Brueck & Cassidy (2000); Campbell-Hunt et al, (2001); Craig & Roy (2004); Freedman (2003); Hacker, Kotnour & Mallak (2001); Jarrar & Zairi (2000); Johnson & Scholes, (2002); Knuckey et al, (2002); Kuperman, (2002); Lutchen (2004); Sykes (2002); Wilson (2001)
7 Identifying deployment options	Barney (2002); Bhattacharya, Behara & Gundersen (2003); Bourgeois & Eisenhardt (1988); Bryde (2003); Connor (2001); Detert et al, (2000); Dey, Prasanta & Ogunlana (2004); Glover (2003); Helfat & Raubitschek (2000); Hickson et al (2003); Kaplan (1995); Kaplan & Norton (1996; 2001); Kennerley & Neely 2002; Knuckey et al (2002); Lawrence & ul-Haq (1998); Lycett, Rassay & Danson (2004); Mackay & Sweeting (2000); Matheson & Matheson (1998); Miller et al, (2004); Neely & Bourne 2000; Nutt, (2000); Reider (2000); Simons (2000)

Chapter 7

Survey findings

Contents

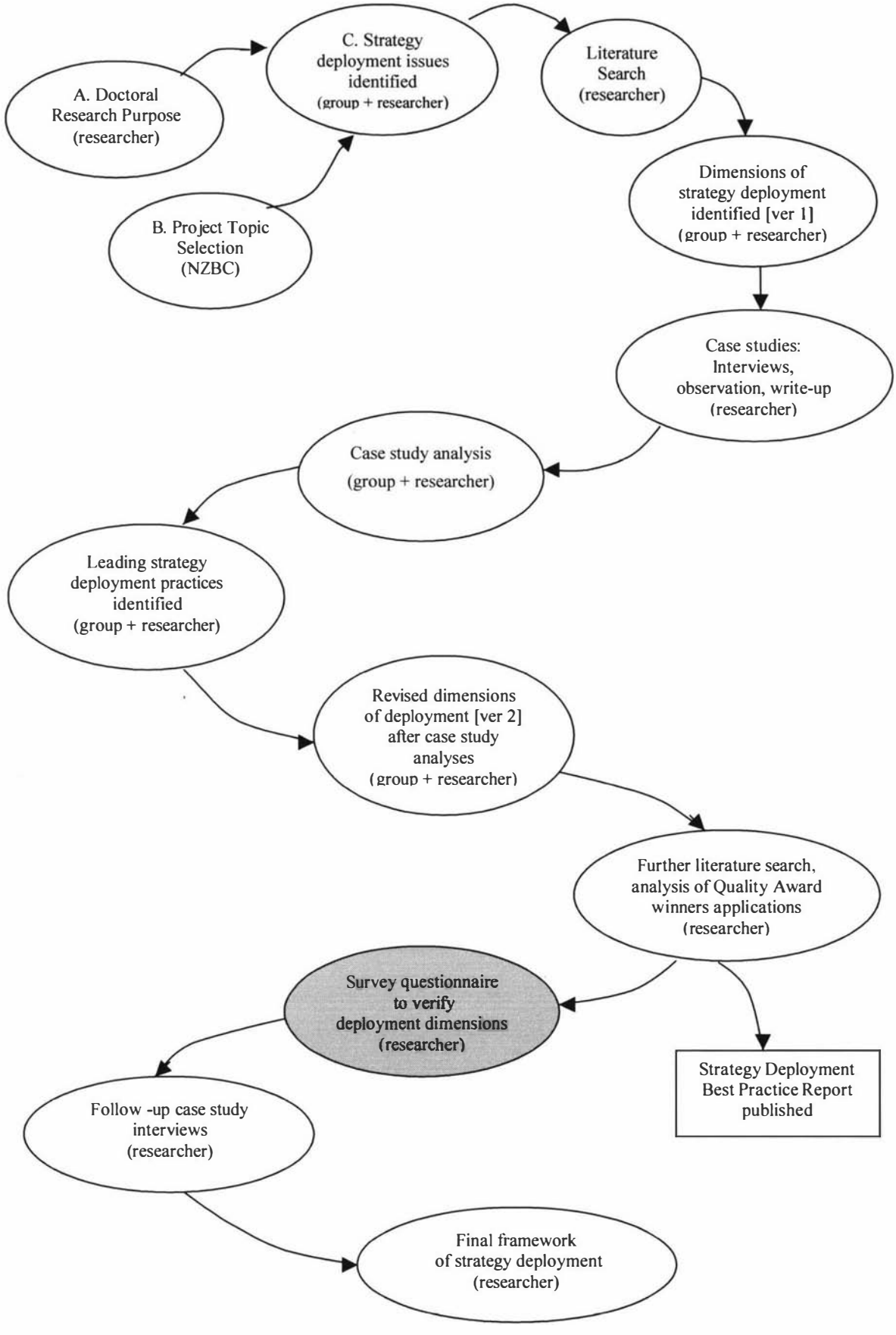
7.1 Introduction

Chapter 7 presents the survey findings. The survey was designed to further investigate the findings from the group work and case study analysis that were reported in Chapters 4, 5 & 6. The survey data were collected in September 2003 from organizations that were members of the New Zealand Business Excellence Foundation (NZBEF). The NZBEF members use the CPE framework as a performance improvement tool. The position of the survey in the flow of the doctoral research process is highlighted in Figure 7.1. The relationship of the survey data with the other components of the conceptual scheme for the research is highlighted in Figure 7.2.

The purpose of the survey was to collect additional data from organizations that did not participate in the case studies, and that were committed to performance improvement using the CPE model. The researcher's underlying objective for the survey was to search for evidence that confirmed or disconfirmed the findings from group work and case study analysis, in particular evidence that supported or did not support the seven constructs of strategy deployment described in Chapter 6. Consequently the survey data was used to strengthen the validity of the constructs of strategy deployment that had been identified from the case study analysis.

The survey strengthened validity in three ways. It contributed to the process of theory building (analytic generalization –Table 3.2 refer). Because the survey questions were based on research issues that were identified in the case studies and literature searches, they could provide data for confirming or disconfirming the "working" deployment constructs that had been developed to this point in the research. The survey also had the potential to enhance contingent validity (Healy & Perry, 2000) if the questionnaire produced similar results to the case study findings – an application of replication logic (Voss et al, 2002; Yin, 2003). Finally, the survey strengthened construct validity, by providing another method and opportunity for collecting information about the constructs – that is, utilising methodological and data triangulation (Healy & Perry, 2000).

Figure 7.1 The research process, showing the research flow, the role of the participants, and outputs.



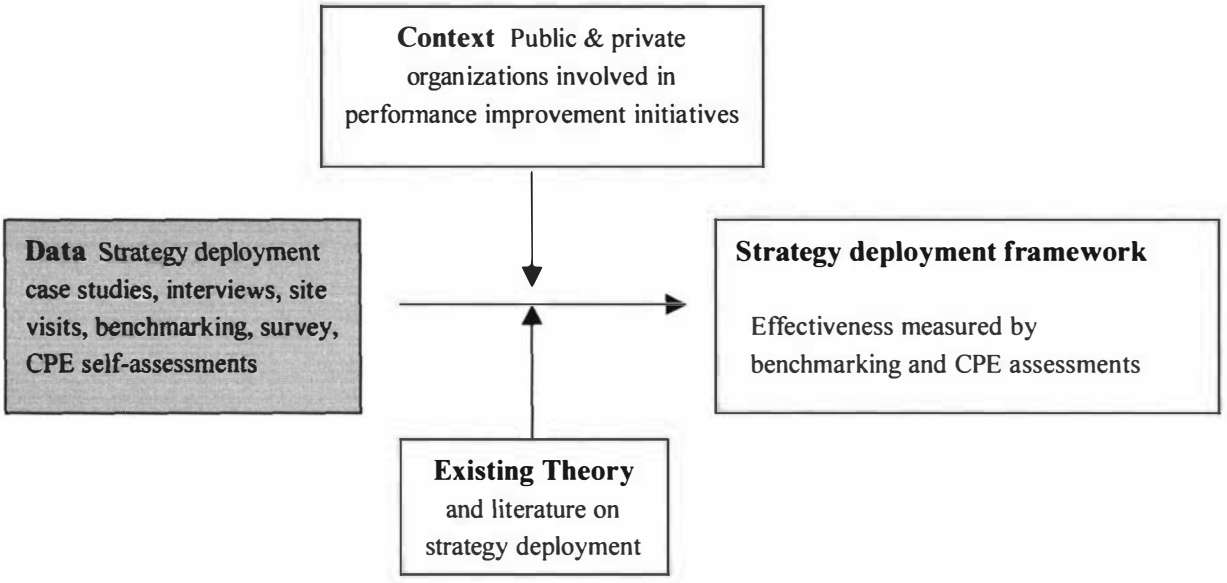


Figure 7.2 Conceptual scheme for the research [adapted from Toulmin (1958)].

7.2 Survey design

The survey was based on replication logic, not statistical sampling logic (Eisenhardt, 1989; Voss et al, 2002). Seeking to replicate the case study findings with the survey was a means of strengthening the analytic generalisation or external validity of the findings (the extent to which a study's findings can be generalised) and to reduce potential researcher bias (Healy & Perry, 2000; Voss et al, 2002). A previous government-supported survey ('Firm Foundations', Knuckey et al, 2002) gave reliable results for practices of New Zealand companies in strategy and planning, with a large sample size and very high response rate. The Knuckey et al (2002) survey findings informed the doctoral questionnaire design, and the researcher's survey did not attempt to repeat the Firm Foundations approach of a statistically reliable sample, but instead sought to further investigate the findings of the case studies and group work using a theoretical sampling plan.

Justification for why theoretical sampling was deemed appropriate for the case studies was given in Section 3.7.2. This justification also applies to the selection of respondents for the survey. In theoretical sampling the selection of respondents is made on the basis of the relevant categories, issues, themes, and concepts that emerge prior to and during data collection (Minichiello et al, 1995). Prior to the conduct of the survey, the practices, behaviours and perceptions of managers in the case study organizations had been revealed. "Working" constructs had been developed, to be confirmed or rejected as the research proceeded and more data was collected. According to Strauss (1991), by using theoretical sampling, each piece of analysed data provides information

about where to look next for further data. The survey provided an additional way to collect data to explore aspects of the working constructs (Sarantakos, 1993).

In theoretical sampling the focus is on theoretically useful samples, 'those that replicate or extend theory by filling conceptual categories' (Eisenhardt, 1989, p533). For the doctoral research the conceptual category was the use of the CPE model by the participating organizations. The underlying proposition was that other organizations that were undertaking CPE based improvement initiatives would either be using and/or recognise the importance and effectiveness of the deployment practices identified in the seven case studies, and if so the findings would support the evidence for the constructs from the case studies. In theoretical sampling there is no set minimum for the sample size for any given population. This is in contrast to statistical sampling, where a minimum 30% return for a questionnaire is recommended (Cooper & Emory, 1995).

The population was all the member organizations of the NZBEF (N=288). This population was chosen for the theoretical reason that NZBEF organizations used the CPE framework as a performance improvement tool, and so met the qualifier criterion of the conceptual scheme for the research, which was that the organizations studied were undertaking performance improvement using the CPE model. The respondents were managerial staff with responsibility for deploying strategic initiatives.

The survey instrument was based on a compilation of the doctoral research findings from group work and the seven case studies, which assessed manager's perceptions of strategy deployment practices. The survey consisted of a questionnaire of 35 unbiased non-leading questions aimed at studying the perceived importance and effectiveness of the strategy deployment practices found from the group work and case studies. Ensuring content validity for the survey questions was discussed in Section 3.7.5. The NZBC workgroup members acted as an expert panel to independently judge that the content and scope of the questions were appropriate, and that the questions were unbiased. The questionnaire was piloted with NZBC workgroup members. This provided a check on possible biased wording in the researcher's formulation of the questions. Several wording changes were made following the feedback.

Question 1 of the questionnaire had 30 items about practices drawn from the constructs of deployment identified from the case studies. For each of the seven constructs described in chapter 6 there were two to five items. The 30 items grouped in Question 1 were regarded as 30 distinct questions for analysis purposes. Another five questions covered the following areas:

- Human Resource planning and support for strategic initiatives (1 question)
- The metrics used to measure future performance (1 question)
- The management and governance of strategy deployment (3 questions).

Thirty-two of the questions were measured by a five-point Likert-type scale. The other 3 questions were Yes/No Don't Know items. The use of Likert scale questions was required to quantify the responses, so that gap analysis could be applied. If a survey return rate of 30% or more had been obtained then the use of the Likert scale would have also allowed a statistical analysis of the results. Appendix C contains a copy of the questionnaire.

7.3 Response

Of the 288 questionnaires distributed, 19 were returned. All 19 returns had all questions completed. The 19 returns represented 6.6% of the NZBEF population.[1] The response rate achieved was disappointing, and may have been due in part to the need to email the questionnaire. Email was used because the researcher did not have access to the confidential NZBEF membership and address lists for a postal survey. To comply with the NZBEF policy on confidentiality, a NZBEF administrator emailed the questionnaire and the two follow-up reminders on the researcher's behalf. The initial email distribution resulted in 11 completed questionnaires being returned - a response rate of 3.8%. With 2 follow-up reminders this is increased to a total of 19 completed questionnaires - a final response rate of 6.6%. Telephone interviews to lift the response rate were not appropriate as the survey was designed to be anonymous, and in the event the contact details of respondents were not available to the researcher due to NZBEF privacy policy.

According to Cooper & Emery (1995) a survey return of 30% or more is considered to be satisfactory to enable a reliable statistical analysis of the results. While the response rate was too low to give statistically reliable results for the strategy deployment practices of the entire NZBEF population, the survey expanded the number of organizations from which data was collected from seven (the case studies) to 26. The 19 organizations surveyed provided valuable data that strengthened the validity of the seven deployment constructs by increasing the research's external validity through replication logic. Justification for this approach has been given in Section 3.7.5.

[1] The CEO of the NZBEF suggested the probable reason for the low response rate was that NZBEF members were requested to complete surveys almost on 'a weekly basis' and that 'survey fatigue' was responsible for many non-returns.

7.4 Data analysis

The individual questionnaire responses were collated and tabulated. The respondents' perceptions of the importance, frequency and effectiveness of the 30 items in Question 1 (Q1) were ranked. Two gap analyses were performed on the data from Q1. Gaps were calculated by taking the difference between the ratings for the *importance* and *frequency* (I/F) scales, and the *importance* and *effectiveness* (I/E) scales. The I/F gap indicates the difference between the perceived importance of activities, and how often (*frequency*) they were used. The I/E gap indicates the difference between the perceived importance of activities and how *effective* the organization was in using them.

Gaps could be positive or negative. However only negative gaps were found, no zero or positive gaps were found in the analysis. A negative I/E gap indicates that the practice is perceived as not used as effectively as it should be, given its importance. A negative I/F gap indicates that the activity is perceived as not used as frequently as it should be, given its importance. The larger the negative gap for any item, the greater the perceived opportunity for improvement in the practice the item refers to.

The results for all the respondents were averaged to give a mean gap value for each of the 30 items of Q1. Mallack & Kurstedt's (1995) study of culture gaps and Saunders' (1998) study of strategic gaps were used as models for the significance of mean gaps in perceptions of organizational practices. A mean negative gap of -1 or more on a 5 point likert scale for any item was taken to suggest there was a significant difference between the perceived importance and effectiveness (I/E gap), or the perceived importance and frequency (I/F gap) of the practice. As all the gaps found were negative, for clarity and readability reasons the gaps are reported as absolute numbers.

7.5 Results

The following sections combine the presentation of the questionnaire results with a brief discussion of the findings. More discussion and a synthesis of the findings with the rest of the research data analysis is given in Chapter 8.

7.5.1 The 30 practices and the validity of the deployment constructs

The responses to the importance dimension of Question 1 were used to test the validity of the seven deployment constructs (represented by the 30 practices in Q1). Respondents were asked to rate how they personally viewed the importance of each practice statement in Q1 to their

organization's ability to deploy strategic initiatives. The scale used was: 5=Very High; 4=High; 3=Neutral; 2=Low ; 1=Very Low; DK=Don't Know. The results were:

- 22/30 activities rated 4.0 or greater (high to very high importance)
- 6/30 activities rated 3.4 – 3.9 (high importance)
- 1/30 activities rated 3.0 – 3.3 (neutral to high importance)
- 1/30 rated 2.9 (neutral)

The 22 practices that were perceived to be of high-to-very-high importance are shown in Table 7.1. The construct associated with each practice item appears in the Construct column, using the number assigned to the construct in Table 6.9. All seven constructs are represented. The practices were categorised as 'hard' (system or analytical) management issues or 'soft' (people/social or cognitive/behavioural) management issues. Seven of the eight top-ranked practices were classified as "soft" or "hard & soft" management issues.

Table 7.1 Deployment practices perceived as high-to-very-high importance

Practice/Activity	Construct	H/S*	Rank
Identifying and allocating roles, responsibilities, teams	5	H&S	1
Ensuring the necessary resources are available	5	H	2
Developing action plans to address the key strategic objectives	3, 7	H&S	3
Communicating strategies to employees	1	S	3
Appointing a leader for the initiative	5	S	3
Creating a shared vision for the initiative at all levels of management	2	S	3
Seeking buy-in from employees	2	S	7
Goals/targets and strategies are cascaded to all levels in the organisation	3, 6	H&S	8
Resource allocation is linked to strategy	3	H	9
Understanding the business drivers behind the initiative	6	H	10
Promoting a set of company values	3	S	10
Assessing implementation risks	7	H	10
Measuring and evaluating progress as the initiative is deployed	4, 7	H&S	10
Making changes during deployment in response to feedback	4, 7	H&S	10
Appointing a champion/sponsor for the initiative	5	S	15
Identifying key performance indicators	7	H	15
Aligning short and long term action plans	3, 6	H	15
Preparing a communication plan for the initiative	1	H	18
Ensuring that non-managerial employees have the skills to implement	5	H&S	19
Aligning performance indicators with long-term objectives	3, 7	H	20
Ensuring that managers possess the knowledge and skills to implement	4, 5	H&S	20
Dealing with the fear that change can provoke	5	S	20

*H= 'hard' issues (system or analytical in nature); S= 'soft' (people/cognitive/behavioural in nature),

The 6 practices that were perceived to be of high importance are shown in Table 7.2. The practices were categorised as 'hard' (system or analytical) management issues or 'soft' (people or cognitive/behavioural) management issues. The construct associated with each practice item appears in the Construct column, using the number assigned to the construct in Table 6.9.

Table 7.2 Deployment practices perceived as high importance

Practice/Activity	Construct	H/S*	Rank
Identifying options (alternative actions) during deployment	7	H	23
Dealing with the situation when the new strategy is not compatible with a manager's personal goals	5	S	24
Communicating strategies to customers	1	S	24
Seeking buy-in from suppliers	2	S	26
Seeking buy-in from customers	2	S	27
Aligning work unit plans and supplier plans	3, 7	H&S	27

*H= 'hard' issues (system or analytical in nature); S= 'soft' (people/cognitive/behavioural in nature),

These results show that the respondents considered that almost all the practices in Question 1 were valid to deployment, with 28/30 activities (~93%) rated high to very high importance, and the other two activities rated neutral or neutral-to-high. The high to very high level of importance attributed by managers to the 28 activities indicates the perceived relevance of these activities to effective strategy deployment.

The practice rated neutral importance was a*ligning work unit plans and supplier plans.* The practice rated neutral to high importance was c*ommunicating strategies to suppliers*. The three practices ranked lowest in importance all involved suppliers. Responses to Question 5 showed few organizations are using supplier satisfaction surveys to gain feedback information. These findings mirror those of the survey reported in *Firm Foundations,* conducted by the Ministry of Economic Development and Statistics NZ (Knuckey et al, 2002). The *Firm Foundations* survey found that many NZ businesses did not rate relationships with suppliers important, and the authors noted that building supplier relationships was an area requiring improvement in most New Zealand companies (Knuckey et al, 2002).

