

# **A decision is made – and then?**

**An empirical study of implementation efficiency**

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## Abstract

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This thesis deals with the conditions and factors influencing the implementation outcome of top management decisions. The thesis presents an implementation model, which describes, and to a certain extent explains, the factors influencing the implementation efficiency of decisions made by top executives in complex profit-driven, Swedish organizations. The model is developed from a literature review and tested in an empirical study with both qualitative and quantitative approaches. The implementation efficiency is estimated as the sum of implementation process efficiency and decision goal satisfaction. The empirical study is carried out in the perspective of both the executives and the implementers. All types of decisions have been studied. The respondents have described how a specific decision is handled in the implementation phase (the qualitative part of the study). They have also estimated the performance of specific variables on a six-grade scale for the same decision (the quantitative part of the study). The analysis of the empirical data is carried out not only as comparisons of the opinions of respondents for each decision identifying similarities and differences, but also by using Qualitative Comparative Analysis, QCA, and a simultaneous equation model, LISREL. The analysis results show that the preliminary implementation model satisfactorily explains basic correlations between implementation conditions and implementation efficiency. The implementation efficiency is positively correlated with a simple implementation context and an evident implementation profile as well as decisions with only internal consequences, operational decisions and recognized decisions. The implementation efficiency is on average about 65%, with great variation between companies and between decisions, indicating a huge potential for improvements. There are differences between decision makers and the implementers in terms of perceived implementation conditions and implementation efficiency. It is also observed that decision makers engage themselves to a very limited extent in the implementation of their decisions. The preliminary implementation model has been developed with complementary variables as a result of the study. Furthermore, it has been possible to design a preliminary model describing the critical moment of transformation of the implementation task. Both models require further empirical tests.

*Key words:* decision implementation, down-up perspective, implementation mission, transmission event, personality, mission adoption, leadership, Stockholm Stock Exchange, follow-up, learning.

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*To my beloved wife Ulla, my greatest supporter for 44 years,  
who has also taught me to implement the decisions she makes*

*What gets measured gets done*

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# 1 Introduction

## 1.1 Background

“We are quite good in our group at making decisions but not good enough to implement them”. This is a real quote from a Chief Executive Officer (CEO)<sup>1</sup> in a Swedish business group (definition, see Appendix A). Another CEO expressed the same opinion saying “We make a huge amount of decisions but just a part of them will be put in action”.

These statements are confirmed in discussions with managing directors, trade union leaders and consultants. As CEO in business companies during many years, I myself have personal experience with implementation shortcomings. So, the proper implementation of executive decisions seems to be a problem. Does this depend on a real lack of knowledge, or the inadequate adoption of existing knowledge? Or any other reasons, such as lack of motivation or incentive among the implementers? A review of the scientific literature gives interesting information expressed in the following excerpts:

- “The way implementation is managed appears to be vital for decision success. Yet it is the study of the making of strategic decisions which is well developed rather than the study of implementation” (Hickson et al., 2003, p. 1803)
- “There are very few precedents in the literature for studying how individual strategic decisions are actually implemented” (Skivington & Daft, 1991, p. 53)
- “There is now a substantial body of research on the making of strategic decisions in organizations. ... the emphasis has been on describing and explaining how decisions are arrived at. Though, to some extent, decision making and implementation are interwoven ...very extensive study of decision making which looked at the process through ‘gestation’ to ‘authorization’. The majority of these studies do not go beyond this ‘authorization stage’, though there are exceptions. It is therefore not possible to find in them anything concerning the ‘success’ of decisions once implemented (however ‘success’ is defined, a point returned to later), and this has remained a relatively under-researched area.” (Miller, 1997, p. 577)
- “Strategic decision making has long been a topic of great interest in both organization theory and strategic management. Although many studies have described and explained strategic decision making, there is limited evidence that strategic decision-making processes influence decisions’ effectiveness – that is, the extent to which they result in desired outcomes.” (Dean & Sharfman, 1996, p. 368)

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<sup>1</sup> When a term is used for the first time it is written completely. An abbreviation is introduced and thereafter used continuously. All abbreviations are listed in Appendix A where definitions are presented if necessary.

- “There has been considerable speculation about factors that influence the success of implementation, but little work in exploring these factors with actual decision outcomes, examining the artistry of skilled practice to see what works and why. Even less work has been devoted to differentiating the implementation approaches preferred by top managers from those employed by managers with less influence” (Nutt, 1998, p. 213)
- “... suggestions as to possible future directions for strategic decision research ... three emergent themes: learning, implementation, and information systems” (Papadakis & Barvise, 1997, p. 290)
- “From the perspective of the strategist, organization theory is about implementation. However, you should be aware that, in practice, implementation has proven extremely problematic. While strategy researchers and strategists have developed sophisticated approaches to analysis and formulation, models for the implementation of strategy have not kept pace”. (Hatch, 1997, p. 110)
- “Implementing strategy is a tougher, more time-consuming challenge than crafting strategy. Practitioners emphatically agree that it is a whole lot easier to develop a sound strategic plan than it is to ‘make it happen’.” (Thompson & Strickland, 1992, p. 215)

The excerpts indicate that an important answer seems to be lack of knowledge. If so, the executives need more basic knowledge of implementation conditions, manifested in developed tools and routines, in order to improve the implementation of decisions. The purpose of this thesis is therefore, in a general meaning, to increase our understanding of factors that influence successful implementation as a contribution to increased and improved knowledge of implementation and its conditions. A scientific aim of the thesis is formulated in Chapter 3.

## **1.2 Three implementation cases from business life**

Decision and implementation situations differ in many aspects. An important dimension is the degree of implementation success. I describe in this chapter three cases of varying success in order to introduce the reader to the intended problem area of this study. The cases are selected to demonstrate completely successful and partly successful implementation but also no implementation carried out at all. These cases are from my own personal experience.

### *1.2.1 Case A. Expanding the personal development dialogues*

At the Top Management Team (TMT) meeting, the President informs that he has had an informal contact with the company trade union regarding his idea of expanding the personal development dialogues to cover all staff members of the company. The trade union is positive. The long term aim is three-headed: to obtain an information base for internal recruitment of managers, to plan and improve competency development in individuals and to improve the job rotation system. There is a strong tradition among white collar employees for personal development dialogues but the blue collar workers have never been invited. The

company has functional tools and routines for personal development dialogues. The President puts the issue on the agenda for the next TMT meeting and asks the members to prepare themselves for a decision. The discussion at the next TMT meeting is quite good with many pros and cons. The TMT decision is a task for the Director of Human Resources to involve the trade union in an investigation and prepare a memo to TMT.

The incoming memo proposes “a trial year” when all blue collar employees will get the possibility to have a personal development dialogue with the supervisor but it is not compulsory. The bosses will be trained in an internal seminar before starting up. The tools and routines will be adapted to the new target group. The short term goal is set to “90% of the staff members shall have participated in a personal development dialogue by the end of the trial year”.

Based on the memo the TMT decides to carry out personal development dialogues. When put in action a few managers hesitate, but they are convinced after the training. After ten months 92% of the blue collar employees have had a development dialogue with their supervisors. The rest have declined. In all, it has been a success and the short term objective is well achieved.

The conclusion of this case is that the key people were involved in the decision making process committing them to implement the decision successfully. Even more, the adaptation of the tools and the training program were important for success.

### *1.2.2 Case B. Saving discount expenses*

The Marketing Director raises at the TMT meeting the question about discounts on customer sales. Discounts are now in total 18% of the gross prices. 5%-units are generated by the annual agreement and depends mainly on selling volumes. That situation seems to be OK. But remaining 13%-units are much more disputable. The sales force uses the discounts as an all too simple way just to sell, which is their main job, says Marketing Director. In his opinion the discount does not encourage the customers to buy more. His opinion is not shared by the Sales Manager. She claims that without discounts and a substantial freedom for the representatives to use them freely, the company will suffer a heavy loss in selling volume. After a brief discussion, TMT decides that the Marketing Director will be back at next meeting with a memo as a base for decision.

At the next meeting Marketing Director presents a memo. Orally he also reports that the Sales Manager has accepted the content of the memo but without enthusiasm. After a short discussion TMT decides to accept the memo, which means that within six months the discounts, excluding 5% of annual agreements, should be halved using the recommended actions.

Half a year later, TMT will conclude that the goal is far from achieved. The decline is just 2.8%-units instead of 7%-units. The Marketing Director reports that the main reason is obstruction by the Sales Manager.

In this case, there could be many reasons for insufficient implementation. One reason could be that the Marketing Director has not involved the Sales Manager in

the entire process of decision making. It is possible that the Marketing Director has a hidden agenda as the Sales Manager thinks that the real objective of the Managing Director is that he will manage the sales force more or less directly. Perhaps the set goals are unrealistic. The actors perhaps have different pictures of reality. Is there a complex set of conflicts that continue because of bad personal relations? Altogether, there may probably be a grain of truth in every explanation

### *1.2.3 Case C. Adding new suppliers*

The President of a company has used a consultant to carry out a risk management study. One conclusion is that the company should have at least two suppliers of the five most important inputs.

The suggestion is presented by the President to TMT, which decides in accordance with the proposal and that the Purchasing Manager will be responsible for implementation. The Purchasing Manager is not a member of TMT and he gets just a short paper about the background, the decision and his task.

After one year the President initiates an audit of the risk management plan. The review shows that nothing has happened about the purchasing case. When the Purchasing Manager is asked why, his answer is "I did not think it was important and I have had so much to do".

In this case too, there will probably be a set of possible explanations for the non-implementation. The absence of a time-fixed goal could be one. In this circumstance, the Purchasing Manager thought that the case "was not important". Another reason could be the non-involvement of the Purchasing Manager in the decision making process. A third explanation may be that the President and the TMT did not have an up-dated picture of the supplier market, leading to a "bad" decision. Another reason could be that the relations between the Purchasing Manager and the existing suppliers were very good; if this was so, then this was good for him but not the best for the company.

### *1.2.4 Comments on the implementation cases*

These three examples demonstrate the complexity of the implementation of a TMT decision in business companies with several organizational levels. Human relations, routines or procedures of decision making and implementation, the transmission of the decision to implement, communications, and the decision clarity in terms of purpose and formulation are all factors derived from these three cases and seem to be of importance in determining the behavior of the implementers. Their commitment, acceptance or resistance have an impact on implementation success.

## **1.3 An intended research problem to study**

Even if the knowledge of implementation conditions and success seems to be limited (see 1.1) it is too early to formulate a problem for the study. It is however

necessary to set the tone as a basis for the literature review. Therefore, the preliminary problem is formulated as an open question:

- Why will one decision made by top management in an organization be properly implemented, another just partly implemented and a third not at all implemented?

This preliminary problem is linked to an intended aim of this study, which is to describe, explain and understand the conditions affecting the implementation success of top management decisions in organizations.

Indeed, the question contains demarcations. At first, it deals with organizations where people per se cooperate and fight, trust and suspect; it does not deal with personal decision implementation such as not smoking or buying a new car. Secondly, the organization is supposed to contain some level of complexity with “top management”. The underlying starting point is that the decision made will be implemented by other people than those who made the decision. These demarcations are dictated so that the scope of the intended study will be manageable and that it is possible to focus on a potential answer to the question formulated above. Further demarcations of the study and the aim of the thesis may be established when the literature review is carried out (in Chapter 2).

#### **1.4 Disposition of the thesis**

This introductory chapter with a basis in business life will be followed by a literature review (Chapter 2) as a base for a precise problem formulation, a precise aim of the study, design of an implementation model, a main hypothesis and research questions (Chapter 3). The literature review is also an important input to the selection of research methods and tools (Chapter 4). Chapters 5 and 6 cover the collection and analysis of field data, respectively. Finally, Chapter 7 ties up and concludes the thesis.

## 2 Literature review

In this chapter, I investigate and describe the state of our current understanding of decision implementation, based on a literature review. The review focuses on “complex organization”, since the intended research problem to study is initially demarcated in such a way (see 1.3).

Implementation as a phenomenon itself is first examined. However, implementation assumes per se that a decision is made, which initiates what is to be done. Therefore it is necessary to investigate how decision making and implementation are linked according to research results. The findings are briefly presented and discussed but the implications for the study are analyzed and are put together in 2.4.

### 2.1 How to understand complex organizations?

What is the meaning of the word *organization* used in a management context? It is derived from the Greek *organon*, meaning a tool or instrument (Morgan, 1986). Morgan says “Organizations are rarely established as ends in themselves. They are instruments created to achieve other ends”. Robbins & Coulter (1999) define organization as “... a deliberate arrangement of people to accomplish some specific purpose”. Cook & Hunsaker (2001) define organization as “A group of people working in a network of relationships and systems toward a common objective”.

What does *complex* stand for? The complexity of an organization is not only a matter of size or number of hierarchal levels (see, e.g., Czarniawska-Joerges, 1992, and Perrow, 1986). It also depends on, for instance, technology and territory, business scope and customer profiles. Staff members form a social network; five persons create theoretically 10 relations, 50 persons 1225. The complexity is also built up by the different opinions among people; core values are not always shared by everyone. Czarniawska-Joerges (1992) summarizes “that an organization becomes complex when no one can sensibly and comprehensibly account for all of it”.

Kaufmann & Kaufmann (1998) discuss the differences of perspective with regard to organization in social sciences and in business administration. In the former area there is basic human relations outlook, which focuses on people as subjects. In the latter there is an instrumental basic outlook resulting in looking at people as objects. This approach is also supported by, e.g., Bolman & Deal (1981) and Czarniawska-Joerges (1993).

Morgan (1986 and 1997) helps us to understand organizations by using metaphors like machine, brain, political system, *etc.* Essential elements as power and authority, conflict and resistance, information and communication are managed differently in each metaphor helping us to better understand what is going on.

In summary, a complex organization is to be understood as a group of people working in integrated but also separated activities in order to achieve a set of goals on different levels and in different stakeholder dimensions. No one in the group can account for all of it. It is with this meaning that the term complex organization is used in the study.

## **2.2 Implementation of decisions**

Many researchers remark on our lack of understanding regarding implementation, as already noted in the introduction chapter. However, there are literature findings to report. They come from two types of sources: the descriptive and the prescriptive. The findings are therefore presented in two separated sub-chapters.

### *2.2.1 Descriptive reports*

Nutt (1999) has reported results from implementation studies carried out in different types of organizations during more than 20 years. His reports from studies in USA and Canada (Nutt, 1999) show the reasons why decisions that do not achieve their objectives are more often found in the implementation phase than in other phases of the decision making process. In one early study, Nutt (1989) is testing in practice four different tactics used by strategic managers to implement strategic decisions. The tactics were identified in an earlier study (Nutt, 1987) and labeled as Intervention, Participation, Persuasion and Edict. The intervention tactic implies that the manager exposes the difference between the actual strategy and results versus the new strategy and its perceived results; further action will be taken from the identified and committed differences. The participation tactic means that the manager initiates planning by stipulating strategic needs and an arena of action. The persuasion tactic is a delegation of the development of the new strategy to experts. Finally, the edict tactic means that directives are formulated in an atmosphere of power. The four tactics are linked to specific situational conditions as corporate culture and power. Implementation success was defined as putting the plan to actual use, as opposed to a symbolic or a conceptual use. The actual tactic used was compared to the recommended tactic, using the results from the earlier study. The over all success rate was 94% when used and recommended tactics were congruent. The corresponding figure using a non-recommended tactic was 19%. These implementation cases were characterized by very low managerial involvement even if there was an over all tendency of the manager spending too little time in implementation.

In another study (Nutt, 1998), the four tactics are further studied. 376 cases were examined in public, private and third sector (*e.g.*, hospitals and symphony orchestra) organizations. The actual tactic used was identified for each case as well as the implementation success measured by adoption (=institutionalization of new practices), value (=decision importance for the organization) and duration (=time to implement). Contextual factors such as the decision's disruptiveness and the implementing manager's self-interest were also mapped. The tactic intervention was most successful but rarely used. It will favorably replace

participation, which was used more frequently. Managers were prone to use persuasion and edict but they were ineffective even in urgent situations.

Nutt reports similar results in other studies (Nutt, 1986, 1997 and 1999). However, he has also studied the procedure of generation of alternatives in decision making process and its relation to implementation success in the three types of organizations mentioned above (Nutt, 2000). Six alternatives were identified (p. 90):

- |                            |  |
|----------------------------|--|
| 1. Cyclical search         | Multiple searches in which needs are redefined according to what is available              |
| 2. Integrated benchmarking | Amalgamation of ideas from several outside sources   |
| 3. Search                  | A single search cycle with a decision after RFP (request for proposals) responses received |
| 4. Benchmarking            | Adapt a practice used by another organization  |
| 5. Innovation              | Develop a custom-made solution   |
| 6. Existing solution       | Validate and demonstrate benefits of a pre-existing idea known to organization             |

The implementation success is measured in the same way as earlier (Nutt, 1998). Nutt finds that there were almost no significant differences over all in implementation success, measured as adoption, value and duration, between the three types of organizations. He also finds in the private sector that the generation alternative *innovation* topped the implementation success ranking with *existing solution* in the bottom. It is, however, to be noted that *innovation* took the longest time to implement. Nutt concludes “Private organizations made much better decisions when innovative alternatives were sought. However, private sector decision makers prefer to use an existing solution approach in place of innovation, which produced inferior results. The desire of private sector decision makers to be pragmatic and swift hides behind internal politics, and the threat inherent in situations that can appear out of control. A reading of the cases suggests that this behavior leads to poor results in more than 80 per cent of the private sector decisions studied. ... Fewer than one in five studied decisions demanded immediate action” (Nutt, 2000, p. 101).

“The Bradford Studies” dealing with decision making are summarized in a report (Hickson et al., 2003). Earlier stages of the research had identified eight variables having different degrees of explanation of successfully managing implementation. The variables are (descriptions from Appendix B, p. 1826):

- |                  |  |
|------------------|--|
| 1. Familiarity   | the extent to which relevant experience was available (either in-house, outsourced or bought in) |
| 2. Assessability | the extent to which the criteria for success were clear  |
| 3. Specificity   | the extent to which what had to be done was determined beforehand                                |
| 4. Resourcing    | the extent to which what was needed was available (including people, money and time)             |
| 5. Acceptability | the extent to which those affected were in accord with what was done                             |
| 6. Receptivity   | the extent to which the organization and/or external climate eased implementation                |

- 7. Structural facilitation the extent to which organizational structure eased implementation (by appropriately allocated authority, for example by setting up a project team)
- 8. Priority the extent to which implementation was put ahead of other commitments

These occur as the independent variables in the model. The dependent variable is achievement measured as “the extent to which the performance over time of what was done was as intended or better”. The informants were top executives. They were interviewed and they also scored their variable opinions on scales adapted to each variable individually with scales from 3 to 6.

The first analysis step showed a significant explanation to achievement, measured on a six point scale, just for acceptability and priority. Further analysis uncovered two groups of independent variables: factor 1 consisting of assessability, resourcing, familiarity, acceptability, specificity and factor 2 structural facilitation, priority and receptivity (the variables are listed in the order with which they contribute to the explanation). The total degree of explanation was 55%, divided between factor 1 38% and factor 2 17%. In factor group 1, acceptability is a result of the four other variables (assessability, resourcing, familiarity, specificity). The same situation occurs among variables in factor group 2, where priority is a result of the two others, structural facilitation and receptivity. These results indicate two different implementation approaches, the Experienced-based approach and the Readiness approach. Hickson et al. (2003) show that a balanced combination of the two approaches is most successful and that two approaches are better than one. If one or even worse both are neglected, which is called weak management, the implementation success decreases significantly. Out of the 55 cases, this situation happened in 17 cases, which is almost a third.

Based on the results Hickson et al. (2003) launch an implementation theory: “The identification of two approaches to the managing of implementation, Experience-based and Readiness-based, carries with it an inherent theory of management action ...”. The management has two options called Planned Option (built on factor 1 above) and Prioritized Option (built on factor 2 above). A summary of the theory is shown in table 1.

Table 1. *A theory of management action in decision implementation. Source: Hickson et al. (2003, p. 1823)*

<i>Planned option</i>	<i>Prioritized option</i>
CONDITION: experience <ul style="list-style-type: none"> <li>• <i>Allowing:</i> assessing of aims and performance, specifying and resourcing of activities</li> <li>• <i>Gaining:</i> acceptance</li> <li>• <i>Achieving:</i> success</li> </ul>	CONDITION: readiness <ul style="list-style-type: none"> <li>• <i>Allowing:</i> prioritizing, and facilitative structure</li> <li>• <i>Achieving:</i> success</li> </ul>

“Either Option can be successful, but a combination of both, resting on a dual approach which utilizes both courses of action, has the best chance of full success” (Hickson et al., 2003, p. 1823) They conclude “In decision implementation the human element is always crucial for success. It figures in both options. A successful Planned Option requires concurrent acceptability and the Prioritized Option rests in precedent receptivity. The managing of implementation cannot ignore it” (Hickson et al., 2003, p. 1824). They also ask the question if good implementation management can make up for a bad decision. Their answer is “certainly no” but the data cannot give an assured answer.

Braga Rodrigues & Hickson (1995) studied the possible conditions for success in managerial decision making including implementation. The problem to define and operationalize the successfulness of a decision is discussed ending up in five variables (Appendix, p. 674):

1. Closure                      the degree to which the problem(s) which evoked the decision was (were) solved by the making of the decision
2. Realization                the degree to which the opportunity(ies) which evoked the decision was (were) taken
3. Propitiousness            the extent to which unforeseen advantages were exposed by the decision process
4. Disturbance                the extent to which unforeseen problems were exposed by the decision process
5. Perceived success        the degree to which a decision is perceived as being successful or unsuccessful

The variables 1, 2 and 5 were estimated by the respondents on scales. For the variable 3, the respondents reported opportunities and advantages and for variable 4 they reported problems and difficulties. The number of reported issues were accounted for. 17 independent variables were measured initially. Among them, availability of resources and top managements’ influence had the strongest explanation rate. “Most striking, however, is the mutual exclusion of top management and the specialist departments. ... There does not seem to be enough room in the decision-making process for both the top and the specialists” (Braga Rodrigues & Hickson, 1995, p. 664).

Even more interesting things were uncovered when a separation of the dataset was done into two subsets, non-business organizations and business organizations. Success variables were agreement and participation in the former, availability of resources (especially information) and diversity of interests in the latter. Failure variables for non-business organizations and business organizations were undue higher management influence and misdirected higher management influence, respectively. However, the successfulness did not differ between the two types of organizations.

How are different types of generic strategies (Porter, 1980) implemented? Skivington & Daft (1991) show that low cost strategies are implemented through internal systems (structure and system). Differentiation strategies are implemented through resource allocation to market-related activities and to training. In this study the implementation success was not measured.

A study (Miller, 1997) of 11 decisions in six organizations was carried out. Successful implementation was critically dependent on backing, clear aims and planning, and cultural receptivity. Miller says “Perhaps surprisingly, other factors, such as having relevant experience, giving implementation priority, having abundant resources, an appropriate structure and implementing flexibly, appear to matter rather less.” Successful implementation is defined in terms of completion (that which is intended to be done is done), achievement and acceptability (by those involved).

Bryson & Bromiley (1993) also deal with project implementation of strategic decisions. The study searches for answers to two questions, how does the *context* of a major project influence the *process* of project planning and implementation and how do the *context* and *process* influence the *outcomes* of major projects? The model is presented in figure 1.

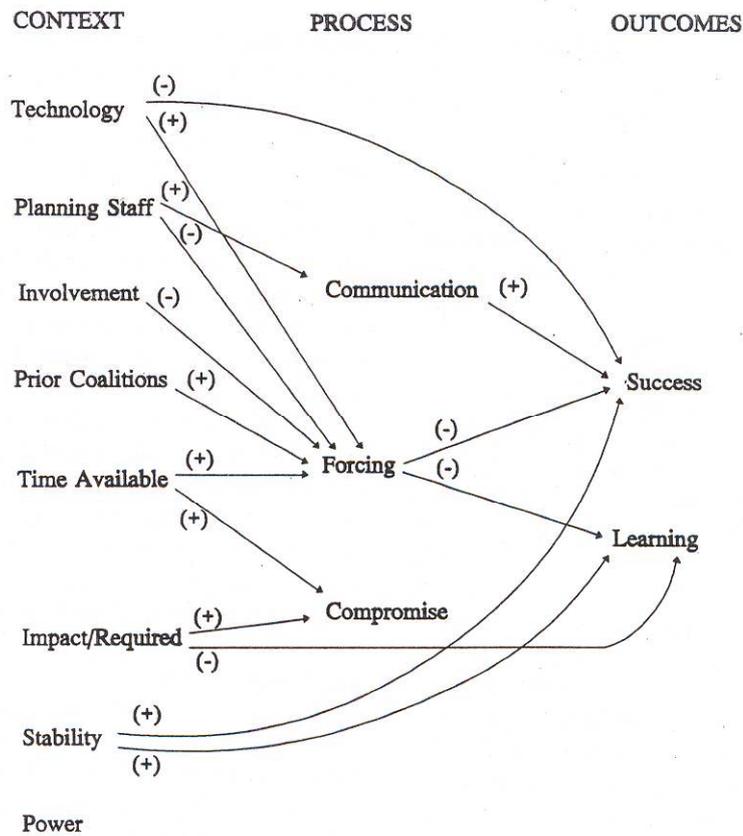


Figure 1. Relationships in an explanation model of implementation success (+ and - indicate significant relationships). Source: Bryson & Bromiley (1993)

*Outcome* is estimated in two ways, in terms of success and learning. Success includes “goal achievement, satisfaction with outcome, deviation from success criteria”. Learning is “the improving of the lead organization’s capacity for future

endeavors and learning from the project”. As seen in figure 1 several contextual factors influence the process but also the outcomes directly. Communication during the process is favorable for success while forcing is negatively related to both success and learning. Power per se has no impact on outcomes; “this is surprising given the emphasis placed on the importance of power by several authors” (Bryson & Bromiley, 1993, p. 334).

