Business Policy and Strategic Management ISBN: 978-93-7020-055-5 Chapter 9 Strategy Implementation

STRATEGY IMPLEMENTATION

Abstract

Authors

Strategy implementation is the process which strategic plans through are transformed into concrete actions that drive organizational success. This chapter delves into the critical elements necessary to execute effectively, including strategy aligning organizational structure, allocating resources, establishing timelines, and defining roles and responsibilities. It examines the significance of leadership. communication. and performance measurement in ensuring that strategic objectives are achieved. The chapter also addresses the integration of operational plans with strategic goals, highlighting the need for cross-functional coordination and agile decision-making in a rapidly changing environment.

Further, the chapter explores common challenges that organizations face during implementation, such as resistance to change, cultural misalignment, lack and of accountability. Through illustrative case studies and practical frameworks, it provides insights into how companies can overcome these barriers and build implementation capabilities. Emphasis is placed on the role of systems. strategic control continuous feedback mechanisms, and adaptive leadership in sustaining momentum and ensuring long-term impact. Overall, the chapter offers a comprehensive guide to bridging the gap between strategic intent and real-world outcomes.

Keywords: Strategy implementation, Execution of strategic plans and Operational alignment

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I. STRATEGY IMPLEMENTATION

1 Meaning

Strategy Implementation is the process when the plans are put into action. The strategies are framed in the planning phase where the decision making takes place and then they are put into ground realities.

Strategy Implementation is basically an art of getting the work done by impositioning the plans into real scenario.

It is often said that "good planning leads to good results." Its true, but results can only be achieved when some action takes place. Implementation of decisions effectively and efficiently is the key to success of any organisation. Enactment is essential.

Every organisation has different competencies with which it stands out in the competitive world. Strategies are framed keeping in mind these competencies. Strengths and weaknesses both are considered and evaluated. To unveil the best from these competencies is what implementation of strategy seeks.

2. Definitions

- According to Steiner: "The implementation of policies strategies is concerned with the design. and management of systems to achieve the best integration of people, structures, processes, and resources, in reaching organisational purpose".
- According to Mc Carthy: "Strategy implementation may be said to consist of securing resources organizing these resource and directing the use of these resources within and outside the organisation".
- According to Glueck: "Strategic implementation is the assignment or reassignment of corporate and the employees SBU leaders to match the strategy. The leaders will communicate the strategy to Implementation also involves the development of functional policies about the organisation structure and climate to support the strategy and help achieve organisational objectives".
- According to Harvey:"Implementation involves actually executing the strategic game plan. This includes setting policies, designing the organisation structure and developing a corporate culture to enable the attainment of organisational objectives".

Source: toppers4u.com

II. PROCESS OF STRATEGY IMPLEMENTATION

The process of Strategy Implementation follows the mentioned steps:

- Resource arrangement and allocation
- Procedural implementation
- Understanding Organisational Structure
- Identifying Human resource requirement
- Functional and Operational Implementation
- Reviewing the process

1. **Resource Arrangement and Allocation**: Before the plan is finally put into action a peek into the required resources is essential. The resources required can be either physical or human. The organisation has to ensure that it possess there sources that are essential to implement a strategy.

Eg. If any technical project has to be implemented, the organisation should ensure that it has access to the technology required for its smooth functioning.

Along with ensuring the arrangement of resources, its proper allocation also has to be ensured. The right asset should be at the right place so that the desired out-turn is received.

- **2. Procedural Implementation**: When there occurs an actual application of decisions, a lot many procedural things have to be taken under consideration. A basic set of rules and regulations and procedures needs to be mentioned so that there exist clear lines of action.
- **3.** Understanding Organisational Structure: The structure of an organisation plays a vital role in the successful implementation of a strategy. The various roles and responsibilities, their interrelation and interaction all are important in the inerrant implementation of strategies. The various jobs are created in this step. This step also ensures the authority-responsibility coordination and delegation of work. Roles and responsibilities are charted out.
- **4. Identifying Human Resource Requirement**: Next important step in the process is understanding the human resource requirement. It identifies whether the organisation possess the required skill set within the organisation or it has to outsource the services to implement the strategy.
- **5. Functional and Operational Implementation**: The next step in the process of implementation is carrying out the functional and operational implementation. The work is actually being carried out in this step. Plans are put into action. All functional departments are provided with the guidelines. Synchronised activity takes places. It's the phase of execution of various tasks simultaneously.
- 6. Reviewing the Process: This is the last step of implementation process, reviewing the implementation. When plans are turning into reality a check has to be done simultaneously so as to avoid any divergence. A continuous monitoring of the project is essential so as to ensure no resources are wasted and the ultimate goal is being achieved on time. Controlling is required so that if any deviations are popped in , rectifications can be discharged immediately.

III. VARIOUS ASPECTS OF IMPLEMENTATION

2. Budgetary Decisions: While plans are being implemented, a budgetary decision is equally important. Budgets need to made for every phase of the project, so as to ensure smooth flow of funds. The important events need to be identified. A formal structure mentioning which event or phase requires more funds has to be drafted prior.

- **3.** Ensuring a Supportive Organisational Culture: The culture needs to be understood before implementing any strategy as it plays an important role too. The mindset of employees, the belief system of the organisation, the values all needs to be studied thoroughly to have a better implementation of policies. It ensures a positive implementation and assured results in the end.
- 4. **Reward and Recognition** –The presence of a reward system is also necessary as it boosts up the morale of the employees. Implementation of strategies always comes up with force and pressure among employees, a reward system will ensure motivation among them. It will keep them moving towards the attainment of goals along with maintaining a good pace.