7.5.2 Practice rankings for frequency and effectiveness scales

Practice frequency

Respondents were asked to rate how often their organization used the 30 practices of Q1 when implementing a strategic initiative. The scale used was: 5=Always; 4=Frequently; 3=About half; 2=Sometimes; 1=Never; DK=Don't know. The responses to the frequency dimension were ranked. The mean frequency score for each item was used in the calculation of the I/F gap. The

deployment practices that were perceived as most frequently used are shown in Table 7.3. All seven constructs are represented among the nine highest ranked practices.

Table 7.3 Deployment practices perceived as most frequently used

Practice/Activity	Construct	H/S*	Rank
Appointing a leader for the initiative	5	S	1
Identifying and allocating roles, responsibilities, teams	5	H&S	2
Understanding the business drivers behind the initiative	6	H	3
Developing action plans to address the key strategic objectives	3, 7	H&S	4
Promoting a set of company values	3	S	5
Communicating strategies to employees	1	S	5
Creating a shared vision for the initiative at all levels of management	2	S	5
Ensuring the necessary resources are available	3	H	8
Ensuring that managers possess the knowledge and capabilities needed to implement	4, 5	H&S	8

*H= 'hard' issues (system or analytical in nature); S= 'soft' (people/cognitive/behavioural in nature),

Practice effectiveness

Respondents were asked to rate their organization's performance relative to each of the 30 practice statements of Question 1. The scale used was: 5=Outstanding; 4=Very Good; 3=Average; 2=Below Average; 1=Poor; DK=Don't know. The responses to the effectiveness dimension were ranked. The mean effectiveness score for each item was used in the calculation of the I/E gap. The deployment practices that were perceived as most effective are shown in Table 7.4. All seven constructs are represented among the nine highest ranked practices.

Table 7.4 Deployment practices perceived as most effective

Practice/Activity	Construct	H/S*	Rank
Appointing a leader for the initiative	5	S	1
Identifying and allocating roles, responsibilities, teams	5	H&S	2
Creating a shared vision for the initiative at all levels of management	2	S	3
Ensuring resource allocation (for example, budgeting) is linked to strategy	3	H	3
Ensuring the necessary resources are available	3	H	5
Communicating strategies to employees	1	S	6
Developing action plans to address the key strategic objectives	3, 7	H&S	6
Understanding the business drivers behind the initiative	6	H	6
Making changes during deployment in response to feedback	4,7	H&S	6

*H= 'hard' issues (system or analytical in nature); S= 'soft' (people/cognitive/behavioural in nature),

7.5.3 Gap analysis

Importance/Frequency Gap

This gap measures the difference between how important the activity was perceived against how often it was perceived to be used when a strategic initiative was deployed. Table 7.5 shows the four practices with both large I/F gaps and high mean importance scores. Only the first two practices had large I/F gaps of 1.50. The majority of the practices had small gaps, and were therefore perceived to be used when deploying strategic initiatives.

Table 7.5 Largest I/F gaps of the 30 deployment practices

Practice/Activity	I/F Gap	Mean Importance Score
Preparing a communication plan for the initiative	1.50	4.20
Aligning Performance Indicators with long-term objectives	1.50	4.00
Seeking buy-in from customers	1.30	3.40
Seeking buy-in from employees	1.28	4.55

Importance/Effectiveness Gap

This gap measures the difference between how important the practice was perceived against the perception of how effective the organization was at employing the practice. Ten practices had mean importance scores of 4.00 or greater, and an I/E gap greater than 1.50. These are shown in Table 7.6

Table 7.6 Largest I/E gaps for the 30 deployment practices

Practice/Activity	I/E Gap	Mean Importance Score
Aligning short and long term action plans	1.91	4.27
Goals/targets and strategies are cascaded to all levels in the organisation	1.81	4.45
Dealing with the situation when the new strategy is not compatible with a manager's personal goals	1.64	3.55
Identifying key performance indicators	1.63	4.27
Assessing implementation risks	1.63	4.36
Promoting a set of company values	1.55	4.36
Communicating strategies to employees	1.55	4.64
Seeking buy-in from employees	1.55	4.55
Developing action plans to address the key strategic objectives	1.55	4.64
Aligning Performance Indicators with long-term objectives	1.55	4.00

Largest gaps

After combining the gap analysis results presented above, two practices had a gap greater than 1.40 on both I/F and I/E, suggesting these activities had the greatest potential to improve the effectiveness of deployment for the respondents. These are shown in Table 7.7.

Table 7.7 Largest gaps for both I/E and I/F

Practice/Activity	I/E gap	I/F gap
Aligning performance indicators with long-term objectives	1.55	1.50
Preparing a communication plan for the initiative	1.40	1.50

In addition a further nine practices had large I/E gaps of 1.50 or more. This made a total of eleven practices with large gaps that if addressed could improve the effectiveness of deployment of strategic initiatives for the respondents. Five of the eleven were 'hard' issues (system or analytical in nature) and four were 'soft' (people/cognitive in nature), and two had hard and soft components.

The five large gap 'hard' issues were:

- Aligning short and long term action plans
- Assessing implementation risks
- Identifying key performance indicators
- Aligning performance indicators with long-term objectives
- Preparing a communication plan for the initiative

The four large gap 'soft' issues were:

- Dealing with the situation when the new strategy is not compatible with a manager's personal goals
- Seeking buy-in from employees
- Communicating strategies to employees
- Promoting a set of company values

The two issues that had hard and soft components were:

- Developing action plans to address the key strategic objectives
- Goals/targets and strategies are cascaded to all levels in the organization

Smallest gaps

The smallest gaps indicate the practices that organizations used to the level they perceived important, and used them effectively. For example *appointing a leader for the initiative* had a very small gap for both I/F and I/E, indicating that respondents perceived a leader was appointed in almost all cases, and that it was done effectively. The practices with the smallest IF gaps are shown in Table 7.8 and the practices with the smallest I/E gaps are shown in Table 7.9.

Table 7.8 Practices with the smallest I/F gaps

Activity	I/F gap
Understanding the business drivers behind the initiative	0.27
Appointing a leader for the initiative	0.28
Ensuring that managers possess the knowledge and capabilities needed to implement	0.45

Table 7.9 Practices with the smallest I/E gaps

Activity	I/E gap
Aligning work unit plans and supplier plans	0.57
Communicating strategies to suppliers	0.67
Aligning work unit plans and partner plans	0.73
Appointing a leader for the initiative	0.82

The respondents therefore perceived that the following activities were performed effectively (all rated as high to very high importance):

- Appointing a leader for the initiative
- Understanding the business drivers behind the initiative
- Ensuring that managers possess the knowledge and capabilities needed to implement

7.5.4 Human resource planning and support for strategic initiatives

This question was linked to construct 3 (aligning implementation) and assessed the perceived degree of alignment between human resource planning and the organizations strategic objectives. 47% of respondents had plans that partly align HR plans to strategic objectives. A further 26% had plans that were mostly aligned to their strategic objectives, and 5% had fully aligned plans. The results are shown in Figure 7.3 and are expressed as percentages rounded to nearest 0.5%.

Tick one box.

Does this business have human resource plans for staffing, selection, training, involvement, empowerment and recognition that are aligned to meet strategic objectives?	
- no	21%
- plans address some of these areas but are only partly aligned to the strategic objectives	47%
- plans address most of these areas and are mostly aligned to the strategic objectives	26%
- plans address all of these areas and are fully aligned to the strategic objectives	5%
- don't know	

Figure 7.3 Results for human resource planning and support for strategic initiatives

7.5.5 The metrics used to measure future performance

This question was linked to construct 7 (identifying deployment options) and sought information about future performance measurements. The lagging indicator of the past performance of the business was the most common metric (95% frequently/always), followed by a leading indicator, goals of the business (84% frequently/always). The results are shown in Figure 7.4 and are expressed as percentages rounded to nearest 0.5%.

Tick one box for each item.

Which of the following has this business used when projecting its performance into the future. Future performance is compared in a systematic way with:				
	never	sometimes	frequently/always	DK
- key benchmarks		63%	26%	5%
- the goals of this business		16%	84%	
- the past performance of this business		5%	95%	
- the projected performance of competitors	16%	47%	37%	
- the projected performance of organisations in another industry	47%	26%	21%	5%

Figure 7.4 Results for the metrics used to measure future performance

7.5.6 The management and governance of strategy deployment

These three questions were linked to constructs 4 and 7 (learning, and identifying deployment options). All respondents used the CPE framework and 63% also used balanced scorecards to assist strategy deployment. Many respondents used two or more systems. The methods for evaluation and review of strategy were all in use, however very few respondents used *supplier satisfaction surveys.* Board of Directors involvement in deploying strategy ranged from none to active intervention. 47% of Boards had oversight of strategic initiatives and individual projects. The results are shown in Figures 7.5, 7.6 and 7.7 and are expressed as percentages rounded to nearest 0.5%.

Tick the appropriate boxes.

Which of the following frameworks or systems has this business investigated or used for managing the deployment of strategic initiatives:	
	In Use
- balanced scorecard	63%
- business excellence framework	100%
- supply chain management	32%
- strategy map	26%
- software based system	32%
- other	5%

Figure 7.5 Results for strategy deployment systems or frameworks used

Tick one box for each item.

Over the last three years to what extent did this business use the following methods to evaluate and review strategy implementation:				
	never	sometimes	Frequently/always	DK
- regular review by senior management		26%	74%	
- post project reviews or audits		53%	47%	
- employee satisfaction surveys	5%	26%	68%	
- customer satisfaction surveys	26%	21%	58%	
- supplier satisfaction surveys	84%	0%	10.5%	5%

Figure 7.6 Results for methods used to evaluate or review strategy implementation

Tick one or more boxes as appropriate.

Over the last three years which of the following were undertaken by the Board of Directors of this business in regard to strategy deployment:	
- no direct involvement in strategy deployment	26%
- oversight of strategic initiatives only (not individual projects)	10.5%
- oversight of strategic initiatives and individual projects	47%
- actively intervened to keep the initiative 'on track' to meet its goals	10.5%
- other (please specify)	5%

Figure 7.7 Results for Board of Directors involvement in strategy deployment

7.6 Discussion

The survey findings gave further verification of the seven deployment constructs. A measure of the relevance of the deployment practices in the questionnaire to the constructs is shown by the responses to the 'importance' dimension of Question 1. The 28 deployment practices that were perceived as high to very high importance were distributed across all seven constructs as shown in Table 7.10. At least three practices were associated with each construct (Table 6.9 gives the construct titles).

Seven of the eight practices ranked as most important were classified as "soft" or "hard & soft" management issues, indicating that the participating managers considered people/cognitive/behavioural management issues to be very relevant to effective strategy deployment. Over the 28 practices there was an approximately even mix of practices that require "hard" and "soft" management skills.

The gap analysis results were of interest, particularly for the NZBEF organizations that participated in the survey. However, while the results of the importance dimension of Question 1 were very relevant for the research, the gap analysis results were less so. This was because the gap analysis results were applicable to the 19 participating organizations and could not be

regarded as representative of the entire population of NZBEF member organizations. Had the response rate been above 30% it may have been possible to obtain a statistically reliable representation of the strategy deployment gaps of NZBEF members. However the purpose of the survey was not to gain a reliable analysis of the strategy deployment gaps of NZBEF members through statistical sampling. The purpose was to further investigate the findings of the case studies and group work using theoretical sampling, and that was achieved with the nineteen NZBEF returns received, which was an adequate number to show replication of the findings.

Table 7. 10. The practices ranked high to very high importance and the corresponding constructs

Practice/Activity	Construct							Rank
	1	2	3	4	5	6	7	
Identifying and allocating roles, responsibilities, teams					✔			1
Ensuring the necessary resources are available					✔			2
Communicating strategies to employees	✔							3
Creating a shared vision for the initiative at all levels of management		✔						3
Developing action plans to address the key strategic objectives			✔				✔	3
Appointing a leader for the initiative					✔			3
Seeking buy-in from employees		✔						7
Goals/targets and strategies are cascaded to all levels in the organisation			✔			✔		8
Resource allocation is linked to strategy			✔					9
Promoting a set of company values			✔					10
Measuring and evaluating progress as the initiative is deployed				✔			✔	10
Making changes during deployment in response to feedback				✔			✔	10
Understanding the business drivers behind the initiative						✔		10
Assessing implementation risks							✔	10
Aligning short and long term action plans			✔			✔		15
Appointing a champion/sponsor for the initiative					✔			15
Identifying key performance indicators							✔	15
Preparing a communication plan for the initiative	✔							18
Ensuring that non-managerial employees have the skills to implement					✔			19
Aligning performance indicators with long-term objectives			✔				✔	20
Ensuring that managers possess the knowledge and skills to implement				✔	✔			20
Dealing with the fear that change can provoke					✔			20
Identifying options (alternative actions) during deployment							✔	23
Communicating strategies to customers	✔							24
Dealing with the situation when the new strategy is not compatible with a manager's personal goals					✔			24
Seeking buy-in from suppliers		✔						26
Seeking buy-in from customers		✔						27
Aligning work unit plans and supplier plans			✔				✔	27

7.7 Summary and conclusions: Major themes of Chapter 7

- The survey strengthened the validity of the constructs of strategy deployment that had been developed from group work and case study analysis.

- Evidence was found to support each deployment construct from the questionnaire analysis. All seven constructs were represented in the first nine ranked practices on all three dimensions of Question 1 (importance, frequency and effectiveness).

- The high to very high level of importance attributed to 28 deployment practices indicates that the participating managers perceived these practices to be highly relevant to strategy deployment.

- The 28 validated practices in turn support the seven strategy deployment constructs (the 28 practice questions were derived from the seven constructs).

- Over the 28 practices there was an approximately even mix of practices that required "hard" or "soft" management skills.

- Seven of the eight practices ranked the most important were "soft" or "hard & soft" management issues, indicating that the participants considered people/cognitive/behavioural management skills to be highly relevant to effective strategy deployment.

- Linkages among the dimensions that were supported by the survey findings (see Table 7.10) were between:

    - Alignment and deployment options (Constructs 3 & 7)
    - Alignment and understanding drivers (Constructs 3 & 6)
    - Learning and deployment options (Constructs 4 and 7)
    - Learning and infrastructure (Constructs 4 & 5)

- Gap analysis of the data produced three practices the respondents rated as highly important and that were performed effectively:

    - Appointing a leader for the initiative
    - Understanding the business drivers behind the initiative

    - Ensuring that managers possess the knowledge and capabilities needed to implement.

- Eleven practices were identified as having the greatest scope for improving the effectiveness of deployment. These were:

    - Aligning short and long term action plans
    - Assessing implementation risks
    - Identifying key performance indicators
    - Aligning performance indicators with long-term objectives
    - Preparing a communication plan for the initiative
    - Dealing with the situation when the new strategy is not compatible with a manager's personal goals
    - Seeking buy-in from employees
    - Communicating strategies to employees
    - Promoting a set of company values
    - Developing action plans to address the key strategic objectives
    - Goals/targets and strategies are cascaded to all levels in the organization.

- The three practices that respondents rated of lowest importance all involved suppliers, which supported the similar findings of the Knuckey et al (2002) survey of New Zealand businesses.

Chapter 8

Discussion and conclusions

Contents

8.1 Introduction.

Chapter 8 is the final chapter of the thesis. The empirical findings from Chapters 4 to 7 are summarised. The framework for deploying strategic initiatives that was generated from the research is presented and discussed within the context of this and prior research. The implications of the research for understanding how managers deploy strategic initiatives in a performance excellence environment are explored. The implications of the research findings for public and private sector management are discussed. Finally, further research paths are discussed to aid other researchers in the selection and design of research into strategy deployment.

8.2 Building a framework for strategy deployment

The purpose of the research was to build a framework for strategy deployment by looking at specific performance improvement approaches to strategy deployment in a wide range of contexts and informed by different theories. This section presents the framework for strategy deployment and how it was derived.

The main objective of the research was: "To find and verify constructs or dimensions of strategy deployment in organizations that were undertaking to improve their organizational performance using the CPE model". To assist in achieving this objective, two further sub-objectives were set: "To identify current strategy deployment practices in selected organizations (that were pursuing performance improvement initiatives)", and, "To identify leading practices in strategy deployment from a range of sources (literature, Quality Award winning organizations, case studies, benchmarking studies)".

The deployment practices of seven New Zealand organizations that were pursuing performance improvement using the CPE model were determined through the case studies. While the case study organizations varied in size, organizational structure and strategic objectives, the cases addressed many common issues faced by all organizations when deploying a new strategic initiative.

Group analysis of the case study data using a qualitative evaluation system identified over seventy leading practices. These practices were classified as either generic to deploying strategy, or specific to forming a strategic alliance or deploying a strategic management framework (see Chapters 5 and 6, and Appendix J for examples of the practices found in the case studies). Other leading practices in strategy deployment were found from a range of sources including the

application documentation of Quality Award winners and New Zealand and international literature of strategy deployment in both public and private organizations. The leading practices found were published in a report (Saunders, 2003).

The analysis of the empirical data that were collected from group work (Chapter 4), case studies and further group work (Chapters 5 & 6) generated seven dimensions (constructs) of strategy deployment, and sharpened their definition. The tabulated practices and evidence for the constructs appears in Chapter 6. The seven dimensions are the building blocks of the proposed framework. The seven dimensions are shown in Table 8.1 with their purpose statements.

Table 8.1. Seven dimensions of strategy deployment

	Dimension of strategy deployment	Purpose/Definition
1	Communicating the initiative	Ensuring understanding of the strategic initiative
2	Achieving buy-in	Acceptance and adoption by stakeholders
3	Aligning implementation	Actions are aligned to the strategic direction
4	Learning	Continuous evaluation and adaptation
5	Creating the infrastructure for deployment	Organizing teams, roles and responsibilities
6	Understanding the business drivers	Awareness of the business reasons for the initiative
7	Identifying deployment options	Identifying and scheduling projects, assessing risk, choosing performance measures

The survey findings (see Chapter 7) further strengthened the evidence for the seven deployment constructs. Evidence was found to support each deployment construct from the questionnaire analysis. A measure of the relevance of the deployment practices to the constructs was indicated by the responses to the 'importance' dimension of Question 1. The 28 deployment practices that were perceived as high to very high importance were distributed across all seven constructs (Table 8.2 refer). All seven constructs were represented in the first nine ranked practices on all three dimensions of Question 1 (importance, frequency and effectiveness). At least three deployment practices were associated with each construct.

In Chapter 6 the evidence for each construct was tabulated using examples from each of the seven case studies. Linkages between the constructs emerged from the within case and cross-case analyses and these were confirmed in group discussion by the NZBC workgroup. Further supporting evidence for the linkages came from the survey analysis and from the enfolding literature reviewed in Chapter 6.

Evidence of linkages between the constructs

Linkages between constructs were evident from the case study analyses and from the enfolding literature reviewed in Chapter 6. Examples of the linkages found between the constructs are illustrated in this section with quotes from the managers responsible for implementing strategic initiatives in their organizations.

Case study participants and group work participants noted that consultative communication of the strategic initiative improved buy-in (as in cases A to F). In turn the degree of buy-in affected the degree of alignment with the initiative (the people or social component of the alignment construct). A high level of buy-in positively affected peoples' alignment with the initiative, and this positively affected the action planning process and implementation. The links between communicating the initiative (construct 1), buy-in (construct 2) and alignment (construct 3) were evident in case A and C:

> *'... what we've done is set up groups with people from the coalface, to get together and talk things through and agree on the best way. So that's how we've overcome the buy-in problems, and it's now working well. We've got a staff member Link Coordinator to help it happen. The barriers like: can't afford the time, airfare costs, seem to have gone as people realise the benefits.'*
>
> (Case A)

> *'...communication strategies for [the initiative] - every employee goes to an annual strategic planning meeting, the CEO does the corporate meeting and the GMs do every branch, two sessions a day. There's a department of internal communications, seeking buy-in to the new strategy through 'town halls' and promoting a set of company values on the web and on posters – they form the basis of induction...*
>
> (Case C)

The following example from case D links communicating the initiative with alignment and also with buy-in, by emphasising *repeating, reinforcing* and *excitement* as purposes of communicating the initiative:

> *'...the communication plan is not only about repeating and reinforcing and creating the alignment around the overall thrust of the strategy, not only alignment but some excitement...'*
>
> (Case D)

The linkage between communication, alignment, buy-in and learning (construct 4) is demonstrated in the answer to a question about feedback from communicating the initiative, and learning from that feedback:

> *'Every single one of our projects is based on a scorecard. Some of the projects [have] very objective measures ... but things like the strategic framework - it's something that requires creating alignment, and therefore to prove that we have created alignment or not on the scorecard, we need to run a series of questionnaires on how well people have understood - it's part of our incentives and our performance as a team to do that... '.*
>
> (Case D)

The quote above also shows links between the first four constructs and constructs 5 and 7. In cases A, B and D performance targets were set for the senior management team and linked with implementing the strategic initiative. The forming of deployment teams is part of construct 5, incentives are associated with construct 2 (buy-in) and choosing performance measures is a component of construct 7.