Dean & Sharfman (1996) and Sharfman & Dean (1997) look at the entire decision making process where the outcome is “strategic decision effectiveness, defined as the extent to which a decision achieves the objectives established by management at the time it is made” (Dean & Sharfman, 1996, p. 372). The model is presented in figure 2. Quality of implementation is defined as “the competence with which the steps are taken to execute the strategic decision” (Dean & Sharfman, 1996, p. 378). The study was carried out as interviews of high-level managers. They answered questions and ranked their answers on 7-point Likert-type scales. It should be noted that the decision effectiveness was measured in several steps, which in the end was ranked using the scale; the decision effectiveness is accordingly estimated by the respondents. The authors summarize: “The primary finding of our study is simply that decision processes influence strategic decision-making effectiveness. Even when both environmental favorability and quality of implementation were included in our regression model, procedural rationality and political behavior were significantly related to effectiveness. ... our study reconfirms that environmental instability and quality of decision implementation play important roles in influencing decision effectiveness” (Dean & Sharfman, 1996, p. 388-389).

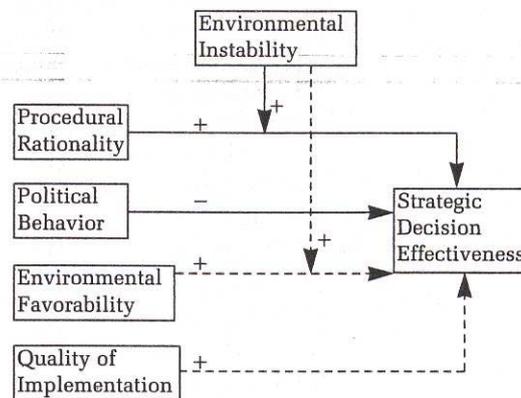


Figure 2. Strategic decision making effectiveness model (dotted lines indicates control variables). Source: Dean & Sharfman (1996, p. 373)

Roberto (2004) poses the question “How do managers make decisions in an efficient manner and build the consensus often required to implement those decisions successfully?” after he has concluded that “... the decision-making literature presents a puzzle. It suggests that successful firm performance requires an efficient decision process and effective implementation, but it does not explain how managers can achieve both outcomes simultaneously” (p. 626). The study

(Roberto, 2004) shows that implementation success is most advantageous when consensus (decision understanding, commitment) and success are achieved simultaneously. When the decision to be made should be complex, novel, open-ended and ill-structured the individual decision maker or the team must work along two ways, the substantial and the symbolic, to reach the stage of simultaneously achieved consensus and success. The substantial way is to make the decision process manageable. The symbolic way is to anchor and legitimate the decision making process.

The famous book *In search of Excellence* (Peters & Waterman Jr, 1982) is not strictly scientific. Nevertheless it reports interesting findings. The authors argue that the old rationalism of management among CEOs is still frequent according to their experiences. "The job of the boss is to make decisions. Application and action is of secondary meaning. Change the management team if it is necessary for a successful implementation". However, they found some companies with excellent leadership. They try to explain the excellence with a couple of characteristics. One of them is Focus on action. One critical method of the Executives are MBWA (Management By Wandering Around) providing situations of communications and dialogues, simplicity and experiments in a broader sense. The decision making process is therefore very much down-up. The decisions made by CEOs will not be surprises, more like confirmations. However, the companies used by the authors as examples and figureheads have not been long run successes. The proposed model to explain business success has therefore been criticized. Nevertheless, the openness forcing an information flow in all directions is an essential aspect of "make things happen".

Brunsson (1985) postulates that "Action can be understood only in light of how the people concerned conceive of their situation" (p. 12). Actors in general want to avoid uncertainty of different types. Brunsson lists uncertainty in cognitive structure, judgment uncertainty and estimation uncertainty. Irrespective of which one, uncertainty affects motivation. But uncertainty must be understood taking stake into account. Risk is the product of uncertainty and stake. "Risk represents a greater threat to motivation than mere uncertainty. Risk reduces the motivation for a given action by providing a 'contra-motivation', *i.e.*, motivation not to undertake the action. The balance may even swing in favor of non-action" (p. 43).

An interesting aspect of leadership, the emotional side, is presented by Brundin (2002). "Furthermore, the co-producing of emotions between the strategic leader and other organizational members has power implications for the strategic leadership where the co-production of emotions might result in power gain or drain for the strategic leader, and thereby the strategic leadership. Emotions are the grounds for collective actions and create willingness or unwillingness within the change process, which in the end help the process to progress or work the other way around" (p. 318). The study shows the importance of dialogue between leader and subordinates for successful radical change process. The dialogue produces emotions, which may be driving or restraining forces. As the implementers may perceive a specific decision as "radical change", the study results are applicable also in decision implementation situations.

### 2.2.2 Prescriptive reports

A well-written textbook summarizes the scientific research results and formulates guidelines for successful management actions. The target groups may be students and/or managers. As this study emerges from experiences in business life and will collect data from this arena, I find it valuable to examine what is presented about implementation in some modern textbooks in order to expand the knowledge base.

Thompson & Strickland (1992) propose six principal tasks of the executive(s) in order to consolidate a successful implementation:

- Building an organization capable of successful strategy execution
- Establishing a strategy-supportive budget
- Installing administrative support systems (policies, procedures, information systems and controls)
- Designing rewards and incentives that are tightly linked to performance objectives and strategy
- Shaping the corporate culture to fit the strategy
- Exercising strategic leadership

The engagement of top management is the central dimension in all tasks in the implementation phase. The necessity to play on all six tangents with a situational approach depending on difference in human capacities, departments involved, implementation phases, *etc.*, is another point.

Thompson & Strickland (1992) make a difference between implementation as a process and the results of the implementation, the goal achievement: “Strategy implementation entails converting the strategy plan into action and then into results. Implementation is successful if the company achieves its strategic objectives and targeted levels of financial performance. What makes the process so demanding is the wide sweep of managerial activities that have to be attended to, the many ways managers can tackle each activity, the skill it takes to get a variety of initiatives launched and moving, and the resistance to change that has to be overcome.”

The rational model proposes three parts for successful implementation of strategic decisions (see Hatch, 1997, p. 110):

- Resource allocation to support the selected alternative
- The development of control systems to measure and assess performance and provide feedback to management
- Creating of structures and human resource policies

Successful implementation is a question of mobilizing all aspects of the organization: “... technology, structure (both social and physical), and culture as well as decision making, power and politics, control, and organizational change.”

In a textbook (Robbins & Coulter, 1999), implementation is treated explicitly as one step in a decision making process of eight steps. The authors argue for the participation of implementers in the decision making process and this is exemplified with an operational decision. Their definition of implementation “ ... includes conveying the decision to those affected and getting their commitment to it”. Decisions are implemented by effective planning, organizing, and leading (p. 187). Three chapters in the textbook, 340 pages, cover these practical aspects of

implementation; they are not referred here. "Evaluation of Decision Effectiveness" is the last of the eight steps. It will ensure that the problem really has been resolved. It is a task of the decision maker to ask questions such as "Was the right alternative selected but improperly implemented? Was the problem incorrectly defined? *etc.*". The decision making process is not completed until satisfactory results are achieved.

Another textbook (Cooke & Slack, 1991) addressed to future managers in a top-down perspective, underlines the importance of implementation: "This phase involves making whatever changes the selected option requires. The effectiveness of the implementation phase will depend on the skill and ability of the manager charged with the task and also on the 'implementability' of the option itself. In fact the ease with which an option can be implemented is often regarded as an attribute of the option which will be taken into account during the evaluation phase" (p. 7). They also remind the future manager, that "The moment of choice is really just the start of the implementation phase, not the end of solving the problem" (p. 320).

The improvement of implementation success by the participation of the implementer in the decision making is situational (Cook & Hunsaker, 2001, and Vroom & Yetton, 1973). If the implementers participate in the decision making process, they are more likely to enthusiastically support the outcome than if they are just told what to do (see, *e.g.*, Cooke & Slack, 1991; Göransson, 2001; Cook & Hunsaker, 2001). Empirical data say that there are three main criteria: decision quality requirements, implementer acceptance requirements, and time requirements. Decision quality requirements are about the nature (degree of complexity) and importance (impacts on organizational goal achievements) of the problem. Implementer acceptance requirements (motivation, resistance, commitment, efforts) must be predicted regarding the implementation of the decision considered. Time requirements are about the calculation of increasing decision quality if there is an investment in additional time. Combinations of these three factors can be managed in a decision tree. An example of the benefit of implementer participation in the decision making process is the combination of a high quality requirement decision, which needs high acceptance and with enough time available. Another example is the combination of a low quality requirement decision, which does not require high acceptance, and with enough time available; this combination will not benefit from implementer participation. As the participation itself is a decision, it is crucial how the manager judges the requirements. Vroom & Yetton (1973) show that not only different managers but also the single manager will act according to different decision situations. The action of the manager is dependent on her/his judgment of the degree of problem structure, the trust of subordinates and the prior probability of acceptance of an autocratic decision.

There is a large difference in making a decision and the implementation of a decision (Russo & Schoemaker, 1989). "The ideal business person is a realist when making a decision but an optimist when implementing it. Unfortunately, few people can switch between realism and optimism at exactly the right time. To be effective, you have to motivate subordinates by convincing them that something is

achievable without developing an unrealistic belief in it yourself” (p. 79). Without saying it explicitly the authors underline that implementation is a question of leadership. They also cite (p. 127) a dean of a business school, saying, “The individual with responsibility for implementing a decision should be a part of the decision-making process” but without any supporting data.

Smith (1986) discusses the implementation of new technology. “When firms decide to implement automated office systems, they are influenced by economic pressures and the desire to cut costs. The impacts of automation, however, are often organizational and social. When planning for technological change, it is often forgotten that organizations are not simply accounting sheets, five-year plans, office buildings, and flowcharts. They are human institutions. An organization’s strategies for change must address the human consequences of introducing new information systems” (p. 195). Smith continues saying, “Resistance often surfaces when users are not educated about how work roles are changing. One of the greatest sources of resistance to automation is the threat that it poses to job stability and security. Another fear is that automation will affect the quality of work life.”

Pressman & Wildavsky (1979) are dealing with the implementation of public decisions such as educational, environmental and welfare programs. Nevertheless there is a relevance of the topic as the complex business organization is not far from the political arena: someone decides about policies and operations, others have to implement the decisions. The following quote highlights the problem: “Experience with the innumerable steps involved in program implementation suggests that simplicity in policies is much to be desired. The fewer the steps involved in carrying out the program, the fewer the opportunities for a disaster to overtake it. The more directly the policy aims in its target, the fewer the decisions involved in its ultimate realization and the greater the likelihood it will be implemented. Simplicity is not an end in itself; a fast train is worse than a slow one if it takes you in the wrong direction. Simplicity can be ignored, however, only at the peril of breakdown” (p. 147). They underline that the value of a policy decision must also be measured in terms of implementability. This judgment will be facilitated by a systematic evaluation of how a decision is implemented: learning through evaluation. “Implementation is a Sisyphean labor” (p. xviii).

The implementation of political decisions in public life is discussed by Hjern & Potter (1981). They underline that actors and organizations in implementation structures have a variety of goals and motives. Subgroups of actors and organizations perform specialized roles. The responsible management must clarify and act according to these conditions. The findings are not immediately transferable to business life but many business firms are so big that you will find an implementation context quite close to that of public organizations.

### *2.2.3 General comments on the literature review of decision implementation*

The literature review has shown that our understanding of the implementation of decisions is particularly uneven and fragmentary. The research front is not easy

to ascertain; among other things, the absence of accepted and shared definitions of essential terms regarding implementation is striking. However, it is a challenge to summarize and conclude the existing research results in a manner making it useful for the study. It is carried out in 2.4.

### **2.3 Decision making and implementation**

Some of the implementation studies referred to in 2.2 discuss if and how the decision making process is influencing implementation success. A complex picture has evolved. The influence may occur from how the process is carried out but also from its purpose and content. The process may include a stepwise approach, the potential implementers participation, the dialogue with the decision stakeholders, *etc.* The purpose and content may cover a precise problem definition, decision characteristics (strategic vs operational, repetitive vs unique, internal vs external applications, *etc.*), generation of alternatives, consequence evaluation, conditions for implementation (resources, plans, time schedules *etc.*). There are also interactions between process activities and content.

This picture calls for a look at how the relationship between decision making and implementation is presented in literature, which is the purpose of the review. As “A respectable research library may hold hundreds of books and thousands of articles on various aspects of decision making” (Orasanu & Connolly, 1993, p. 5) it is possible to examine just a few of them. My criterion for this selection is that the literature has been used in other studies and textbooks as references.

A specific emerging question is the use of the management terms. Problem solving, decision making and implementation are used differently. Cooke & Slack (1991) write, regarding problem solving and decision making: “It is partly a semantic problem. Although both terms are frequently used by management writers, there is some considerable difference and confusion in the literature as to what each term means” (p. 4). They take a position, saying “... decision making is part of the larger process of problem solving. We see decision making as focusing around the central problem of choice between alternative courses of action. Problem solving is a broader process which includes the recognition that problems exist, the interpretation and diagnosis of that problem, and the later implementation of whatever solution is thought to be appropriate” (p. 4). I adopt this definition of the terms and I use them when I discuss what has been found in the literature even if the findings are presented with the author’s individual use of vocabulary.

Cyert & March (1992) describe four basic concepts as fundamental to an understanding of the decision making process in a modern, large-scale business organization. They are the quasi resolution of conflict, uncertainty avoidance, problemistic search, and organizational learning (p. 116). Implementation is acting. Their four basic concepts affect the conditions for acting but the process of acting is not included.

Traditional decision research has dealt mainly with the decision event (Orasanu & Connolly, 1993). They conclude that “ ... decision performance in everyday

situations is a joint function of two factors: (1) features of the task, and (b) the subjects knowledge and experience relevant to that task". They also bring out as a key point that deciding and action are intertwined: "Decision making is intimately connected to action".

Janis & Mann (1977) deal with implementation in a decision making context. They assume "... that decisions satisfying these seven 'ideal' procedural criteria have a better chance than others of attaining the decision maker's objectives and of being adhered to in the long run". The seventh paragraph "makes detailed provisions for implementing or executing the chosen course of action, with special attention to contingency plans that might be required if various known risks were to materialize" (p. 11). They also verify that "Indeed, an executive risks failure if he overlooks to work out a policy that will be approved by higher executives or legal authorities within the organization and accepted by the managers who will be required to administer it ... Aside from the most obvious forms of employee resistance, there are other, subtle costs of implementing decisions that require the workers in a plant to change their work routines, to learn new operations, or to regroup into unaccustomed units: all such decisions result in some measure of lowered productivity" (p. 24). They refer to research results (p. 26), saying that the CEO often makes the second best decision related to expected result if it will cause less disturbances among the subordinates who will implement it. And once decided, the decision maker tends to bolster the decision made in a quite biased way (p. 194).

Brunsson (1985) integrates implementation in the decision making process. He argues, that "The decision is often regarded as the equivalent of action; once we have learnt how to understand and predict decisions, we can also understand and predict actions ... Researchers tend to evaluate decision making processes in terms of rationality, and they have established norms for rational decision-making. ... Less attention has been paid to other phases in the decision-making process, or the implementation of the decision once made" (p. 15 and 16). He continues, "A decision-making perspective fails to recognize that managers do more than make decisions. Making a decision is merely a step towards taking action. The decision is not the end product. Managers get things done – act and induce others to act" (p. 18). Brunsson (1985) includes implementation in the problem solving process, as I have chosen to use the term, so far I understand him.

Kleindorfer et al. (1993) discuss implementation, legitimation and learning as outcomes of the decision making process. Their summary of current understanding is a "road map for problem solving" consisting of five elements where implementation is the fifth. To their own question, "Can specific approaches be successfully implemented by generating additional feedback, using legitimation criteria, and accountability procedures?", they answer saying "Effective managers or consultants strive for integration by zooming in and out of a problem and moving backward and forward across the different /five/ elements discussed here ... As a general rule, the more complex the decision, the greater the need to use a metastructure to guide the process". I understand their approach as the implementation is a part of the problem solving process.

Bryson & Bromiley (1993) investigate the relations between critical factors in the planning process and implementation success. The planning process is not explicitly the same as the decision making process but very close as it contains a set of decisions. They approach their investigation by saying “The planning and implementation process will be defined as a set of generic activities that occur across an entire problem-solving sequence.”

Janis & Mann (1977) include implementation in the decision making process regarding both individual decision and group decision. They go even further and add a stage Adhering despite Negative Feedback. They also say “Many decisions go through a honeymoon period in which the decision maker is quite happy about his choice and implement it without any qualms. All too often, however, this idyllic post-decisional state is rudely interrupted, sooner or later, by new threats or opportunities”.

Öhlmér et al. (1998) launch a revised decision making model (see table 2). They describe the decision making process as a matrix of four phases and repeated sub-processes in each phase instead of the traditional eight function steps model. Implementation is the fourth phase in the model. The model focus is on small scale organizations, where the same person makes the decision and carries out, or at least manages, the implementation. However, the introduction of the sub-process demonstrates that decision making is not a linear, stepwise process but a main process with repeated loops, sub-processes.

Table 2. A conceptual model of the decision making process. Source: Öhlmér, Olson & Brehmer (1998, p. 285)

Phase	Subprocess			
	Searching & Paying Attention	Planning	Evaluating& Choosing	Bearing Responsibility
Problem Detection	Information scanning Paying attention	—————	Consequence evaluation, Problem?	Checking the choice
Problem Definition	Information search Finding options	—————	Consequence evaluation, Choose options to study	Checking the choice
Analysis & Choice	Information search	Planning	Consequence evaluation, Choice of option	Checking the choice
Implementation	Information search Clues to outcomes	—————	Consequence evaluation, Choice of corrective action(s)	Bearing responsibility for final outcome, Feed forward information

In a complex organization perspective the model evokes the needs for communication and dialogue and also the question about involving implementers in the early steps of the decision making process. The model in table 2 covers, as I understand, a complete problem solving process.

So far I have selected examples from descriptive literature. Bridging over to prescriptive textbooks, what do they say? They present a decision making process in different numbers of steps including implementation and sometimes explicit follow-up (see, *e.g.*, Cook & Hunsaker, 2001; Robbins & Coulter, 1999; Yates, 2003; Cooke & Slack, 1991). I have not found any textbook without a connection between decision making, the decision made, and implementation. The above mentioned textbooks prescribe behavior and tools like Management By Wandering Around (MBWA-leadership), evident tasks, fixed time schedule, necessary resources, planning, commitment, feed back, control, and so on, in order to prepare success and avoid failure. The background to these recommendations may be found in research publications; “Enormous sums of money were being spent on decisions that were put to full use only half of the time” (Nutt, 1997) and “... decisions fail *half* the time” (Nutt, 2002). It is obvious that the textbooks integrate the implementation in the decision making process alternatively in the management process. In order to ensure a smooth implementation the textbooks underline the importance of involving implementation aspects during the decision making process. Such aspects may be implementer participating, implementation consequence analyses of possible decision alternatives and a leadership focus on implementation conditions. A decision made is just half way to completion. Implementation is the last step in the problem solving process, the decisive step for solving the problem.

As my intended research problem is to elucidate the conditions affecting the implementation success (see 1.3), it may be interesting to look upon how this is dealt with in some studies within the Change Management area. Christensen et al. (2006) say “... that the first step in any change initiative must be to assess the level of agreement in the organization along two critical dimensions. The first is the extent to which people agree on *what they want*: the results they seek from their participation in the enterprise; their values and priorities; and which trade-offs they are willing to make in order to achieve those results ... The second dimension is the extent to which people agree on *cause and effect*: which actions will lead to the desired outcome. When people have a shared understanding of cause and effect, they will probably agree about which processes to adopt ...” (p 1). They design an “Agreement Matrix” where the two axes show “Extent to which people agree on cause and effect” and “Extent to which people agree on what they want”. It is leadership challenge to establish a starting point for change in the upper-right area (high cause/effect and high want agreement) in order to ensure a successful implementation.

Kotter & Cohen (2002) have from their empirical studies of organization changes designed “The Eight Stages of Successful Large-Scale Change”. They are as follows:

1. Increase urgency
2. Build the guiding team

3. Get the vision right
4. Communicate for buy-in
5. Empower action
6. Create short-term wins
7. Don't let up
8. Make change stick

“The central challenge in all eight stages is changing people’s behavior.” Changing behavior is about helping them to see a truth to influence their feelings. They have found that the flow of see-feel-change is more powerful than that of analysis-think-change. “People change what they do less because they are given analysis that shifts their thinking than because they are shown a truth that influences their feelings.” A big obstacle observed in step 5 is the “Boss Barrier”; even if the sub-ordinates have understood the new vision and they are ready to act, first line supervisors as well as vice-presidents may kill the efforts by actions and/or words. The executive leader has to manage such situations in order to obtain a smooth implementation.

Normann (2001) deals with “... the consequences for intellectual knowledge-based processes - the symbolizing processes of the mind - ...” He underlines the importance of understanding how “the current established mental map” is built up by both the conceptual history and the conceptual future but also by the conscious and non-conscious dimension. “The current established mental map” has a third dimension, the individual versus collective. The leaders who understand how “The current established mental map” is established and its content will be more successful in reframing the business.

Pettigrew et al. (1992) have in a longitudinal study followed strategic changes in the National Health Service in Britain. The most interesting finding is, given my intended research problem (see 1.3), the conclusion that “There is also a continuing need to select and develop individuals for leadership roles, and to encourage effective team building where the complementary assets provided by several people can energize and bring results”.

Robbins & Coulter (1999) refer to a couple of studies when summarizing “Why do people resist change? An individual is likely to resist change for three reasons: uncertainty, concern over personal loss, and the belief that the change is not in the organization’s best interest” (p. 386).

There are, so far as I can find, some common elements in the referred studies of Change Management. They all deal with strategic decisions. They have a general top-down perspective (leadership, vision, mission ...) but also underlines the importance of understanding the sub-ordinates as human beings and understanding their “world picture”. How Change Management findings may be used in my study is discussed in 2.4.

Finally, there is a finding of specific interest regarding generalization. Decision making styles influenced by national culture have been discussed in the literature. Hickson (1987) summarizes, “Yet it is impossible to believe that social processes, including those decision making processes that take place at the apex of an organization’s hierarchy, are not deeply affected by national wealth and economic

structure and by culture”. Papadakis & Barvise (1997) conclude that most studies about strategic decision making have been carried out in the US context and therefore are not directly applicable across cultures. The problem solving process has a culture dimension to take care of when formulating a problem to study.

## 2.4 Conclusions of literature findings

When making the conclusions, I am applying a holistic perspective based on the over all approach to combine a positivistic and hermeneutic tradition in the research (for further discussion, see 4.1). The conclusions may therefore be seen as a result of the literature findings interpreted and evaluated in an intellectual process where my experiences also play a role. Another important aspect of the conclusion is the aim of the process, which is to lay the ground for the up-coming task of formulating the study problem.

The search for greater understanding about complex profit-driven organizations has pointed to theories and models explaining parts of organizational life. In the studied reports, there are sometimes short discussions concerning the issue of how to use such a theory or model as a framework for the implementation concept. However, I have not found any study doing so, but I am coming back to the issue when discussing the problem to study in 3.1.

A general and important conclusion is well formulated by one of the researchers, saying that “... the great diversity in the methods and measures of past studies has made it impossible to arrive at a clear set of undisputed empirical generalizations” (Papadakis & Barvise, 1997, p. 290). The picture of factors influencing implementation success is unfocused. The following comments and conclusions must be understood in this context.

Even if the results of the studies are uneven I find it possible to give them a structure. Implementation success, no matter how it is measured, is influenced by variables as contextual (internal and external) factors but also decision making and implementation sub-process factors. Managerial tactics influence the implementation success in another dimension. The survey of the studies has also uncovered “uncharted territory”, to which I come back later.

Most reports cover the implementation of *strategic decisions*. However, the definition of *strategic decision* has been mostly passed over. Looking at the decisions studied in the reports they seem often to be quite operational. “The cases included building programs, organizational restructuring, mergers, service and product designs, and internal operations, such as data processing systems and laboratories” (Nutt, 1989). Nutt (1998) defines *strategic decision* as “the magnitude of its resource demands and possible consequences made the choice important to the organization's continued success” but the decision cases seem to be of the same profile as in Nutt (1989). Hickson (1987) says, “Yet who knows whether one researcher’s strategic decision is the same as another’s?” (p. 189). So even if some of the studied decisions are strategic according to a more stringent definition categorizing them as over all cost leadership, differentiation or focus decisions (Porter, 1980), many of them fall outside as more or less operational.

This means that the results are not only strictly linked to strategic decisions but are also to a certain degree applicable to operational decisions. It could have been fruitful to characterize the cases in the referred studies in strategic and operational decisions according to strict definitions to examine differences in implementation efficiency, but the published information makes that approach impossible.

So far I have found that the situations of non-implemented decisions are not highlighted. The method of selecting decisions for implementation study seems to be almost the same in all examined studies, a variation on the theme “The primary criterion for decision selection (from those originally covered) was that their implementation was traceable” (Hickson et al., 2003, p. 1806). Decisions difficult to manage for any reason have been excluded in some studies (see, *e.g.*, Dean & Sharfman, 1996; Nutt, 1989; Braga Rodrigues & Hickson, 1995). It has often been the executives who have selected the decisions to study, which is a risk for bias, discussed in some reports (*e.g.*, Braga Rodrigues & Hickson, 1995; Nutt, 1998). In some studies decisions that have not been successfully implemented as well as those that have been successfully implemented have been included. There has not been a random selection of decisions in any study. The over all conclusion of the studied reports is that decisions which have been more or less successfully implemented are in the majority, failures are accidentally represented, and non-implemented not at all. This opens an area to study further.

The top-down perspective has been dominating in the studies. Sometimes there have been informants on lower levels in the organizations but executives and managers are in the majority. If there have been different opinions between informants, many studies have used methods to reach a consensus situation instead of exploring the reasons for the differences, (see *e.g.*, Nutt, 2000). In some studies adoption, resistance and commitment of implementers and stakeholders are evaluated, but it is still in a top-down perspective. There are good general reasons, (see Eysenck & Keane, 1995) that executives (decision makers) and subordinates (implementers) at least sometimes will have different opinions about the relevance of the decision, the implementation process, the results and even more items. It is not given beforehand that just one opinion is correct or true. The degree of implementation success is mostly measured following an executive perspective. These findings address the challenge to study the entire decision making process including implementation and its result in a dual perspective, down-up and top-down.