IV. UNDERSTANDING THE STRUCTURE OF ORGANISATION

The structure of an organisation plays a very important role in strategy implementation process.

Structure refers to the network of different roles and responsibilities that are being created in an organisation. Establishing a model for "who will report whom" is called a structure. It determines various levels within an organisation and the flow of information between these levels.

Classification of structure is varied. One of the major classifications of Structure based on the distribution of authority is Centralised organisation and Decentralised organisation. In centralised organisation decision making is confined to top level only with a defined chain of command whereas in decentralised organisation decision making powers are disbursed in the entire organisation. This decision-making authority too has implications on the implementation process. In the present scenario with many startups lined up a decentralised organisation structure is being preferred by the management of the company.

Other major classifications of organisational structure based on the roles created in an organisation are Functional OS, Divisional OS, Flat OS, Matrix OS, and Network OS etc.

V. VALUES AND ETHICS IN AN ORGANISATION

Ethics and values have become a very prominent ingredient of an organisation's culture. Rather organisational culture is a sum of these ethics, beliefs and values. Social responsibility, transparency, empathy, environmental consciousness, accountability, acceptability, charity all these reflect the values and ethics.

An organisation holds these values and ethics very strongly while implementing its strategies. The fundamental guidelines that an organisation observe in its behaviour and decision making are its values. Ethics can be understood as the ideal code of conduct in a particular situation.

The values and ethics

- Core values of an organisation
- Steer the behaviour

- Design the culture
- Differentiate from others
- Attract and retain the talent as well as customers

Eg. TATA stands for its values and because of these values everyone values TATA.

Example may include – Ethical conduct or integrity

- Transparency
- Diversity and Inclusion
- Accountability
- Environmental consciousness etc.

VI.MC. KINSEY'S 7S MODEL

Mc. Kinsey is a management consulting firm founded by James O. McKinsey in 1926. Around 1980s two consultants of this firm framed a model which came to be known as Mc. Kinsey model.

Mc. Kinsey model is essentially a strategic tool used by various organisations to identify, examine and manage any strategic gap that an organisation is going through or might experience.

As the name suggests it has 7 elements in itself, all integrated together in such a way as change in one may reflect its impact on another. The 7 elements are –

- Structure
- Strategy
- System
- Shared values
- Style
- Skill
- Staff

The model studies the interplay between these 7 elements and tries to find out any void among them. If there really exists a pause, this model is of great use to fill any such gap.

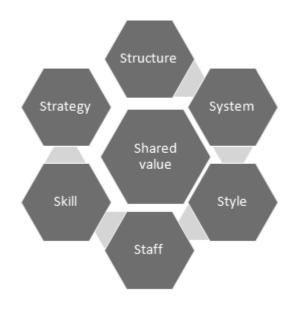


Figure 1

These elements are further classified as Hard & soft elements.

Hard elements (known as hard as not so easy to change very often) – Strategy, Structure and System

Soft elements (known as soft as easy to adapt as per the requirement)– Skill, Staff, Style and shared values

Let's understand in detail:

An organisation is made up of both hard and soft components or factors and there exists an interconnection and interdependence between them. Both compliment and augment each other. Change in one factor automatically brings a change in other.

An organisation has a **structure** – an arrangement of roles and responsibilities and to fulfil those responsibilities it recruits **staff** (human resource). Every organisation owns some values and beliefs (**shared values**) which it shares throughout the **system** to make the things uniform and steady. Various tactics are employed by the organisation to exceed in the competitive world (**strategy**) and to implement these strategies a particular **style** and some specific **skills** are required.

- 1. Structure: Structure can be understood as the layout of jobs within an organisation. It is a matrix of roles and responsibilities with clear boundaries defining what to do and what not to do to avoid any chaos or confusion. It sets a stage for responsibility and accountability.
- **2. Strategy:** Strategy can be understood as the core plan an organisation adopts to succeed in the organisational world. It is the action plan used by an organisation. To gain a competitive edge the concern must move ahead with a strong strategy.

- **3. System:** The internal operations of a firm refer to as a system. The policies agreed upon, the procedures followed, the rules adopted, the methods acquired or the functional setup that directly or indirectly affects the decision-making process is system
- 4. Shared values: Shared values are the core beliefs and values of an organisation. It is a kind of set of principles that guide the actions of the firm. The basic behaviour that a concern exhibits in carrying out its routine tasks can be understood as shared values. These values are embedded in the system as well as the among the employees of the concern.
- **5. Style:** Management is an approach. It's a style of carrying out tasks. Whatsoever approach the organisation chooses to follow is referred to as its style. The style adopted by firms impacts the engagement and satisfaction of employees and ultimately the productivity of the firm.
- **6. Skill:** Skill refers to as an individual's way of performing an assignment. It is the innate quality. Skill has a direct connection with productivity of the firm. Better the skill, higher the productivity. Training and practice is an option to fill skill gap as skills can be learned too.
- **7. Staff:** Staff is the most creative element of an organisation. The success of entire organisation is determined by this element. The more trained, more skilled, more talented, the exact size, the more satisfied and the more rewarded the staff will, the more the organisation will succeed.

Thus, these are the 7 elements. All the elements are interconnected and interlinked. Any change in hard element will affect the soft element and vice versa. Change management is a word that we often encounter these days. This model is very much effective in implementing change management as it studies each core area and suggest changes accordingly.