Managers in all the case studies considered feedback about the implementation of the initiative from employees and other stakeholders very important. Feedback is part of the learning construct, and was obtained through, for example, employee focus groups, questionnaires, meetings and informal conversation. Two-way communication and learning were found to be closely linked:

> *'The more formal content feedback will come through the planning cycle because as those things get permeated through the second third fourth level to the businesses that are in the markets executing – [they] will come up with improvements, changes, variations, some of the assumptions and hypotheses might be revisited in that process. And that's I guess where it's a two way feedback - it's what I call the demanding partnership dialogue. '*
>
> (Case D)

Communication and learning were also linked to choosing performance measures (construct 7), as demonstrated in case B:

> *'We have an annual management conference - this is part of deployment, part of completing the loop - part of the review process. Before the conference we do a lot of*

pre-work, so we arrive having looked at the market, scorecarded our progress of our projects 6 months into the year ... we look at the objectives, the milestones, did we reach them, how far along did we expect to be at this point, what time have we got left, what are the issues, are we going to get there. Are we going to hit or miss - if miss- why? because we want to focus on corrective action.'

(Case B)

Communication and creating the infrastructure (construct 5) were closely linked as evidenced in cases B, D and E when deployment teams were assembled to implement the initiative:

'Weekly videoconferencing was a major factor in developing a comfortable working relationship between [the partner organizations] particularly when a few more difficult issues arose. This did a great deal to forge the teamwork...'

(Case E)

'All information is shared, so the monthly reporting is delivered to me, to the management team: we consider it, and then it goes further out to the project team members so that they have gestalt - so they see what is happening elsewhere, and it's up to us to communicate priorities and communicate progress.'

(Case B)

'...the big thrust and the big flavour and the excitement around the framework is something you want to permeate to the lowest level. So that's how we're approaching it. Of course the official communication has to come from the CEO and his team, and then the rest is us pushing it. An obvious point, but the communication needs to come from the CEO and the Board to have the credibility.'

(Case D)

The linkages between creating the infrastructure, understanding the business drivers and deployment options (constructs 5, 6 and 7) were clear in cases A, B, D E & F. For example, in case A, an understanding of the main business driver (growth offshore) influenced the make-up of the implementation team that was assembled for the initiative (infrastructure). In turn these two constructs influenced the deployment options that were considered (in case A the deployment was cancelled after significant implementation risks became apparent).

In for-profit organizations such as case B the link between business drivers and choosing performance measures (construct 7) was direct:

'We have the ability to quickly predict what happens with those five business drivers - what happens to the profit of the business, and we can project that out a number of years. At the end of the day, what the directors are interested in is can you deliver on the financial parameters that the business is assessed on. And that means for us we need sustainable profitability; year on year revenue growth with commensurate profitability; to demonstrate that we are diversifying and that our vulnerability is decreasing; and we are looking for the X factor - what separates us from the also rans.'

(Case B)

A link between alignment (construct 3) and deployment options (construct 7) was shown, for example, in case study D. The development of a budget in case study D had the dual purpose of planning resource use (construct 7) and aligning people's behaviour with the strategic initiative (construct 3).

'Now that we have the [strategic initiatives], we have to develop the business cases behind those [strategic initiatives]. Those business cases need to be in the budget for next year... locking it into the budget - that's the best way to make a strategy implementable.'

(Case D)

Examples of the links between the learning construct and constructs 1, 2 & 3 have been given above. The learning construct was also linked to the other three constructs, 5, 6 & 7. For example, the link between learning (construct 4) and identifying deployment options (construct 7) was apparent in case D, where scenarios (simulations used for learning) were used to generate action plans (construct 7):

'...we have a very clear action plan. If it's scenario A then we'll be doing ABC, and if it's scenario B it'll be XYZ. So now we have high level scenarios we know which of the 3 or 4 things that are really going to make a difference, and we need to go to a much deeper level in those 3 or 4 things.'

(Case D)

Learning (construct 4), understanding drivers (construct 6) and creating the infrastructure (construct 5) were directly linked. The identification of the external drivers was the result of

research and discussion amongst the senior management team in all the cases. The deployment team typically identified the internal drivers, as occurred in cases A, B, E & F.

8.3 The framework for strategy deployment

The shape of the final framework to emerge from the research was built from the linkages that were found between the constructs. The three constructs *communicating the initiative, achieving buy-in* and the people component of *aligning implementation* and their interactions are shown in Figure 8.1. Arrows depict the linkages between them.

These three constructs (1, 2 & 3) are associated with the 'soft' (people/social or cognitive and behavioural) management skills of changing behaviour and attitudes. Other examples of 'soft' management practices from the cross-case analysis that were associated with these three constructs include: informal communication (construct 1); establishing trust (construct 2); and the promotion of values and concepts such as cooperation, organizational and personal learning, and valuing staff and partners (construct 3). The group work and case study evidence indicated that the achievement of successful communication, buy-in and alignment for a strategic initiative required the appropriate people and behavioural ('soft') management skills.

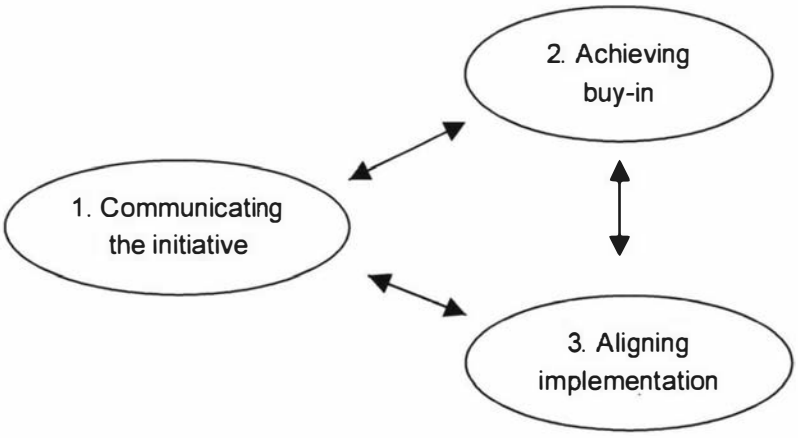


Figure 8.1. Three constructs associated with 'soft' management skills

Construct 3, aligning implementation, has two components, a people (or social) component and a planning component. Individual and organizational values influenced the people component of this dimension, with the core values of the CPE model playing a role. The case study organizations were at least two years into a performance excellence initiative, after adopting the CPE model. Managers were aware of the CPE core values of, for example, 'valuing staff and partners', and the value of 'organizational and personal learning' (NIST, 2002), and expressing these values (in word and action) assisted alignment of people with the initiative. In the case

studies these two values were expressed, for example, by including staff and alliance partners in action planning meetings and training programmes (cases A, B, C, E and F).

Constructs 5, 6 & 7 were also found to be linked, with *understanding the business drivers, creating the infrastructure for deployment* and *identifying deployment options* associated with 'hard' (systems or analytical) management skills. For example, the team formed to implement the initiative typically identified the business drivers or interpreted the business drivers identified by the chief executive or management team, as in cases A, B, D, E and F. The team and/or the champion identified deployment options and made decisions such as selecting and scheduling projects. The decision to choose one deployment option over another was influenced by the priorities imposed by the business drivers. These three constructs are depicted in Figure 8.2. Other examples of 'hard' management practices from the cross-case analysis that were common to all the case studies included: choosing performance measures (construct 7); analysing the business drivers for the initiative (construct 6); organizing the deployment teams (construct 5); assigning roles (construct 5) and action planning (constructs 3 & 7).

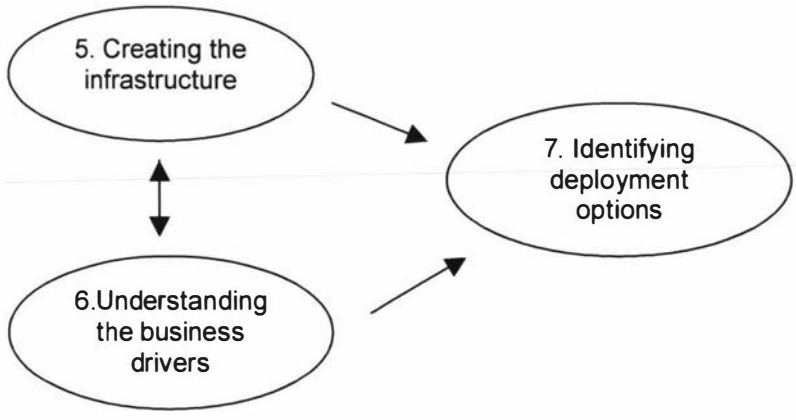


Figure 8.2. Three constructs associated with 'hard' management skills

The *learning* construct interacted with the other six deployment dimensions. The group work defined the purpose of the learning as continuous evaluation and adaptation. The learning referred to included knowledge and skills gained from and then applied to the strategy deployment process. This knowledge was based on 'hard' data from, for example, financial performance indicators, that directly affected decisions on which projects proceeded, as occurred in case study A.

The knowledge was also gained as 'soft' information from, for example, qualitative surveys that allowed the type and scope of communication to be changed, as occurred in case study D. Thus the learning was experiential and had the cyclical character described by Kolb (1984), where learning is gained as a process proceeds, and is then applied to the process after a period of reflection. This concept of learning is also an integral part of the continuous quality improvement philosophy of the CPE. One of the core values and concepts of the CPE is organizational and personal learning (NIST, 2002), and a commitment to this was expressed by the managers interviewed in all the case study organizations.

In summary, from the linkages found between the constructs were:

- Buy-in and alignment (Constructs 2 & 3)
- Understanding drivers and deployment options (Constructs 6 & 7)
- Communication, buy-in and alignment (Constructs 1, 2 & 3)
- Learning and the other six constructs
- Infrastructure and deployment options (Constructs 5 & 7)
- Infrastructure, deployment options and understanding drivers (Constructs 5 & 6 & 7)
- Alignment and deployment options (Constructs 3 & 7)
- Alignment and understanding drivers (Constructs 3 & 6)
- Learning and deployment options (Constructs 4 and 7)
- Learning and infrastructure (Constructs 4 & 5)

The linkages identified in the empirical work were corroborated with the linkages found in the literature search (see Sections 6.2 – 6.8) and a deployment framework was drafted. This is shown in Figure 8.3 and illustrates the links found between the seven constructs.

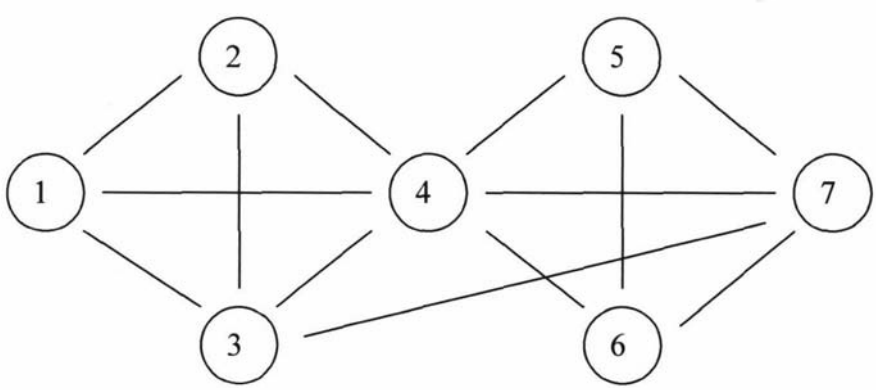


Figure 8.3. Linkages found between the seven constructs. The shortened titles for the constructs are 1, Communication; 2, Buy-in; 3, Alignment; 4, Learning; 5, Creating the infrastructure; 6, Understanding drivers; 7, Deployment options. For a full description of the constructs see Table 8.1.

The relationships depicted in Figure 8.3 suggested the outline of a framework, and Figure 8.4 depicts the final framework that was built after analysis of the interactions between the seven dimensions of strategy deployment. The constructs in Figure 8.1 and 8.2 were combined with the learning construct, with arrows representing the interactions between the constructs. Organizational Strategy is depicted above the framework to emphasise that strategy development and strategy deployment interact as an initiative is continually evaluated and adapted as events unfold during implementation. In the case studies, the intended strategy that was formulated in the strategy development phase was altered significantly during the deployment phase for organizations B, E and F. These cases illustrate the interplay that can occur between an organizations intended strategy, as articulated during the strategy development phase, and strategy implementation, which can result in a realized strategy that differed from the original intended strategy.

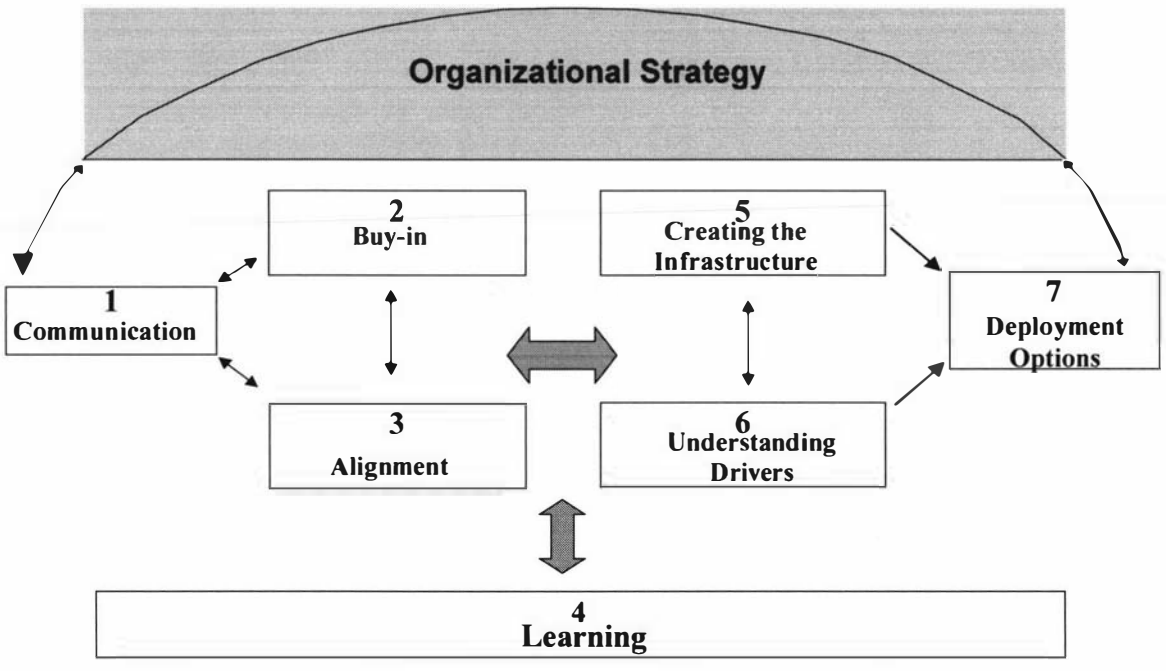


Figure 8.4. Framework for strategy deployment. Linkages between the seven dimensions are shown. The Learning dimension underpins and interacts with the other dimensions of the framework. Organizational Strategy is depicted above the framework to emphasise that strategy development and strategy deployment interact. *Source:* Adapted from CPE systems perspective diagram (NIST, 2002).

The framework and project management

The operational definitions used to differentiate strategic initiatives from projects were given in Chapter 1. Strategic initiatives have a broad scope and affect the long-term direction of the organization. Operational activities are affected as the strategic initiative is deployed (a change to day-to-day routines). In the case studies typically potential strategic initiatives were considered and approved at senior management and Board level, with further decisions made at business unit and operational level to implement the initiative. Action plans were then developed, and a series of projects typically emerged from the original strategic initiative.

In contrast a project is a unique one-off activity with a specific, clearly stated outcome, and has well defined boundaries including a specific start and finish date. Projects are usually short duration and are mostly handled within existing organizational structures. Project implementation tends to be tactical and routine (Bryde, 2003; Moncrieff, 1999).

The relationship between strategic initiatives and projects that was found in the research is depicted in Figure 8.5. Projects were the vehicle used to implement discrete components of the strategic initiative in all the case studies. The identification of potential projects and their selection formed part of the *identifying deployment options* dimension, while the execution of the projects was the province of project management. An investigation of project management practices was outside the scope of the doctoral research, however all seven case study organizations were observed to have project management structures and policies in place. In all cases the project management function was distinct from (and in the case of the government owned organizations, often pre-dated) their infrastrucure for strategy deployment.

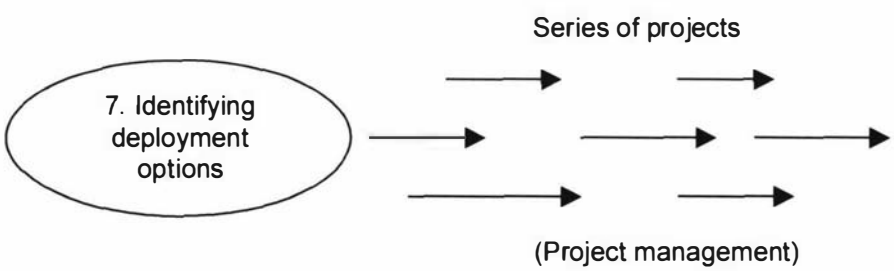


Figure 8.5. The relationship between strategy deployment and project management

8.4 Discussion

8.4.1 Theoretical considerations

The study took the direction of conducting research that led from data to theory (theory development), rather than from theory to data (theory testing) (Eisenhardt, 1989; Christensen & Raynor, 2003; Voss et al, 2002). The framework for strategy deployment was generated inductively from the data collected. While the framework was built from data, it is at least one step short of theory formation. It is based on empirical evidence and it mirrors the deployment of strategy in organizations undertaking performance improvement. The research purpose of developing a framework for strategy deployment can be viewed as a first step toward building a normative theory of strategy deployment (Bourgeois & Eisenhardt, 1988). Potential future research paths to progress theory building based on the framework are discussed in Section 8.7.

The conceptual scheme for the research recognised two major influences on the data that was collected and analysed. The conceptual scheme is shown in Figure 8.6. The first influence was the 'qualifier' condition, the contextual factor that all the participating organizations in the study were undertaking performance improvement using the CPE model. For the case studies, this limited data collection to organizations that had deployed the improvement initiative for at least two years. The second influence on the framework generated was the existing theory and literature on strategy deployment. These two influences have different theoretical bases and this is discussed below. The two different theoretical perspectives, systems theory and contingency theory informed the strategy deployment framework that was generated from the data.