Linked to the perspective aspects are questions as “What is really happening when subordinates are to implement a decision?” and/or “How may the potential implementation process be described?” Yates (2003) expressed it as “That is what we decided to do. Now, how can we get it done, or can we get it done, after all?” The studies “answer” on an attitude level in terms of the implementer’s acceptability, resistance, commitment, self interest, learning, *etc.*, but the underlying reasons such as the bonus system effects, the awareness of crisis or the risk of loosing the employment are not exposed. The role and impact of the personality of the implementers and the psychological conditions concerning the implementation receive no penetrating evaluation, but rather hints about their importance. The studies neither detect or describe, nor explain the structure of the

implementation process in an implementer's perspective. It seems to be a black box.

However, Change Management reports may give some ideas. As summarized in 2.3, the studies referred to in this section deal with strategic decisions. They do not focus on the operational implementation phase even if they discuss the implementer situation. Their focus is rather on long term effects of the decision. Therefore, my conclusion, given my intended research problem (see 1.3), is that there is a difference between my approach and their research focus, which means that their methods and results are not directly applicable to my study. But nevertheless, there are aspects such as leadership performance and implementer attitudes and behavior that may be useful to take into account when designing my empirical approach (see Chapter 3).

The literature review has not detected anything explicit about the event of transmission, from decision maker to the implementer, of the decision to implement. On the other hand, the situational importance of implementer participation in the decision making process as well as the emotions induced by a dialogue between decision makers and implementers has been evoked. In order to explain implementers' resistance, commitment, acceptability, *etc.*, different studies have measured available resources, competence, time schedule and other variables. These factors, if evaluated, are possible to change during the implementation process. The transmission event is on the contrary per se impossible to repeat or ameliorate. You only get one chance to make a first impression. Therefore, the transmission event is a potential important factor in the implementation process. The manner of the transmission of the decision to implement and its implications on implementation efficiency seems to be an uncharted territory so far.

Most of the reports are based on research including private/profit-driven and public organizations as well as third sector organizations in some studies. They report differences both in the decision making process and the implementation success between different types of organizations. However, there does not seem to be any significant and repeated organizational type difference. A focus on one type probably makes the investigation more manageable, certainly in terms of context, taking into account the experienced complexity in both methods and results in the studies.

The dependent variable in the studies is not only measured in different ways but also occurs under different labels as implementation success and failure, implementation quality, implementation efficiency and implementation effectiveness. I have used the terms of the authors when referring to them. In general writing, I have used *implementation success*. Regarding measurements there are attempts to estimate both goal achievement (how well the intention of the decision is achieved) and implementation process efficiency (how close real resource consumption and implementation duration, *etc.*, come to planned levels) as well as an over all estimation of both. No single approach seems "best in test"; they are quite a bit situational and designed to give the purpose of the study. It is therefore an essential task to define and label the *implementation success* in this study when the problem and the aim are formulated.

The literature review has provided striking arguments for looking upon implementation as a last and decisive step or sub-process of the problem solving process, in which the decision making is the preceding sub-process. How the decision making sub-process is carried out may have impact on the implementation success.

At last, recalling the three personally experienced cases described in 1.2, how do they apply to the studies presented above? Case A was well implemented and it is recognized in a couple of studies as an example of participation and commitment leading to implementation success. Case B was just partly successful and it is also recognized in some studies as an example of bad communication, unclear goals and hidden agenda leading to poor implementation success. Case C was not implemented at all and this special situation has not been observed in the studies as they are designed in ways excluding such decisions. I conclude that the preliminary selected problem is relevant as its general presence is confirmed in the studied literature. Further more, the non-implementation situation seems important to catch when formulating the problem to study.

An attempt to summarize the literature review, given the implementation context of a complex organization, is done in the following list:

Existing implementation knowledge

- the implementation success of strategic decisions varies and the variation is influenced by many factors such as competence, available resources, clear aims, planning
- the choice of executive leadership strategy of implementation is situational as it leads to variation in implementation success

Uncharted territory in terms of implementation knowledge

- operational and day-to-day decisions as well as non-implemented decisions
- down-up perspective of implementation including what is happening when an implementer receives the mission
- implementation process efficiency

The next chapter, dealing with problem formulation and aim of the study, takes its starting point in the uncharted territory.

### 3 Problem, aim and implementation model

In this chapter the findings from the literature review in Chapter 2 are used to formulate the research focus of this study, and also to formulate the aim. Furthermore, a preliminary implementation model is designed using the literature review as a starting point.

#### 3.1 Problem formulation

Decision making in general has for a long time been a research field where many scientific disciplines make contributions. Implementation of decisions has not received the same attention. Therefore, our understanding of decision implementation is more fragmentary and incomplete, which both facilitates and complicates the problem formulation; it is facilitated in the sense that there is very much to study, and complicated in the sense that it is hard to find a segment to study where there is relevant material to add to our understanding.

A key issue is the success of implementation per se. As concluded earlier, the literature review has not uncovered a shared definition of “implementation success”. The terms effectiveness and efficiency are used both with the term success. They are defined in study-specific ways as seen in table 3. Looking for generally useful definitions I have found examples in Robbins & Coulter (1999) and Cook & Hunsaker (2001). The following definitions are selected and cited from Robbins & Coulter (1999), p. 9, as they are precise:

- **Effectiveness** Goal attainment (popular version: doing the right thing)
- **Efficiency** The relationship between inputs and outputs, the goal of which is to minimize resource costs (popular version: doing the thing right)

The popular versions are found in both sources. The terms are used in the continuation of this study according to the scientific definitions above. To be even more specific about efficiency, I introduce the following definition:

- **Implementation efficiency (IE)** The resources used to implement the decision related to the achievement degree of the decision goal (or aim, purpose, etc.)

The term is defined in a neutral way, so that it is not biased by the word “success”. As seen in table 3, both approaches are used in the studies. I have chosen the neutral definition to avoid measurement problems related to the use of an emotive word as “success”. Support for this choice is given by *e.g.*, Patel & Davidsson (1991) and Trost (1997). Furthermore, I have considered to complete the definition with “... given that the margin costs for further improvements did not exceed the margin revenues” or something like that. However, this would induce a measurement complication from a respondent point of view so I have abandoned. The question of how to measure the implementation efficiency is discussed in Chapter 4. From this point onward, I use *implementation efficiency* instead of the term implementation success, which has been used so far in a general meaning, when I discuss my own study.

Implementation efficiency, as defined above, does not assume anything about the effectiveness of the decision made, “doing the right thing”. As mentioned earlier, (Hickson et al., 2003) good implementation cannot atone for a bad decision. However, the implementation efficiency is a part of organizational total success or efficiency. “To get all parts of the organization to work in the same direction, you need both coordinated decision making and coordinated acting. Total efficiency is the sum of decision efficiency and action efficiency ... It is more complicated and difficult when several decision makers and several actors are involved, and when the decision makers and the actors are not the same persons” (Öhlmér et al., 2000, p. 234). In order to focus on implementation in this study, it seems necessary to avoid evaluating the decision itself, that is, if it is good or bad, so as to remain objective. The perceived relevance of the decision to persons involved in the implementation process is on the other hand a fundamental factor to consider.

The literature about implementation success analyzes strategic decisions as discussed in 2.4. It is well known in real life that top management also decides about many day-to-day and trivial cases (see, *e.g.*, Mintzberg, 1973; Carlsson, 1951; Tengblad, 2002). This situation occurs not least of all in organizations where the delegation of authority and responsibility is weak. The subordinates may feel this decision making as an infringement resulting in resistance and even animosity to implementation (see, *e.g.*, Carlzon, 1985). Both the absence of studies of operational decision implementation and the frequency of their appearance in CEO decision making are important reasons to include operational decisions in the study but also to separate strategic and operational decisions according to an established definition.

The relations and the interplay between top executives and implementers are interesting in a decision implementation perspective. Does corporate culture matter? Do differing pictures of what’s going on exist? Who has the “right” picture? Many more questions can be asked. Some studies have made contributions to finding answers (see, *e.g.*, Braga Rodrigues & Hickson, 1995; Nutt, 2000; Sharfman & Dean, 1997) but much more is to be known. The conclusion of the literature review makes a strong point that implementation is an integrated part of the decision making process (see 2.4). Research results indicate that the links between the activities within the entire decision making process are often critical (see, *e.g.*, Sörqvist, 1998). The critical link issue is the transmission of responsibility from one person to another, from one function to another, from one department to another when moving from one activity to the next one. Knowledge about activities and their content in the process facilitates “undisturbed production”. The lack of necessary information, delays and low readiness of reception are examples of occurring problems (Mintzberg, 1973). It is therefore a key issue as to how the decision made is transmitted to the implementers mirrored in these experiences. The standpoint is, for instance, supported by Nutt (1999) saying that half the decisions in organizations result in failure, which is also implied in other studies. A complete down-up perspective seems necessary in order to catch the tensions in the organization. Such tensions are elements in building the long run corporate culture.

The type of organization is significant with regard to implementation and its conditions (see, *e.g.*, Nutt, 1998). Therefore it seems wise to focus on any type. My choice is profit-driven (business) organizations. The reasons are the homogeneity (profit) of such organizations and my personal experience.

It is reported in the literature that the implementation efficiency varies between decisions in the same organization (see, *e.g.*, Hickson et al., 2003, and Miller, 1997). Why is this so? Does the decision making process matter or the type of decision matter? Are there differences in contextual conditions? Is the actual decision evaluated by the implementers as solving the perceived problem or not? If we can find answers to these questions, and many more, it will be possible to improve the entire decision making process including implementation. Examining different decisions within the same organization is therefore a research strategy to consider in this study.

A general difficulty, when approaching the research field, is the absence of a discussion of a general implementation theory or model. Contributions to such a discussion have been made by some researchers, *e.g.*, Hickson et al. (2003) and Nutt (1998). An implementation model based on literature findings, developed with well-grounded premises from business organization experience and tested on field data may contribute to new knowledge.

There is an uneven knowledge of conditions for the successful implementation of top management decisions and much is not known: uncharted territory exists. There are at least two main research strategies to consider: follow a selected track of earlier research in order to deepen the knowledge or tackle the uncharted territory in order to bring forward new knowledge. Most studies referred have been carried out in an Anglo-American context (see 2.2) and they have focused on strategic decisions implementation in a top executive perspective. These three statements are themselves reasons to approach another context, looking for different types of decisions and studying them in a mutual perspective of top-down versus down-up. Therefore I select the second strategy, to approach the uncharted territory. It is still time to contribute more basic knowledge. This standpoint is supported by many researchers, *e.g.*, Dean & Sharfman (1996) and Pinto & Prescott (1990).

In 1.3, a preliminary problem to study is formulated as a question: Why will one decision made by top management in an organization be properly implemented, another just partly implemented and a third not at all implemented? The literature review in Chapter 2 and the discussions above make it possible to be more precise. In summary, the specific problem to study in this thesis is the perceived lack of understanding concerning conditions and factors influencing the implementation outcome when top management decisions in complex profit-driven organizations are to be implemented.

### **3.2 Aim of the study**

The reformulated, clarified aim of the thesis is to contribute to the understanding of the main conditions that affect the implementation efficiency of top

management decisions in complex profit-driven Swedish organizations. The formulation contains specifications and demarcations, which are commented below.

The general knowledge level of a specific subject field may be expressed as a stair of four steps: description, explanation, understanding and prescription. On the fourth step a theory or a model is empirically developed which under given conditions is able to predict and evaluate an outcome. The aim does not include the stages of *prediction* and *evaluation* as the literature has evidently shown that our current knowledge is not extensive and homogeneous enough. The contributions on the step *understanding* are hopefully a down-up perspective and a knowledge of the implementation results of any types of decisions made on top management level. These aspects have rarely been studied earlier.

Most research results have a top-down perspective according to the literature review. I give the down-up perspective an equal strength as the organization consists of human beings with different pictures of events and the outcomes of their efforts in the organization.

When speaking about implementation efficiency it is obvious that decisions that have been made but not implemented are also of interest. How and why will some decisions not be implemented? Do decision makers and implementers agree? The answers are so far not given; it is an uncharted territory of knowledge. Therefore all decisions must be given the same probability to be caught and incorporated in the study.

The decisions made by top management have different characteristics. They may be repetitive or unique, strategic or operational, unknown or recognized, *etc.* I have considered as a demarcation to select one or more categories of decisions but have decided not to do so as there is a specific value in comparing the treatment of different decision categories in this stage of existing knowledge.

One demarcation is made saying *Swedish*. The literature indicates differences in processes and outcomes related to not only corporate culture but also national characteristics. Another demarcation is *profit-driven*. This is considered by taking into account the literature findings; there are differences between business firms, public organizations and third sector organizations in important factors regarding decision making processes and the outcomes.

The term *condition* is intended to cover relevant aspects I have found in literature and grouped (see 3.3) as contextual, decision making, and implementation sub-processes factors.

Finally, a better understanding of the conditions of implementation efficiency makes it possible to reengineer the Top Management Decision Making Process so as to include the implementation, which improves the organizational and business productivity. The generalization will be limited to complex profit-driven, Swedish companies. An extension to less complex business firms may eventually be possible.

### 3.3 A preliminary implementation model

In this chapter I present a preliminary implementation model, based on literature findings reported in Chapter 2. A main hypothesis and a set of research questions are formulated.

A theory is a system of interrelated ideas giving together a picture of a phenomenon (Patel & Davidsson, 1991). A model is a picture of reality, often simplified (see, *e.g.*, Holme & Solvang, 1991). The model may be seen as a part of a theory. A model facilitates the study of reality. Therefore an implementation model is a useful tool in research.

Are there in the studied literature any examples of implementation models integrated in a theoretical framework? I have not found such studies in my literature review (Chapter 2). However, given the aim of the study I have considered using any established theory. Two theories seem to be particularly interesting, the agency theory and the transaction-costs theory. They are shortly introduced here.

The agency theory is built around the principal and the agent, their conflicting goals and the contracting to avoid failure. The theory has been developed in descriptive and mathematical branches applied in such disciplines as sociology, economics and accounting (Mahoney, 2005). Agency theory may be seen as an alternative to traditional economic theory trying to explain and predict organizational behavior. The agency theory might be applied to implementation situations with two or more actors, the CEO (principal) and the implementers (the agents). However, it has also been criticized as being more descriptive than explanative and for containing shortcomings in handling the distribution of power in organizations (see Perrow, 1986, and Mahoney, 2005).

The transaction-costs theory "...represents an advance in complexity over agency theory, since it places more emphasis on bounded rationality and acknowledges more of conventional organizational theory" (Perrow, 1986, p. 236). The theory is originally built on the four corner stones uncertainty, small-numbers bargaining, bounded rationality, and opportunism. The theory takes into account not only economic variables but also social and cultural values, which makes it applicable to implementation situations. But transaction-costs theory has the same weakness as the agency theory: the bilateral relationship is not equal, often one of them is more powerful (see Perrow, 1986, and Mahoney, 2005).

The knowledge of implementation is still in an early phase. This fact may be one reason why the studies so far have not used an established theory as a framework: if our knowledge is limited a theory may be a straitjacket. This standpoint is supported by Eisenhardt (1989), who has argued that "... most importantly, theory-building research is begun as close as possible to the ideal of no theory under consideration and no hypotheses to test" (p. 536). These arguments guide me to concentrate my efforts on designing a model without integrating it in a specific theory. This decision is also supported by the studies (see Chapter 2), which have been carried out with the same approach.

In the literature, a set of interesting approaches covering different aspects of the implementation concept have been found. However, an implementation model used or accepted by a majority of researchers is not found; Nutt (1998) says “The literature offers several insights into how managers go about implementation and situational factors that influence the process, but has yet to tie these factors together and link them to success”. I use the reported results and combine them in a creative procedure to design an implementation model, to “tie them together” with the words of Nutt, given the aim. The creative element in this design procedure is also influenced by my own experiences. This research process aspect is discussed in 4.1.

The most useful literature findings, given the problem to study and the formulated aim, are presented in table 3. I have used the variable names direct from the sources but have arranged them in independent and dependent groups. I have also tried to arrange the independent variables according to their importance in explaining the dependent variable. It is not that easy to combine correctness with overview in a balanced scheme. The use of original variable names, the information of sources and the given structure make it possible to check their relevance against the sources.

I have analyzed “this map of the terrain” in order to get a more convenient picture of factors influencing implementation efficiency. The conclusion is a structure of independent variables grouped as follows:

- corporate culture (CC)
- leadership style (LS)
- decision making process (DMP)
- implementation context (IC)
- implementation profile (IP)

The content of each factor group is commented further on.

It has been observed that the findings in table 3 are not exclusively from profit-driven organizations but from all types of organizations. In some studies there have been reported differences in model structure depending on organizational type. As there is not an overwhelming amount of research results I have used all the findings. This is a potential conflict with the demarcation “profit-driven”, but in the creative process to design an implementation model, I estimate that the advantages of using all information are greater than the risks of incorporating lesser errors.

When looking at the factor groups above, derived from table 3, the profit and growth situation of the organization are not explicitly covered by the variable groups, as the two factors are not examined in the literature referred. However, they influence the implementation situation according to leadership experiences (see, *e.g.*, Wallander, 1990; Iacocca, 1984; Carlzon, 1985). As one possibility they may be included in the group corporate culture. Another possibility is to create a new group. I find the later alternative more advantageous as the approach is more transparent. Over time the corporate culture may be stable until it is deliberately changed by internal forces in opposition to profit and growth, which may be changed more or less unforeseen by external changes (see, *e.g.*, Peters & Waterman Jr, 1982); this is another reason to separate them. Therefore I add

- corporate profile (CP)

as the sixth group, which consists of profit and growth and their status and trends. The differences between corporate profile and corporate culture are discussed in more detail later on.

I have also considered incorporating the personality of the actors in the model. However, the conclusions of the literature review (see 2.4) show that this dimension has not been examined, just commented as an important aspect in a few studies (see, *e.g.*, Yates, 2003). Further more, an inclusion of the personality of the actors and/or the situational psychological conditions of the implementation heavily increases the complexity of the model. At the current state of the knowledge of implementation I avoid this complication and leave these aspects of implementation to coming research.

In 2.4, a black box (the image of the implementation process) and a special uncharted territory (the transmission event) are discussed. I have considered integrating them in the preliminary implementation model. However, I have decided not to do so; the main reason is that we do not know enough about them. Instead these dimensions are treated apart from the model. Learning more about them in the study makes it possible to include them “in the right place” in the model when concluding the results in order to develop the implementation model.

The exclusion of personality, implementation process image, and the transmission event from the preliminary implementation model decreases the model complexity in a developmental phase but it also implies a risk of wrong conclusions if the excluded variables have an impact on implementation efficiency. So far I conclude that it is better to take a conscious risk in favor of a simplified model.

The dependent variable has specific definition(s) in different studies as shown in table 3. The degree of explanation varies between the studies. The efforts in the listed studies referred are, in general, focused on estimations of how well the goal of the implemented decision is achieved. It is defined and measured in different ways. However, the implementation process efficiency has not been examined in the studies. Pinto & Prescott (1990) discuss the topic and underline the importance of incorporating it when defining “implementation success”. My conclusion is therefore to include both *goal satisfaction* (of the decision made and implemented) and *process efficiency* (of the implementation of the decision) when forming a dependent variable labeled as

- implementation efficiency (IE)

in accordance with the definition in 3.1 “The resources used to implement the decision related to the achievement degree of the decision goal (or aim, purpose, *etc.*)”.

The chosen label *goal satisfaction* needs some comments. Other labels are used (see table 3) in different studies. After all, a decision is made to change something from an actual state into a desired state; the difference between them is formulated in the problem detection phase (see *e.g.*, Öhlmér et al., 1998). The desired state may occur as a very clear goal or objective, but also less precisely expressed as an aim or a purpose. I have chosen *goal* so as to get a focus on the importance of

communication in complex organizations: a *goal* sticks out more than aim or purpose.

Table 3. A compilation of literature findings of implementation models

Source	Implementation model		
	Dependent variable(s)	Independent variables	
		with impact/most success	without or little impact/less success
Bryson & Bromiley (1993)	Success Learning	<b>See Figure 1204!</b>	
Dean & Sharfman (1996)	Strategic Decision Effectiveness	Procedural rationality Political behavior Environmental favorability Quality of implementation	
Hickson et al (2003)	Achievement	<b>Experienced-based approach</b> Assessability Resourcing Familiarity Acceptability Specificity <b>Readiness-based approach</b> Receptivity Priority Structural facilitation	One or neither of the two approaches
Miller (1997)	Successful implementation (completion, achievement, acceptability)	Backing Clear aims Clear Planning Conducive climate	Relevant experience Implementation priority Abundant resources Appropriate structure Implementing flexibility
Nutt (1986)	Outcome (Success or Failure)	<b>Implementation tactic, importance ranking:</b> Innovation Participation Persuasion Edict	
Nutt (1989)	Strategic plan in action	Use of recommended tactic Intervention, Participation, Persuasion or Edict	Use of non-recommended tactic Intervention, Participation, Persuasion or Edict
Nutt (1998)	Adoption Value Efficiency	Tactics Intervention (Participation)	Tactics Persuasion Edict
Nutt (2000)	Adoption Value Efficiency	<b>Six approaches of generating decision alternatives; impact ranking, best and worse (private sector)</b> Innovation Existing solution	
Pinto & Prescott (1990)	Project Success	<b>Project focus outcome is internal:</b> Over project cycle first Planning, then Tactical factors <b>Project focus outcome is external:</b> Over total project cycle Planning	
Roberto (2004)	Implementation Success	<b>Consensus (Decision understanding, Commitment) and Efficiency</b> Simultaneously achieved Partly achieved Not at all achieved	
Rodrigues and Hickson (1995)	<b>Successfulness</b> (Closure) Realization Propitiousness Non-Disturbance Perceived Success	Availability of Resources (especially information) Diversity of Interests	Misdirected Higher Management Influence

I have chosen *satisfaction* for the same reason as for goal: to sharpen the attention on communication. It must also be emphasized that it is the *decision* goal we speak about; other goals may be present during the implementation phase such as activities goals.

A third comment is about the time schedule of *goal satisfaction*. The decided goal to achieve may be well balanced at the moment of decision making but it may be less good when implementation is made and afterwards; time goes by and the internal and external contexts are changed. In this study, the measurement of *goal satisfaction* is defined to concern the goal originally decided about. One reason to this definition is the validity aspect (to measure what to be measured), another reason is my focus on the implementation process, which is terminated when the decision “works” in the organization. The problem of bad decision is already discussed in 2.2.1.

In all, *goal satisfaction* is the chosen term to cover how well the intentions of the specified decision are achieved.

The implementation model designed on these variable groups is presented in figure 3. The independent variables are grouped in corporate and decision factors in order to clarify their origin. It is to be noted that the implementation model is a synthesis of knowledge from different sources including my own experience. Therefore it is impossible to relate individual elements to a specific source.

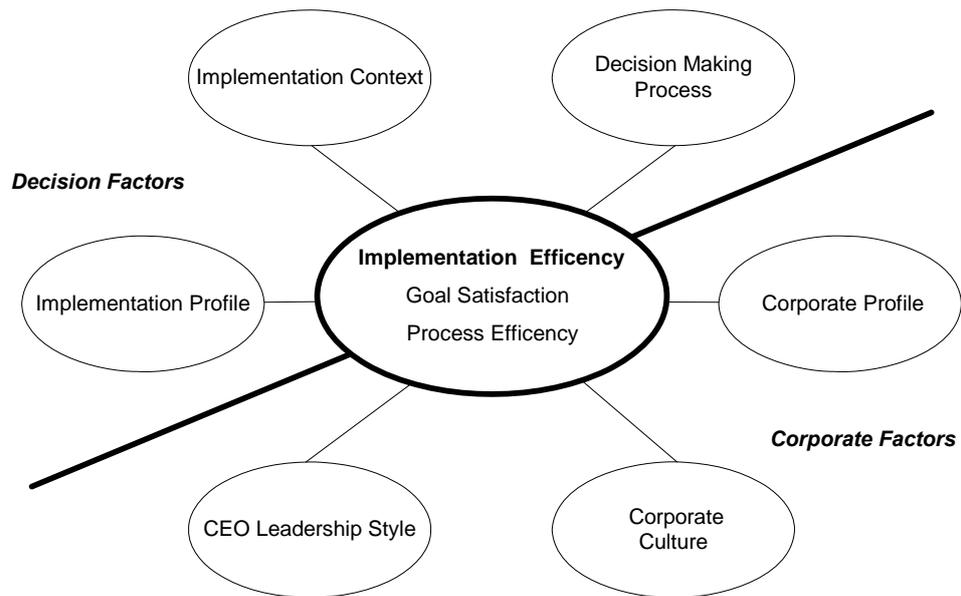


Figure 3. Preliminary implementation model

There are many types of decisions: strategic, tactical and operational decisions as well as unique and repetitive decisions and decisions aimed for different target groups. I cannot exclude, beforehand, different types of decisions from having a correlation with implementation efficiency. There are at least two ways to deal with this problem. One is to add a group “decision type” to the model, another to

classify field data in decision types and test them in the model. In the current state of knowledge I prefer to go the second way as it is assumed that the fitness of the model is easier to uncover.

Goal satisfaction and process efficiency, constituting the implementation efficiency, may be interrelated or not. There are no findings in the literature review that can illustrate the problem. Goal satisfaction can be achieved in a more or less efficient use of resources. A goal may be justified during the implementation process. And even the most efficient implementation process may fail in the achievement of goal satisfaction. Therefore it makes sense to keep them separated but as a dual part of implementation efficiency. It hopefully throws light on resource allocation, time schedules and competency as important elements for perceived process efficiency by the implementers in a down-up perspective.

It could have been advocated that CEO leadership style should have been included in corporate culture; the definition according to Cook & Hunsaker (2001) does this: "The pattern of learned behaviors shared and transmitted among the members of a society". But other researchers have other approaches. Corporate culture is built by the organization members and not developed and transmitted by executives (see, *e.g.*, Sjöstrand et al., 1999, and Alvesson, 1997). It is even more questioned if a complex organization is able to have a single, corporate culture (Czarniawska-Joerges, 1992). This type of organization rather consists of a lot of sub-cultures with a few common features. If I accept the later theory of corporate culture it is a good reason to manage CEO leadership style as a separate variable.

Corporate culture and corporate profile are kept apart. Corporate culture consists mainly of soft values (history, communication, attitudes, commitments, trust, *etc.*) and corporate profile consists of hard facts (economic figures as size, profit and growth). Culture is built up over a long time and it is hard to change; once established culture is deep-rooted. Corporate profile is dynamic and may change over a couple of month, *e.g.*, moving from good profit into deficits. The separation underlines this difference facilitating analysis and conclusions.

The literature indicates that the decision making process has an influence itself on implementation efficiency but it is situational. The factor group decision making process includes aspects such as the participation of potential implementers, the generation of alternatives and the information collection procedure.

The implementation profile covers the decision purpose, available resources, implementer competence, time schedule, formulated effect and activity goals, feed back and follow-up plans and even more. The literature review indicates that the appearance and importance of each single variable are situational.

Finally, the implementation context is a complex factor group including external as well as internal variables. External variables may be the decision influence on customers, potential reactions of competitors and changed corporate market reputation and image. Internal variables are, *e.g.*, decision importance and complexity, resistance or commitment of subordinates, CEO participation and tactics regarding implementation.

There are probably connections between the six factor groups but also between individual variables constituting the factor groups. In this preliminary model it is not possible to design such a complexity. The analysis based on field data may hopefully create information making it possible to develop the model.

The model is basically designed for an empirical approach where most variables represent views and opinions of actors in the organizational context. The purpose is not to find a “truth” but to catch the harmonies and the tensions among the actors by applying the dual perspective top-down versus down-up. The model however also treats objective information like economical information from annual reports.

Specific aspects of the model, such as the variables constituting the factor groups, how to measure them and the top-down versus down-up perspective are discussed in Chapter 4 as well as the methodological dimension of data collection.

Designing a model creates a risk of blindness: the model IS the reality. Even if I have done a lot of work to design the implementation model I am aware of the truth that everything cannot be foreseen. I definitively try to keep eyes open and ears open, when going to use the model, in order to ensure that unexpected information will not be over-looked or not treated. The theme is developed even more in Chapter 4.

### **3.4 Main hypothesis and research questions**

It has not been possible to find an implementation model in the literature, which is agreed upon by the scientific society (see, *e.g.*, Hatch, 1997). Therefore, I have designed an implementation model (see figure 3) based on literature review findings and matching the formulated problem and aim of the study. In this situation, there are at least two strategies of hypothesis development. The first one is to set up the model itself as the main hypothesis, possibly completed with a set of sub-hypotheses. The second strategy is to build up the model by hypotheses generated from the factor groups. I have decided to formulate just one hypothesis with the model in focus, complete with a set of research questions (RQ). The main reason is that an implementation model that is not falsified is a contribution to our knowledge about the conditions of implementation efficiency. Even if the implementation model is entirely or partly falsified, there is a possibility to re-design the implementation model based on the analysis results in the study.

As a consequence of the chosen strategy it seems relevant to formulate many detailed research questions. The literature survey has shown that our knowledge about implementation conditions contains uncharted territory. Many research questions help to keep focus on the construction of details in the implementation model.

#### *3.4.1 Main hypothesis*

The main hypothesis is formulated as

- H1 The implementation model satisfactorily explains differences in the implementation efficiency of top management decisions in complex profit-driven Swedish organizations

The literature review identified differences in decision implementation success between organizations. Top management has often fragmented and insufficient information about what is going on in the organization (see, *e.g.*, Cook & Hunsaker, 2001, and Carlzon, 1985). Executives and subordinates therefore have incongruent pictures. A certain down-up perspective is therefore motivated (see 3.1). Many different proposals of measuring implementation success have been made and carried out in the reported studies. Most studies have analyzed strategic decisions. All these observations result in a set of research questions.

- ❖ RQ1 Are there essential differences in implementation efficiency between complex profit-driven Swedish organizations?
- ❖ RQ2 Do decision makers and implementers differ in their opinions on implementation conditions and results?
- ❖ RQ3 How are goal satisfaction and implementation process efficiency, constituting implementation efficiency, connected?
- ❖ RQ4 Does the type of decision (strategic vs operational) matter regarding the implementation efficiency?
- ❖ RQ5 Which are the reasons explaining implementer attitudes towards implementation action?

#### 3.4.2 Additional research questions

I use the implementation model structure when presenting the research questions. This means that each factor group is presented under a separate headline with the background to research questions followed by the question(s).

##### 3.4.2.1 Corporate profile

Extreme business situations force or alert the organization (see, *e.g.*, Wallander, 1990). If business is very successful there may be a positive spiral. New decisions to implement may be seen as new possibilities for even more success. If business is poor “something must happen” and the decision may be managed as a new possibility to save the ship. Business “in the middle” is managed by a culture “quite well as it is, why change?”

- ❖ RQ6 Do extreme corporate situations such as a very successful running business or a business in deep crisis improve the implementation efficiency?
- ❖ RQ7 Does the size of an organization itself influence the implementation efficiency?

##### 3.4.2.2 Corporate culture

As discussed in connection with figure 3, corporate culture is a difficult pattern to manage. A conventional look at corporate culture is expressed as “A system of shared meaning within an organization that determines, to a large degree, how employees act” (Robbins & Coulter, 1999, p. 80). New research results propose that corporate culture is defined and experienced individually (see, *e.g.*, Kaufmann

& Kaufmann, 1998, and Sjöstrand et al., 1999). These two perspectives lay behind the following formulations:

- ❖ RQ8 Does strong, pervasive and committed corporate culture improve the implementation efficiency?
- ❖ RQ9 Do differences in the individually perceived corporate culture of executives and subordinates affect their opinion about implementation efficiency?

There is not always a demand or expectation in the organization of the decision to be implemented (see, *e.g.*, Pressman & Wildavsky, 1979). There can be an unconsciousness or fear, blindness or wishful thinking. But there is sometimes a readiness to make things happen even if the “thing” is not wanted.

- ❖ RQ10 Do implementers in general have a readiness to implement top management decisions even if they are perceived as controversial?
- ❖ RQ11 Does an action-oriented corporate culture improve implementation efficiency?

#### 3.4.2.3 Leadership style

What is important for a CEO will be important in the organization (see, *e.g.*, Carlzon, 1985, and Peters & Waterman Jr, 1982). CEOs spend their time on many different tasks (Mintzberg, 1973). Quantitative investigations have proved that they use less than 30% of their working time on decision making and execution (Tengblad, 2002, and Carlsson, 1951); Tengblad specifies 7% and 20% respectively. Executive participation in implementation is sometimes a good way but not always the best way to improve implementation efficiency (see, *e.g.*, Nutt, 1998).

Leadership style may potentially include different leadership tactics for implementation (Nutt, 1987). This issue is studied in terms of strategic decisions to implement. However, it is doubtful if strategic decision means the same for different researchers (Hickson, 1987, p. 189). The approach in this study is to examine any types of decisions. Probably some decisions may be so trivial that the executives decide not engage themselves in the implementation. Therefore the tactic dimension is not studied per se; the study of the CEO action is not restricted to the decision type.

- ❖ RQ12 Does a CEO leadership style characterized by engagement and confidence in people improve the implementation efficiency?
- ❖ RQ13 Does the quantitative input of executive time and engagement in the implementation process improve the implementation efficiency?

#### 3.4.2.4 Decision making process

If the implementers participate in the decision making process, they are more likely to enthusiastically support the outcome than if they are just told what to do (see, *e.g.*, Cooke & Slack, 1991; Robbins & Coulter, 1999; Braga Rodrigues & Hickson, 1995). However, to a certain degree, the improvement is situational.

- ❖ RQ14 Does the participation of implementers in the decision making process improve the implementation efficiency?

#### 3.4.2.5 Implementation context

The studied literature has covered many contextual aspects of decision implementation but the implementer perspective is not prominent; the perceived implementation context may differ between decision makers and implementers. The opinion about the decision itself is a specific situation: in an implementer perspective, the decision may be demanded, requested, appreciated or expected on one side, and undesired, unexpected or astonishing on the other side. In order to cover the first, positive group of attitudes, I have chosen to refer to such decisions as “demanded” throughout this study.

The following research questions are formulated.

- ❖ RQ15 Does the type of decision target group influence the implementation efficiency?
- ❖ RQ16 Does the scope of the decision influence implementation efficiency?
- ❖ RQ17 Does implementers’ recognition of the decision or a demanded decision improve the implementation efficiency?
- ❖ RQ18 How do implementers’ perceived conflict between actual decision to implement and existing goals, guidelines, *etc.*, influence the implementation efficiency?

#### 3.4.2.6 Implementation profile

Clear aims, sufficient resources including time schedules, out-spoken responsibility and information are factors influencing the implementation efficiency (see, *e.g.*, Miller, 1997, and Braga Rodrigues & Hickson, 1995), but they are situational. The need of a follow-up plan is also underlined: “Diagnostic control systems are the essential management tools for transforming intended strategies into realized strategies: they focus attention on goal achievement for the business and for each individual within the business” (Simons, 2000, p. 303). This is a top-down perspective but the given mission to implement is also evaluated by the implementers. Regarding implementation context, the perceived implementation profile may differ between decision makers and implementers.

- ❖ RQ19 Does an implementation plan attached to the mission improve the implementation efficiency?
- ❖ RQ20 Does a follow-up plan improve the implementation efficiency?

#### 3.4.2.7 Non-model factors

The implementation process image and the transmission event are discussed in 3.3 as potential variables in the implementation model. Even if they are not integrated in the model at this stage of the model design we have to learn more about them. Therefore the following research questions are raised.

- ❖ RQ21 Is it possible to identify an implementation process and some of its elements?
- ❖ RQ22 Does it matter how the decision to implement is transmitted?

#### 3.4.2.8 Comments to the research questions

Some research questions may be seen as overlapping, *e.g.*, RQ10 vs RQ17 and RQ5 vs RQ9. However, they are formulated from different starting-points in order to manage the study analysis into relevant answers, given the research question context.

## 4 Research methods and tools

In this chapter I present my reflections on the research process and I also comment and motivate the selected methods and tools in this study. Gender and ethics are also discussed. The purpose is to give a background to the empirical part of the study.

### 4.1 Reflections on the research process

A distinguishing quality of the human being is our desire to seek knowledge and to understand relationships. We have done so since we started our journey 200.000 years ago. The roots to what we today call *science* go back 5000 years as far as we now know, to the civilizations around the big rivers in north Africa and Asia (Hansson, 1993). From that time until now, scientists have asked themselves questions about the character of knowledge, relevant research approaches, the researcher role, *etc.* The answers have varied over time, but, as a result of the last 400 years development, we may today categorize them in two schools of the scientific society, the positivistic and the hermeneutic (Patel & Davidsson, 1991, and Hansson, 1993).

Quantitative methods, statistical analyses and an objective and invisible researcher role are elements in a simplified description of the positivistic school (Patel & Davidsson, 1991, p. 26). The corresponding characteristics of the hermeneutic school are qualitative system of interpretation and understanding and the role of the researcher as open and partly influencing the research objects. The modern form of positivism is applied mainly in the natural science, principally deducing universality from observations (collecting facts), and the hermeneutic approach is used in the humanities and social sciences, principally looking at the totality in order to understand human behavior (Patel & Davidsson, 1991, and Hansson, 1993).

How do I relate to the two schools? On one side I have a positivistic approach as I am going to use statistical analyses based on measurable observations. On the other side, I am going to interview people in a qualitative way and afterwards evaluate their answers. In this process I act in a context, where I have been an actor for many years. In this dimension I have a hermeneutic relation to the research, as an essential element in the hermeneutic school is the experience of the researcher, both as a professional and as a social human being.

To which scientific discipline does my research belong? How is practice linked to science? In figure 4 a systematic approach is given to sort the myriad of concepts, and also to link them, which may help me to understand the setting of my own research and my role as a researcher. Kast & Rosenzweig (1985) say "... contributions to organization theory come from many sources. Deductive and inductive research in a variety of disciplines provides a theoretical base of propositions that are useful for understanding organizations and for managing them. Experience gained in management practice is also an important input to organization theory. In short ... the art of management is based on a body of

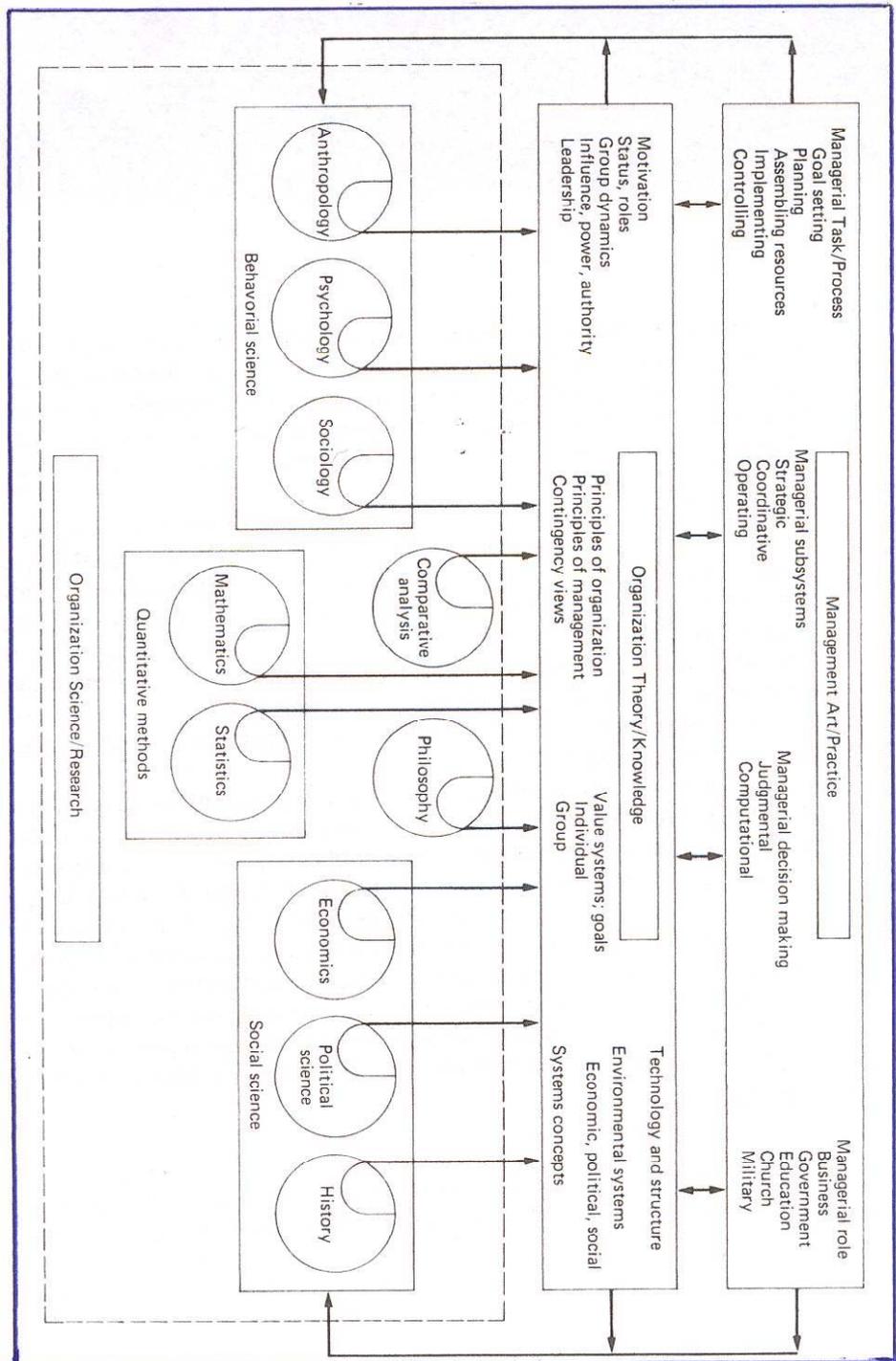


Figure 4. The foundations of organizational theory and management practice. Source: Kast & Rosenzweig (1985, figure 1.1 p. 8)

knowledge generated by practical experience *and* scientific research concerning organizations” (p. 9).

I can't deny that I am familiar with the description. Using figure 4 as a starting point, I have spent my professional life in the area Management Art/Practice. As a researcher it is now time to understand that I change my position to the area Organization Science/Research, in which the different scientific disciplines are included. It is stimulating to consider a third area, Organization Theory/Knowledge, where theory and practice are joined. The answer to my second question above (practice linked to science?) can be found here! The answer to the first question (which scientific discipline?) is that it is not necessary to categorize my research approach; it is after all a contribution to our understanding of organizational theory by using methods from different scientific disciplines. Such a stand-point is also supported, as I understand her, by Czarniawska-Joerges (1993).

So far, I have indicated that I have a foot in both the positivistic and the hermeneutic school when approaching my research. In practice this “two feet strategy” means two different ways to collect data to test the hypothesis and to answer the research questions. I observe events and measure results. I report what I have seen and understood. But I also ask people to tell their stories and make their own measurements. They tell me partly different stories about the same case. They measure with the same yardstick supplied by me but reporting different values. They sometimes give me contradictory opinions. All information is used both in the preliminary implementation model to find relations and causality and to improve the model.

An explicit matter, of course, in scientific work is rationality in its literal meaning and motivated choices. An implicit effect is that you are searching “the best choice”, to optimizing methods, databases, information, *etc.* It is my personal experience that the optimal choice of system or tool is not so important as the correct and systematic use of chosen system or tool, given that it is satisfying specific needs. My experience is supported by both theoretical scientific method literature, see, *e.g.*, Holme & Solvang (1991), and discussions of researchers in presented papers (see *e.g.*, Dean & Sharfman, 1996, and Roberto, 2004). I have approached the research process with this philosophy in mind. I have looked for functional tools that fit both the dissertation aim and my personality. The selected instruments are motivated and commented in 4.2 and 4.4 while the validity aspect is discussed in 4.3.1.

In summary, I have an ambition to contribute to our understanding of implementation efficiency by combining a positivistic and hermeneutic approach to the research task through selecting tools, which have a satisfactory function given the aim and my personality.

## 4.2 Research method considerations

The design of this research study requires many decisions regarding alternative methods that are available in several dimensions. These main decisions are made and motivated here.

### 4.2.1 General considerations

Our understanding of the implementation of executive decisions in complex profit-driven organizations is fragmented and incomplete, according to literature findings. The implementation model (see figure 3) is a synthesis of results from studies designed and carried out in different manners but also influenced by my own experience. The model is therefore not yet ready for a pure quantitative test; it is a question of finding more relevant, principally independent but also dependent, variables. This situation is a reason to use a mainly qualitative approach in my empirical study.

The literature (see Chapter 2) has clearly shown that the qualitative approaches may favorably be combined with quantitative methods. In a couple of studies (see, *e.g.*, Hickson et al., 2003, and Nutt, 1998) the informants have given their opinions not only as verbal answers but also as judgments on scales regarding different items, often as a summary. The studies also report other uses of quantitative data. The implementation model is designed to treat such information. Therefore I also collect quantitative data and the research approach is not purely qualitative: “x” on the scale in figure 5 is an estimation of the research approach. The combination of qualitative and quantitative methods has advantages such as giving nuances and a holistic perspective (Holme & Solvang, 1991); a disadvantage may be that one method is subordinated to another and therefore there is a risk for the misuse of the subordinate method. I am treating this risk by using relevant tools in the data collection phase, commented later on in this sub-chapter, as well as in the analysis phase (see 4.4).

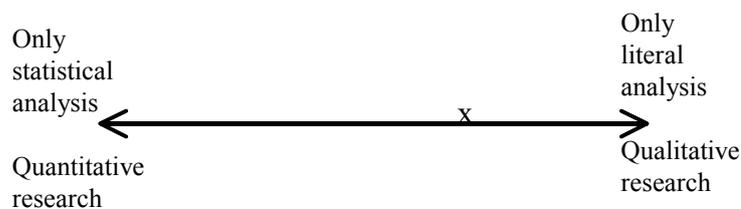


Figure 5. A principal presentation of the orientation of this research. Source: Patel & Davidsson (1991, p. 12). x = the research position of this study

To be more precise, I use qualitative case studies as my primary information base. It is a suitable approach when trying to understand mechanisms and to extend our understanding of a certain research area, and even to catch emotions (see, *e.g.*, Merriam, 1994, and Yin, 1984). The latter says (p. 3) “In general, case studies are the preferred strategy when ‘how’ or ‘why’ questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real life context.” There are two main

ways to carry out case studies, the retrospective and the longitudinal. In business administration research the retrospective method seems to be the most used; at least, all implementation studies I have found have been retrospective. The pitfall of the method is a risk for respondent rationalization (see, *e.g.*, Nutt, 1998; Nutt, 2000; Miller, 1997). In most studies this disadvantage has been minimized by using at least two informants. The alternative, longitudinal, is discussed explicitly and rejected as "... longitudinal studies of decision making may report less structured-rational behavior and more opportunistic-heuristic behavior than actually occurs ... overcomes some problems ... and introduces new problems" (Nutt, 2000).

Potential complexity in the context of the problem solving process and the process time prolongation are factors which could claim a longitudinal approach (see *e.g.*, Pettigrew et al., 1992). However, the focus in this study is to follow a decision just over the implementation phase, in a technical meaning, not to evaluate long term effects of the decision and its implementation. Furthermore, one of the complex organizational dimensions, the top-down versus down-up perspectives, are treated explicitly in this study. In all, it seems therefore reasonable to use the retrospective approach as the implementation researchers referred to above have done.

There is one reason more for me: the risk of an uncontrollable long time scale for observations from the start of a decision making process up to a complete implementation. The observer dilemma is also connected with longitudinal study. Although it is not necessary that the observer is directly visible or is in other ways involved in the on-going process, the fact that the actors know that they are observed causes a risk of observer influence on the action and the outcomes (Merriam, 1994). The final decision is to use a retrospective approach for case studies using interviews as the main data collection method, supplemented by written information in annual reports and minutes from meetings.

The interview situation must be controlled professionally in order to obtain valid information (see, *e.g.*, Trost, 1997, and Merriam, 1994). It is about the interview milieu (*e.g.*, adequate amount of time, disturbance-free atmosphere, establishing good interview relations). It is also about interview technique. The talk between the interviewer and the respondent may be treated as a totally structured or a totally open interview or something between the extremes. I have chosen a semi-structured policy, which also has been used in other studies, *e.g.*, by Miller (1997), to give the informant many degrees of freedom to tell her/his opinion as I need as much non-managed information as possible in order to develop the preliminary implementation model. That means that I develop a list of prepared questions covering items discussed and described in 4.2.2. As I am also looking for unexpected opinions, I open with a brief question letting the interview take its own direction and pick up interesting and sometimes probably unforeseen aspects with follow-up questions. Of course I go back to basic questions in order to get the required information. The interview covers the different factor groups in the implementation model. The respondent is in the end of a factor group sub-interview confronted with a scale to summarize her/his opinion, a method used, *e.g.*, by Dean & Sharfman (1996). The scale concept is presented in 4.2.2.1.

The method for selecting decisions to study differs in various studies. The decisions are sometimes selected by executives (Skivington & Daft, 1991, and Nutt, 1989), sometimes by the researcher (Miller, 1997). A third variant is to use decisions described in other reports (Hickson et al., 2003). Keeping in mind that most studies have analyzed strategic decisions, they all have had specific criteria for initial decision selection such as well/poor implemented or important decisions and just one decision from each organization. The number of organizations differs in the studies from just a handful up to almost 100.

A decision selection method not found in the literature review is to identify a specific decision and study the implementation thereof in different organizations. Such a decision might be initiated by, *e.g.*, a legal change. However, I have excluded this alternative taking into account the difficulty to find a decision and the risk of many contextual factors that may be out of my control.

I have decided to study any type of top management decision (see 3.2). The selection method, inspired by the variation in literature findings, is to select just a few companies (with a possibility to compare implementation of different decisions within the same company) and to select the decisions myself (with a possibility of obtained type variation and avoiding any executive bias).

How and where can I find decisions to study? According to my experience, it is common that TMT is writing minutes of their meetings. This is an excellent source: the decision is made at top level (this is of some importance) and it is defined (possibility to categorize type). But not all top-level decisions are made formally in TMT. The CEO makes her/his own decisions. TMT members make their individual decisions with impact on the organization, partly or as a whole. These decisions may probably be operational and frequent and therefore a vital part of top management daily life, which impacts on the organization. However, these decisions are much more difficult to catch and there is a risk of bias (the executives select “fit” decisions). Balancing pros and cons, I have decided to focus on decisions from minutes of meetings.

Which criteria are relevant when selecting decisions to study? The amount of time that has passed since decision was made, so that implementation has had time enough to be carried out is one criterion. Another is that the decision must be clearly defined in at least some relevant dimensions (scope, aim, time schedule, responsibility, recourses, *etc.*) that it is possible for me to get some sign of recognition when approaching the respondents, not at least the implementers. A third criterion is the variation in decision type mentioned above. The three selection criteria provide decisions to study, which are not randomly determined. Is there a risk of bias influencing the implementation efficiency? The risk cannot be neglected, but in a mainly qualitative study, it is not severe as every decision principally represents just itself.

How many decisions should be studied? It is difficult to decide the number beforehand. In previous studies, the number of cases in parallel approaches varies between 11 and 376. I have decided to use interviews as my main information source, which means interviewing several respondents in each case. It is a time consuming technique but it makes it possible to extract much information from

every case. I must have enough selected decisions so that I acquire desired width and depth in the collected information.