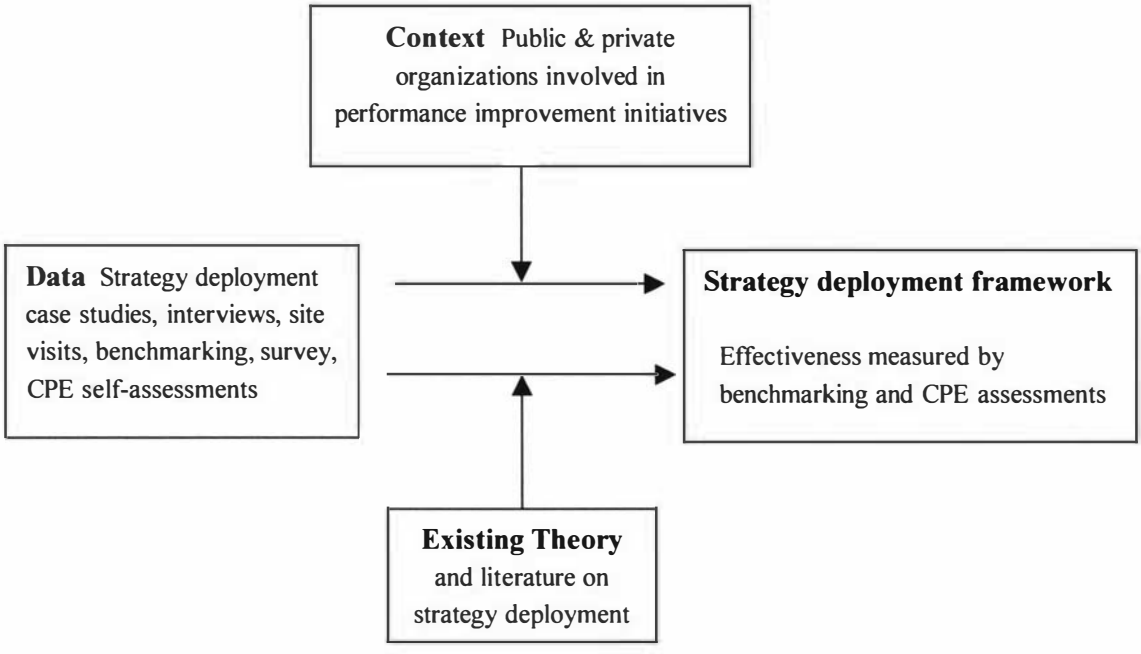


Figure 8.6 Conceptual scheme for the research [adapted from Toulmin (1958)].

Performance improvement theory

Systems theory is the primary theory of organization underlying quality management and performance excellence models such as the CPE. One of the core concepts of the CPE is systems perspective (NIST, 2002). Systems theories have a concern with 'organised wholes', with boundaries that separate them from their environment and internal divisions into sub-systems and elements (Holloway, 1999) and the system is altered if parts are added or taken away. A system is defined as a coherent whole with an input upon which a transformation occurs and an output is produced. The process of transformation is emphasised in the CPE, and the six enabler criteria reflect a process perspective, and encourage systems thinking. Systems thinking deals with coherent wholes by studying interrelationships rather than linear cause-effect chains, and examining processes of change rather than snapshots (Senge, 1990). Managers participating in the case study research used the CPE systems and process approach when assessing their organizations' performance against the CPE model (Saunders & Mann, 2005). Examining strategy deployment from a systems and process view was one theoretical perspective used in the research.

Strategy deployment theory

In contrast, most recent strategy deployment research reflects a construct perspective, with an underlying basis in contingency theory. Contingency theory holds that there are no universally valid rules of organization and management (Burrell & Morgan, 1979; Lawrence & Lorch, 1967). Researchers have examined the implementation of performance improvement initiatives such as Total Quality Management into organizations. Adopting a performance improvement model such as TQM (or its successor CPE) is in itself a comprehensive change initiative for an organization (Dawson & Palmer, 1995).

Studies from a contingency perspective give insight into the determinants of a successful implementation of performance improvement initiatives (Govindarajan, 1988; Waldersee & Sheather, 1996). For example, Dawson & Palmer (1995) and Mann & Kehoe (1994) found context and process factors influenced implementation of TQM, with management style, type of employees, organizational structure, number of employees, and organizational culture (shared values) featuring as determinants.

While these contingency studies examined the relationship between, for example, the implementation of a performance improvement initiative and a number of process and contextual variables, the doctoral research sought to reduce the influence of variables such as organization size, structure, ownership and industry type. This was achieved by using a sampling plan for the

case studies that filled theoretical categories, and that provided examples of polar types and examined underlying similarities in the organizations (Eisenhardt, 1989; Voss et al, 2002). This allowed a framework for the deployment of strategic initiatives to be built that was not restricted by a number of contingency variables and so would be applicable to a wide range of organizations.

The influence of both systems and contingency theory are reflected in the strategy deployment framework. The framework has a construct perspective (the seven dimensions) that has its basis in contingency theory. The framework also has a process perspective, derived from systems theory. The process perspective is illustrated by many of the deployment practices that provided evidence for the dimensions (for example, the internal process of measuring deployment effectiveness using performance indicators, as in the *identifying deployment options* dimension). Figure 8.7 summarizes the theoretical influences that helped shape the framework.

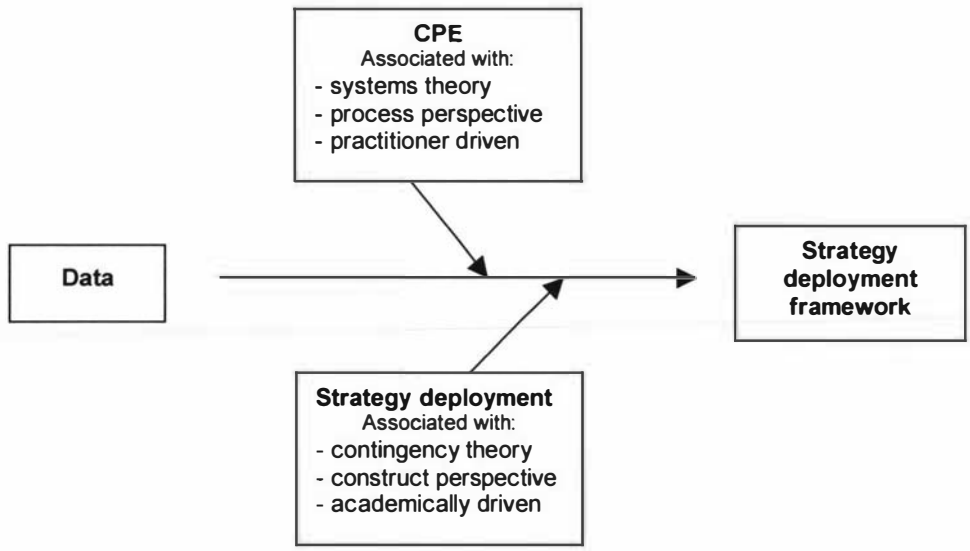


Figure 8.7 Theoretical influences on the deployment framework.

8.4.2 The research question

Earlier in this thesis the research question was posed: How do managers deploy strategic initiatives in a performance excellence environment? Previous researchers have focused on strategy deployment from a single management perspective such as project management (Bryson & Bromiley, 1993; Hillson, 2003; Klein & Irwin, 1992; Zwikael & Globerson, 2004) or as a component of strategic control (Chenhall, 2003; Fisher, 1995; Langfield-Smith, 1997; Simons, 1990; 2000). The single focus of these studies is a limitation on their usefulness. Practitioners and researchers of strategy implementation are concerned with understanding the dynamic and

complex nature of deploying a strategic initiative in an environment where multiple initiatives may be in the process of implementation (Dawson, 2003; Pettigrew, Whittington, Melin, Sanchez-Runde, van den Bosch, Ruigrok, & Numagami, 2003).

The strategy implementation models of Collins & Huge, (1993), Hacker & Akinyele (1998) and Noble (1999b) offer a more holistic approach, but the elements in these models are arranged in a linear sequence. The linear nature of these models do not reflect the empirical findings from the case studies and group work, where implementation was found to be a dynamic and complex phenomenon that does not follow a step-by-step sequential path. Logical sequential models of change have recently been questioned by researchers (for example, Collins, 1998; Dawson, 2003). Okumus (2003) produced a conceptual framework that is more dynamic than previous models, based on constructs proposed from previous empirical work. However the constructs and their linkages were not empirically verified by Okumus (2003).

The doctoral study also differed from previous research in that it examined the deployment of strategic initiatives in organizations where CPE performance improvement initiatives had been deployed for at least two years. The organizations studied therefore were undergoing a change process that included a commitment to the core values and concepts associated with the CPE and quality management (see NIST, 2002 and Detert et al, 2000 for a discussion of the values associated with the CPE and TQM respectively). The case studies and survey provided evidence that these values (for example, organizational and personal learning, and valuing staff) were perceived by managers to facilitate the implementation of an initiative.

A major influence on the way managers in the case study organizations approached deploying a new strategic initiative was the experience of having previously implemented and/or maintained the strategic initiative to adopt the CPE as their organizations' management model. As mentioned above, the core values and concepts of the CPE were perceived to facilitate deployment, but membership of the NZBC network with the accompanying participation in benchmarking exercises and self-assessment against the CPE also influenced deployment practices. The case study data indicated that the continuous improvement philosophy of the CPE influenced managers' decisions about deployment (Table 6.9 refer).

The answer then to the research question: "How do managers deploy strategic initiatives in a performance excellence environment?" was therefore found to be a range of management practices that influenced many organizational functions, for example, human resource policy on staff reward and recognition; and knowledge management of intellectual property; but that had a coherence due to being grounded in a performance improvement philosophy that guided

deployment decision-making. Examples of the management practices found appear in Chapters 5 and 6. Question 1 of the survey questionnaire tested 30 practices that had been described from the group work and case study analysis. The high to very high level of importance attributed to 28 of the 30 deployment practices indicates that the participating managers perceived these practices to be highly relevant to strategy deployment. The 28 practices are shown in Table 8.2.

Table 8.2 Deployment practices perceived as high to very high importance

Practice/Activity	Construct	H/S*	Rank
Identifying and allocating roles, responsibilities, teams	5	H&S	1
Ensuring the necessary resources are available	5	H	2
Developing action plans to address the key strategic objectives	3, 7	H&S	3
Communicating strategies to employees	1	S	3
Appointing a leader for the initiative	5	S	3
Creating a shared vision for the initiative at all levels of management	2	S	3
Seeking buy-in from employees	2	S	7
Goals/targets and strategies are cascaded to all levels in the organisation	3, 6	H&S	8
Resource allocation is linked to strategy	3	H	9
Understanding the business drivers behind the initiative	6	H	10
Promoting a set of company values	3	S	10
Assessing implementation risks	7	H	10
Measuring and evaluating progress as the initiative is deployed	4, 7	H&S	10
Making changes during deployment in response to feedback	4, 7	H&S	10
Appointing a champion/sponsor for the initiative	5	S	15
Identifying key performance indicators	7	H	15
Aligning short and long term action plans	3, 6	H	15
Preparing a communication plan for the initiative	1	H	18
Ensuring that non-managerial employees have the skills to implement	5	H&S	19
Aligning performance indicators with long-term objectives	3, 7	H	20
Ensuring that managers possess the knowledge and skills to implement	4, 5	H&S	20
Dealing with the fear that change can provoke	5	S	20
Identifying options (alternative actions) during deployment	7	H	23
Dealing with the situation when the new strategy is not compatible with a manager's personal goals	5	S	24
Communicating strategies to customers	1	S	24
Seeking buy-in from suppliers	2	S	26
Seeking buy-in from customers	2	S	27
Aligning work unit plans and supplier plans	3, 7	H&S	27

*H= 'hard' issues (system or analytical in nature); S= 'soft' (people/cognitive/behavioural in nature),

Among the 28 practices there was an approximately even mix of practices that required "hard" (systems or analytical) or "soft" (people/social or cognitive/behavioural) management skills (Table 8.2 refer). Seven of the eight practices ranked the most important were "soft" or "hard & soft" management issues, indicating that the participants considered people/cognitive/behavioural management skills to be highly relevant to effective strategy deployment. Recent cognitive

theory and research supports this finding. The importance of cognitive and behavioural elements relevant to implementing a strategic initiative can be found in cognitive studies into organizational development and change, employee relations and motivation, teamwork, group decision-making, leadership, and organizational culture and climate (Durand, 2003; Hodgkinson & Wright, 2002; Hodgkinson, 2003; Stewart, 2003).

The nine deployment practices in the survey that were perceived as most effective are shown in Table 8.3. All seven constructs are represented among the nine highest ranked practices.

Table 8.3 Deployment practices perceived as most effective

Practice/Activity	Construct	H/S*	Rank
Appointing a leader for the initiative	5	S	1
Identifying and allocating roles, responsibilities, teams	5	H&S	2
Creating a shared vision for the initiative at all levels of management	2	S	3
Ensuring resource allocation (for example, budgeting) is linked to strategy	3	H	3
Ensuring the necessary resources are available	3	H	5
Communicating strategies to employees	1	S	6
Developing action plans to address the key strategic objectives	3, 7	H&S	6
Understanding the business drivers behind the initiative	6	H	6
Making changes during deployment in response to feedback	4,7	H&S	6

*H= 'hard' issues (system or analytical in nature); S= 'soft' (people/cognitive/behavioural in nature),

Over the 9 practices there was an approximately even mix of practices that required "hard" (systems or analytical) or "soft" (people/social/cognitive/behavioural) management skills. Three of the nine practices ranked the most effective were "soft", three were "hard & soft", and three were "hard" management issues, again indicating that the participants considered these people/cognitive/behavioural management skills to be highly relevant to effectively deploying a strategic initiative.

8.4.3 Contribution to knowledge

The main intended outcome of the research, as stated in Chapter 3, was a framework for strategy deployment. Other outcomes were created before this ultimate outcome was produced. The study produced an immediate outcome early in the research process when representatives of eight organizations formed a group that agreed on a joint set of objectives to achieve. This resulted in a description of the leading deployment practices found from the empirical data, and increased understanding of strategy deployment practices by the participants and their organizations (intermediate outcome). The collection of qualitative data and building of a common understanding of strategy deployment led to an increased learning of strategy implementation

concepts by the participants and researcher, and the generation of the framework (ultimate outcome).

Thus the main contribution to knowledge of the research consists of the framework for strategy deployment, which was built from the analysis of the data collected during the research and of existing deployment frameworks and theory in the literature. This original contribution to knowledge was achieved in three steps, as noted in Chapter 3, by:

- developing constructs of strategy deployment by examining organizations that were undertaking to improve their organizational performance using the CPE model;
- describing and evaluating the strategy deployment practices of selected New Zealand organizations; and
- building a framework of strategy deployment that incorporated the above constructs of organizational strategy deployment.

These three contributions have been discussed in the previous sections of this chapter. Other original contributions to knowledge from the study centre on the benchmarking methodology and the group process used in the research.

Use of benchmarking

The study has shown how benchmarking methods have been used by managers in a network of New Zealand organizations attempting to improve their deployment of strategic initiatives. Three types of benchmarking were demonstrated. Process benchmarking (Camp, 1994; Codling, 1998) was used in identifying leading deployment practices in the case studies. Competence benchmarking (Kyro, 2003) was practiced by the group participants as they shared learning about the organizational change processes that support strategy deployment. Network benchmarking (Prado, 2001) involved benchmarking the NZBC network instead of single organizations.

No benchmarking studies of strategy deployment were found in the literature. As a practical example of multiple benchmarking methods in action, and particularly as an example of network benchmarking, the study should assist benchmarking by other organizations that are part of an existing network, or that wish to create a network similar to the NZBC.

Group process

Another contribution was methodological - the emphasis on group/participant involvement through the NZBC workgroup. In the research design the process of managing complex changes

such as multiple strategic initiatives being deployed in a single organization was considered.[1] The design included a group process of practicing managers who were motivated to improve the deployment of strategic initiatives in their organizations, by working together and learning from each other. The nature and function of the group changed during the research. The group participants began as members of a focus group, and subsequently their role changed as they engaged in a form of cooperative inquiry (Heron, 1996) with the researcher. Chapter 3 outlined the group processes used in the research. The next section summarises the role of the group and its relationship with the NZBC network.

8.4.4 The role of the network workgroup

The workgroup was the vehicle for the exchange of experience and knowledge between the NZBC network organizations on the deployment of strategic initiatives. Much of this exchange was achieved at the formal meetings of the workgroup. There were four meetings of the workgroup over a ten-month period. Informal sessions at meetings of the whole network were also held. Between these meetings documents were circulated and email and phone contact maintained. The meetings and other contacts helped to create a working team among the participants who were from diverse organizations and who did not previously know each other.

The workgroup provided a unique benchmarking experience for the managers involved. They developed their knowledge and competencies in benchmarking, strategy deployment, and networking. This learning was gained in a number of ways: through their group work during meetings; networking with other participants informally between meetings; lectures by an invited experts in strategic management; and many insights were gained as a result of analysing and discussing the case studies and literature findings.

Three avenues were used to disseminate the workgroup findings on strategy deployment practices. They were taken back informally by group participants to be applied to their organization's deployment system. A meeting of the whole NZBC network was also organized at which the participants presented their findings. The findings were written up and published as a report (Saunders, 2003) so that they were accessible by organizations that were not network members.

The analysis of the case studies gave the workgroup participants the opportunity to benchmark their organization's deployment practices against the other participating organizations and

[1] All the case study organizations were deploying at least two initiatives: the case study initiative and a performance improvement initiative. This made for a dynamic deployment context.

against leading practice. The workgroup concluded that for an organization to deploy a strategic initiative effectively, leading practices from all seven features of the framework should be in place. While none of the case study organizations exhibited leading practice in all the dimensions of deploying a strategic initiative, the group process and outcome provided a basis for further improvement of their deployment practices.

8.5 Implications of the research.

The implications of the research for furthering understanding of how strategic initiatives are deployed and how they may be improved are explored in this section. The implications for practice, policy, methodology and management education are discussed. The qualitative insights developed during the research are incorporated in the commentary, and conclusions are drawn from the research findings.

8.5.1 Implications of the framework

The framework for strategy deployment has three main implications: 1) For practice – that is, for implementing strategic initiatives within organizations; 2) For better understanding of the complexities of implementing strategic initiatives; and, 3) For organizational learning and management education.

Implications for practice

The framework can be used by managers to develop an effective strategy deployment process. The NZBC workgroup participants viewed the seven constructs as a guide to be used as a checklist of management areas to be addressed during deployment. Appropriate deployment practices from each area can be applied as the organization's strategic initiative is deployed.

An example application of the research's findings is a 'toolbox' produced specifically to aid the deployment of strategic alliances. Four of the case studies concerned the formation of strategic alliances. Appendix K shows the toolbox for deploying strategic alliances that was built by integrating the findings of these case studies with the framework (Saunders, 2003). The framework could also be used as a template to produce alternate versions of the toolbox for different types of strategic initiative, or for strategy deployment in particular industries or types of organization.

A generic version is given below of the framework constructs and associated practices. This illustrates how the framework can be applied within organizations, giving examples of the deployment concepts and leading deployment practices found in the research. As well as

selecting practices and people that enable the deployment, managers must also manage the potential constraints or barriers to deployment, including poor communication, lack of coordination, and people, finance and technology issues (Chapter 6 and Table 6.10 refer).

1. Communicating the initiative (ensuring understanding of the strategic initiative)

- Good communication is important to avoid misinformation or lack of information impeding deployment.
- Two-way communication with all employees helps understanding of the initiative.
- Have small group briefings whenever possible, this facilitates feedback and clarification.
- Document and communicate expectations.
- Ensure good communication of the business drivers.
- Middle managers have a key role in communicating strategies and for ensuring understanding of the strategy.
- Informal communication can be more important than formal communication of strategy.
- Organizations with a wide range of stakeholders need separate communication strategies for deploying strategy internally to that required for communication about strategic change externally.

2. Achieving buy-in (acceptance and adoption of the initiative by stakeholders).

- A consultative approach through participation increases ownership of, and commitment to, a strategic initiative.
- Consultation with key stakeholders, including employees, at the planning and implementation phases increases buy-in.
- Cultural and organizational elements have been identified as the root of success in deployment. An initiative that matches the culture and competencies of an organization can ensure a rapid and successful deployment.
- Senior management demonstrating their commitment to the initiative increases buy-in.
- Using a formal process to convert strategic objectives into action plans helps understanding and buy-in. The action planning process guides staff when strategic issues have to be applied in everyday decision-making.
- Linking strategy to departmental and operational goals helps buy-in and alignment.
- The application of many human resource policies, including compensation packages, incentives, employee relations, and training, are associated with how employees relate to the strategic direction of an organization, and so can facilitate buy-in.