The selection of informants is important. In qualitative case studies, you want variation but not extreme variation (Trost, 1997). As I intend to have both a top-down and a bottom-up perspective I need at least two respondents in each decision case. However, the number must be situational: the type of decision, the complexity of the context, *etc.*, is important to take into account. In some decision cases it is possible to select the respondents from what is read in the minutes of the meetings. In others, the CEO may be supportive. There is a risk of CEO bias; she/he proposes respondents according to a personal hidden agenda. I have not, however, found a better way. I may manage the bias risk, if this occurs, by demanding and adding respondents when I feel it necessary in order to get relevant information about the decision case.

Most results in literature are reported from Anglo-American contexts. It means that the results are not directly transferable to a Swedish context; "... and may not be generalizable beyond North American organizations" (Nutt, 2000) but Hickson (1987) and Papadakis & Barvise (1997) also support this conclusion. Therefore I have decided to organize the empirical data collection in two steps. The first step (Step I) is designed to confirm the existence of the research problem in a Swedish context. The second step (Step II) consists of the collection of data from case studies. However, the purpose of Step I is not only to confirm the research problem but also to generate information valuable for the final design of Step II.

An excerpt of the aim of the study (3.2) "... complex profit-driven Swedish organizations" raises the question of which database to use. I prefer not to study the biggest companies as they are too complex. I have considered member organizations of employer associations and companies listed on Stockholm Stock Exchange but also companies registered at Swedish Companies Registration Office and Swedish National Tax Board as a potential database. My choice is the Stockholm Stock Exchange as it is totally open, easy to reach with much valuable information available, the companies are all profit-driven per se and the companies are grouped in different categories. A weakness is the fact that it is not a complete list of complex profit-driven Swedish organizations. Privately owned companies and cooperatives are missing. That raises a complication relating to the generalization of the study results; they are not immediately transferable to these types of profit-driven organizations.

The exact selection of the database is the Stockholm Stock Exchange O-list. The reason is that neither the largest, nor the newcomers are listed there, which means that the database is homogeneous. The O-list contains more than 200 companies. A huge majority of them has their head quarters (HQ) in Sweden.

In all, the decisions above about the direction of the empirical phase of the study have shown the important role of the researcher (me). Further more, during the data collection I am going to make more situational decisions regarding the selection of organizations, decisions, and respondents according to the guidelines presented here. I am also going to influence the course of the interview. My

awareness of the situation is not a guarantee but a condition in order to avoid pitfalls and ensure result quality in terms of validity and reliability (see 4.3.1).

As I have decided to have a double perspective, top-down and down-up, there is no need to calibrate or even strive to reach a consensus of different opinions as done in some studies, *e.g.*, Nutt (1989). The actors' opinions are collected (answers on HOW-questions) and it is my challenge to answer WHY-questions through the analysis (Trost, 1997). Therefore, given my discussed role, the result is a laid out puzzle of decision makers' and implementers' opinions on implementation efficiency and underlying variables.

#### 4.2.2 Specific research questions regarding implementation model

The measurement problem is very evident when going through the literature. The summary in table 3 shows this clearly. In this chapter, I present and motivate my solutions of these measurement challenges.

##### 4.2.2.1 Design of estimation scale

The interview consists not only of verbal questions and answers but also of estimations on a scale. As reported earlier, many studies have used this approach. The scale steps have varied from five (Braga Rodrigues & Hickson, 1995) to seven (Dean & Sharfman, 1996). Some studies have used the Likert-scale, a method to measure attitudes by making a statement, to which the informant has to announce her/his degree of agreement on a seven-graded scale. Hickson et al. (2003) measure implementation success with a six-point scale.

Bolstad (1998) asks the question about the width of the scale. Bolstad argues that a ten-graded scale creates problems for the informants – it is too wide. Five to seven steps are possible to overview and the final decision depends of the relevant nuances. Bolstad also concludes that the question of odd or even numbers of scale steps divides the scientific society. Finally, the question about fixed, labeled positions versus a continuous scale between two poles needs an answer. Even here, no definite answer is available. I want to use the same scale for a couple of similar but un-identical measurements. It is a strong point that the respondents meet the same yardstick. Considering all this, I have decided to use a six-graded, continuous scale as presented in figure 6.



Figure 6. Estimation scale used in interviews to measure variable estimations

For each purpose, the poles are indicated as “Not at all” (to the left) and “Completely” (to the right) taking goal satisfaction as an example. A paper with the scale including relevant pole descriptions is handed over to the respondent with the question “If you try to summarize your opinion about goal satisfaction (as an example) on this scale, where do you place your mark? You may place it wherever you want”.

The scale has been used in Step I, too, when asking the CEO about the distribution of implementation efficiency of the last year's decisions (see Appendix B2), but this is then transformed into a labeled, discontinuous six-category table.

#### 4.2.2.2 How to measure implementation efficiency?

I have argued for a split of implementation efficiency into goal satisfaction and process efficiency (see 2.4 and 3.3). For both of them, the literature shows many approaches for their estimation, in content as well as in measurement. I have decided to focus on a scaled, over all estimation, a method used, *e.g.*, by Nutt (2000). This method is built on the experience that "... a manager's subjective estimates of value were highly correlated with objective measures ..." (Nutt, 2000, p. 92). The definition of goal satisfaction is formulated as "How well did we achieve the aim of the decision?" and of process efficiency as "How successful was our implementation regarding procedures/methods, resource consumption and time schedules?". The method allows a direct comparison between the estimations of decision makers and implementers, mirrored in their motives, given strict definitions. The disadvantage is that other aspects as learning, adoption, *etc.*, are initially neglected but it may be possible to mitigate by follow-up questions about motives.

In the interview situation I hand over a paper with the scale and the definitions. The poles are "Not at all" and "Completely" (goal satisfaction) and "Very bad" and "Optimal"(process efficiency). When the respondent has marked the scale I ask "why" and receive motives, which make it possible to ask follow-up questions.

#### 4.2.2.3 Variables in factor groups

The factor groups in figure 3 are latent variables, which are to be estimated by relevant measurement variables (see Appendix A regarding definitions). In an interview situation the variables are measured by questions to the respondent. In this sub-chapter I discuss the approach and the foreseen problem to solve.

#### Corporate Culture

The concept of culture is discussed in a research overview by Alvesson (1997). He provides the definition as "culture is about consequences, significance and meaning – not about external, objective things (p. 177, my translation)". People are both creators and carriers of culture. An important aspect of culture is power. In modern society, power is about the influence on how reality may be understood; a corporate culture may in this aspect vary from a uniform to a faceted reality conception, as controlled by a CEO with interpretation priorities. The CEO role is often overestimated when speaking about creating corporate culture. The more distinct an organization stands out in symbols, values, social group mechanisms, *etc.*, the more it is a social identity of people. Similar results are conveyed in other parts of the organizational literature, *e.g.*, Morgan (1986), Edström & Jönsson (1998), and Simonsson (2002). To conclude, the corporate culture seems to be built up not only in a complex manner but also expressed differently from person to person within the same organization. Therefore I have decided not to give my definition of the idea of *corporate culture* beforehand.

Instead I start this part of the interview with an open question “How will you describe the corporate culture?” leaving to the respondent to form the idea in her/his way. I follow the track chosen by the respondent by adding, at appropriate moments, questions from my prepared list about organization, communication, role of trade unions, business risk attitudes, *etc.* Finally, the respondent is requested to estimate the corporate culture on a scale where the poles are “Non-existent” and “Strong and penetrating”. This approach guarantees that not only the “official” corporate culture (the respondent says what is expected to be said) but also her/his own opinions are recognized. It also makes it possible to estimate the degree of consensus, not at least in the down-up perspective, and to calibrate against written, official sources as annual reports and human relation policies.

#### Corporate profile

The variables size, profit, growth and solidity constitute corporate profile according to the definition (see 3.3). They are defined by official rules and Stockholm Stock Exchange follows up on the correctness of these variables in the annual reports of listed companies. Therefore the variables are easily picked up there.

#### Leadership style

How executives are acting during the implementation phase, and the outcomes, has been studied by Nutt (1987 and 1989). However, I have not found any attempts to investigate the influence of the soft side of executives on implementation success. Hickson et al. (2003) say “In decision implementation the human element is always crucial for success” (p. 1824) but the concept is not developed. As I have decided to set this aspect in focus, I must try to measure it. The literature about leadership is voluminous. Instead of referring to a set of publications, I account for the criteria when selecting a measurement tool. There are a few, well described styles, and they have relevance both in a Swedish business context and for top leaders. The criteria balance a possible respondent overview and my demand on relevant research questions.

Badaracco & Ellsworth (1989) satisfy my requirement for a leadership style presentation useful in an interview situation. They present three types of leadership: political, directive and value-driven. Each of them has an implementation dimension as an extra bonus. Political leaders are characterized in the following way: “They have powerful, creative ideas about their companies and industries. But to reduce destructive internal resistance to their ideas, they do not pursue their visions head on. They keep their goals broad, flexible, and sometimes even vague, and they move incrementally, patiently, and often obliquely to translate their goals into reality” (p. 14). The implementation perspective is “What is the most effective way to implement this decision? How can I make the decision seem to be a win/win situation for the people who are critical to its implementation? Which set of participants, which agenda, and which setting are the most conducive to achieving the objectives? What can I do to ensure that the outcome is correctly interpreted when it passes through the organization?”

Directive leaders “make three strong assumptions about people and organizations. First, people are motivated more by internal forces than by external

prods. Second, organizations need strong pushes toward coherence. Third, coherence and substance are more important than style. In other words, action is better than reaction. These three beliefs combined have far-reaching implications for how organizations are managed and how leaders should act” (p. 40). The implementation is handled in an implicit way. A directive leader spends a lot of time on communication but also on follow-ups. He or she is genuinely interested in people and tries to support them but also tries to get unfiltered information.

Value-driven leadership ...”is not simply an alternative to the other two. Rather, it transcends both of them” (p. 66). It is formulated as “When values and beliefs become embodied in work, they can intensify employees’ commitment, enthusiasm, and drive, making a company a much stronger competitor” (p. 73). “In implementing decisions, they ask themselves, ‘How can I reinforce basic values through what I say and do and through the agenda I set in working with others? How can I explain the decisions and actions in terms of values that are basic to the company?’”

A summary in Swedish (my translation) of each description, written down on a paper, is presented to the respondent, who has to decide which one is the most relevant to describe the actual CEO. The same summary is used when the CEO performs a self-evaluation in Step I (see Appendix B2).

#### Decision Making Process

The procedure of decision making has an influence on implementation success (Nutt, 1986). Bolman & Deal (1981) discuss decision making in terms of power and conflicts: “Managers make decisions that subordinates must accept” (p. 192). Even if the positive effect of the participation of implementers in the decision making process on implementation is stated in textbooks, see, *e.g.*, Robbins & Coulter (1999), I found little support in reported studies; Braga Rodrigues & Hickson (1995) reports a positive effect in non-business organizations. After all, it seems that CEO participation in implementation is more important for the implementation success but it is situational (Nutt, 1987). From Nutt’s studies about implementation tactics of executives it is obvious that resistance, conflicts, *etc.*, among stakeholders and implementers often depend on the absence of relevant decision information such as goals and consequences.

As I have a dual perspective, top-down and down-up, it is logical to search for information about how the decision making process has been carried out with a special focus on the participation of implementers, formulation of explicit goals and evaluation of consequences as these factors are affecting implementation. I open the interview a bit differently depending on the respondent category. The decision maker gets a question directly “Will you please describe the decision making process!” and the implementer on the other hand is asked “What do you know about the decision making process?” Following the given track, the questions from the list are inserted.

#### Implementation context

Looking at the studies that lie behind table 3, there are many contextual variables and they are treated differently. A list of variables consists of the decision

complexity, the scope and importance, the decision demanded and/or recognized by implementers, the decision target group(s) and number of persons involved, the decision effects on internal and/or external groups, decision business risk and implementer competence and probably many more. The list has been developed with this diversity in mind and I start the sub-interview by asking “What is the purpose of the decision?” following the respondent track. Follow-up questions to cover the diversity are included and in the end the respondent makes a mark on the scale, where the poles are “Impossible to manage” and “Perfect”.

#### Implementation profile

Examples of variables constituting the implementation profile are the time schedule, CEO involvement and support, resources, relevant implementer competence, responsibility and the follow-up schedule (see table 3 but also Miller, 1997, and Braga Rodrigues & Hickson, 1995, for further details). The executives’ participation in implementation are important for the implementation success (Nutt, 1987) but it is situational. The need of a follow-up plan is underlined by Simons (2000).

I open the sub-interview with “How did you comprehend the implementation task?” then following the respondent track. The opinions about the variables mentioned above are covered by follow-up questions. In the end the respondent marks on the scale, where the poles are “Non-existent” and “Complete”.

### **4.3. Aspects on questions that emerged from selected methods**

I have so far made a set of method decisions. They have consequences in some dimensions not treated above. I discuss them in this chapter.

#### *4.3.1 Validity and reliability*

Validity is the conformity between what we are saying that we are going to investigate and what we really investigate. Reliability is the precision of the used tool and how well it resists any kind of random influence. There is an interrelation between validity and reliability, which can be expressed in three thumb rules (Patel & Davidsson, 1991):

- High reliability is no guarantee of high validity
- Low reliability gives low validity
- Complete reliability is a condition for complete validity

The data collection is a combination of qualitative and quantitative methods. To a certain extent they are intended to measure the same thing. Therefore it is possible to check the conformity between them, *i.e.*, a kind of informal validity and reliability test.

In a validity perspective, the measurement of implementation efficiency is probably the most important variable. As already discussed, there are many attempts in the literature to define implementation success. I have not used any of them directly but I have designed and motivated my definition (see 3.1, 3.3 and 4.2.2.2). It means that it is not possible to check the study results directly with

other reported results. The main problem is probably not the validity itself but the definition of implementation efficiency. The challenge is to communicate the definition in such a manner that the respondent understands what to estimate according to the intentions of the definitions. Therefore a written definition is handed over when the respondent is asked to mark on the scale. The questions afterwards that center around the motives of the marked score provide an opportunity to detect potential misunderstandings.

In some studies the validity aspect is discussed, see, *e.g.*, Bryson & Bromiley (1993) and Nutt (1989 and 2000). As the research methods used in them differ from mine it is not possible to adapt their validity tests. The differences are the use of quantitative methods and many people involved in data collection and categorization. I principally use qualitative methods. I have performed all the interviews and interpreted the verbal opinions of the respondents into scores avoiding that type of validity problem. Using several informants with different reported estimations is seen as another validity problem in the literature as the approach is to get a consensus. I have, instead, an ambition to map the tensions between respondents in a down-up perspective. Do the respondents judge the same thing? Does a difference depend on a real difference in opinions or on a different use of the “yard-stick”? I do not know, as I do not test this; it is a weakness of the study.

Regarding reliability, the interview questions, including the scales used in Step II, were tested in a couple of test interviews. Small changes were made to increase the clarity. The questionnaire used in Step I was not formally tested beforehand but discussed with colleagues forcing some adjustments. A risk of interviewer bias occurs when doing all the interviews myself in Step II. The risk consists of displaced emphasis on the importance of certain questions, the interviewer feeling fed-up during the last interviews, leading questions when a lot is known from the first interview, and probably more. Relying on Trost (1997) I have done my best to be on the guard but also to “debrief” myself after the interviews by mentally repeating the course of the interview looking for my mistakes. I have not dropped any interview or case.

I try to estimate the reliability of the respondent scoring. As described in 4.2.1 the respondent is asked to place a score on a scale at the end of each section of the interview. The scoring is often done with comments and body language but also with the respondent verbal statements as a background. When the respondent gives me the paper back with the score, I immediately estimate the reliability of her/his scoring using a scale 0 to 6. The estimation criteria are a combination of how well the respondent has picked up the question and the correspondence between the verbal description and the mark on the scale after the follow-up questions. I use this method not only for implementation efficiency but for all respondent’s judgments.

In all, my knowledge of the validity and reliability problems in this research partly minimizes the risk of failure, but a systematic evaluation is not carried out. However, as discussed above, some tests are carried out both during the preparatory phase of the empirical study and when the interviews are completed in order to improve the data quality.

The discussion above has dealt with the methods and tools for information collection. The analysis tools used in this study are presented in 4.4 and the validity/reliability questions are discussed in Chapter 6 on the presentation of the analysis results but also in 7.5.1. The generalization question is discussed in 7.5.2.

#### 4.3.2 Gender aspects

I am going to study business life, an arena traditionally dominated by men. The main strategy is to select interesting decisions to study in complex, profit-driven companies. The people to be met will be the people, men or women, involved in selected decisions. This is the Doris Day syndrome: *que sera, sera*, What shall be, shall be. I have considered investigating a gender perspective, *i.e.*, a variable itself in the model, as it is not improbable that there could be gender-related differences in making commitments, handling conflicts, *etc.* The final decision is however to disregard the gender aspect as there are very few women to interview when randomizing the decisions to study, and this issue would further complicate the implementation model when there is already a poor understanding of the implementation process. A gender perspective may hopefully be possible to apply when we know more about implementation and its conditions.

There is however another gender aspect regarding the role of the researcher, see, *e.g.*, Lundgren (1994) and Trost (1997). The researcher must be aware of her/his gender bias, which is often an unconscious bias, when interviewing people but also when selecting, describing and analyzing information. There are no rules of thumb or simple guidelines. The awareness of the problem and a self-critical distance to the role as researcher are my help to avoid the most dangerous mistakes.

#### 4.3.3 Ethical aspects

The qualitative approach as it is designed so far implies there is a selection of people as respondents and there are close associations with the people selected. The ethical dimension is therefore important to manage in a conscious and accounted way. Approaching people and asking them to tell their stories and to give me their private opinions has ethical implications. How do I treat the provided information? May outspoken opinions in conflict with established culture or guidelines hurt them? Can they trust me? Demanding secret business information from executives is also a crucial thing. The following presentation of the ethical research behavior is mainly inspired by Forsman (1997) and Hermerén (1996).

The basic ethical rule for me is to keep what I promise and not to promise more than I am able to keep. How do I put that in action? In the research Step I (see 4.2.1) I state in the introduction letter “No answer will be published in such a way that it will be possible to identify the company or the CEO” (translated from Swedish, see appendix B1). In Step II (see 4.2.1) I confirm in a letter to the CEO: “I undertake to treat all information with complete secrecy which means that no answers will be published in such a way that it will be possible to identify the company or the CEO. The information received, or written down by me as papers

or in electronic shape, may not be handed over to anyone outside the company except my supervisor and the opponent at the disputation if they ask for them” (translated from Swedish).

When planning an interview with an individual staff member I first phone, make an introduction about the scope and conditions and ask if it is possible to meet. If this is OK, an interview is scheduled. I start the interview by confirming that it is known by the top management that we meet, as the respondents must know the conditions of the interview. I clarify orally that all information given is treated confidentially: I tell nobody about what I learn and the publishing is done in such a way that it is impossible to identify the company and the respondent. - In certain cases there are additional agreements according to the requirements of the CEO of the studied companies as well as interviewees in special positions.

#### **4.4 Analysis tools**

As concluded in 4.2.1, case studies are the primary information base. Data collection is done through interviews and documented in minutes. They contain verbal expressions as well as responses given on a scale. Therefore both qualitative and quantitative analyses are possible to carry out. The combination of qualitative and quantitative tools provides opportunities to cross-check the findings.

In this sub-chapter I present the tools I use to process, analyze and base conclusions on the information. The presentation is held short with one exception, the Quantitative Comparative Analysis, as I have not found a previous use of it in this type of research.

##### *4.4.1 Description of qualitative analysis of respondent stories*

The documented story told by a respondent has subsections for each factor group. It is the lowest level on which the qualitative analysis starts. The analysis approach is mainly inspired by Merriam (1994). I start reading the minutes from the specific decision case to find similarities and differences in the assertions in terms of chronology, structure, content, *etc.* Each case is analyzed and concluded individually. Then I classify the decisions in a couple of different dimensions using the same analyzing technique. The conclusions from the alternative approaches are put together with conclusions from other analyses and cross-checked.

It is difficult to describe the analysis technique more precisely than given above, as it is an intellectual process where the tool is mainly reflection. Furthermore, the reflection process and its results are influenced by my experience and even by prejudices.

##### *4.4.2 Description of Qualitative Comparative Analysis, QCA*

The presentation of QCA follows Ragin (1987) and Agevall (2004). Ragin developed QCA which is a very suitable technique used in the social sciences.

QCA makes it possible to analyze the presence of potential multiple and “conjunctural causation” (the term introduced by Ragin) also in small populations. “Multiple” means that there is more than one solution for a definite outcome and “conjunctural” means that one single factor of two factors does not give an outcome but both together do.

The use of QCA in its basic form has two important conditions:

- there must be a specific outcome to explain
- the variables must be dichotomous

The measurement of the variables used in QCA analysis is a special subject, but the understanding of the QCA analysis does not demand further explanation. We just conclude that there is for each dichotomous variable a YES or NO answer or a characteristic, which can adopt just two values, *e.g.*, Rich/Poor.

QCA is built on Boolean algebra, developed by George Boole in the mid-nineteenth century. There are ten basic features but I concentrate here on a few. Boolean algebra uses binary data. A characteristic is true or false, present or absent and can consequently be transformed to 1 or 0. In the world of this study, a decision is implemented or not, goal satisfaction is true or false. A truth table is a complete matrix of all possible combinations of the actual independent x-variables. If we have three variables labeled M, F and C, the truth table has this shape:

<b>M</b>	<b>F</b>	<b>C</b>
1	1	1
1	1	0
1	0	0
1	0	1
0	1	1
0	0	1
0	1	0
0	0	0

The size of the truth table grows rapidly as the number of rows is  $2^n$  (n=number of x-variables); five variables give 32 rows and seven variables give 128 rows.

Let us now complete the truth table with the dependent variable y, here labeled I, and the outcome of I for each row:

<b>M</b>	<b>F</b>	<b>C</b>	<b>I</b>
1	1	1	1
1	1	0	0
1	0	0	1
1	0	1	1
0	1	1	0
0	0	1	1
0	1	0	0
0	0	0	0

We transform the matrix to an equation describing alternative ways to get outcome I>1 where capital letters stand for 1, *e.g.*, M=1, and lower-case letters stand for 0, *e.g.*, m=0:

$$MFC + Mfc + MfC + mfC > I \quad (1)$$

In this equation, capital letters (M, F, C) stand for 1 (present, true ...) and lower-case letters (m, f, c) stand for 0 (absent, false). The equation (1) is just another way to say the same thing as the truth table: there are four situations where the outcome is I>1. Is it possible to simplify the equation (1)? Yes there is by using the minimizing technique, which means comparing the four situations with each other to find common elements:

<b>Equation variables</b>	<b>Common element(s)</b>
MFC compared with Mfc	-
	MfC
	mfC
Mfc	MfC
	mfC
MfC	mfC
	fC

The equation (1) may be written as

$$MC + Mf + fC > I \quad (2)$$

There is one more technique for simplification, applicable on the minimized equation, called prime implicants; it is not presented here but it can be found in Ragin (1987).

What does equation (2) tell us? If M and C are present at the same time, F/f does not matter, I>1. For M to be present, f needs to be absent and C/c does not matter for outcome I>1. Finally, if C is present, then f needs to be absent and M/m does not matter for I>1. These generalizations may be tested in the truth table. MC covers row 111 and row 101. Mf covers row 100 and fC covers row 001. All rows I>1 are covered but no others.

But reality is normally more complex than this example. Let us assume that we study the implementation efficiency in a company. We have selected information about:

x <sub>1</sub>	implementer in charge is a manager	M
x <sub>2</sub>	follow-up plan created	F
x <sub>3</sub>	cost cutting decision	C
y	successful implementation	I

Our investigation gives us the following truth table supplemented with the information of the number of cases with 1 or 0 as an outcome:

			<i>Number of cases when I&gt;</i>	
<b>M</b>	<b>F</b>	<b>C</b>	<b>1</b>	<b>0</b>
1	1	1	4	0
1	1	0	3	1
1	0	0	1	1
1	0	1	2	0
0	1	1	3	0
0	0	1	0	2
0	1	0	0	0
0	0	0	0	3

There are situations (rows) where we have both outcome and no outcome, contradictory row results, *i.e.*, 100, but also situations (rows) where we lack cases, limited diversity, *i.e.*, 010. Contradictory row results and limited diversity must be managed in some way. There are no given rules how to do this. Regarding contradictory row results a simple majority technique can be used: if there are 3 cases giving I>1 and 1 case giving I>0, the row is set I>1. Another technique is to compare rows and search for a systematic structure. In the truth table above it seems as M has an impact giving I>1. So row 100 is tested as I>1. The same technique used for row 010 (no information > limited diversity) sets I>0. The tradition of using QCA in the scientific discipline and common sense may help to solve the problems of contradictory row results and limited diversity. However, it is necessary to observe the risk of circular reasoning: the assumptions are to be proven. The analysis results may be repeated with different assumptions and the results tested against existing knowledge.

The table above can be adapted in a first analysis trial putting row 110 > I>1, row 100 > I>0 and 010 > I>0:

<b>M</b>	<b>F</b>	<b>C</b>	<b>I</b>
1	1	1	1
1	1	0	1
1	0	0	0
1	0	1	1
0	1	1	1
0	0	1	0
0	1	0	0
0	0	0	0

We get an equation as

$$MFC + MFc + MfC + mFC > I \tag{3}$$

Minimizing equation (3) gives

$$MF + MC + FC > I \tag{4}$$

There are three situations giving successful implementation. If the implementer is a manager and she/he has a follow-up plan the decision type C/c does not matter. If the implementer is a manager and there is no follow-up plan it must be a cost

cutting decision, C. In the third situation, a follow-up plan, F, and a cost cutting decision, C, ensure a successful implementation and M/m does not matter.

Alternative assumptions may show if there is stability in the solutions. Let us therefore alternatively set row 100 I>1:

M	F	C	I
1	1	1	1
1	1	0	1
1	0	0	1
1	0	1	1
0	1	1	1
0	0	1	0
0	1	0	0
0	0	0	0

We get an equation as

$$MFC + MFc + Mfc + MfC + mFC > I \quad (5)$$

Minimizing equation (5) gives

$$M + FC > I \quad (6)$$

In this solution we get successful implementation if the implementation task is given to a manager. A follow-up plan and the type of decision do not matter. If a non-manager is responsible for implementation there must be a follow-up plan and the decision must be a cost cutting type if the implementation shall be successful.

Even more alternative assumptions may be tested but as a demonstration of the technique, I stop here. Finally, it may be noted that the results in equations (4) and (6) are both realistic but they must be tested against existing knowledge and the investigation may probably be repeated to confirm any of the results.

This short introduction to QCA hopefully helps in understanding the strength and weakness of the method, which I am using in the analysis. The calculations are made with the computer program fs/QCA 2.0.

#### 4.4.3 Description of LISREL

An analysis of the fitness of the preliminary model (see figure 3) is a possible approach even if the quantitative data are limited. Furthermore, the application of simultaneous equation models, in the software package LISREL, is advantageously used in similar situations (Lunneryd, 2003). Therefore I have decided to use LISREL as the quantitative analysis tool. It is described from a user's point of view by Lunneryd (2003). Diamantopoulos (1994) adds even more useful information for the user of LISREL. This introduction relies on these presentations with the focus on application conditions and possibilities in my research.

LISREL is short for LInear Structural RELationships and it is a commercial computer program; I have used version 8.50 for the calculations in the study. LISREL is basically a covariance structure analysis aimed for solving structural

equation systems with latent variables. The use of LISREL has some conditions. A model must be designed beforehand on which LISREL is applied, so as to test if the used dataset confirms relationships. The data are preferably presented as interval or quota scale categories.

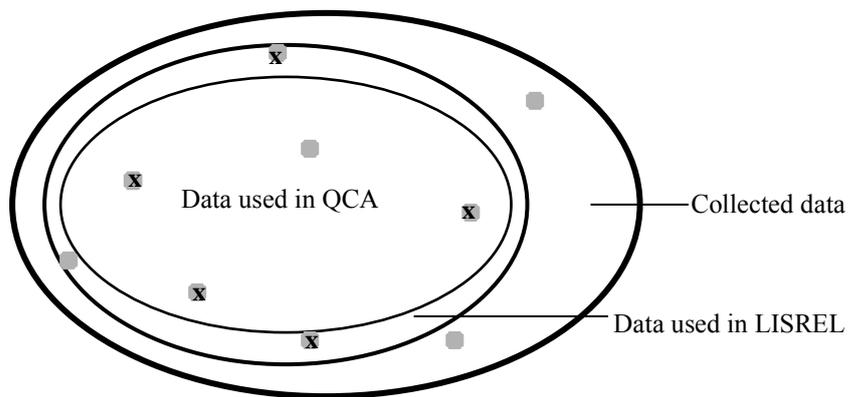
The quantitative data are produced on a quota scale. Factor groups in figure 3 are the latent variables in the LISREL analysis. As the study has a limited number of quantitatively measured observations, I have problems with the number of degrees of freedom. One way to solve this problem is to test parts of the model in sequences.

The LISREL analysis produces a solution as a path diagram. Correlations in the path diagram are tested with the student t-test. The P-value (the relation between chi-square value and degrees of freedom) and RMSEA (Root Mean Square Error of Approximation) estimate the model fitness. A P-value above 0.05 indicates a good fitness as well as a RMSEA value below 0.05. If the RMSEA value is between 0.05 and 0.09, it is an indication of an acceptable fitness. A value above 0.09 says that data processed could be explained by any other model.

#### *4.4.4 Treating missing values*

Missing values in a dataset are often a severe problem. Suppose that each dataset consists of 30 rows (respondents) and 15 columns (variables). If one variable has a missing value (a specific respondent has not given an answer) the whole row is rejected; 14 measurements are missed. Repeated missing values for more rows can heavily down-size the entire data volume to treat. In LISREL there are techniques to treat this situation (Jöreskog & Sörbom, 1996). Originally two types were used, pair wise and list wise deletion. However, "In many situations, particularly when values are missing not completely at random, these procedures are far from satisfactory" (Appendix B, p. 153). In LISREL version 8:50 the imputation technique is available; it is a "... substitution of real values for the missing values. The value to be substituted for the missing value for a case is obtained from another case that has a similar response pattern over a set of matching variables" (Appendix B, p. 153). After imputation there may still be missing values but normally you get an increase in completeness, which improves the statistical computing.

The datasets in this study used in QCA analysis are essentially the same as in LISREL analysis, which is a minor volume of all the data collected (see figure 7). Grayed dots in the figure represent missing values in the originally collected data. LISREL offers the imputation technique; QCA does not offer, as far as I know, a similar method to handle missing values. Therefore I use the imputed dataset from LISREL when carrying out QCA analysis instead of the limited non-imputed dataset. The completeness of the dataset increases, which improves the validity of the QCA. As far as I know this method of missing value treatment for QCA has not been reported earlier.



*Figure 7.* A principal outline of the dissertation datasets (grey dots are originally missing values and some of them are eliminated through LISREL imputation, here marked with x)

The variables in LISREL are categorized as ordinal or continuous. Imputed values are connected to the variable categorization. The transformation of continuous variables into dichotomous values in QCA takes place within the imputed dataset.

## 5 Collection and presentation of field data

The preliminary implementation model (see 3.3 and figure 3) is the starting point for the empirical section of the study. In this chapter, I briefly describe how information was collected in practice according to the methods and tools presented in Chapter 4. As already stated, the data collection has been carried out in two steps. The presentation in this chapter follows this track. A summary of collected information including non-response analyses is also presented but the complete data presentation regarding Step II is found in Appendix C.

### 5.1 Presentation of Step I

#### 5.1.1 Data collection in Step I

The specific aims of Step I are

- to confirm the existence of the research problem in a Swedish context
- to select companies suitable for further qualitative studies
- to obtain data to evaluate in the implementation model

Therefore, the data collection has been carried out in two ways: a questionnaire was sent out and annual report figures were acquired. The questionnaire has been designed to meet the aims and it is presented in Appendix B. The questionnaire has not been tested beforehand as the CEOs are very occupied people, but it has been discussed with colleagues, two of them former CEOs, resulting in some improvements.

The database, to be exact, is the list of 229 companies on the Stockholm Stock Exchange O-list on the January 19<sup>th</sup>, 2003. I used the printed list in the newspaper Dagens Nyheter on the January 20<sup>th</sup>, arranged in alphabetic order; I selected every 4<sup>th</sup> company. The sample consisted of 57 companies. Two companies were excluded as their HQs were located abroad and it was estimated to result in too high costs for me to visit them if necessary.

It was possible to get basic information about the companies from their presentation on the web site of Stockholm Stock Exchange, including the name of the President and addresses. The information was downloaded. 55 questionnaires (Appendix B) were sent at the end of January 2003 to the Presidents of the sampled companies. In the introduction letter, it was said that it was possible to answer the questionnaire by visiting the web site (address given).

A week later, 9 completed questionnaires were returned along with two envelopes due to wrong addresses! I started using the telephone to control that the questionnaire had arrived and remind the Presidents about the importance of answering. I spoke mainly with their secretaries, an excellent way to create a contact. I underlined the possibility of using internet to answer and I also sent the introduction letter once more by e-mail to a personal address of the President given me by the secretary. I continued to remind the President by phone, in certain cases up to six times, and in the beginning of March I had received 29 useful answers. One of the questionnaires was answered by a secretary on the telephone

when I had started the collection of some data about non-answers, which gave one more answer. The complete picture of the collection results is shown here:

Useful answers	30
HQ abroad	2
English speaking President	1
Company without functional postal address	1
President fired during investigation period	1
Presidents appointed before 2002, no answers	14
Presidents appointed during 2002, no answers	<u>8</u>
TOTAL (=sample)	<u>57</u>

There could be different opinions about the real sample size. 6 appointed Presidents 2002 have answered, 8 have not. The latter have all said by phone contact that they could not answer the questions, as they were too new on their job. If I accept this, the sample size is 44 (57-5-8) and the response rate 68%. If the sample size is set to 52 (57-2-1-1-1), the response rate is 58%. The non-response analysis is presented in 5.1.2. As promised in the introduction letter, the 30 answering companies received a feed back letter sent out March 25<sup>th</sup> with information about mean implementation efficiency and also the implementation efficiency of their own company. At last, it is to be noted that all Presidents are male with one exception and she is leading one of the excluded companies.

The information in the questionnaires was completed and combined with the figures from the last five annual reports. Summaries of the figures were available on the Stockholm Stock Exchange web site. I needed more details. Instead of going to the web site of each company, I contacted the supplier of figures to the Stockholm Stock Exchange web site. They sent me an Excel-file without any cost. The figures for book-keeping year 2003 were received in the same way in the beginning of 2004.

### *5.1.2 Non-response analysis of Step I*

In an early stage of the data collection, I observed that a reason to decline participation in the investigation was a variation on the theme, “I have been here just a short time so I cannot answer your questions”. Nevertheless many did so even if they were “new on the job”. Therefore I present basic data in this non-response analysis using “year of appointment as CEO” as a common criterion for giving me 4 sub-groups to evaluate (see table 4).

As the number of companies in each sub-group is small, I have chosen to describe the data in quartiles; for the definition of growth and profit, see Appendix A. First, it was noticed that 28% of the Presidents were changed in 2002! Secondly, there is an unsurprising difference in profit between companies shifting the President in 2002 and those not, independent if they have answered or not. As the shifting sub-group in the non-responding group weighs heavier than in the responding group, this is valuable information to have in mind when trying to generalize the results.

The variables Total assets, Shareholders' equity, Turn over, Number of employees (all for 2002), Number of years as CEO, Growth and Profit (three year average for the last two) have been tested according to a t-test between the response and non-response group. All values of t are <1 and thus non-significant.

Table 4. *Basic data about companies in Step I*

Characteristics	Sample	Response			Non-response		
		Year of appointment as President					
		-2001	2002	SUM	-2001	2002	SUM
Number of companies >	52	24	6	30	14	8	22
Turnover 2002 MSEK	1st quart	239	201		267	202	
	median	629	515		559	623	
	3rd quart	1232	830		2411	1468	
Growth 2000-2002 yearly	1st quart	1%	3%		-4%	-11%	
	median	6%	6%		3%	-2%	
	3rd quart	12%	10%		24%	20%	
Profit margin 2000-2002 average per year	1st quart	0%	-20%		-8%	-70%	
	median	5%	-11%		1%	-9%	
	3rd quart	8%	3%		13%	-3%	
Employees 2002 Number	1st quart	136	194		124	152	
	median	424	599		320	277	
	3rd quart	1050	773		1461	1240	

A LISREL analysis has been carried out (for more information about LISREL, see 4.4.3) and a LISREL non-response analysis has been presented in an unpublished paper (Göransson, 2004) that was an examination task in a LISREL doctoral course. The model was basically designed with a latent variable ANSWER measured by the y-variable Presidents' answer/no answer appearance and the measuring variables in table 4 as x-variables constituting latent variables ECONOMY and PROFILE. If the model shows that ANSWER is depending on ECONOMY and PROFILE, the two groups do not represent the original sample of 52 companies in the same way. However, it has been difficult to find a model of sufficient fitness. The best solution has  $P=0.064$  and  $RMSEA=0.138$ . Therefore, no conclusions can be drawn.

The general conclusion of non-response analysis is that no systematic differences have been observed regarding the structure between the responding and non-responding groups. The results of the analysis of 30 answering companies therefore represent the total sample of 52 companies.

### 5.1.3 Presentation of dataset from 30 companies in Step I

As mentioned earlier, the information was collected through a questionnaire sent to the presidents of the sample group companies and through the annual reports.

The presidents were asked to estimate the implementation efficiency of TMT decisions over the last year in their company. They were instructed to take into account both goal achievement and implementation process efficiency, the two dimensions of implementation efficiency, when answering the question, weighing

both equally. They were also asked to distribute the decision implementation efficiency as a percentage in each of seven possible categories (a sum column “100%” was pre-printed, see Appendix B2). In table 5 the distribution of the over all answers is presented, transforming the %-figure, whatever it’s size, into “a mark”.

Table 5. *Distribution of implemented decisions according to the implementation efficiency*

	Number of marks in each category						
	Not at all	Very bad	Bad	Accept-able	Good	Very good	Comp-letly
<b>Mark</b>	9	11	14	22	27	23	13
<b>No mark</b>	21	19	16	8	3	7	17
<b>SUM</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>
	Average distribution of all decisions						
	3%	2%	6%	22%	37%	22%	8%

It is to be understood that 9 respondents have indicated that a certain percentage (from 2 to 25%) of their decisions have not been implemented at all and 17 respondents say that there is no decision completely implemented at all. The last row in table 5 shows that 11% (3+2+6%) of the decisions are poorly implemented or not at all implemented and 2/3 (37+22+8 = 67%) are well implemented (good or better)!

How well the respondents used the scale of seven categories is shown in table 6. The 5 respondents with just 1 mark each have marked 100% in Acceptable (3) and Good (2); the only one with 2 marks has divided the marks between Not at all (25%) and Good (75%). All other respondents have used three to seven categories to describe the implementation efficiency in their company.

Table 6. *Distribution of marks according to the use of categories (see table 5) of the individual company*

	Number of categories used							SUM
	1	2	3	4	5	6	7	
<b>Nb of resp</b>	5	1	7	4	7	2	4	<b>30</b>

I have transformed the distribution of implementation efficiency of the individual company to a company index by weighing the answers with 0 for “Not at all”, 1 for “Very bad”, *etc.*, up to 6 for “Completely”. That means that the theoretical company index has a maximum of 100 and minimum of 0. The calculations give a variation width of 45 to 85, 1<sup>st</sup> quartile 57, median 67 and 3<sup>rd</sup> quartile 73.

In table 7 an overview of collected data is presented using the calculated implementation efficiency index as a pivot. The variables are grouped under the model factor group heading (*i.e.*, corporate profile, corporate culture and leadership style). I did not intend to map the corporate culture during Step I. It is to be discussed if the heading “corporate culture” has relevance for the shown up variables. The thinking behind is that size and CEO characteristics are elements of corporate culture.

Table 7. Presentation of data collected in Step I

		Implementation efficiency index								
		>70			61-70			≤60		
Number of companies >		10			10			10		
	Sort	1st q	med	3rd q	1st q	med	3rd q	1st q	med	3rd q
<b>Corporate profile</b>										
Total assets 2002	MSEK	219	937	1222	450	1014	1062	250	311	545
Equity 2002	MSEK	126	291	610	192	381	466	95	158	221
Turn over 2002	MSEK	213	376	1429	344	761	1120	236	629	1035
Profit 2002	MSEK	0	71	122	-5	26	109	-53	-12	25
Growth per year, 3 year	%	-1%	6%	9%	2%	6%	10%	4%	7%	14%
Profit, 3 year average	%	6%	8%	16%	-3%	3%	7%	-17%	-6%	3%
<b>Corporate culture</b>										
Employees	Numb	133	325	991	124	678	1050	305	654	990
CEO born	year	1943	1945	1954	1955	1960	1966	1948	1950	1953
CEO appointment	year	1994	1998	2000	1998	2001	2002	1997	2000	2001
CEO age at appoint	year	41	50	53	36	40	41	47	49	53
TMT members	Numb	3	5	5	5	5	7	5	6	8
<b>Leadership style</b>										
Directive	Numb	3			4			3		
Value driven	Numb	6			6			5		
Political	Numb	0			0			0		
No answer	Numb	1			0			2		

q = quartile, med = median

In table 8 the CEO estimation of company implementation efficiency related to his period as acting executive is presented. Correlation is only  $r=0.2$ .

Table 8. Distribution of implementation efficiency index due to CEO acting period, number of companies

IE index	Years as acting CEO		
	3 -	- 3	SUM
>80	2	0	2
71-80	6	2	8
61-70	4	6	10
51-60	3	0	3
≤50	2	5	7
<b>SUM</b>	<b>17</b>	<b>13</b>	<b>30</b>

The respondents were also asked to motivate their distribution of implementation efficiency. 26 CEOs responded. First, they were asked about comments to their distribution. 7 respondents answered, six of them on the theme “We are managing very well” in an explicit top-down perspective; their implementation efficiency index varied from 57 to 74. Thus the CEOs scoring high or low on implementation efficiency did not motivate their answers. The seventh said he was new on the job and not quite sure about the distribution (index 45).

The respondents were then asked about their opinions on reasons for good and poor implementation in their company. In table 9 similar answers are categorized and grouped. The answers are distributed according to implementation efficiency index to detect potential systematic tendencies.

Table 9. *CEO opinions about reasons for good and poor implementation (the answers grouped and translated by the author)*

	Implementation efficiency index			
	>70	61-70	≤60	SUM
<b>Number of companies &gt;</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>30</b>
<b>Which are the reasons that some of the TMT decisions will be well implemented (= high implementation efficiency) in your company?</b>				
<b>A</b> Organisational advantages	2	1	1	<b>4</b>
<b>B</b> Formulated and (shared) values and needs	3	4	5	<b>12</b>
<b>C</b> Participation in Decision Making Process	1			<b>1</b>
<b>D</b> Communication and clarity	1	3	3	<b>7</b>
<b>E</b> Systematic follow up		2	1	<b>3</b>
<b>F</b> Low complexity of decision			1	<b>1</b>
<b>G</b> Resources and authority			1	<b>1</b>
<b>Number of opinions &gt;</b>	<b>7</b>	<b>10</b>	<b>12</b>	<b>29</b>
<b>Which are the reasons that some of the TMT decisions will be badly implemented (= low implementation efficiency) in your company?</b>				
<b>H</b> Organisational disadvantages		2	1	<b>3</b>
<b>I</b> Internal resistance movement, culture conflicts	2	5	1	<b>8</b>
<b>J</b> Bad anchoring/communication of decision	1		1	<b>2</b>
<b>L</b> No follow up		1	1	<b>2</b>
<b>M</b> TMT understand it is a wrong decision			1	<b>1</b>
<b>N</b> New priority during implementation phase		1		<b>1</b>
<b>O</b> Lacking resources incl unrealistic time schedule	2	2	2	<b>6</b>
<b>Number of opinions &gt;</b>	<b>5</b>	<b>11</b>	<b>7</b>	<b>23</b>

Some comments and clarifications are necessary about the answers, using the row letter as indicator:

- A. Examples are given as smallness, short order or communication ways in a flat organization and simplicity.
- B. The brackets around (shared) are put there as some respondents have just written about formulation, communication, *etc.*, but not about understood, accepted or shared
- D. “Information” is also included, as I do not know if this is one-way-communication or not
- H. Examples are company under re-organization, no competence of change

#### 5.1.4 Comments on the validity and reliability of the information in Step I

The figures picked up from annual reports give no problems in this respect. Asking people by using a questionnaire is more problematic, especially around attitudes and historical behaviors (Trost, 1997). Trost says that “... the correlation

between what a person did on a given occasion and how the person later looks at the same behavior is extremely weak” (p 77, my translation). In spite of this powerful statement I have not found a better way to approach this issue, but have kept the premonition in mind when using the collected information.

As a general comment, I have received much positive feedback about the relevance of the research, even from the CEOs who did not answer of any reason. I interpret this as a will of the respondents to understand the questions and answer them as well as possible. Furthermore, the CEOs have not expressed any doubts about how the questions should be understood when I have spoken directly with them on the phone.

I have kept an eye on the variations in CEO acting period and its influence on the answers. Looking at the collected information, I have asked myself “Are newly appointed CEOs, or at least some of them, estimating the implementation efficiency as a judgment of the performance of the former CEO?” I have no evidence to support “yes”, but I suspect this is true in certain cases, consciously or unconsciously. A new CEO is focused on mal-functions in the organization and will find things to change. That is why she/he is there!

I have received answers that put the implementation efficiency at 100 % in the category “Acceptable implementation” (3 cases) and “Good implementation” (2 cases). I believe that the instructions in these cases have been misunderstood but the information is nevertheless OK to use, as I have understood it as an “average estimation” of the respondent.

As the main aim in Step I is not to explain the variation in implementation efficiency, but just to confirm its existence, I do not think that the observed problems with some answers will cause me any severe problem in the analysis.

## **5.2 Presentation of Step II**

### *5.2.1 Data collection in Step II*

I selected a couple of companies as potential study objects as a result of Step I. I looked for answers with an impact of honesty but also an implementation efficiency well spread over the seven alternatives. Also, substantial comments to the answers were important in the selection as they indicated that the respondent had given his answers some thought. I have chosen these criteria, as this gives me a variety of companies gaining the qualitative approach.

A preliminary list of eleven companies was designed in three priority groups. The main criterion for prioritizing was my impression of frankness and completeness in the CEO answers on my Step I questionnaire. To test the “in-selling” arguments I first phoned one priority group 3 company. The CEO “bought” the arguments, without any objections, and invited me for further discussions. I continued the phone calls, now with priority group 1 companies. Each of them accepted the proposed intention to use their company as a study object. Surprisingly all five including the priority 3 company invited me to a first talk at their office. We met and I was very well treated at all these five meetings.

We closed the meeting with my proposal to think about our discussions with me phoning within ten days. Calling back, three CEOs declined to participate, all of them with the main reason “lack of time”.

The other two CEOs were ready. The first one, which I call Company A, could start immediately. The first interviews were carried out in June 2003 and continued during the autumn with some complementary interviews during 2004. The other one, Company B, was not ready for take off until autumn 2003. In the meantime, a process started leading to a stock buy-out by a private investor. The CEO shifted to the position as Chairman of the Board of Directors and an internal recruiting of a new CEO was done. I kept in touch with the former CEO who still was very positive. But it took time until autumn 2004 before the new CEO was ready for a meeting, which was the starting point for the studies in Company B. The interviews were done around the end of 2004.

In springtime 2004, I needed more decision case information in a down-up perspective. I went back to one of the declining CEOs asking for a new possibility to study the company. I got a positive answer and a set of interviews was conducted with the trade union chairmen and the CEO himself in springtime 2004 in this company, Company C.

I had beforehand decided quite vaguely that I wanted to study decisions in a few companies. The purpose is to get enough information from a set of decision implementation situations to test the implementation model. So, ending up with three companies to study was more a coincidence than a planned achievement. Nevertheless I have studied three companies with quite different profiles: trading, consulting and manufacturing/selling. This contributes to diminish the risk of being trapped in a specific segment or anything like that. And after all, this is a case study approach with bounded generalization possibilities beforehand.

All potential respondents agreed to be interviewed. In all, 41 interviews with 27 individuals have been carried out regarding 18 original decisions, which is what I had expected. Just one of the respondents is female. The interviews were carried out using the developed list of questions. I made notes directly on my PC. In an earlier stage of the studies I had tested the use of tape recorder. When writing from recorded tapes afterwards I found that the body language was not caught – it was something I put in. The result was a mix of a direct account and my comments. Besides I found myself sometimes more occupied by the tape recorder function during the interview than listening. There are pros and cons with both procedures (Trost, 1997). As I have tried both I abandoned tape recording in favor of the procedure used, which suits me best.

There are some more details about the interviews that need to be reported. The opening of the interview was designed to be broad by asking a very common question like “If you would describe the corporate culture in your own words, what will you tell me?”. Then I was ready to follow the track of the respondent asking follow-up questions which linked them to the prepared list of questions. I also asked some essential questions later in the interview to cover some issues if they did not come up spontaneously. But I tried all the time to keep the original respondent approach, not trying to lead her/him in a direction according to the

“model thinking”. The reason I did this is that I want to catch as much information as possible about implementation. Over all, I estimate that the intentions of interview performance came out very well.

The first interviews were completed afterwards on my PC with information that had not been written down in a proper form during the interview. Then I found it easier to catch the nuances in Swedish, as they were fresh and I could reformulate them immediately into English and could write an interview summary directly in the dissertation.

My over all opinion is that the instruments and the creation of a good interview environment have worked quite well. There has not been any interview with severe disturbances of any kind.

Book-keeping information was already collected in Step I but completed with up-dated figures covering the interview periods.

### 5.2.2 Non-response analysis of Step II

I intended to get a couple of companies in which I could carry out the interviews. Two out of five declined to participate due to lack of time. A presentation is made in table 10 of the five companies.

Table 10. *Presentation of five selected companies aimed for Step II*

Company	CEO		Three years' average		Numb of employees	Implement Efficiency
	Years a)	LS b)	Growth	Profit		
<b>Participating</b>						
A	5	Value	-3.0%	5.3%	1072	57%
B	1	Value	5.0%	0.0%	990	50%
C	2	Value	-4.2%	4.6%	309	62%
<b>Selected but not participating</b>						
D	16	Value	9.0%	0.0%	226	75%
E	2	Value	6.0%	-1.6%	305	50%
a) years in action b) Leadership style, self-estimation						

The presented variables are selected according to the model giving indicators of the three corporate factor groups (corporate culture, corporate profile and leadership style). There are some smaller differences mainly in growth and profit.

A strict non-response analysis is not applicable given the aim of Step II to study individual decisions in a mirror of corporate context. The selected companies represent nothing more than themselves. But it is valuable if they are not too extreme compared to the companies O-listed on the Stockholm Stock Exchange. The sampled 57 companies in Step I are thereby available for comparison. The coefficients presented in table 10 are well within the variation width of these companies

### 5.2.3 Presentation of companies in Step II

The complete presentation of data from Step II is to be found in Appendix C. Here is just a short presentation of the companies studied.

The three companies are briefly presented in table 11. Figures are collected from annual book-keeping reports from year 2004. Company A has a broken book-keeping year ending the 31<sup>st</sup> of March. Therefore their figures are taken from the annual report of 2003/04. This is very suitable for the period of carrying out the interviews, as it does for Company B and C too when using the full year 2004. It is observed that some figures in tables 10 and 11 differ. The figures in table 10 are a presentation of the situations when companies for the study were selected. The figures in table 11 are updated with one year. The differences reflect the changes; company B has in the meantime sold out parts of their business.