3. **Aligning implementation (actions are aligned to the strategic direction).**

- A set of organization values that govern decisions helps ensure that alignment is achieved in strategy deployment. Strategic decisions remain consistent with these values, while retaining scope for autonomous action as initiatives are deployed.
- Action planning workshops across all levels of management promote the alignment of strategy deployment. Action planning aligns the everyday decision-making in units or departments with the strategic direction.
- Link project plans to formally documented aims for the initiative (that is, identify how individual projects align with the strategy).
- Implementing new strategy requires making changes in taken-for-granted assumptions and routines that are elements of culture. Changing behavior and routines through task alignment is more powerful than trying to convince people by logic and persuasion.
- Linking strategic and operational change is important for developing detailed action plans, key tasks and control processes. It is also important in communicating the initiative in a task-oriented manner throughout the organization.
- Allocating resources to the new initiative through the budget aligns behaviour with the strategy.
- Developing a suggestion process can assist alignment, especially for those not in the leading group. An anonymous process for suggestions and feedback is effective.
- Aligning compensation and recognition systems with the strategy helps ensure that behaviors support the strategic objectives.

4. **Learning (continuous evaluation and adaptation).**

- A system of performance measurement is needed to evaluate the progress of the deployment of a strategic initiative and to identify opportunities for improvement.
- Performance measurement can range from a large number of metrics to a single KPI. There should be regular review of progress by monitoring the appropriate measures.
- The choice of KPIs determines the activities management will focus on during deployment, and therefore the learning that will take place.
- Planned strategy and emergent (unplanned) strategy typically evolve hand-in-hand and interact as strategic initiatives are deployed. This allows the experience gained during deployment to shape strategy.

- Strategic initiatives should be continually evaluated and adapted as events unfold during the process of deployment. Be sensitive to external environmental signals, and continuously adapt to changes in the environment.
- There should be regular evaluation of the progress of strategy deployment by the Board of Directors.
- The Board should also ensure that a steady flow of initiatives and projects is established in order to achieve the strategic objectives.
- A continuous improvement philosophy and the core CPE values of organizational and personal learning facilitate learning at all levels.

5. Creating the infrastructure for deployment (organizing teams, roles and responsibilities).

- This involves assigning people, roles and responsibilities for the deployment.
- The form of the deployment infrastructure is context specific, so a single change agent or 'champion' may be appropriate in some circumstances, and a team approach in others.
- Clearly identify the roles of those involved, for example, the champion, mentor/sponsor, team member.
- Aim for champions at several levels.
- A consultative approach to deployment often entails setting up project teams or task forces. Teams may be cross-functional or within business units.
- Teams are usually responsible for identifying drivers for the objectives and developing action plans.
- An alternative is the intervention approach, where co-ordination and authority remain with the change agent, but aspects of deployment are delegated. Teams may be set up that have responsibility for partial implementation of solutions. The sponsor of the change monitors progress and may intervene to ensure changes are deployed.
- A participative approach to deployment (such as project teams) is most appropriate for incremental change in organizations.
- Directive approaches are more common when transformational change is required.

6. Understanding the business drivers (awareness of the reasons for deploying the initiative).

- The business drivers are the main business reasons for deploying a strategic initiative.
- A systematic process (research phase) should be used to identify drivers for objectives.
- The business drivers form the basis for developing action plans, and action plans should relate back to the business drivers.

- An understanding of the drivers by implementors is important during the deployment phase. Ensuring good communication of the drivers can be achieved by, for example, workshops or by having an expert on the team.
- Involving wider teams in the assessment of achievement against the drivers will facilitate understanding. Examples of involvement are KPI monitoring or regular reviews against objectives.
- Some business drivers are common to a wide range of organizations. For example, ensuring a customer and market focus has been a dominant business driver in New Zealand organizations for at least a decade.
- Most NZ businesses now have systems to improve customer and market focus, and firms are focussing on, for example, innovation as an important driver of future success.
- A redirection of training and support will be required to focus on any new business drivers identified.

7. Identifying deployment options (project selection, assessing risk, choosing performance measures).

- Identifying options (choices) during deployment is an important element of risk management in strategy implementation.
- A decision process using business models and proven decision tools can be used to evaluate alternative courses of action. Formally considering alternatives minimises risk.
- A set of organization values acts as a reference point when considering each option, and guides decision-making.
- It is during the action planning phase that many options and alternatives will be considered, including choosing the performance measures to be used to track progress.
- Identifying options (for example in choices of products and prices) in implementing business strategies is important to gaining a cost advantage in manufacturing firms.
- If the strategic initiative is to be deployed through a series of projects, then identifying which potential projects will proceed, and the scheduling of a flow of projects to ensure continuity is important.
- A decision framework for terminating unsuccessful projects is also beneficial. The role of the Board in these decisions needs to be clear.

The constructs and the lists given above can assist managers as they plan, execute or evaluate the implementation of a strategic initiative. Of equal or greater importance for practitioners is an understanding of how the individual constructs interact within the framework, as elaborated in Sections 8.2 and 8.3. Such a holistic approach to strategy implementation, emphasising a

"coherence" among individual deployment practices and with the wider strategic context has been advocated by researchers in recent years (for example, Barney, 2002; Pettigrew et al, 2003; Thompson & Strickland, 1999).

Ideally managers would consider as a whole all the deployment constructs, their interactions and the wider strategic context (environmental changes, emergent strategies, unexpected outcomes) as an initiative is planned and implemented. As Argyris (1988) has stated though, it is probable that there are few people who can understand and have the time to evaluate all the complexities of managing strategic change. It is for this reason the framework has practical value. It gives insights into and direction to the areas where managers' attention and actions are essential for the successful implementation of a strategic initiative, allowing much of the complexity surrounding deployment to be managed.

For better understanding of the complexities of implementing strategic initiatives

The framework furthers understanding of how managers deploy strategic initiatives in a performance excellence environment by expanding previous linear models of deployment (Collins & Huge, 1993; Hacker & Akinyele, 1998; Noble, 1999b) into a dynamic non-linear framework that encompasses the relevant organizational elements involved in developing an effective deployment process. The framework is based on empirical evidence and mirrors the deployment of strategy in organizations undertaking performance improvement using the CPE framework. Developing a framework for strategy deployment can be viewed as a first step toward building a normative theory (Bourgeois & Eisenhardt, 1988; Christensen & Raynor, 2003) of strategy deployment in a performance improvement context.

While the strategy deployment framework is at least one step short of theory formation, evidence was found of relationships between the constructs that make up the framework, as described in Section 8.3 and shown in Figures 8.3 and 8.4. The continuous improvement philosophy and CPE values that all the case study organizations had adopted were also found to facilitate deployment.

The framework is relevant to deployment of both corporate strategy and business unit strategy. Corporate strategy (strategy developed at the centre of a large organization) is usually deployed through the business units that report to the centre (Golden, 1992; Johnson & Scholes, 2002; Koch, 2000). Whether the strategic initiative is developed in the corporate centre or in a business unit, the organization needs the management and operational skills to implement the initiative.

Organizational learning and management education

The framework can be used as a tool for organizational learning and management education for better understanding and improvement of deployment practices, and is relevant to both private sector and public sector organizations. For organizations already pursuing performance excellence using the CPE model, the presentation of the framework in Figure 8.4 should be readily understood. The diagram mirrors the systems perspective of the Criteria for Performance Excellence (NIST, 2002). The framework can be used for the analysis of strategy implementation cases, both historical and contemporary. New deployment cases can be compared and evaluated against the framework and the leading practices found in the research.

The framework highlights the management skills that need to be developed or in place for effective deployment, for example, in communication and achieving buy-in. Having the relevant elements of the seven constructs in place for a particular strategic initiative is supported by the resource-based view that having the appropriate culture, competencies and people are key to successful strategy deployment (Barney, 2002; Prahalad & Hamel, 1990; Peteraf, 1993).

Participants in both the case studies and survey perceived that strategy deployment required a mix of "hard" (systems or analytical) and "soft" (people/social/behavioural/cognitive) management practices to be effectively implemented. The *communication, buy-in* and *alignment* constructs were found to require largely "soft" management skills, and the *infrastructure, business drivers* and *deployment options* constructs were found to require largely "hard" management skills.

The dividing line between practices requiring "hard" and "soft" management skills is artificial, and a number of practices were found to require a mix of hard and soft skills. Nevertheless the distinction was perceived to be useful by case study participants. In an example of the importance attached to 'soft' management skills, organization D required senior managers to undertake a comprehensive in-house training programme that emphasised insight into the cognitive and behavioural aspects of their interaction with each other and other staff. Other learning and feedback tools used by the case organizations included: 360 degree assessment for senior managers; employee surveys of managers' performance; customer surveys and suggestion schemes. Few organizations in the case studies or survey used supplier surveys to gain feedback, and this gap represents a learning opportunity, particularly for private sector organizations.

8.5.2 Methodological implications

The methodological implications of the research centre on the benchmarking of strategy deployment processes in organizations that are involved in improvement initiatives using the CPE model. No benchmarking studies of strategy deployment were found in the literature, so applying benchmarking methods, particularly network benchmarking, to strategy implementation research appears to be a novel approach. It was also unique for the researcher to act as a facilitator of a benchmarking process in a multi-organizational network.

Organizational networks have used benchmarking methods to identify and transfer leading practices in organizational functions other than strategy deployment. Benchmarking as process is intrinsically linked to business excellence frameworks. Self-assessment against business excellence frameworks can identify an organization's strengths and weaknesses, whilst process benchmarking enables an organization to identify and implement the leading practices required to improve (Saunders & Mann, 2002). While process benchmarking looks to transfer already proven practices into an organization, network benchmarking affirms the inventing of new practices by participants in an attempt to improve organizational processes.

Benchmarking for quality improvement within a networking environment is a recent phenomenon. As a practical example of multiple benchmarking methods in action, and particularly as an example of network benchmarking, the study should assist benchmarking by other organizations that are part of an existing network, or that wish to create a network similar to the NZBC.

8.5.3 Policy implications.

The implications for policy in public sector and private sector organizations are covered in this section.

The case studies were conducted with seven diverse organizations that varied in size, organizational structure and strategic objectives, and were from both the private and public sectors. While public sector organizations have a political dimension to their strategic management that is not present in private companies, public sector and private sector organizations were found to face many common issues in deploying new strategic initiatives.

New Zealand public sector organizations that have a company structure have, like private companies, a Board and a corporate strategy. Most other NZ public sector organizations do not have a corporate strategy but usually have business strategies, and have statements of intent or

purchase agreements with the minister who purchases output on behalf of government (Scott, 2001). All four public sector organizations that participated in the case studies (A, C, E & F) had Boards. Organizations A and F had corporate strategies, and C and E did not. Across the case study and surveyed organizations there was a large variation in the degree of involvement of the Board in strategy deployment, with no obvious pattern emerging (Figure 7.7 refer).

While the development of strategy in the case study public sector organizations was influenced by government, the implementation of strategy was found to be relatively autonomous (that is, free of ministerial intervention) and the deployment issues were very similar to those faced by private sector companies. This enabled the workgroup, which was comprised of managers from both the private and public sectors, to produce a deployment framework that was applicable to both sectors.

The case studies revealed that the three of the four government owned organizations (C, E & F) had fewer formal systems in place for deploying strategic initiatives compared with the private sector companies. Participants from the government organizations acknowledged this at NZBC workgroup meetings. The senior management of the public sector Organizations C, E & F had realized this was an area to address when they were completing questions relating to the strategy deployment item of the CPE in their first NZBC self-assessment questionnaire. That realization had motivated organization C to deploy a strategic management framework for the organization, and organizations E & F participated in the NZBC workgroup with a view to strengthening their management skills and knowledge in the area.

Managers from the public sector organizations in the case studies (cases A, C, E and F) reported that their organization's focus had moved from an administrative role to actively managing processes such as strategy implementation. The private sector case organizations typically used more leading deployment practices than the public sector organizations, reflecting a history of focussing management attention on strategy deployment issues. This suggests that there is potential for managers from other public sector agencies to learn from private sector deployment practices. For example, by joining or forming a benchmarking network, and transferring or inventing new deployment practices as appropriate in their organizations.

Strategy deployment in the case study organizations occurred in a complex and dynamic social and business environment. Each of the case study organizations were on a CPE-based performance improvement 'journey' (Dawson & Palmer, 1995) that was in itself a long-term strategic initiative that required management attention. Layered onto that was the strategic initiative that was the focus of the case study. Managing the complexities of these two initiatives

and other responsibilities was perceived to be difficult, particularly for managers in the two small case study organizations. Managers in the small and medium-sized organizations had many other tasks and responsibilities besides the responsibility for deploying the strategic initiative. In the two large case study organizations (C & D), one or more managers had a single focus on deploying the initiative without other major responsibilities diverting their attention. The policy implication for organizations of 40 – 99 people (classified as small in the research), is to build in assistance or a workload reduction for managers implementing a new strategic initiative.

8.5.4 Other implications - performance excellence and the RBV

While practitioners (managers/executives) are familiar with performance excellence concepts and their application in organizations, there has been little attention paid by strategy researchers to recent developments in the field of organizational performance excellence. This thesis has attempted to merge concepts from the two research streams, performance excellence and strategic management, and so increase the exposure of strategic management researchers and teachers to performance excellence research.

An area of potential convergence between the two fields lies in establishing commonalities between frameworks for performance excellence (particularly the use of benchmarking and identifying and transferring leading practices) and the resource-based view of the firm (RBV). Clark & Barney (2004) argue that the RBV has evolved from being a 'view' or perspective and is now an established theory of firm performance in the strategic management literature. The unit of analysis for RBV research has been the firm. However recent research by Ray, Barney, and Muhanna (2004) of competitive advantage has demonstrated the importance to resource based theory of translating resources and capabilities into activities, routines and business processes in order to have a positive impact on firm performance. In place of the firm, this study used a business process (customer service) as the unit of analysis, with the effectiveness of the business process as the dependent variable (Ray et al, 2004).

The use of business processes and practices as the unit of analysis is well established in benchmarking studies of high performing organizations, typically with the additional purpose of identifying leading practices that may be transferred within or to other organizations to increase organizational performance (Camp, 1992; 1995; Codling, 1998; Zairi, 1996). The CPE and other performance excellence frameworks promote this approach to organizational improvement. In using a business process as the unit of analysis, RBV researchers such as Ray et el (2004) are emulating performance excellence research. The unit of analysis in the doctoral research was a business or organizational process, that is, the implementation of a strategic initiative. Recent

performance excellence studies with the NZBC network have found a number of organizational processes that are positively correlated with organizational performance, as measured against the CPE (Saunders & Mann, 2002; 2005). There appears to be a convergence between the RBV and the PE theories of organizational performance, centred on identifying organizational processes and practices that improve and sustain superior organizational performance.

The RBV emphasises the value of intangible resources such as intellectual property and the advantage firms can gain from them over competitors (Barney & Arikan, 2001). The concept of competitive advantage has relevance for private sector organizations, but for core public sector organizations (for example, government departments) there is typically little or no competition for their services. While RBV research at the firm level has had little direct relevance for improving performance in public sector organizations, research into organizational performance excellence has a broader, process and systems based approach that is relevant to both public and private sector organizations. This reflects an underlying difference in the two approaches.

According to the RBV, successful firms have created a unique or hard–to-copy set of attributes (Barney, 2002), and in order to sustain their competitive advantage they are unlikely to share information about their business processes with competitors or others. In contrast, the philosophy behind the CPE and similar frameworks is continuous improvement, with a large component of the improvement gained through the exchange of information between organizations by benchmarking organizations with superior performance, and transferring the leading practices, processes and systems identified. The NZBC workgroup that featured in the doctoral research used this approach, and it serves as a guide to other existing or potential organizational networks that exchange information on performance improvement processes.

8.6 Research limitations.

Chapter 1, Section 1.7 outlined the major limitations of the research that were deliberately included in the research design. The research was limited to: the deployment of strategic initiatives, not strategy development or strategic control; organizations with a minimum of 40 employees; organizations that were engaged in a quality improvement journey (CPE based); and, the management of strategy deployment within organizations. The study did not research measures of the effectiveness of strategy deployment. This was outside the scope of the research. This section discusses other limitations that became apparent during the research process.

When the decision was made to use a multiple case methodology in the research design it was unknown what types of strategic initiative the seven organizations would be deploying when data

collection began. As it transpired four of the case studies involved the formation of strategic alliances, and three were concerned with aspects of deploying a strategic management framework. The fact that there were only two types of strategic initiative represented in the case studies could conceivably limit the validity of the framework when applied to other types of strategic initiative. There was evidence, however, from the literature, the survey and Quality Award winners CPE applications that supported the constructs that comprised the framework. This evidence, plus the fact that many of the deployment practices found were of a generic nature rather than specific to a particular initiative, gave increased validity to the framework's potential to apply to the implementation of a wide range of strategic initiatives.

The low response rate to the questionnaire meant that the gap analysis results from the survey were only applicable to the 19 participating organizations and could not be regarded as representative of the entire population of NZBEF member organizations. Had the response rate been above 30% it may have been possible to obtain a statistically reliable representation of the strategy deployment gaps of NZBEF members. However the purpose of the survey was not to gain a reliable analysis of the strategy deployment gaps of NZBEF members through statistical sampling. The purpose was to further investigate the findings of the case studies and group work using theoretical sampling and replication logic, and that was achieved with the nineteen NZBEF returns received, which was sufficient to show replication of the findings.

8.7 Further research.

The commentary in this section is directed toward helping doctoral and other researchers in the selection and design of further research, based on the learning gained from the study.

The means of determining the exact direction of the research was in a sense a fractal of the learning school approach to strategy (Mintzberg, Ahlstrad & Lampel, 1998) in that there was accommodation for deliberate and emergent elements in the research question and objectives. The objectives emerged from a process of cooperative inquiry involving NZBC workgroup members, the researcher and supervisors. The emphasis on group/participant involvement gained commitment to the research from participants, and facilitated the researcher's access to the case study organizations. This was a very fruitful approach and one other researchers may wish to consider.

The framework provides a basis to further examine strategy deployment, either in single or multi-organizational studies. Each of the seven dimensions of the framework can be examined individually, again in single or multi-organizational studies. The framework facilitates the

analysis of important events, decisions and actions during the deployment of a strategic initiative, and their effect on the execution of management processes and roles. From a quality management perspective, the framework can be used as a basis for classifying leading deployment practices found in benchmarking and other studies, by assigning the practices to the appropriate construct.

The CPE emphasize that access to and use of organizational and industry information, through benchmarking, is essential to setting quality goals and allocating resources to achieve those goals (NIST, 2002). The fact that no benchmarking studies of strategy deployment were found in the literature implies that this is a neglected area of research. Further case study research could refine the framework for specific applications, such as strategy deployment in particular industries, and for deploying different types of strategic initiative. The framework can evolve as the findings from these and other theoretical and empirical studies are incorporated. With RBV researchers beginning to use the same unit of analysis as PE researchers (business processes and practices – see Section 8.5.4) the convergent paths of the RBV and the CPE framework offers possibilities for empirical work that draws on the strengths and research data of both approaches.

Building the framework can be seen a first step toward development of a theory of strategy deployment. Theory development would be progressed by longitudinal studies that evaluated the performance (effectiveness) of strategic initiatives. A performance measurement tool such as organizational assessment against the CPE is ideal for this purpose, and well suited to studies of organizations that have adopted the CPE model. A hypothesis to test: In organizations with high CPE scores in category 7 (business results) and high scores on CPE item 2.2 (strategy deployment), managers will be using leading practices from all seven deployment constructs.

Future empirical work could centre on a longitudinal study of strategy deployment practices and organizational performance. The researcher and colleagues have conducted some preliminary work in this direction. A number of strong correlations have been found in NZBC self-assessment data between CPE enabler items and categories and organizational performance (Saunders & Mann, 2005, forthcoming). Establishing a strong positive correlation between the adoption of leading practices associated with the seven constructs of strategy deployment and a measurable increase in organizational performance would further support the validity of the framework and help in building a theory of deployment in performance excellence environments.

8.8 On reflection - my research journey

This section has been written in the first person, with the purpose of sharing my experience of the doctoral research process with other prospective PhD students. This is necessarily an autobiographical account, and underlying it is my assumptions about what is important in this context. Reflective practice requires revealing what we do, how and why we do it and what this means in the field or context in which we operate (Argyris & Schön, 1978; Atkinson, 1999). It means writing an account that includes the errors and dead-ends, as well as the successful practices, and that is what I have attempted here.

Research question and research paradigm

The selection of my research topic was perhaps atypical, as the general area was pre-selected by my main supervisor, and involved working immediately with the NZBC, attending NZBC meetings throughout NZ and facilitating the NZBC strategic management workgroup. The NZBC workgroup benchmarking project and input from the workgroup had a large impact on the doctoral research question that emerged. Although the choice of research topic was out of my hands, strategy implementation and organizational performance were fields which excited me and I was confident I could endure the years of hard and solitary work. Strategy implementation had been a topic of my Master's degree (MBS) and so the doctoral research built on my previous studies. The implementation of strategic initiatives in organizations is a very wide-ranging research topic, and the input from the NZBC workgroup, who were effectively a team of part-time co-researchers for several months, added much to the depth and richness of the research and the research process.

I had conducted quantitative positivist research previously in both science and in management studies. However it became clear early on that the appropriate approach for the doctoral research would be qualitative, with data collected primarily from a small number of cases studies. To achieve the research purpose it would not be not possible to apply the pure objectivity of positivist epistemology (where all findings are objectively true), as a degree of researcher interpretation of the data would be required, and much of the data were the recorded perceptions of participants. This lead to my decision that realism was best suited as the research paradigm.

Identifying participants and conducting the field research

The connection with the NZBC meant I had access to senior managers of 17 organizations that were committed to CPE based improvement. This in turn made it easier to seek out 'the person(s) who are best informed about the data being researched' (Voss et al, 2002, p206). I was fortunate that my prime contact in most of the organizations I had identified as suitable for case studies

was representing their organization at NZBC meetings. This person suggested the manager(s) they thought most appropriate to be interviewed.

I contacted the CEO of each case study organization for permission to conduct the site visits and interviews. The NZBC connection was again helpful in receiving permission, as the CEOs were either actively involved in or supported their organization's membership of the NZBC. The NZBC was the "technical organization" that had the credibility to provide me with access to managers and to gain permission for interviews to be conducted. Arranging site visits was helped by my role as facilitator of the NZBC strategic management workgroup. The case study organizations found it useful to have an issue of concern to them analysed in a systematic way, which the benchmarking exercise of the NZBC workgroup provided. Setting up research meetings with the workgroup participants was also facilitated by this mutually beneficial arrangement.

Data analysis

Data analysis is often presented as being a solitary task with the researcher working alone and then presenting their findings to their supervisors. This was only partially true in my experience, as I had the help of the NZBC workgroup members for the case study data analysis. There was an overlap between data collection and data analysis (Eisenhardt, 1989; Voss et al, 2002), and conducting the case studies was a process that cycled between data collection and analysis over 12 months as the cases were completed. Voss et al, (2002) state that in case research, constructs are modified, developed or abandoned during the course of the research. This was also my experience. The constructs were originally conceived as themes or clusters from the exploratory group work and the literature review (Chapters 3 & 4), and evolved during the case study analysis to become the seven constructs of Table 6.11 and then finally components of the framework shown in Figure 8.4.

The benchmarking project had accountability built into its structure, and progress was reported on the previous workgroup meeting's tasks. Accountability was provided in more depth in the second and subsequent NZBC workgroup meetings where we worked as a team with the research data and issues, and reporting deadlines were set. While I found telephone and email was effective in coordinating meetings and exchanging information, the face-to-face workgroup meetings were most productive. For each meeting the members (senior managers from both the private and public sectors) had made a commitment to fly in for the day, and rapid progress was made amid discussion and group work, which we all found stimulating and rewarding.

The response rate for the survey was disappointing, and the reasons for this have been canvassed in Chapter 7. Specifically asking that nil responses be returned could have been useful in increasing the return rate. However nil returns would not have added to the data on deployment practices that I was seeking.

Reflection

As well as interview tapes and notes, I used a hand written log, a running commentary of what was happening in the research, involving observation, analysis and reflection. I often referred to this and it helped push my thinking and clarified issues. The positive role of reflection is documented in the adult education literature (Barnett, 1997; Mezirow, 1992). My reflective practice was also helped by the opportunities I had to present the progress of the research to other PhD students, to NZBC meetings, to trade organizations such as the NZ Organization for Quality, and to academic conferences. Feedback from these groups was very valuable. While none of my peers were familiar with the subject content of my research they provided different perspectives on methodology, and on interpretation and presentation of the data. Similar discussions with my research supervisors helped with the structure and development of the research.

I also maintained a formal record of my research activity. My main supervisor designed the format of this progress record, which I used to update my supervisors periodically. As well as the research details, it records the titles and dates of the presentations referred to above, and the publications that were developed from them (see Appendix L).

8.9 Concluding remarks

The study had the purpose of producing a broad framework for strategy deployment from qualitative research. The framework attempts to clarify the implementation of strategic initiatives from a management perspective. It reflects the dynamic and complex nature of strategy deployment that was apparent in the research, and has a greater range of applications than previous deployment frameworks. It is relevant to organizations independent of their structure or ownership (public or private sector), their industry sector or the type of technology employed.

One of the challenges of the study was to incorporate theory into the empirical management research. This was achieved by considering the systems theory inherent in the CPE model and the contingency research into implementation, and incorporating elements of both systems theory (process) and contingency research (constructs) into the deployment framework. Building the framework can be seen a first step toward development of a normative theory of strategy

deployment (Christensen & Raynor, 2003). Theory development could be progressed by longitudinal studies that evaluated the performance (effectiveness) of strategic initiatives, together with the practices used to deploy the initiatives and the overall performance of the organization (which could be measured, for example, through the assessment score in CPE Category 7).

The definitions of the constructs proposed by the research are fluid - they are 'constructed types' (Cooper & Emory, 1995) and will evolve with further research - and the dividing line between elements, for example, between "technical" (technology) and social (human) or "hard" and "soft" management practices can be difficult to define. This mirrors current organizational studies thinking, which is concerned with understanding the complexity and dynamic nature of organizational processes (Pettigrew et al, 2003). The implementation of a strategic initiative in an organization is a complex process that occurs in a complex and dynamic environment, and the research has developed a non-linear framework approach by which these complexities may be better understood by both researchers and practitioners, as well as presenting practical implications for managers.

Some excerpts and figures in this chapter have appeared in the following:

Saunders, M., & Mann, R. (2002). Organisational performance measurement and improvement: Recent developments and the New Zealand context. *Q-NewZ - Official Newsletter of the New Zealand Organisation for Quality, (9),* 5-11 (see Appendix M).

Saunders, M. (2003). *Strategy deployment: Best Practice* (Report No. 2). Palmerston North: Centre for Organisational Excellence Research, Massey University, & New Zealand Benchmarking Club.

Saunders, M., Mann, R., & Smith, R. (2004). Investigating strategy deployment and business excellence frameworks: A network benchmarking approach. In *Proceedings of the 18th Annual Conference of the Australian & New Zealand Academy of Management.* Dunedin: ANZAM.

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Saunders, M., & Mann, R. (2005). Self-assessment in a multi-organizational network. *International Journal of Quality and Reliability Management, 22(6),* Forthcoming.

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Abbreviations

APQC	American Productivity and Quality Council
AQC	Australian Quality Council
CE	Crown Entity
CEO	Chief Executive Officer
CHE	Crown Health Enterprise
COER	Centre for Organisational Excellence Research, Institute of Technology & Engineering, Massey U
CPE	Criteria for Performance Excellence
CROC	Crown Owned Company
CRI	Crown Research Institute
DHB	District Health Board
EBEM	European Business Excellence Model
EFQM	European Foundation for Quality Management
EVA	Economic Value Added
F&B	Food and Beverage
HR	Human Resources
IP	Intellectual Property
IS	Information Systems
IT	Information Technology
KPI	Key Performance Indicator
MD	Managing Director
NIST	National Institute for Science and Technology
NPV	Net Present Value
NZBC	New Zealand Benchmarking Club
NZBEF	New Zealand Business Excellence Foundation
NZOQ	New Zealand Organisation for Quality
OFI	Opportunity for Improvement
PE	Performance Excellence aka Business Excellence
RBV	Resource Based View (of the firm)
SOE	State Owned Enterprise
SWOT	Strength, Weaknesses, Opportunities, Threats
TQM	Total Quality Management

Appendices

Appendix A

Interview Information Sheet
and
Consent Form

Massey University
Centre for Organisational Excellence Research
Private Bag 11 222
Palmerston North

Strategic management best practices in New Zealand organisations

INFORMATION SHEET

1. This research is concerned with the role of strategic management in organisational performance improvement. The aim of the research is to identify strategic management factors and practices that will help New Zealand organisations achieve world-class performance. The PhD Researcher: Max Saunders, 52 Boyd Road RD2 Napier (phone 06 844 5579 Email msaunders@paradise.net.nz)
As well as my PhD research I am a member of research team of Massey University's Centre for Organisational Excellence Research, and in that role I am involved with facilitating the strategic management workgroup of the New Zealand Benchmarking Club. My research is funded entirely from a Massey University doctoral scholarship.

2. PhD Supervisors:
1) Main: Dr Robin Mann, Centre for Organisational Excellence Research, Institute of Technology and Engineering, Massey University, Palmerston North (phone 06 350 5445)
2) Second: Dr Robin Smith, Department of Management Systems, College of Business, Massey University, Palmerston North (phone 06 356 9099)

3. The purpose of the research is to identify strategic management factors and practices that will help New Zealand organisations achieve world-class performance. The final result of the research is expected to be part of a thesis which will be submitted for a PhD at Massey University. Findings of the study will be published in academic papers.

4. You are invited to take part in this research. The research will be undertaken by means of an interview; the expected duration of the interview is one hour. Interviews will be at a mutually arranged venue and time. Prior to the interview I can make an outline of my questions available to you if you so wish. In addition, you will be able to ask questions about the study at any time during your participation. A summary of the research results will be available to you as a participant.

5. If you agree, the interview will be recorded by means of audiotape to ensure accuracy. I will transcribe the tapes. Tapes and all other data will be stored securely and will be kept for at least five years. The audiotapes will be offered to you before they are destroyed. All information you give will be confidential to the research and any resulting publications. A pseudonym will be used in all published material arising out of the interview, and your organisation will be coded in any publications so it cannot be identified, unless you and your organisation give permission for your name and the organisation's name to be used. In this case, you will have the opportunity to place limitations on that use. The audiotape and notes of the interview will not be used for any other research project without your permission.

6. Please understand that you are free to refuse to answer any particular questions and to withdraw from active participation in this research at any time and to require that all records of your participation be either returned to you or destroyed so as to prevent their use. (provided that the request for destruction or return of the records be made within four weeks of the completion of the interview). There may be a follow-up phone call and/or email after the interview to clarify any outstanding points.

Thank you for your assistance

Max Saunders
PhD Researcher

This project has been reviewed and approved by the Massey University Human Ethics Committee, PN Protocol 02/109. If you have any concerns about the conduct of this project, please contact Professor Sylvia V Rumball, Chair, Massey University Campus Human Ethics Committee: Palmerston North, telephone 06 350 5249, email S.V.Rumball@massey.ac.nz

Massey University

Centre for Organisational Excellence Research
Private Bag 11 222
Palmerston North

Strategic management best practices in New Zealand organisations

CONSENT FORM

I have read the Information Sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I understand that I may ask further questions at any time.

I agree to participate and I understand I have the right to withdraw from the study at any time and to decline to answer any particular questions.

I agree to provide information to the researchers on the understanding that my name will not be used without my permission. (The information will be used only for this research and publications arising from this research project).

I understand that the contents of materials will be shown to me prior to my giving consent for publication, in order to protect my right of confidentiality.

I agree/do not agree to the interview being audio taped.

I also understand that I have the right to ask for the audio tape to be turned off at any time during the interview.

I understand that the information (audio etc.) which I supply may not be used for any subsequent project without my consent.

I agree to take part in this research under the conditions set out in the Information Sheet.

Signed: .....

Name: .....

Date: .....

Appendix B

Survey Information Sheet
and
Cover Letter

Massey University
Centre for Organisational Excellence Research
Private Bag 11 222
Palmerston North

Survey of Strategy Deployment in New Zealand Organisations

This survey is concerned with the deployment of strategic initiatives in New Zealand organisations. The survey is part of a study undertaken for a PhD degree, and the aim of the research is to identify strategic management practices that will help New Zealand organisations achieve world-class performance. The Strategy Deployment Questionnaire explores the importance and influence of various activities involved in implementing strategic initiatives. The researcher is Max Saunders (phone 06 844 5579, email msaunders@paradise.net.nz). Max is a PhD candidate at Massey University's Centre for Organisational Excellence Research, (COER) and has facilitated the Strategic Management Workgroup of the New Zealand Benchmarking Club.

The research is funded entirely from a Massey University Doctoral Scholarship. The PhD supervisors are:
Dr Robin Mann, COER, Inst of Technology and Engineering, Massey University, Palmerston North (ph 06 350 5445)
Dr Robin Smith, Dept of Management, College of Business, Massey University, Palmerston North (ph 06 356 9099)

The Strategy Deployment Questionnaire will be administered by Max Saunders. Participants in the questionnaire will be managers with a responsibility for strategy in their organisations. The survey sample will comprise of organisations who are members of the New Zealand Benchmarking Club (NZBC) or the New Zealand Business Excellence Foundation (NZBEF). The participating organisations will have 30 or more employees, and will have been operating for at least three years. Approximately 280 organisations will be surveyed.

Survey Procedures
The completed surveys will be sent to Max Saunders, COER, who will analyse the data. The individual responses will be combined to form averages. Individual questionnaire returns will be destroyed after the data has been extracted. All aggregated data will be stored securely and will be kept for at least five years.

This is an anonymous questionnaire. All information you give will be confidential to the research and any resulting publications. Your organisation will be coded in the PhD thesis and any other publications so it cannot be identified.

Completion and return of the questionnaire implies consent. Please note that you have the right to decline to take part and to decline to answer any particular question.

A summary of the research results will be available to you as a participant. It will be emailed to the designated contact person for the NZBC or NZBEF in your organisation, to be forwarded to the person(s) responsible for strategy deployment. The summary should be available in or before December 2003.

If you have any questions about the project please contact the researcher and/or the supervisors.

Thank you for your assistance

Max Saunders
PhD Researcher

This project has been reviewed and approved by the Massey University Human Ethics Committee, PN Protocol 02/109. If you have any concerns about the conduct of this research, please contact Professor Sylvia V Rumball, Chair, Massey University Campus Human Ethics Committee: Palmerston North, telephone 06 350 5249, email S.V.Rumball@massey.ac.nz.

CENTRE FOR ORGANISATIONAL EXCELLENCE RESEARCH

Massey University

25 July 2003

Strategy Deployment Questionnaire

Please find attached a questionnaire and information sheet. Max Saunders, PhD candidate at Massey University is conducting the survey, and the NZBEF is distributing it to members on his behalf. It is part of a study to identify best practices in strategy deployment.

The survey is only for companies that are undertaking performance improvement and have a minimum of 40 employees. It should be completed by a manager with responsibility for strategy. If you do not know the appropriate manager please forward this letter to the HR manager or CEO for them to distribute.

The survey builds on best practice research conducted with New Zealand Benchmarking Club members, and the aim is to improve performance in strategic planning (Category 2 of the Criteria for Performance Excellence). It examines the importance and influence of various activities involved in deploying strategic initiatives in businesses.

The data will be used at Massey University in fulfilment of doctoral research work. All responses are confidential and anonymous. The individual responses will be combined to form averages. A summary of the results will be sent to all participants, and the results will be published so all New Zealand businesses can benefit from the findings.

Please email the completed questionnaire to [redacted] You can also return it by post if you prefer: [redacted], NZBEF, Private Bag 92 238, Auckland Mail Centre; or Fax: 09 270 5163.

For more background details about the survey please refer to the information sheet included with this letter.

The questionnaire will only take a few minutes to complete. Please return your responses by Friday 19 September. Your help with this survey is very much appreciated.

Sincerely,

Max Saunders

PhD Researcher
Centre for Organisational Excellence Research (COER)
Institute of Technology and Engineering
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Appendix C

Survey
Questionnaire

CENTRE FOR ORGANISATIONAL EXCELLENCE RESEARCH

Massey University

Strategy Deployment Questionnaire

This questionnaire asks for information about the deployment of a strategic initiative that your organisation has implemented during the last 3 years. Before you complete the questionnaire please read this page, it gives an explanation of some of the terms used.

What is a strategic initiative?

A strategic initiative signals important changes in an organisation. A strategic initiative will:

- be concerned with or affect the long-term direction of the organisation
- affect the scope of an organisation's activities. For example it may mean moving into a new area of activity
- affect operational activities as the strategic initiative is deployed (a change to day-to-day routines).

Some examples of strategic initiatives are: forming a strategic alliance or partnership with another organisation; quality or business improvement related; entering a new business or market; behaviour or culture change; knowledge management or communication innovations; ecommerce; or combinations of these.

What is strategy deployment?

Strategy deployment (also know as strategy implementation) is the translation of strategy into action. Usually strategic initiatives are considered and approved at senior management and Board level, with further decisions required at business unit and operational level to implement the initiative. Action plans may be developed, and often a series of projects emerge from the original strategic initiative.

For example the Air New Zealand strategic initiative to enter the Australian domestic market by acquiring Ansett Australia lead to a series of projects to integrate systems, operations and staff. The distinction is made here between *strategic initiative* and *project*. A strategic initiative is broad and may be long-term, whereas a project is a unique one-off activity with a specific, clearly stated outcome, and has well defined boundaries including a specific start and finish date.

While the development of strategies is an integral part of strategic management, the focus of this questionnaire is on the process of deploying (implementing) a strategic initiative. It examines the activities and processes that occur after a decision about strategic direction has been taken.

Scope of the survey questions

Question 1 asks about activities that are used to support the implementation of the initiative. Included are items on communication; creating the infrastructure for the deployment of the initiative; risk analysis and assessment; behavioural and cultural issues; and evaluation of and learning from the implementation of the initiative. Question 2 identifies the level of human resource planning and support for strategic initiatives. Question 3 examines the metrics used to measure future performance of the organisation. Questions 4-6 ask about the management and governance of strategy deployment. The estimated time to complete the questionnaire is approximately 10 minutes.