Table 11. *Some basic information about the three studied companies*

Variables		Company		
		A	B	C
CEO	Education	High school	Academic	Academic
	Recruitment	Internal	Internal	External
	Year(s) of action	5	1	2
	Age	55	40	45
Company	Business type	Trading	Consulting	Manufacturing
	Marketplaces	Nordic area	Sweden	Europa
	Profit	5.3%	0.0%	4.6%
	Growth	-3.0%	5.0%	-4.2%
	Turn over, MSEK	2300	700	500
	Numb of empl	1100	1000	300
	Complexity a)	~40	5	5
	Trade union b)	No	Yes	Yes
a) Number of subsidiaries b) members of the board of directors				

There are many differences between the companies. They operate in different market segments. Profit and growth, measured as the last three year average, vary. The size and complexity differ. The CEO profiles are different. Company A and C are listed on Stockholm Stock Exchange O-list but Company B was bought out during the study period. There are also similarities in two dimensions: all three are in business-to-business and the CEOs are males.

### 5.2.4 The validity and reliability of the information in Step II

The principal aspects of validity and reliability of the selected tools used for information collection are discussed in 4.3.1. How well have I succeeded meeting the requirements in practice? In the following section, I give an evaluation based on my own observations during the collection of information.

Information from annual reports meets high demands on reliability. The listed companies on the Stockholm Stock Exchange follow the rules of economic presentation established by the Swedish Accounting Standards Board. The figures

used from annual reports are therefore comparable both between companies and over time as the rules have not changed during the period studied.

Information from minutes of meetings and other written internal documents has varying quality. Descriptions may be precise or imprecise; the background to a decision made may be there or not, *etc.* I have asked for complementary oral information and comments in order to get a picture as complete and “true” as possible. These discussions have led to the cancellation of some potentially interesting decisions to study, as they did not meet such requirements as people involved, accuracy, *etc.* Information used for the selection of a decision to study has been just a part of all information in a case. Therefore the primary decision information does not play a more important role than information from the interviews.

Different numbers of interviews have been carried out for each decision with a variation in the combination of decision maker and implementer roles (see table 12). In one case it happened to be just decision makers as the implementation role was played by one of the decision maker. This situation was not clear when the decision was selected. Eight decisions have only been revealed by the implementers. As I wanted to keep a special down-up perspective I do not see this as a weakness even if I cannot compare in these cases the opinions of decision makers versus implementers.

Table 12. *Distribution of decision cases according to role and number of respondents (Note! Decision 2302 and 5407 are divided in two sub-cases each giving in total 20 cases)*

		Decision Maker		
		0	1	2-
Imple menter	0			1
	1	7	4	1
	2-	1	5	1

No one appointed to be interviewed has denied participation. No interview has been interrupted for a shorter time or been interrupted completely. One interview had to be carried out for a shorter time than planned. The conditions were known when the interview started and the available time was enough to catch the opinions of the respondent. In two cases complementary information was gathered through a phone call when the interview was written and gaps were detected in the information.

The chosen method to collect information – interviews built up around a retro-perspective evaluation of a specific decision – contains a risk of respondent rationalization, see 4.2.1. The potential rationalization is however a part of the individual opinions and therefore not a problem as I am not after a “true picture”. Furthermore, in most decision cases more than one respondent is interviewed and the opinions are matched against each other throughout the analysis.

It is difficult to objectively examine which role my personal profile has played in the interview situations, as I am one of the two actors. The interviews have started with a mutual presentation. After that the respondent knows that I have been acting CEO for many years. She/he also may conclude that I am older than

her/himself. The combination of these two facts has at least two potential effects on the interview situation of an implementer: we use the same business language, which facilitates understanding, but there is a risk that the implementer experiences a feeling of subordination. Both reactions are individual; they can be almost absent but may also be very strong. In many interview situations I have received comments such as “you should know, you have been a CEO”, “You understand what I mean, you have been so long in business” and “I do not think it is necessary to explain, you understand with your background”. In most cases I have tried to stimulate the respondent to continue, to express in their own words, to go deeper, *etc.*, but I must confess that I sometimes have accepted the statements by saying yes or just nodding.

In an interview situation with a CEO it is a bit different. There it is more a mutual feeling to be equal parts, “we belong to the same fraternity”. This is to some extent positive, *e.g.*, we understand the underlying conditions of a certain item, but also negative, *e.g.*, taking a statement for self-explanatory without follow-up questions. I have tried in these situations to be observant of my own appearance and be professional in my interviewer role.

In table 13 I have presented my own estimation of respondent answer reliability (for method discussion, see 4.3.1). When the paper with the scale and the question was handed over, no further information was given. In cases when the respondent asked me anything, I provided an answer or explanation. I tried to avoid any risk of leading the respondent into an answer in accordance to what she/he earlier has said. I have judged their scoring reliability according to their possible questions and comments. If an unsatisfactory reliability is assigned a score of 3 or lower, then just 7.2 % of the answers fall in this category. The figure decreases to 2.4 % if the limit is assigned to 2 and lower. The distribution does not differ between the three companies. According to these observations it is my opinion that there is not a reliability problem. Therefore I have not shown the individual scores linked to each answer, as that does not add any essential information. The scores given by the respondent are used in the analysis without any further treatment.

Table 13. Results from author’s estimation of respondent answer reliability

Distribution	Scores on the scale							SUM
	0	1	2	3	4	5	6	
%	0	1	2	5	3	21	69	100

A problem occurred regarding the estimation of implementation process efficiency and goal satisfaction. When is a decision really implemented? There are many possible answers. Is it when someone says, “it is implemented whatsoever the result is”, when the goal is achieved (who decides?) or when a follow-up is carried out? During the interviews it became quite clear that many decisions were in a state of incomplete implementation according to the opinion of the respondent. Initially I was not prepared well enough to meet such a situation, but the first time it occurred I asked the respondent to make a prognosis. It worked well and then the same procedure was repeated when necessary. In just a few cases it was impossible for the respondent to make a prognosis and therefore there

was no scoring. I have accepted all given scores as relevant estimations as they in any case are subjective opinions.

In summary, there are some weaknesses in information reliability in Step II but I do not identify any severe problem using the information for the analysis. The main reason is that the occurring weaknesses have a more random than systematic character, as I have tried to handle the interview situation with awareness of the problem, but this has probably failed on occasion.

## 6 Analysis

The analysis in this chapter is based on collected information described in Chapter 5 and in Appendix C. It is separated in two echelons in accordance with the two steps of data collecting, as the data cover the implementation model to different extent and come from different sources.

### 6.1 Structure of the analysis approach

The tools used in the analysis are described in 4.4. The results from each analysis approach are summarized in a verbal conclusion, which is uniquely identified by a running number preceded by CC (stands for ConClusion), CCx. These conclusions are used in the final discussion in Chapter 7.

The verbal conclusions differ in strength depending on the scope of the data analyzed and the solidity of relations observed. For instance, a conclusion from a single case is based on a very specific situation but may be estimated and concluded in a dimension of generality according to the context (“this is or is not a typical situation”) and the case itself (“this is or is not a typical case”), both statements mirrored in the total database. Another conclusion may be drawn from a set of cases, sometimes quantitatively evaluated, and therefore the conclusion is based on a bigger dataset. I have not found a tool in the literature for systematic grading of the verbal conclusions made in an analysis on a general level; specific analysis tools such as a t-test of a statistical correlation is another thing. Therefore I use the criteria *scope* and *solidity* to estimate the value of the conclusions made as

- Weak        W
- Medium     M
- Strong      S

The estimation follows directly after the conclusion, placed within parentheses (X). Very limited information has sometimes been the ground for a conclusion as I have estimated its potential value placed in another context; such a conclusion is marked (-).

Observation, reflection and conclusion are three words used frequently in the analysis. I use *observation* when I just lift up something interesting and stop there; sometimes the word *finding* is used as a synonym. The word *reflection* is used when going a bit further with the observations/findings, often in a more experience-based and speculative direction. Finally, *conclusion* is reserved for a reasonable causality and other connections derived from the analyzed information. The specific use of observation, reflection and conclusion is limited to this chapter.

## 6.2 Analysis of data from Step I

The data in Step I are limited. Despite this, I carry out not only a general analysis but also apply both qualitative (QCA) and quantitative (LISREL) tools to the available data.

### 6.2.1 General analysis of Step I information

The existence of implementation problems is confirmed by the executives (see tables 5 and 6 in 5.1.3). The varying implementation success in individual companies is also obvious according to the information in these tables. The picture is not very positive. Seven companies of 30 (24 %) have an implementation index  $\leq 50$  and the median is only 67. Unfortunately, there are few open comments linked directly to the individual distribution, which could help to understand the reasons for the low implementation index. So far it seems that there is an important improvement potential in implementation efficiency.

The implementation index varies between companies. In table 7, the companies have been arranged in three groups according to implementation efficiency level. It is not possible to observe any evident or systematic tendencies regarding different variables. However, the profit situation is certainly interesting (see 3.4.2.1). Figure 8 gives a hint about a U-curve. Regression analysis on the data including all information (NB! In figure 8, some extreme values are excluded) produces a significant equation solution

$$\text{INDEX} = 63.7 + 0.32 * \text{PROFIT} \quad (7)$$

with  $R^2=0.20$ . Adding  $\text{PROFIT}^2$  to the equation does not improve  $R^2$  and gives furthermore a non-significant solution: the U-curve is not confirmed. As already discussed in 5.1.2 there seems to be a slight correlation between poor profit and a newly appointed CEO, confirmed by computation results in table 8. The combination of these observations is analyzed with QCA in 6.2.2.

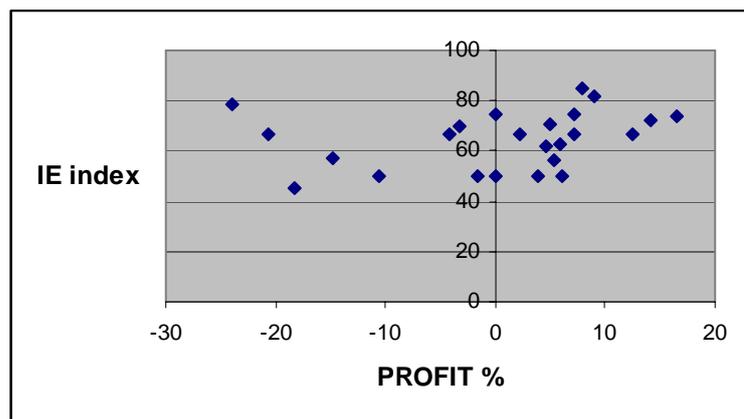


Figure 8. Plotting implementation efficiency and company profitability (three year average; some extreme profit values have been excluded due to diagram layout reasons)

Does size of company influence implementation efficiency? Some economic variables are listed under the corporate profile headline in table 7, which may be used as a measurement of the size of a company as well as the number of employees under the headline corporate culture in the same table. In this study, “people” is focused. Therefore it seems reasonable to use number of employees as a measurement of the size of company.

In figure 9 the relation between implementation efficiency and size of company measured as number of employees is plotted excluding the four biggest companies with a range of 3000 to 14000 employees. The correlation is  $r=-0.18$  and the average implementation efficiency index is 64. The four largest companies have an index range of 63 to 85, the later for the biggest one. However, all these figures together indicate that size does not matter regarding implementation efficiency. The picture is unchanged if other variables are used as measurements of size.

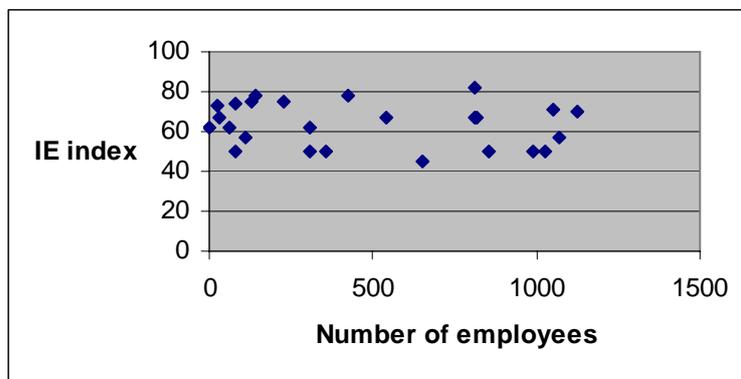


Figure 9. The relation between implementation efficiency and size of company

The CEO answers to the open questions about reasons for good versus poor implementation efficiency contain much interesting information (table 9). It seems that corporate culture factors play an important role; 12 CEOs say that formulated and shared values and needs are important for good implementation and 8 CEOs claim that internal resistance and cultural conflicts have the opposite effect. Also, communication and clarity are important for good implementation, as well as lacking resources have relevance for poor implementation. Contrarily, participating in the decision making process and a low complexity of the decision do not matter in terms of successful implementation; the follow-up system and insufficient anchoring are also not of importance.

There are no evident differences in CEO opinions when looking at different implementation efficiency levels. That means that even if the CEO estimates quite a poor status of implementation efficiency in his own company, he shares the opinions of his colleagues in more successful companies about reasons for good versus poor implementation efficiency.

A provocative reflection is that “well implemented” seems to be explained mainly in words of good top management and “poorly implemented” by problems

related to subordinates! It is, however, not possible to analyze this observation further due to shortage of information.

To summarize, I make the following conclusions based on the general analysis of Step I:

- CC1. There is a potential for important improvements in implementation efficiency (S)
- CC2. Corporate factors as formulated and shared values and needs as well as internal resistance and culture conflicts have impacts of good and poor implementation respectively (M)
- CC3. Decision factors such as communication and clarity as well as available resources have impacts of good and poor implementation respectively (M)
- CC4. Size of company does not matter with regard to implementation efficiency (M)
- CC5. Extreme profit situations (very poor or very good) do not lead to high implementation efficiency (W)
- CC6. Executives estimate that successful implementation mainly depends on themselves and unsuccessful implementation mainly depends on subordinates (-)

### 6.2.2 Step I QCA

The purpose of the QCA approach is to find causal relations between corporate factors and implementation efficiency in the preliminary model. The QCA technique is briefly described in 4.4.2.

The dataset includes almost 40 variables, of which six are economic variables from each of the last five years (that is 30 of the total 40). They are continuous with two exceptions: leadership style, which is trichotomous, and the presence of minutes of Top Management Team meetings, which is dichotomous. Evaluated variables such as turn over pro employee, profit margin and years as CEO in the company have been calculated from the original variables (see table 14).

Table 14. Transformation of the continuous variables into dichotomous variables in Step I

Selected variables		Pivot value	
Estimation proposal	Abbr	1	0
CEO's self-estimation of leadership style	L	Value	Directive
Presence of minutes of meetings	M	YES	NO
Year(s) as CEO	Y	>4 years	<4 years
Age of CEO	A	<40 years	>40 years
Turn over last year	T	>500 MSEK	<500 MSEK
Solidity	S	<30%	>30%
Number of employees last year	E	>1000	<1000
Profit, three year average	P	<0 alt >10%	0-10%
Growth, three year average	G	<0 alt >10%	0-10%
CEO's estimation of IE, evaluated	I	>66%	<66%

I have selected both original and evaluated variables, suitable for a QCA analysis. The criteria for selection are mainly the formulated research questions but my personal experiences have also been taken into account. The selection and the transformation from the original variable value into a dichotomous variable are shown in table 14. I have not grouped the variables under factor groups of the preliminary implementation model (see figure 3) as I have no direct information about corporate culture. However, the variables T, S, E, P and G constitute corporate profile.

The developed truth table is shown in table 15.

Table 15. Truth table of selected variables in Step I (abbreviations see table 14)

Row	Transformed variables									
	L	M	Y	A	T	S	E	P	G	I
1	0	1	1	0	1	1	1	0	1	0
2	1	1	1	0	1	0	1	0	1	1
3	1	1	1	0	1	1	1	0	1	1
4	1	0	0	1	1	1	0	1	1	1
5	1	1	1	0	1	0	1	0	1	0
6	0	1	1	1	1	0	0	0	0	1
7	0	1	0	0	0	0	0	1	1	0
8	0	1	0	1	0	0	0	1	1	1
9	1	1	1	0	0	1	0	1	1	1
10	0	1	0	0	1	0	0	0	1	0
11	1	1	1	0	1	0	0	0	0	0
12	1	1	0	0	0	1	0	1	0	0
13	1	1	1	1	0	0	0	1	0	1
14	0	1	1	1	1	0	0	0	1	0
15	1	0	1	0	0	1	0	1	0	1
16	0	0	0	0	1	1	1	0	0	1
17	0	0	0	0	1	0	0	0	1	1
18	1	1	0	1	0	0	0	1	0	1
19	0	1	1	0	0	0	0	1	0	1
20	1	1	1	0	0	0	0	0	1	1
21	1	1	1	0	0	0	0	1	1	0
22	1	1	0	0	1	0	0	1	0	0
23	0	0	1	0	0	0	0	1	0	0
24	0	1	0	0	1	1	1	1	0	0
25	1	1	0	1	1	0	0	1	1	1
26	1	1	0	0	1	0	1	1	0	1
27	1	1	0	0	1	0	1	1	0	1
28	1	1	0	0	1	0	0	0	1	0
29	0	1	0	1	0	0	0	0	1	0
30	0	1	1	1	0	1	0	0	0	0
<b>Nb of 1</b>	<b>17</b>	<b>25</b>	<b>15</b>	<b>9</b>	<b>17</b>	<b>9</b>	<b>8</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Nb of 0</b>	<b>13</b>	<b>5</b>	<b>15</b>	<b>21</b>	<b>13</b>	<b>21</b>	<b>22</b>	<b>14</b>	<b>14</b>	<b>14</b>

The pivot values have been decided with one eye on the dataset (“reasonable 1/0 distribution”) and the other eye on the research questions. L was easy to manage as no respondent has characterized himself as a political leader. P has been treated according to RQ6 (see 3.4.2.1). The transformation contains some subjectivity. I have tested different pivot values before coming to the results in table 14. The main problem is that some variables are unbalanced in 1/0 cases even for small changes in pivot values.

When creating a truth table (see 4.4.2), there can be a problem with missing values. This occurs in my data. The matrix generated by the selected variables is 10x30. There are 9 missing values of the total potential of 300 observations, giving 24 rows to compute instead of 30. To solve this problem I have applied the imputation method described in 4.4.4. All missing values are imputed and the matrix is complete with 30 rows as shown in table 15.

The first analysis is carried out with three variables as this approach permits me to select one variable from each factor group. Leadership style is undisputable. For corporate profile, Profit is selected according to RQ6. Corporate culture was not covered by any questions to the CEOs. In table 14 I propose years as acting CEO, Y, even if it is discussed in 4.2.2.3 how far the CEO influence reaches on corporate culture. Alternatively the age of CEO, A, is a possible estimation of corporate culture. I choose Y, as Y has indicated some influence on the estimation of implementation efficiency (see tables 7 and 8). If the CEO has acted 4 years or more, he has had time to affect the corporate culture if possible at all. Therefore the QCA is carried out with L, P and Y as independent variables and Implementation efficiency as dependent.

For all rows except 000 I use the technique of majority. That means that all cases are put into the outcome column, where the majority is already found (see table 16). Row 000 has two cases in each 1/0 column. All rows including 00 have a majority of 0-cases. Therefore it seems relevant to start the analysis by putting row 000 into outcome 0.

The truth table from the first analysis step is shown in table 17. All rows are covered by cases. But the contradictory row results are obvious. It is, however, possible to see a structure, which I use when handling the problem.

Table 16. Original truth table of  $LYP > I$  in Step I

Independent var			I cases	
L	Y	P	1	0
1	1	1	2	1
1	1	0	4	2
1	0	1	5	2
1	0	0		1
0	1	1	1	
0	1	0	1	4
0	0	1	1	2
0	0	0	2	2

The next step in the analysis is to formulate the equation. From table 17, the following equation is designed

$$LYP + LYp + LyP + IYP > I \quad (8)$$

Minimizing gives:

$$LY + LP + YP > I \quad (9)$$

Equation (9) says that value leadership in combination with either a long period of CEO regime (at least four years) or a challenging economic situation (negative profit or above 10 %) cause high implementation efficiency, as well as a long period of CEO regime in combination with a challenging economic situation. There are three pathways to high implementation efficiency and they are all a combination of two of the three variables.

Table 17. Adapted truth table of  $LYP > I$  in Step I

Independent var			I	Cases
L	Y	P		
1	1	1	1	3
1	1	0	1	6
1	0	1	1	7
1	0	0	0	1
0	1	1	1	1
0	1	0	0	5
0	0	1	0	3
0	0	0	0	4

How robust is the presented solution? I answer this question by addressing three aspects. First, does adding more independent variables improve the explanation? The model contains three corporate factor groups. If I use two variables of each instead of one, the number of rows increases from 8 to 64. The data has 30 sets. Adding variables is obviously impossible. Picking up just one more variable, giving 16 rows, is technically possible. But doing so, the weight of a certain factor group is doubled giving a risk of misleading conclusions. Nevertheless I have tried. It is simplest to look at corporate profile. Adding growth, G, causes one empty row (no case observed) and a very high degree of contradictory row results. So adding one more variable does not contribute to a better solution and thus G is unlikely to affect the outcome.

A second aspect is the choice of variables. I have separately tested age of CEO, A, instead of Y and growth, G, instead of P. A gives approximately the same truth table but with slightly higher contradictory row results. G gives higher contradictory row results. If I manage the contradictory row results with the same technique as earlier, G gives the following equation:

$$LYG + LYg + LyG + Lyg > I \quad (10)$$

which can be minimized to

$$L > I \quad (11)$$

That means that value-driven leadership would be necessary and enough for high implementation efficiency, which does not seem convincing.

Finally I have tested changing the pivot values of Y and P. Y has been changed from 4 to 3 years. P has been changed to <3%/>3% for 1/0. The truth table is changed very little not forcing any changes in basic equation (9) if I manage the contradictory row results as before.

Row 000 is initially regarded as a 0-outcome. If it is managed as a 1-outcome, we get the following solution:

$$LYP + LYp + LyP + IYP + lyp > I \quad (12)$$

Minimizing gives

$$LY + LP + YP + lyp > I \quad (13)$$

Equation (13) assigns a fourth pathway to high implementation efficiency compared with equation (9): a combination of directive leadership, short CEO regime and no profit challenge. The result shows the solution sensitivity of calculation conditions rather than a convincing fourth way to high implementation efficiency

In total, the sensitivity analysis indicates that solution (9) is reasonably consistent to changed conditions.

Tentative QCA-tests with alternative trichotomous combinations of variables in table 15 have not given any promising results.

- CC7. Value-driven leadership, a long period of CEO regime and a challenging economic situation in pair-wise combinations lead to a high implementation efficiency (W)

The purpose of the QCA approach is achieved resulting in some interesting findings.

### 6.2.3 LISREL analysis of Step I

The purpose of the LISREL analysis is to find causal relations between corporate factors and implementation efficiency in the preliminary model. The LISREL tool is shortly described in 4.4.3. The variables used in the LISREL analysis here are the same as in table 14 (of course in their original form as continuous variables) completed with age of CEO when appointed and size of TMT (corporate culture). Some of the variables have been transformed to logarithms before computing in order to approximate normal distribution characteristics of the variables (Jöreskog & Sörbom, 1996).

I have made several computations but have not been successful in finding model fitness. The main reason seems to be a limitation of the dataset. However, some observations are made. It seems that profit, growth, solidity, number of employees and turn over in different combinations are useful variables for measuring corporate profile. Contrarily, it does not seem as CEO characteristics as age, years

of action as CEO and age at appointment are good estimations of corporate culture.

The purpose of the LISREL modeling approach to find causality in Step I information failed.

### 6.3 Analysis of data from Step II

Presented information in Appendix C is used in this analysis but also information from other sources. The analysis is carried out on different levels. The combination of sources and levels differ between variables in the implementation model. In table 18 an overview is presented in order to facilitate the analysis understanding.

Table 18. *Overview of information sources and analysis levels in Step II*

Level	Information sources		
	Written documentation	Respondent opinions and estimations	Author's estimations
Corporate	Corporate profile	Corporate culture Leadership style	
Decision case			Type Target group Decision demanded and recognised Follow up situation
Decision case components		Decision making process Implementation context Implementation profile Goal satisfaction Process efficiency	Decision making process

As table 18 shows, the analysis deals not only with model variables. The first screening of the data indicated that my interpretation of the interviews went in the direction of specific decision case conditions. Therefore, the cell *Decision case/Author's estimations* contains analysis approaches completing the analyses derived from the implementation model and the research questions.

The analysis is carried out in steps starting with corporate factors followed by analysis of individual decisions. Then, I apply an organizational perspective and continue with an analysis of decisions categorized in different dimensions (labeled "categorized decisions", see row "Decision case" in table 18). QCA and LISREL analyses follow and they are used in order to estimate relations in the preliminary model. I carry out these different analyses in order to squeeze the data for as much information as possible. The results may be contradictory or congruent. What-so-

ever, they form thereby a ground for nuanced conclusions and an evaluation of the implementation model.

### *6.3.1 Analysis of corporate factors*

The main purpose of this first analysis step is to create a mirror in which the upcoming decision analysis could be reflected. The mirror is an aggregation of the opinions of the respondents on the corporate level. The Company A sub (see C.2.1) is excluded in this sub-chapter as there are just two observations.

#### *6.3.1.1 Analysis of corporate profile*

In tables 10 and 11, information is given about company profiles. Three years are shown. The interviews are carried out during the last two years of this period. Therefore corporate profiles are an important background for understanding the answers of the respondents. Corporate profile itself is also a part of the implementation model.

Company A has had negative growth but has been able to keep black profit figures. Firing people has been one way to adapt to a weak market. As Company A has a broken financial year ending in March, there is information about the entire 2004 when writing these comments. This information indicates positive growth under improved profitability. Company A has had a hard period but has been running well both then and now.

Company B has gone through a trial by fire. It was introduced on the Stockholm Stock Exchange but bought out after a few years. It has been re-organized under a very pressed market situation. Over three year the turn over has decreased with 20% and the accumulated deficits are 100 MSEK. 30 % of the employees have been fired. The situation has remarkably improved the latest year of the three-year period even if there was a small deficit.

Company C has had a historical situation parallel to Company A but experienced a huge lift in sales figures 2004 which gives a small average growth over the past three years. Profit has been positive in spite of a declining market. In all, after some quite hard years, the company is running well the latest year of the three-year period.

#### *6.3.1.2 Analysis of corporate culture*

As described in 4.2.2.3, I have not used an objective tool to measure corporate culture. I have used the term and the respondents have told me how they interpret the concept. However, I have made some observations regarding organization and TMT routines which in some meaning may be said to be objective.