Activities used in the deployment of a strategic initiative

1.	SCALES		
Frequency Score – In the last 3 years, how often did this business incorporate the following activities when implementing a strategic initiative. Use the scale in the "Frequency Score" column. For example, "5" means this activity is always used when a strategic initiative is deployed, while "1" means it is never used in deployment.	5=Always 4=Frequently 3=About half 2=Sometimes 1=Never DK=Don't know		
Importance Score - please rate how you personally view the relative importance of each statement to your organisation's ability to deploy strategic initiatives. Use the scale in the "Importance Score" column. For example, "5" means this is essential for your organisation's success, while "1" means being good in this area will have no effect on your organisation's success.		5=Very High 4=High 3=Neutral 2=Low 1=Very Low DK=Don't Know	
Effectiveness Score - please rate your organisation's performance relative to each statement by using the scale in the "Effectiveness Score" column. For example, "5" means your organisation is highly effective in this area, while "1" means your organisation is not effective in this area.			5=Outstanding 4=Very Good 3=Average 2=Below Average 1=Poor DK=Don't Know

	Statement	Frequency Score	Importance Score	Effectiveness Score
1	Appointing a champion/sponsor for the initiative			
2	Appointing a leader for the initiative			
3	Preparing a communication plan for the initiative			
4	Communicating strategies to employees			
5	Communicating strategies to customers			
6	Communicating strategies to suppliers			
7	Seeking buy-in from employees			
8	Seeking buy-in from customers			
9	Seeking buy-in from suppliers			
10	Developing action plans to address the key strategic objectives			
11	Ensuring the necessary resources are available			

	Statement	Frequency Score	Importance Score	Effectiveness Score
12	Goals/targets and strategies are cascaded to all levels in the organisation			
13	Identifying key performance indicators			
14	Aligning short and long term action plans			
15	Ensuring resource allocation (for example, budgeting) is linked to strategy			
16	Aligning Performance Indicators with long-term objectives			
17	Aligning work unit plans and supplier plans			
18	Aligning work unit plans and partner plans			
19	Promoting a set of company values			
20	Identifying and allocating roles, responsibilities, teams			
21	Understanding the business drivers behind the initiative			
22	Assessing implementation risks			
23	Identifying options (alternative actions) during deployment			
24	Measuring and evaluating progress as the initiative is deployed			
25	Making changes during deployment in response to feedback (acting on evaluation information)			
26	Creating a shared vision for the initiative at all levels of management			
27	Ensuring that managers possess the knowledge and capabilities needed to implement			
28	Ensuring that non-managerial employees have the skills and capabilities to implement			
29	Dealing with the fear that change can provoke			
30	Dealing with the situation when the new strategy is not compatible with a manager's personal goals			

Human Resource planning and support for strategic initiatives

2. Tick one box.

Does this business have human resource plans for staffing, selection, training, involvement, empowerment and recognition that are aligned to meet strategic objectives?	
- no	❒
- plans address some of these areas but are only partly aligned to the strategic objectives	❒
- plans address most of these areas and are mostly aligned to the strategic objectives	❒
- plans address all of these areas and are fully aligned to the strategic objectives	❒
- don't know	❒

The metrics used to measure future performance

3. Tick one box for each item.

Which of the following has this business used when projecting its performance into the future. Future performance is compared in a systematic way with:					
	never	sometimes	frequently	always	don't know
- key benchmarks	❒	❒	❒	❒	❒
- the goals of this business	❒	❒	❒	❒	❒
- the past performance of this business	❒	❒	❒	❒	❒
- the projected performance of competitors	❒	❒	❒	❒	❒
- the projected performance of organisations in another industry	❒	❒	❒	❒	❒
- other (please specify)	❒	❒	❒	❒	❒

The management and governance of strategy deployment

4. Tick the appropriate boxes.

Which of the following frameworks or systems has this business investigated or used for managing the deployment of strategic initiatives:			
	Investigated	In Use	Don't Know
- balanced scorecard	❒	❒	❒
- business excellence framework	❒	❒	❒
- supply chain management	❒	❒	❒
- strategy map	❒	❒	❒
- software based system (please specify)	❒	❒	❒
- other (please specify)	❒	❒	❒

5. Tick one box for each item.

Over the last three years to what extent did this business use the following methods to evaluate and review strategy implementation:					
	never	sometimes	frequently	always	don't know
- regular review by senior management	❒	❒	❒	❒	❒
- post project reviews or audits	❒	❒	❒	❒	❒
- employee satisfaction surveys	❒	❒	❒	❒	❒
- customer satisfaction surveys	❒	❒	❒	❒	❒
- supplier satisfaction surveys	❒	❒	❒	❒	❒
- other (please specify)	❒	❒	❒	❒	❒

6. Tick one or more boxes as appropriate.
(This question asks only about strategy deployment, not the development of strategy).

Over the last three years which of the following were undertaken by the Board of Directors of this business in regard to strategy deployment:	
- no direct involvement in strategy deployment	❒
- oversight of strategic initiatives only (not individual projects)	❒
- oversight of strategic initiatives and individual projects	❒
- actively intervened to keep the initiative 'on track' to meet its goals	❒
- other (please specify)	❒

Any comments?
Is there anything missing from this questionnaire that you think should be addressed? Please add any other factors that you think should be considered for good strategy implementation.

Appendix D

Benchmarking
Code of Conduct

THE BENCHMARKING CODE OF CONDUCT

This Benchmarking Code of Conduct is based on the APQC/SPI (American Productivity and Quality Center/Strategic Planning Institute) Code of Conduct promoted by the International Benchmarking Clearinghouse in the United States. Adherence to this Code will contribute to efficient, effective and ethical benchmarking.

Benchmarking - the process of identifying and learning from best practices anywhere in the world - is a powerful tool in the quest for continuous improvement.

To contribute to efficient, effective and ethical benchmarking, individuals agree for themselves and their organization to abide by the following principles for benchmarking with other organizations:

1. **Principle of Legality**. Avoid discussions or actions that might lead to or imply an interest in restraint of trade: market or customer allocation schemes, price fixing, dealing arrangements, bid rigging, bribery, or misappropriation. Do not discuss costs with competitors if costs are an element of pricing.

2. **Principle of Exchange**. Be willing to provide the same level of information that you request, in any benchmarking exchange.

3. **Principle of Confidentiality**. Treat benchmarking interchange as something confidential to the individuals and organizations involved. Information obtained must not be communicated outside the partnering organizations without prior consent of participating benchmarking partners. An organization's participation in a study should not be communicated externally without their permission.

4. **Principle of Use**. Use information obtained through benchmarking partnering only for the purpose of improvement of operations within the partnering companies themselves. External use or communication of a benchmarking partner's name with their data or observed practices requires permission of that partner. Do not, as a consultant or client, extend one company's benchmarking study findings to another without the first company's permission.

5. **Principle of First Party Contact**. Initiate contacts, whenever possible, through a benchmarking contact designated by the partner company. Obtain mutual agreement with the contact on any hand off of communication or responsibility to other parties.

6. **Principle of Third Party Contact**. Obtain an individual's permission before providing their name in response to a contact request.

7. **Principle of Preparation**. Demonstrate commitment to the efficiency and effectiveness of the benchmarking process with adequate preparation at each process step; particularly, at initial partnering contact.

Appendix E

NZBC
Strategic Planning Issues

The most important strategic planning issues identified by the New Zealand Benchmarking Club

At a New Zealand Benchmarking Club meeting held on 12 September 2001, the following strategic planning issues were identified by members as most important to their organisations. Members subsequently voted on the priority these issues should be afforded in the selection of a benchmarking study topic.

- To determine the best practice for implementing strategic initiatives
- To determine the best practice for communicating strategic plans
- How do best practice organisations involve their stakeholders in strategic planning
- How do best practice organisations assess the effectiveness of their strategic plans/strategic planning process over time
- What planning horizons do best practice organisations have and how do they ensure the relevance of long-term plans and align short-term plans to them.

Two other topics were identified by the meeting that were considered to be more appropriate to the Information and Analysis CPE category, and were later considered at an Information and Analysis meeting. These involved measuring the performance of strategic initiatives through the selection and tracking of key performance indicators.

Appendix F

NZBC
Best/Innovative Practices
and Opportunities
in
Strategic Planning

NZBC members best/innovative practices in strategic planning

Collated from group sessions, September 2001.

- Single issue identification (Recording strategic issues as single issues to be allocated to business areas)
- Action items allocated to each issue and tracked.
- Control processes in planning, management and implementation. The use of automated software tools to facilitate the business planning process and track progress against action items. Helps in the tracking of unresolved issues, report generation, issue tracking right down to the person responsible, and reporting of the date of completion of issues.
- Customised database (Issues and actions are never lost through the use of customised database. Business plan is a living document)
- Agility (ability to introduce new ideas/innovations quickly - all employees encouraged)
- Business Planning (very fluid/dynamic 100 day planning process (3 year), reforecast payback periods, focus on growing revenues)
- Strategic Planning (Aims for the right decisions from experts, Seamless linkage from business plan down to individual rewards (profit sharing), widespread involvement, top down and bottom up, concise and to the point)
- Stakeholder consultation and feedback (Draft document sent out to public, extensive public consultation)
- Well-defined strategy tree. Clear links between outcomes, activities, operating projects and capital projects, visual and easy to comprehend. Links to performance measures. Assists in determining resource and budget needs. Clear reporting framework.
- Good understanding of challenges in the city using market research (Utilisation of independent environment research/scanning)
- Balanced scorecard (Vision leads to financial, customer, internal processes, learning and growth)
- Strategy deployment. Management plans are based on the overall strategy and core areas identified in the organisation's balanced scorecard. A template is provided to facilitate this.
- Project management (Manage initiatives from balanced scorecard through the creation of projects)
- Annual Business Plan (Global operations annual plan directed from HQ, devolved management agenda including financial, market, process and organisation , competencies and learning, from this build local business plan)
- Business Planning (Seamless linkage from strategic, through business, down to team / individual, eliminates departmental and conflicting priorities, all teams and individuals heading in the same direction)
- Structured approach (Planning process -knowledge of business, RBDs, analysing markets)
- Separation strength (Current volume is retained. Dispose of high volume)
- Strategy deployment. Link from strategic plan to individual action plans, budget and capital expenditure plans.
- Structure (Strategic planning framework, non-financial and financial)
- Considers new business and existing business (Consider both areas separately and then looks at where one impacts the other)
- OSP analysis. A risk analysis approach-using contingency plans for addressing points/unplanned events where major actions are required.
- Vertical integration of strategies. Links a hierarchy of plans, ensures alignment of unit plans with corporate plans, allows for corporate action plans.
- Unit plans (Consistent format applied by all, linked back to higher plans/strategies)
- Scheme forecasting (consistent accuracy provides assurance for premium setting)
- Responsiveness to Govt (via annual SLA supported by periodic performance reviews)
- Seeking stakeholder input. Annual roadshow throughout NZ. Visible, goes to the people. As a results of this a formal report is produced that is used as an input to the strategic planning process.
- Look forward (Commercial statistics focusing on Australasia region. Analysis of industry structure, competitor analysis)
- Strategic issue generation. Wider stakeholders (suppliers) are involved in a 50-person workshop that identifies strategic issues.
- Strategic focus areas (Comes out of issues generation workshop, carried out by management team presented graphically to staff)

- Short term planning (Matching production to demand at the start of the season)
- Long term vision (farsightedness by board, good utilisation of long-term planing 5-15 years ahead demonstrated by expansion and acquisitions)
- Adaptability (Able to change the strategy. A feedback loop that allows for changes in conditions. Maximising income across changing seasons. Adapting products to meet market demands to maximise income.

NZBC Opportunities for improvement in strategic planning

Collated from group sessions, September 2001.

- Developing and tracking more meaningful KPI's
- Reviewing work plans and KPI's and feeding back into issue analysis
- Data Capture. Accuracy and timeliness reviewing progress
- Ensuring involvement of external stakeholders
- Involvement of stakeholders
- Vertical and horizontal integration
- Planning process
- Establish KPIs that are meaningful
- Pushing strategic objectives down to individual KPI's - performance framework
- Strengthening link from strategy to person objectives
- Training/education about planning and various tools
- Increasing business unit input into the process
- Cascading of goals and measures down through the organisation
- Further development of the scorecard technical system and measures
- Matrix management
- Including customers, partners and supplier in strategic planning process.
- Deployment of Strategic Plan throughout the organisation.
- Human resource plan to support strategic plan
- Incentive plans supporting strategy
- Sourcing market trend in formation
- Seeking customer and agent input
- Seeking and forming stronger business partnerships - new business opportunities
- Deployment -communication
- Sourcing environmental information
- Expanding involvement internally and with other stakeholders
- Ability to measure progress against goals
- Re-education of Balanced Scorecard Approach
- Horizontal integration
- Balancing political agenda with business imperatives
- Employee contributions
- Review process of feedback
- Accessibility of strategic plans
- Involvement of all levels
- Measuring success rate of past strategic planning
- Involvement and input from employees upwards
- Dissemination of strategic plan -communication
- Strategic planning for people: -development, - career planning

Appendix G

Terms of Reference
for the
Strategic Planning Workgroup

Terms of Reference for the Strategic Management Workgroup

Project name	Strategic Management Workgroup
Date initiated	28 November 2001
Project Aim (Scope)	To determine best practice in deploying strategies.
Project Objectives	• Identify the key features of deployment • For each key feature, identify the best practice tools • Identify measures of effectiveness - and determine why users believe they are effective
Key Results Required	• Describe the features of deployment • Describe a toolkit for deploying strategy • Actively present the project findings
Project Team	Leader: Members: Facilitator: Max Saunders
Project Parameters	1. Workgroup determines key features from discussion 2. Key features compared/corroborated with literature findings 3. Case study template designed 4. Case study design piloted with workgroup members 5. Case studies of NZBC members conducted
Reporting Procedures	Via minutes and end-of-project report
Benefits	Potential for more effective implementation of strategic initiatives for Club members and NZ businesses

Appendix H

Instruction Sheet
and
Worksheet Example
for the
Deployment Practice Assessment

Instructions for completing the activity/practice assessment worksheet

Explanation of terms used in this document:

Best Practice - The American Productivity and Quality Centre (1999) notes that although there is no single "best practice" because best is not best for everyone, what is meant by "best" are "those practices that have been shown to produce superior results; selected by a systematic process; and judged as exemplary, good, or successfully demonstrated".

Instructions on the steps that you need to complete for the questions are provided below:

Step 1. Write the organization's code in this box.

Step 2. For Tables 1 to 7, describe the organisation's existing activities, processes, behaviours and/or practices that address the statement shown in the tables.

Step 3. Review your comments, and record your opinion on the success of the approaches used and their deployment. List this as a set of perceived strengths. Things that you should consider are whether your approach is soundly based, relevant, systematic, prevention-orientated, integrated, reviewed, refined and whether it is fully deployed.

Step 4. Supporting data/documents or other evidence that has been used to complete steps 2 & 3 should be recorded here.

Step 5. Assess the activity in step 2 in terms of whether you perceive it to be a best/innovative practice that other organisations could learn from. Use the following scoring system: 1= poor/unsatisfactory practice, 2= satisfactory practice/nothing special, 3= good standard practice, 4= moving towards best practice/some innovation, 5=best practice/innovative.

TABLE 1

Communication (ensuring understanding of the initiative)				
1. Organization	**2. Activity/Practice**	**3. Perceived Strength**	**4. Supporting Evidence**	**5. Best/Innovative Practice Assessment**

Appendix I

Case Study Template

Case study template

Note: The unit of analysis for the case studies was a strategic initiative undertaken by the organisation.

1. Brief description of the strategic initiative

- Origin of idea
- Sources of background information on the strategic initiative
- Overview of implementation
- Reference to any models/approaches used to guide the implementation process
- Is the strategic initiative now in use? or not? (still being developed/implemented?)

2. Objectives of the strategic initiative

List these or outline their nature eg intended benefits

3. Design / analysis / planning

- Crucial design/development/planning decisions (eg what were the business drivers and how were they derived)
- Any features designed to facilitate deployment
- Consideration given to alternatives to this initiative (eg careful, casual, not at all)

4. Chronology of case

This could be a narrative, timeline or bullet points of the main events (with dates or timeframe)

5. Deployment (implementation)

- Communication (eg was/is there a communication plan; type of communication used - meetings, documents, informal etc; use of feedback)
- Were action plans developed from the objectives? Who developed them? How were they aligned throughout the organisation?
- Barriers encountered (technical or political)
- Brief account of how these were overcome (or what needs to be done to overcome them)
- Reference to any guidelines/advice used or developed as a result

6. Champion(s) [Infrastructure for deployment]

Was there a champion? Individual or team? If a team was it created especially to implement this initiative?

Organisational position(s) of champion(s) (CEO, team leader, staff members etc)

Characteristics of champion(s)

- Driven by (eg need, technology, available funds, strategy)
- Recognition (awards, compensation, other?)
- Technology orientation (innovator, leader, follower)
- Other

7. Organisational climate for the initiative
Level of buy-in (eg supportive, neutral, resistant, variable)
Has this changed during implementation?

8. Organisational support
- Financial
- HR eg sufficient staffing
- Moral / other
- Policy on intellectual property (who owns the IP?)

9. Outcomes (highlight critical elements)
- Benefits/costs to clients/customers,
- Benefits/costs to organisation/staff/other stakeholders
- Achievement of objectives
- Learning accomplishments (value added)
- Changes in practices, policies, attitudes or culture
- Demand for the initiative or outcome of the initiative (growing, steady, declining)

10. Evaluation and review
- Evaluation method(s) used eg post project audit
- Did the planned strategic initiative get changed during implementation? How and why?
- Dissemination activities undertaken
- Any further developments planned
- New skills or expertise developed as a result of this initiative
- Future requirements for skills, expertise or staff development

Appendix J

Other Deployment Practices
found in
the Case Studies

Appendix J

Deployment practices that were found in the case studies but were not presented as examples in Chapters 5 or 6 are shown below, together with the type of strategic initiative and the reasons for their use. The practices are grouped in tables under the titles of the seven constructs of the deployment framework.

Table J.1 Communicating the initiative

Initiative	Practice	Reason/Perceived strength
Generic	Different stakeholders have different communication plans. Detailed material for upper levels, summaries for operational staff. Customised materials for other stakeholders.	Strategy is explained appropriately to particular groups or individuals, and delivered with appropriate methods. Release and delivery of new strategy is managed in ways appropriate to the targeted group.
Strategic alliance	Commitment to meet with partner organisation any time, in person or distance	Enables organisation to deal with uncertainty or discomfort.
	Communication at all levels within the organisation and with partner organisation	Formal systems give clear role identification, opportunities for people at all levels to communicate and work together, and formal processes for dealing with issues
	Formally identified points of contact between partners (multi-level communication)	
	One designated person in each partner organisation coordinates the day to day deployment	One person has responsibility to answer questions from partner and acts as point of contact for issues to go to the steering committee
	Heads of Agreement (HoA) signed by CEOs	HoA involves CEOs in the alliance
	Steering committee (joint - both partners)	Addresses overall issues for the alliance, tracks progress
	Technical standards group formed between partners	Representatives discuss and resolve technical issues
	Weekly videoconference meetings - had already met in person	More intimate than phone/email
	Buddy system between equivalent staff at operational level (phone & email)	Operational issues are quickly and effectively resolved at the appropriate level
	Daily late afternoon conference call during alliance set-up	All parties can report on the day's progress, any issues or problems
	'Face to face' meetings between partners	Relationship building

Table J.2 Achieving buy-in

Initiative	Practice	Reason/Perceived Strength
Generic	Involve operational managers	Involvement helps buy-in
	Acknowledge uncertainty and risks of the initiative to operational staff	Need honesty or staff won't believe that financial goals are achievable
	Regular updates to all involved	Communication facilitates buy-in
	Effect of initiative on individuals explained	Allays uncertainty
	Consultative approach to implementation	Facilitates buy-in
	Use training as an incentive	Creates opportunities and rewards buy-in

Table J.3 Aligning implementation

Initiative	Practice	Reason/Perceived Strength
Generic	Action plan development	The action planning process across all levels of the organisation promotes alignment of strategy deployment. Action planning aligns the everyday decision-making in units or departments with the strategic direction.
	Bring all champions together when there are major changes to action plans*	
	Each new initiative must align with specified business goals	
	Opportunity Form: New opportunities identified are entered on form. Questions about fulfilling the strategy, potential benefits. Some questions are scored. Goes to development manager for assessment	Proposed new initiatives must align with strategy. Also allows new ideas/innovations to be assessed and introduced quickly - all employees encouraged to do this
	Action plans developed from Gantt chart	Effective project scheduling
	Purchases aligned to strategy/strategic initiatives	Effective capital expenditure
	Projects are created from strategic initiatives using a balanced scorecard approach to managing strategy	Proven approach
	Consistent format used in all unit plans	Facilitates linkage back to corporate action plans

Table J.4 Learning

Initiative	Practice	Reason/Perceived Strength
Generic	Regular review of action plans and progress toward objectives - a formal continuous evaluation process eg at each meeting; to sponsor/manager/Board	Completes the learning loop.
	A suggestion process allows for feedback from all staff	Contributions are anonymous, so feedback may be more forthcoming and honest
	Ongoing monitoring post-implementation. eg steering group still meets	Ongoing maintenance and identifying new opportunities
	Monthly reports to Board on initiatives - actual versus plan	Highlights gaps or issues, tracks progress (mainly financial)
	Regular consultative meetings with internal and external stakeholders	Allows feedback and learning
	Establish an Issues Register/Log at the start of deployment	Used for review and for lessons learned

Table J.5 Creating the infrastructure for deployment

Initiative	Practice	Reason/Perceived strength
Generic	Steering Group/Committee	Facilitates management intervention
	Sponsor/mentor for champion	Support and guidance for the champion
	Each strategic initiative requires a sponsor	Is a secondary support person to team/project leader
Strategic alliance	Appoint project manager in each organisation	A single project manager overall may be ideal but is unrealistic in an initiative with three equal partners

Table J.6 Understanding the business drivers.

Initiative	Practice	Reason/Perceived Strength
Generic	Business drivers identified and communicated by CEO. An example of a business driver: to build partnerships. KPIs developed for drivers	The importance of the identified business drivers is emphasised internally and externally - helps understanding of the reasoning behind the strategic initiative and helps buy-in and alignment
	Industry/client experts study the drivers - a research phase or function	In-depth understanding of the client and the market.
	Use team communication process. For example, workshops to identify drivers; all staff involved in environmental scan	Wider team involved in assessment of research to derive drivers, causes and effects
	Expert with industry experience and expertise networks in wider environment	Studies what client wants and feedsback to team. Understands ramifications downstream
	Authority to Explore process	Requires that the reasons for a proposed initiative are made explicit.
	Use of consultants to identify business drivers if expertise is not within the organisation	To fill skill and knowledge gaps and for independent identification and verification of drivers
	Have one person assigned to each major client	Close working relationship improves the understanding of business drivers
	Drivers & strategies are communicated to other organisations through roadshows.	Promotes understanding of the reasons for the strategic intiative by upstream and downstream stakeholders

Table J.7 Identifying deployment options.

Initiative	Practice	Reason/Perceived Strength
Generic	Formal options analysis process	Important for selection of projects to implement the strategic initiative, and for scheduling the order of projects.
	Formal evaluation process: for example, for selecting IT system/software for initiative	Facilitates consistency, sound judgement, and belief in the fairness or the decision making process. Also used for terminating non-performing projects
	Contingency planning	Able to move swiftly to implement alternatives when unplanned events occur
	Insert 'out' clauses in contracts	To mitigate risk

Appendix K

Framework Toolbox
for
Strategic Alliances

A framework toolbox for strategic alliances

This toolbox is a summary of good and best practice in deploying a strategic initiative that involves forming a strategic alliance between two or more organisations. Many of the practices are also generic to other types of strategy deployment.

1. Make communication a priority ***"sell the challenge and fizz"***
   - Clear roles identified
   - Clear system - probably multi-level
     - might include buddies across partner organizations
   - Formal documentation of expectations
   - Mixed communication forms (formal and informal)
   - Ensure good communication of the business drivers [see also 5]

2. Aim to achieve buy-in ***"make people the priority"***
   - Consultative environment
   - Team involved in whether/how to go forward
   - Effect on individuals explained
   - Visible commitment of senior management
   - Aligned HR policies
   - Effective communication, as above

3. Create the infrastructure ***"establish a team and communication system"***
   [team, roles, responsibilities]
   - Choose your personal approach/ involvement level – are you: champion; mentor/sponsor; one of a team
   - Aim for champions at several levels
   - Mix cross-functional/organisation and within function/organisation teams
   - Clear roles identified
   - Interleave with 1 (communication).

4. Enable alignment during implementation ***"build a management system"***
   - Joint/shared action plans recorded
   - Bring champions/key players together for any major mid-flight changes
   - Identify a suggestion process (especially for those not in the leading group)
   - Link project plans to formally documented aims (in other words: identify how individual initiatives/projects align to the strategy)

5. Understand the drivers behind the initiative ***"only the paranoid succeed"'***

- Build in a research phase or function, e.g. recruit an expert; spend time on background research; talk to the task setters.
- Ensure good communication of the drivers, e.g. expert on the team; workshop on research results; shared discovery of wider team.
- Involve wider team in ongoing assessment of achievement against drivers, e.g. KPI monitoring; midway reviews against objectives.

6. Identify options at each stage ***"horses for courses"***

- Risk assessment process
- Options analysis process, eg for project selection and scheduling
- Formal consideration of alternatives
- Explore the situation, the complications and resolutions

7. Build in learning opportunities ***"be even better next time"***

- Regular review of progress towards objectives (selection of appropriate KPIs is important)
- Formal post project reviews
- Ongoing monitoring post implementation
- Evaluation and oversight role for the Board in strategy deployment

Appendix L

Progress Record

Massey University

PhD candidate meetings – Max Saunders (start date: 01/10/01), Supervisor-Robin Mann

Progress Record

Key

Fields highlighted in red are those that have taken longer than originally scheduled.

Task No	TASK (Agreed by Student/Supervisor)	BY WHOM (Student/ Supervisor)	BY WHEN (Student/S Upervisor)	ACHIEVED (Student)	COMMENT (findings from task) (Student)	GRADE IF APPLICABLE /COMMENTS (Supervisor)	Original Task No.
	Presentation to NZBC Strategic Planning meeting, Palmerston North	Max	Sept 01	Y	James Lockhart also presented		
1	Contact Martie-Louise (AUT)	**Max**	**26 Oct 01**	email sent 29 Oct	20 mths into PhD. On SME strategy. No 2nd supervisor yet.	Completed	
2	Strategic Planning w/group meeting files to Club members	**Max**	**1 Nov**	Y	7 positive responses at 16 Nov	Completed	
3	Contact facilitators re workshop ideas for 27 Nov	**Max**		emailed.	Replies from Sue & Bron	Completed	
4	Draft paper analysing BPES results	**Max & Rob**	**?**			Sent info to Max on 4/01/02	
5	FRST Top Achiever appln - Draft to RM	**Max**	**30 Nov?**			completed	
6	FRST Appln - complete supervisor/Massey section and forward to Massey committee & FRST	**Rob**	**??**		Due at FRST Mon 10 Dec. Massey deadline?	completed	
7	PhD Draft proposal	**Max**	**11 Feb 2002**			Sent to RM Feb 02	
	Do 100 website reviews for www.theBPIR.com	**Max**	**Dec 2001**	Y	Sent to Steve, Dec 2001		
	Issues discussed 29/1/02						
	Discussed extract from PhD proposal. Broad agreement on topic area and research Qs.				Ongoing development of proposal	Proposal completed and signed off Feb 02	
8	Human ethics guidelines - need to prepare case for HE committee if collect in-depth data within Club, or collect data on visits to outside orgs.	**Max**	**As approprl ate**				

9	Do site visits (Interviews, Wgtn, Auck) of Club members, regarding strategic mgt processes	**Max**		Y	Started these April 02 - ENZAFOODS, ACC, d-cypha		
10	Consider collecting further data on members self-assessment Qs on strategic planning	**Max**					
11	Look at option of editing Strategic Mgt Lit Review for publication	**Max**		Y			
12	Obtain Hausner PhD thesis	**Max**	**ASAP**	Y	Emailed U Wollongong 1/2/02.		
13	Club 2001 results paper	**Max & Robin**			Ongoing		
14	Preparations for Feb SM workgroup meeting - still to confirm availability of academic speakers	**Max**		Y	Emailed Stuart Crosbie 28/1/02 - no reply to date.	Colin Campbell-Hunt addressed HR core meeting + SM W/Group March 02	
15	Contact Strategy academics re Orgs with BPs in strategic mgt.	**Max**	**Dec 2001**	Y	Replies from Delwyn Clarke, Campbell-Hunt. None from Cartwright. Clarke recommends The Warehouse.		
16	HR Core meeting -SM w/g update + Colin Campbell-Hunt talk , Wgtn, SM w/gp meeting, [redacted]	**Max**	**25 –26 Mar 02**	Y	Identified features of deployment		
17	Hausner thesis (item 12 above)	**Max**		Y	Sent request to Joan Brookes to action - cheque AUS$80 needed	Passed on to Massey Library	
18	Complete Massey six month DRC report	**Max & Rob**	**April 02**	Y	PhD progress on track		
19	Send draft proposal to James Lockhart	**Max**	**March 02**	Y	Received feedback 30 April 02		
20	Send lit review to James Lockhart	**Max**	**May 02**	Y	Received feedback June 02		
21	Interview with [redacted]	**Max**	**9 April 02**	Y	Case study		
22	Attend NZBEF presentation by Trudi Fava Auck CC, Wgtn	**Max**	**April 16**	Y			
23	Interview with [redacted]	**Max**	**April 17**	Y	Case study		
24	Interview with [redacted]	**Max**	**April 17**	Y	Case study		
25	Further site visits re SM W/Group and research - PN, ChCh & Hastings	**Max**	**May 02**	Y	[redacted] case studies		

26	Draft paper for NZOQ QNewz - *Organisational performance measurement and improvement*	**Max & Rob**	**May 02**	Y	Draft sent to Rob May 02		
27	Presentation to PhD candidates seminar, Massey	**Max**	**7 May**	Y	Draft NZOQ presentation		
28	Interview with [redacted]	**Max**	**7 May**	Y	Case study		
29	Report for next COER news (Issue 2)	**Max**	**May 02**	Y			
30	Attend NZBC self-assessment & Advisory group meetings, Wgtn	**Max**	**3 May 02**	Y	Info for paper on BPES		
31	Presentation to NZBC New Member meeting, Massey, Wgtn	**Max**	**24 May 02**	Y	Overview of a workgroup in operation		
32	Interview with [redacted]	**Max**	**23 May**	Y	Case study		
33	Interview with [redacted]	**Max**	**23 May**	Y	Case studies		
34	Presentation to NZOQ conference, Nelson	**Max**	**29-31 May 02**	Y	Workshop session		
35	Draft paper on strategy deployment best practices	**Max**	**July 02**	Yes. Paper submitted August 02 to QMJ	Submitted to ASQ Quality Management Journal. Reply 2 Oct 02 with referees comments. Further work required.		
36	Organise and attend Strategic Management workgroup meeting, [redacted] Christchurch	**Max**	**11 June**	Y	Extracted BPs from case studies to date.		
37	Consultation with Duncan Headley, Massey Social Sciences, re factor analysis for Self-ass paper	**Max**	**June**	Y	Problem with data in matrix		
38	Presentation to NZBC Leadership Core meeting, Takapuna	**Max**	**27 June**	Y	Update on SM workgroup progress		
39	NZBC self-assessments results paper draft	**Max**	**June**	Y	Sent draft to Rob for comment	Submit paper to JQRM	Task 4 & 13
40	Alterations to NZBC self-ass results paper	**Rob**	**July**		2.0 More background on self-assessment; 5.0 include annual satisfaction survey		
41	Submit Massey Human Ethics Committee application	**Max**	**July**	Y			From task 8
42	Second interview with [redacted]	**Max**	**18 July**	Y	Case study		

43	Paper for NZOQ Qnewz – *Organisational performance measurement and improvement: Recent developments and the New Zealand context.*	**Max & Rob**	**Final draft August**	Published September 02 NZOQ Qnewz		Completed	
44	Meeting with Dr Robin Smith re: second supervisor	**Max**	**20 August**	Y	RS agreed to be 2nd supervisor		
45	NZBC Benchmarking advisory Group meeting, Massey PN	**Max**	**4 Sept**	Y			
46	Presentation to PhD candidates seminar, Massey PN	**Max**	**5 Sept**	Y	Update on case study findings		
47	Interview with [redacted]	**Max**	**6 Sept**	Y	Case study		
48	Meeting with PhD supervisors	**Max Rob & Robin**	**13 Sept**	Y	12 month Progress report and next six months research		
49	Draft a survey of strategic management practices in NZ organisations (recommendation from supervisors)	**Max**	**Dec**	Y	Survey needed to be rewritten after the publication of MED Firm Foundations , Dec 02		
50	Complete Massey twelve month DRC report	**Max Rob & Robin**	**October**	Y		Accepted by DRC	
51	Complete article for Global Benchmarking Network Review: *The identification of key business success factors from an analysis of NZBC"s self-assessment results*	**Max & Rob**	**October**	Y		Submitted to GBN – accepted – published	
52	Complete article for Global Benchmarking Network Review: *An overview of the NZBC's Benchmarking Projects*	**Max**	**October**	Y		Submitted to GBN – accepted - published	
53	Strategic Management Workgroup meeting, [redacted] Wgtn	**Max**	**13 Nov**	Y			
54	Assist NZBC members to draft SM Workgroup report	**Max and w/group**	**May 03**	Y	To be ready to table at May 03 NZBC core meeting	Report emailed to Rob and Seishi 28 April for editing, printing	
55	PhD thesis writing seminar, Massey PN.	**Max**	**21 Nov**	Y	Excellent sessions		
56	Presentation to NZBC Self-assessment results meeting. Massey, PN	**Max**	**28 Nov**	Y	Strategic Management workgroup findings		
57	Information and Analysis workgroup workshop. Massey, PN	**Max**	**29 Nov**	Y			
58	Resubmit Human Ethics Committee application	**Max**	**Dec 02**	Y	Resubmitted with additional information		

59	Contribution to COER News Issue 3	**Max**	**Dec**	Y			
60	NZBEF Evaluator training, Health Innovation Auckland	**Max**	**15-16 Jan 03**	Y	12 evaluators		
61	NZBEF Evaluator consensus meeting, Christchurch	**Max**	**10 Feb**	Y	ChCh hospital		
62	Massey HEC application – further info required	**Max**	**Jan**	Y	Letters to CEOs forwarded	Approved Feb 03. HEC: PN Protocol – 02/109	
63	Contact MED re use of BPPS data	**Max**	**Feb**	Y	Hayden Johnson requires more info		
64	Presentation to PhD candidates meeting, Massey PN	**Max**	**3-4 Mar**	Y	Survey update & BPPS findings		
65	PhD supervisors meeting, Massey PN	**Max Rob & Robin**	**3 Mar**	Y	Draft survey questions discussed		
66	Redraft survey questions	**Max**	**March**	Y	Emailed, feedback from Rob, further changes.		
67	Contact MED again with survey and data requirements	**Max**	**March**	Y	Hayden Johnson awaiting reply from StatsNZ for permission to access BPPS data	Email 12 May from John McGuigan , SNZ. Govt Statistician unlikely to give approval.	
68	NZBEF Health Innovation site visits, Auckland	**Max**	**13-14 Mar**	Y	Three sites visited		
69	Complete NZBEF Innovation feedback reports	**Max**	**31 Mar**	Y		Complete	
70	MAKM core meeting, Auckland	**Max**	**21 Mar**	Y	David Parmenter, KPIs		
71	18 Month PhD report for DRC	**Max Rob & Robin**	**April**	Y			
72	Pilot survey	**Max**	**April**	See 83	Needs to be redrafted after comments	Send to workgroup members	
73	Prepare paper & presentation to NZOQ conference Rotorua: 'Values Driven Organisations'	**Max, Erica, & Jo**	**May**	Y	"Starting and sustaining business improvement: Boosters and Barriers"	Presentation went well 29 May 03	
74	Redraft survey	**Max**	**Apr**	Y	Emailed redrafted survey to Rob, Robin 2/4/03		
75	Meeting with Rob to review NZBC results paper for publication (At Enzafoods, Hastings)	**Max & Rob**	**9 May**	Y	Max to redraft paper. IJQ&RM?		
76	Health Evaluator Awards, Te Papa Wellington	**Max**	**12 May**	Y	WIPA overall winner		
77	Present workgroup findings to NZBC Strategic Planning meeting, Rotorua	**Max, Katherine D Katherine C**	**27 May**	Y	Distributed Exec Summary (Report not yet printed)		

78	Acceptance dinner for Beca Quality Prize NZOQ Conference Rotorua	**Max & Rob**	**29 May**	Y	Award for 'Best Theoretical Paper' 2002		
79	Rework workgroup report after receiving Seishi's edit	**Max**	**June**	Y	Emailed to Seishi & Rob 4 June		54
80	Rework workgroup report after receiving Rob's edit	**Max**	**June**	Y	Emailed rework: 11 & 23 June		54
81	Formal application to Datalab, StatsNZ for permission to use BPPS data. [[I left out my previous request for help with surveying the top performing 2.5% of firms from the BPPS].]	**Max**	**June**	Y	2 July phone call from John McGuigan. At least $5000 charge (cost recovery).		63, 67
82	Industry NZ/ BusinessNZ seminar – Managing Business Growth	**Max**	**June 12**	Y	Napier		
83	Rework survey after pilot	**Max**	**June**	Y	Minor improvements made to wording of some questions		
84	Discussed workgroup report with Rob, agreed that Rob send final version to [redacted] & me prior to printing	**Rob**	**July**				54
85	Write MUHEC for extension to protocol for survey, + info letter	**Max**	**July**	Y	Approved by chair of HEC after several revisions and clarifications		
86	Send out survey – contact Mike Watson, NZBEF	**Max**	**August**	Y	Sent to members of NZBEF		
87	Send IJQRM paper to Rob, Barrie Dale	**Max**	**August**	Y	Rob sent paper to Barrie Dale		4, 40, 75
88	Complete revision of QMJ paper – "Strategy deployment and performance excellence frameworks"	**Max**	**August**	Y	resubmitted to QMJ September 03	Returned for further revision Nov 03	35
89	Analysis of survey returns	**Max**	**Sept**	Y			
90	Write to John Tamahere, StatsNZ minister, about access to BPPS data	**Max**	**5 Sept**	Y	Reply received - no further options available - have to pay $5000 for access to the database		
91	Send out survey to NZBC members	**Max**	**Sept**	Y	Done with Rob's approval		
92	DRC six month report	**Max, Rob & Robin**	**By Oct 16**	Y			
93	Best Practice Report - Strategy Deployment published (COER)	**Max & Rob**	**Sept 03**	Y	Printed and distributed		
94	Meeting with supervisors - Massey PN	**Max, Rob & Robin**	**Sept 26**	Y	Objectives agreed for next 6 months		

95	Article published: Best practices in strategy deployment. *COER News (4)*, 2-4.	**Max (Ed: Nigel Grigg)**	**Sept 03**	Y			
96	Arrange interviews as follow-up case studies to questionnaire	**Max**	**Oct-Dec**	Y	Phone interviews & face to face.	Completed Dec 03	
97	Survey results write-up	**Max**	**Oct**	Y			
98	Write summary of survey results	**Max**	**Nov**	Y	Summary emailed to NZBEF members Nov 03		
99	NZBC results meeting Massey PN	**Max**	**Nov 25-26**	Y	Excellent workshops Feedback on deployment from Fonterra, Enzafoods		
100	Follow-up telephone interviews. Complete case study analysis and write -up	**Max**	**Dec 03 - April 04**	Y			
101	Rewrite IJQRM paper after referees comments received Nov 03	**Max**	**Jan-Feb 04**	Y	Rob to resubmit to IJQRM	Accepted April 04 for Vol 22 Issue 6 (2005)	
102	Presentation to Benchmarking for Best Practice Conference, Waipuna, Auckland	**Max**	**March 16-17**	Y	Title: Translating Strategy into Action: A framework aids deployment		
103	Final DRC six month report	**Max, Rob & Robin**	**Due April 14**	Y	Final objectives agreed		
104	Nomination of PhD examiners to DRC (Form DRC 5)	**Max, Rob & Robin**	**By June 04**	Y	Needs to done 3 months before thesis submission	Need to include nature and year of examiners' qualifications, institution where awarded, and research experience	
105	Complete thesis write-up	**Max**	**To Aug 04**	Y			
106	Complete candidates declaration	**Max**	**By Aug 04**	Y	Needs to be submitted and bound in thesis		
107	Complete supervisors declaration & DRC5	**Rob & Robin**	**By Aug 04**	Y	Needs to be submitted and bound in thesis		
108	Certificate of Regulatory Compliance	**Rob & Robin**	**By Aug 04**	Y	Needs to be submitted and bound in thesis		
109	Final draft approved by supervisors	**Rob & Robin**	**Aug 04**	Y			
110	Thesis printed (soft-bound) and submitted for examination (4 copies)	**Max**	**Sept 04**	Y			
111	Paper presentation at ANZAM Conference, Dunedin	**Max**	**Dec 04**	Y	Title: Investigating strategy deployment and business excellence frameworks: A network benchmarking approach		
112	Thesis submission to Academic Services Office, NSATS, Turitea (3 copies).	**Max**	**2005**	Y	After examination process and final emendations		

Appendix M

Organisational performance measurement and improvement: Recent developments and the New Zealand context

This paper won the Beca Quality Prize for Best Theoretical Paper, NZOQ, 2003