Company A has a consistently structured, decentralized organization. The corporate culture shows, over all, a high degree of concordance. All respondents mention responsibility and freedom, and business and human relations, as essential parts of the culture even if they use different words. The repeated words but also their own words for the same concept indicate a high degree of cultural penetration and cultural homogeneity. There are subtle differences. Some

respondents say that business is more important than people. Responsibility and freedom have disadvantages, which are indistinctness and mistakes. But when they conclude, the advantages are bigger than the disadvantages.

I find that some respondents are critical to shortage in systems and routines. Some respondents mean that there is too much short-sightedness. Communication and dialogue are appreciated. The response on acting is good. The trade unions play a hidden role, which is also demonstrated by the respondents as they do not mention anything about them.

All together, the respondents provide a picture of corporate culture in Company A signaling concordance, confidence and “human satisfaction” but not avoiding to mention shortcomings.

Company B is a small group, balancing between decentralization of business and centralization of support activities. Corporate culture can be characterized as splayed and under change. The respondents say in different words that there is an on-going process of changing corporate culture with the CEO as the engine. Many respondents mention that the main change will be from subsidiary independence to group cooperation with a focus on consultant coverage rate. There is basically a positive attitude to the change even if some people are unsure about the form of the new corporate culture. Many respondents express their satisfaction with working for Company B. Most respondents share some elements with the corporate culture as openness, communication and customer focus. CEO has launched the four core values, the “E’s” (evolution, ethics, engagement, emotion). They are so far not well known in the group. The role of the trade unions is played both formally (members of the Board of Directors) and informally (good relations to CEO). Their impact seems to be enormous.

Even if there are many shared opinions and values in Company B, there are also many individual opinions about history and the future. This is not surprising. The staff members are, as consultants per se, individual in their approaches and the CEO is working hard to change the corporate culture into a more cooperative climate. Tension is not surprising.

Company C has a traditional organization of manufacturing, marketing and economy departments, but it is under change after having acquired a foreign company. The corporate culture is under change, and it is almost reaching a new state. The respondents both complain about the disappearance of the old culture and appreciate the new one. It is a combination of feeling versus common sense: the old days were good but we have to adjust to a new market situation. In this change it easy to find mistakes and faults but nevertheless the respondents are positive.

The new culture is characterized by a customer focus instead of manufacturing focus, by flexibility instead of manufacturing scale advantages, and by individual responsibility instead of group solidarity. The internationalization is a challenge with communication problems (business culture, language) and profit risks. The change itself forces opinions about scanty information and an absent CEO. The employees show a high loyalty to the company and the company cares for the employees. Good performances are not that often marked by the managers; the

bad ones are however observed and treated in a quite repulsive manner. The trade unions play a strong role in daily life mainly in a formal way of MBL negotiations.

The new culture in Company C is accepted by the staff members but not yet fully supported.

So far I have used the verbal expressions of the respondents to characterize the corporate culture. The picture may be completed by their scores of corporate culture in terms of culture penetration and culture homogeneity (table 19).

Company A and C show over all a high degree of homogeneity of culture strength and penetration while Company B shows the opposite on a much lower average level. This picture strengthens the verbal statements. There is, in all three companies, a more positive picture of corporate culture strength among TMT members than among staff members. The CEOs of Company A and B come closer to staff members than their own TMT. Note that the CEO is the only interviewed TMT member of Company C.

Table 19. *The corporate culture scores in companies A, B and C*

Variable	Company			Sum or Weighed average
	A	B	C	
<b>Numb of respondents</b>	9	10	5	24
<b>Numb of TMT members</b>	3	4	1	8
<b>Numb of staff members</b>	6	6	4	16
<b>Scores</b>				
<b>Average</b>	5.1	3.5	4.7	4.4
<b>Median</b>	5.0	3.5	4.5	
<b>Minimum</b>	4.5	2.0	4.5	
<b>Maximum</b>	6.0	6.0	5.0	
<b>CEO</b>	5.0	3.5	5.0	
<b>TMT members</b>	5.5	4.0	5.0	4.7
<b>Staff members</b>	4.9	3.2	4.6	4.2

### 6.3.1.3 Analysis of leadership style

In table 20, the leadership style estimation is summarized for each company. The congruence between the CEO and respondents about leadership style is high in Company A and C. Also, the homogeneity is quite good.

Table 20. *The CEO leadership style in companies A, B and C*

Company	CEO		Numb of respond estim		
	self-estim	years	Political	Directive	Value
<b>A</b>	Value	5	0	2	6
<b>B</b>	Value	1	1	5	3
<b>C</b>	Value	2	0	1	3

However, Company B shows another picture. The estimations of the respondents are spread over the entire scale. 67% of the respondents have another

opinion about the leadership style of the CEO than he has himself. The congruence and homogeneity are low. One reason is probably the short period of CEO hegemony even if he has been with the group for many years (internally recruited as CEO); people do not know him well enough to estimate his leadership style. Another reason is his approach to change the culture: for subordinates it is hard to understand if CEO is bird or fish.

#### 6.3.1.4 Integration of corporate profile, corporate culture and leadership style – a summary

Corporate profile, corporate culture and CEO leadership style are three corporate factor groups in the implementation model. If they are combined in an integrated dimension, what do they say about the three studied companies?

##### Company A

has a strong, human leader trusted by the staff members. The culture is well established and well balanced with a strong focus on business and caring for people supported by consequent decentralization. The business track record shows a skill to achieve acceptable profit under negative growth. The company has reached a harmonious culture status of permitting and permeating where people are proud and feel good. Company A has a decision climate of “think, dare and do”.

##### Company B

has a new leader for whom the staff members have positive expectations. The culture is changing from independence to cooperation. The financial situation has been severe but is now under control and developing well. Company B has a decision climate of “customer, consultant coverage rate and internal cooperation”.

##### Company C

has a strong, decisive leader respected by the staff members. The organizational structure is under development and the culture has been exhaustively changed to a strong customer focus and internationalization but keeps good care of staff members, which are accepting the change but not yet fully supportive. The business figures are improving after some hard years. Company C has a decision climate of “must and go”.

Table 21 attempts to translate and complete the verbal company summary above into scores. My estimates are shown, using the same scale that has been used in the interviews, 0 to 6.

Table 21. *A map of company situation during interview period (scores given by the author)*

Variable	Company		
	A	B	C
CEO position	6	4	5
Corporate profile	4	2	4
Corporate culture	5	4	4
<b>SUM</b>	<b>15</b>	<b>10</b>	<b>13</b>

The row CEO position is estimated in a down-up perspective including both the estimations of leadership style and the verbal answers. I have seen few CEOs with such a good reputation in the organization as the CEO of Company A; therefore a

“full 6”. The low score 2 of Company B regarding corporate profile depends on the rucksack. The figures for Company B and C in row corporate culture differ a bit from the averages based on respondent answers (see table 19). I have taken into account the verbal opinions. They show that the culture change in Company B is not as huge as the respondents score. Even more, the verbal opinions of the respondents are quite positive regarding penetration and support. The situation is the reverse in Company C.

A simple addition of scores per company in table 21, as a measurement of consolidation/stability, gives the ranking A, C and B with quite a big difference between the companies A and B. The sum is labeled *mega corporate culture* (see Appendix A).

The findings expressed both in verbal statements and scores above are a foundation useful for understanding the results from the up-coming analysis; they are used as a mirror of these results. Therefore the purpose of 6.3.1 is achieved.

### *6.3.2 Analysis of individual decisions*

The purpose of this first approach is to find relations between implementation efficiency and the explanatory variables, according to the preliminary model through analyzing each individual decision.

The interview minutes in Appendix C is the information used, but I also pay attention to their scores. I am analyzing not only what the respondents said but also the way they said it. Their opinions about corporate culture and leadership style of the CEO are also taken into account.

An overview of the decisions to analyze is presented in table 22; see Appendix C, sub-chapter C.1 for the explanation of the connections between company and decision. Two decisions, 2302 and 5407, are divided in two decision cases as the interviews showed that the selected single decision to study was a twin. The original 18 decisions are therefore increased to 20.

The decisions are categorized in table 22. I have made the categorization on the following premises. Decision type is judged according to the definition presented in Appendix A in the perspective of the decision maker. That produces a problem: a decision judged as “operational” may be perceived as “strategic” by the implementer according to the definition. There is no simple solution and therefore the existence of this dual interpretation of the “strategic” dimension must be observed when interpreting the analysis results.

Target group categorization is made from information in the minutes regarding the group of stakeholders, internal and external, which is mostly touched by the decision. There may also be other groups touched. Implementation status is estimated from the minutes, too. The categorization indicates how far the implementation has gone when the interviews were carried out. Over all, there is a mix and multiplicity of decision characteristics, which is what I hoped to get when the selections were made. It supplies many dimensions in the analysis work.

The respondents are presented in table 22 in two groups, decision makers (DM) and implementers (IMP). When they are cited in the following analysis they have unique nicknames such as Kson and Rson (see sub-chapter C.1 in Appendix C). They may perform in more than one decision; the presentation of the respondents in each decision is found in tables C01 (company A), C06 (company B) and C07 (company C). In these tables the respondent scores are also presented.

Table 22. *Categorization of investigated decisions (by the author; DM = decision maker, IMP = implementer)*

Decision identification		Decision categorization			Numb a)	
ID	Title	Type	Target group	Impl Status	DM	IMP
1304	Market extension	Strategic	Customer	Going on	1	1
1308	Balanced Score Card	Operational	Management	Realized	1	2
1310	Home PC for staff members	Operational	Staff members	Realized	2	
1313	Reports from Managing Dir	Operational	Management	Realized	1	2
1331	Customer relation	Operational	Customer	Going on	1	2
1333	Save money	Operational	Management	Going on		1
2301	Customer Account	Strategic	Customer	Realized	2	3
2302:1	Phone cost cut (company)	Operational	Management	Realized	1	3
2302:2	Phone cost cut (private)	Operational	Staff members	Varying		2
2303	Group Q system	Strategic	Customer	Not started	2	1
2304	Human resource committee	Operational	Management	Realized	1	2
2305	Accounting of working hours	Operational	Management	Realized	1	1
5401	New quality system	Strategic	Customer	Going on		1
5402	Outsourcing	Strategic	Manufacturing	Going on	1	1
5403	Dismissing people	Operational	Staff members	Realized		1
5404	Laser cutter	Operational	Manufacturing	Going on	1	1
5405	Factory staff member reduct	Operational	Manufacturing	Realized		1
5406	Painting investment	Operational	Manufacturing	Realized		1
5407:1	Product development, phase 1	Operational	Customer	Realized		1
5407:2	Product development, phase 2	Operational	Customer	Realized		1
a) Number of respondents						

### 6.3.2.1 Decision 1304 Market extension

The decision scope: a geographical market extension based on established products.

This strategic decision, identified by me as a single decision, appears to be a set of consecutive decisions. Hson says “Which decision are we speaking about? What was the aim? What were we going to implement”? The basic decision was to change the Business Idea followed by the decision to find business possibilities in Europe. Or was it in reality in the opposite order? What-so-ever, the third decision was to carry out an investigation supported by an external partner. Here, if not earlier, the picture of what is going on differs between the decision maker and the implementer. It seems that some sub-decisions are contradictory.

Speaking about implementation context and profile is complicated, as there are so many decisions to take into account. This is also true about implementation efficiency. When interviewing, the implementation is going on but it is not clear if it is buying a company or anything else. It seems that the original strategic decision has been replaced by normal operational business but on a new market. The period from first strategic decision to the actual interviewing situation is also characterized by internal re-organization, which complicates the picture.

The goal satisfaction is estimated to be high in spite of confusion about what the goal was – or the goals were! But implementation efficiency is estimated to be quite low.

I find that the corporate culture is saving this indistinct set of decisions and the fragmented actions from implementation collapse; Hson says “There was no plan. But to meet the unknown is not unique for me”. There is action from the implementer even if he does not know the whole story. The decision maker is satisfied when things happen. The price to be paid is low implementation efficiency.

Basically, the two respondents have the same opinions but they express themselves in different ways according to their positions. Dson, decision maker, does not deny the problems now and then but he finds that the project is over all quite successful even if he is not sure about the future commercial success of the project. Hson, implementer, also trusts the future but more or less accuses the TMT of being unclear and un-determinative. Even these opinions must be understood in a corporate culture background.

- CC8. An indistinct decision in a turbulent context may be well implemented in terms of goal satisfaction if the corporate culture is business- and action-oriented, supported by an attitude of “you are permitted to do mistakes”, but the price is low process efficiency (W)

#### 6.3.2.2 Decision 1308 Balanced Score Card

The decision scope: a trial to introduce the tool Balanced Score Card (BSC).

This decision is not a decision event, it has been growing up. At a certain point, the responsible TMT member (=the decision maker) feels he has enough support in order to launch the concept. However, the coordination and timing of the purpose, the prepared BSC manual, and the handing over the implementation task are poor. The implementers are confused.

The implementers do not participate in the decision making process. Therefore they are not motivated when they get an order, more or less, to report in a new concept, as they do not know the purpose. Information will later be available and then they are very positive to the concept.

All three respondents are almost concordant in their opinions. It does not matter if they are a decision maker or an implementer.

- CC9. An implementation task without an expressed purpose causes frustration and even resistance among the implementers. The

implementation is delayed, even if supplementary information clarify the purpose and other vital conditions, leading to low implementation efficiency (W)

#### 6.3.2.3 Decision 1310 Home PC for staff members

The decision scope: a renewal of the home PC concept which was offered some years earlier.

The decision can be seen as a repetitive one as the same decision was made some years ago. Already then, there were a lot of practical troubles when implementing. A systematic evaluation was not done; the organization has not picked up the possibility to learn from mistakes. So the new decision is caught in the same trap. Even more, the implementers, the MDs, have not taken part in the decision making process. If so, the agreement and implementation process should probably have been designed in different manners.

The goal satisfaction is low. That is severe, as satisfied staff members are a key for business success. The process implementation efficiency is even lower as the implementation context (*i.e.*, frame agreement, technical solutions, freedom to satisfy individual demands) was complicated and the implementation profile was unclear even if the responsibility was unambiguous.

- CC10. A decision made on false or insufficient premises causes poor goal satisfaction and low implementation process efficiency (W)

#### 6.3.2.4 Decision 1313 Reports from Managing Directors

The decision scope: a development of BSC improving the content of the internal reports.

The label of this decision has been from the very beginning “Reports from Managing Directors” as an effect of the discussions with the CEO. I have kept the label through out. However, I discovered many other aspects when collecting and processing written comments. The case appeared to be even more complex when I had done three interviews. Therefore the case is very useful as it is complex and it contrasts with “single event decisions”.

The defined decision to analyze is “improve the capital turnover rate” in order to improve the group profitability. The definition was made when the written reports were read the first time. The decision does not contain a fixed goal; it is a direction decision involving all 50 MDs in the group. There must be contributions from all for success.

The implementation will be done under market pressure giving decreasing net revenues. That makes it even more difficult to reduce fixed capital: you must not only create improvements in efficiency but at the same time control inventory capital due to decreasing sales figures. The implementation context is difficult.

The implementation is not formalized in an official, communicated plan. The CEO decides to use many tools. MD conferences, MD bonus system, subsidiary

competitions are used to sell in and follow-up. Leadership is focused in a special approach linked to elite sport activities.

The routine of written quarterly comments is established but there are no manuals on how or what to write. The CEO gives no explicit instructions regarding how “improve the capital turnover rate” is to be incorporated in them.

What have I found when studying the written comments? In the beginning of the period (see table C02 Appendix C), the scope level of comments on capital is low and it decreases into even lower at the end. The MDs formulate goals to a limited extent: in the beginning 13% of the Managing Directors are doing so and at the end just 7 %. I have looked at the comments given by the MDs for all four quarters studied. They are not consistent in their comments over the period. Eight of 22 miss or jump over at least once!

At the MD conferences the results of the “improve the capital turnover rate” competition are manifested. No formal feedback is given to the written quarterly comments. Instead, the CEO acts: personal phone calls are made or meetings are held when an MD does not comment or achieves insufficient results. Everything seems well and CEO focuses on deviations and problems.

Has the implementation been successful? Looking at goal satisfaction, even if it is not explicitly expressed, the data from annual reports (see table C04), indicates no improvement. But the CEO says in the interview that there has been a switch to focus on inventory capital. Measured in that manner, there has been a favorable development. Regarding implementation process efficiency, the written comments have not given much useful feed back to top management about how the individual subsidiary succeeds in improving the capital turnover rate. Just one respondent has scored; his scores are in the middle (see table C01).

The analysis shows that the CEO leadership style and the strong corporate culture is the fundament on which “improve the capital turnover rate” is built. The reason for the lack of relevant, written comments is probably an absence of a manual or a form for comments but also no feed back on delivered comments. The quarterly comments are not the main tool to manage, but they contribute, certainly when they are absent or giving feed back on deviations. The MDs, which have written comments on all four studied occasions, are not consistent in their structure or content. It strengthens the picture of an informal, deviation-oriented culture. It seems as the key figure of “improve the capital turnover rate” was not defined from the beginning. When I present the data (see table C04), CEO reports positive key figures of inventory capital. So it is difficult to estimate if the improvement really has taken place.

So far I have done the analysis in a traditional top-down perspective. What about the reverse? It seems at first that the two implementers are not familiar with the Time out concept. But they do, even if the name itself is unknown. A reason may be that they have no bonus agreement, as they are newly appointed. Nevertheless, the content is well understood. Interesting enough, they use the compulsory task as something useful for themselves and their companies. This contributes to corporate culture of a learning organization.

It is not that easy to summarize this decision in terms of relations between implementation efficiency and contextual factors. There are many indistinctions related to the decision and its implementation. Leadership and corporate culture come out from the fog as elements to manage unclear goals and procedures. The success of the implementation is also unclear.

- CC11. A leadership, which builds on and utilizes a strong corporate culture and which focuses on human beings and result deviations, is more important than formal follow-up tools to manage a complicated implementation situation (W)

#### 6.3.2.5 Decision 1331 Customer relations

The decision scope: how to strengthen customer relations between the studied company and its most important customer.

The case is a conventional, operational market decision close to being repetitive. There has been a long journey before making the decision. The problem is a low supply share for the most important customer but the management had not found the approach to increase the supply share. However, a quite open decision is now made to improve the personal relations with the customer staff on different levels. The goal is set but it is not communicated so well or broken down. A well-designed implementation plan is put into action including extra resources for a special task force. Implementation problems occur regarding the use of selling forces and how to use extra resources efficient.

The appointed project manager has participated in decision making process and he is also very positive both to the implementation context and the implementation profile. He feels he is managing a well-run project. The member of the special task force is less positive the whole way through. He has not participated in decision making process and seems not to have enough information.

The MD, the decision maker, has a cool attitude to the project raising more questions than giving opinions about the state of the art. It seems that he is split: the role of the staff members outside the special task force is unclear, he has to point out sometimes with his whole hand and he thinks that the project develops too slow. He is not discussing his own management or leadership role.

The structure and the tactics of the project are exhaustively designed but the details and the daily work is prepared and managed insufficiently. In all, it seems that there is an organizational focus on the project but both managers and sale force are still seeking the right approaches in spite of explicit goals and formulated plans. It is a leadership challenge to improve this situation that is not fully met by the MD and, probably, the project manager. This situation occurs, as the MD has not given the total responsibility to the project manager. Instead of doing so, and then concentrating on follow-up, he wants to have a finger in the play. The interpretation may be strengthened when it is mirrored in the different opinions about the leadership style of the MD; he himself saying value and the project manager saying political. I also think that the corporate culture, which is said to be very intimate and strong by all three involved, is at a disadvantage when coming

to a situation where tasks in the organization are differentiated. The staff members do not feel familiar with the situation.

- CC12. Even if a decision has an evident goal and associated implementation plans, it is necessary to have defined roles and responsibilities supported by a coaching leadership during the implementation; this must be done in order to avoid poor implementation process efficiency, and not the least, a delay in the time schedule (W)

#### 6.3.2.6 Decision 1333 Save money

The decision scope: an e-mail arrives from the managing director to a subordinate as an perceived order to save money due to poor profit.

What we have seen of this decision is just a glimpse, but I have taken care of the opinions as they are given in a down-up perspective.

There are two points to the reactions to the e-mail: the content and the communication of the decision. The implementer interprets the content in his own perspective and finds it going against his opinions about his business. Irrespective of if this opinion is right or not in a group perspective, it causes trouble with implementation.

The communication is also criticized. No dialogue, just an order. Even here, the reaction of the implementer will obstruct the implementation, irrespective of if his reaction is relevant or not. As Fson says “I find it very difficult to implement such a decision”.

- CC13. A decision with content in conflict with the opinion of the implementer may have many difficulties to be overcome in order to be implemented (W)

#### 6.3.2.7 Decision 2301 Customer Account

The decision scope: introducing a Customer Account Concept, CAC, as a new element of the corporate culture. This concept supports internal group cooperation in order to satisfy the customer’s consulting demand by using the competence of the entire group.

The organization wanted this decision to be made. The table is set. But not completely as there is no manual for uniform handling when the implementation task is given. It comes as yield after the dough into the oven. This is, however, not a big problem since the implementers act. They do so in the studied case as the implementers had a double role: they were also decision makers in TMT.

It is possible to see two implementation levels. The first one is the MD level, the double role player level. The second one is the consultant level, the staff members, which are appointed CAC managers by the first level. They have to handle the customer relation job. There are no large differences between the two levels regarding the implementation process.

Two implementers have been involved in the decision making process, three have not. There are not any big differences between the two groups in their

descriptions and estimations of the implementation. There is a fairly unanimous opinion about poor goal satisfaction. The main reason is that the purpose – to increase consultant coverage rate – has been achieved by an increase in customer demand. Another reason, linked to the first, is the pricing when looking at cross-selling in the group. Selling more consultant time on the margin to big customers with price advantages will be less profitable than selling to your own customers, given a consultant coverage rate of almost 100 %. The majority of the respondents say that the test of the CAC will come in next recession. Therefore the goal satisfaction may be better later on.

The respondents also estimate implementation process efficiency as low. The absence of a manual, mentioned above, and “job on top” are the main reasons. It depends on weak leadership. It has taken a long time to get through as the CAC has not been in leader focus. However, a side effect of bringing staff members closer to cooperation can be observed.

The assessment of the case starts in the corporate culture. The CEO has a very strong focus on the consultant coverage rate. He is looking for actions in order to improve it. One thing is to increase cross-selling within the group. The companies shall support each other by telling about customer needs. The CEO decides about a Customer Account Concept. Coming to the implementation of the decision, the market situation has changed and is quite good with a high consultant coverage rate as an effect. The internal need of cross-selling has disappeared in the short run. It is well known in the consulting business that selling activities must be intense when you are on the positive side of the conjectural cycle. It takes many months from a first selling attempt to a customer decision. At that time, you have much to do and prioritize the immediate need of your customer. Therefore, a CAC launched under the stated market conditions is a leadership challenge. It will not be shown if the CAC is achieving the original goal or purpose until the market situation is harsher. So far, this case has not come.

The focus on consultant coverage rate is demonstrated when launching a new concept “short take off 2005”. There is a risk in the short run that this cannibalizes on the CAC efforts and in the long run that it tires out staff members; the syndrome of “crying wolf” is evident.

It is a strength in this case that five respondents have given opinions. Therefore the weight of the conclusion is put to M.

- CC14. A decision with goal achievement at an unpredictable future point of time, but with a need of immediate implementation, meets resistance and down-prioritizing among the implementers challenging the executive leadership (M)

#### 6.3.2.8 Decision 2302 Phone cost reduction

The decision scope: to benefit from a new phone cost group agreement with a supplier and to separate business and private mobile phone calls.

The two-headed decision seems at first to be uncomplicated to implement. But the interviews give a picture with many subtleties. The decision is noted in the

minutes of meetings with details about applications, with the exception of Top Management fringe of private calls. There is also a follow-up some months later but after that it seems as if the TMT let the whole thing fade away. No follow up about whether the cost cut goal is achieved or whether the prefix, the first two digits to be dialed on the telephone to separate business and private conversations, is implemented. These are the two most important parts of the decision.

If that had been done, the CEO and his TMT would have observed that the prefix had not been implemented. It is to be noted that one of the TMT members, Tson, has not implemented the prefix in his company. His staff member Yson says furthermore that the prefix was not mandatory, just a recommendation. It seems that the troublesome prefix case in this company is swept under the carpet, as the prefix decision was not wanted by staff members. A more positive interpretation is that the behavior is an effect of the switch in corporate culture from decentralization to cooperation. A third explanation may be that the holders of mobile telephones were neither involved in the decision making process, nor were the consequences of the prefix decision evaluated.

The case must be divided into two parts: the supplier cost cut agreement and the prefix event. The former has been implemented in all companies but not evaluated. The later is still floating around. The CEO has not played a prominent role. In the short run it is still possible to turn the prefix event right but so far he has no information about the situation. In the long term there is a risk that the organizational obstruction to implement a TMT decision will influence the corporate culture; “remain seated in the boat until the wind has calmed”. Furthermore, the executive exception to pay for private calls is a risk of breaking down important elements of corporate culture such as openness and internal cooperation (see 6.3.1.2 and 6.3.1.4).

- CC15. Even if a decision is detailed with evident tasks and responsibilities, the implementation may be insufficient if there are direct effects on the private economy of the subordinates, and if the follow-up does not work (W)

#### 6.3.2.9 Decision 2303 Group Q-system

The decision scope: to harmonize several existing, quality systems (Q-systems) into a group joint Q-system.

When I decided to study the decision I thought that the final decision was close at hand, so I could follow the implementation process. This was not the case. The definitive decision to implement a joint group Q-system is not yet made, more than a year after the first interviews. In spite of this, or perhaps due to this, there are observations of great interest so far.

The case contains at least three problems to analyze. One is the need or desire to have a group uniform Q-system. This is not undisputable. The second is which Q-system to choose: a new one which every company has to adapt to, or one of the company run Q-systems. There are different opinions. The third problem is if every company must have a Q-system, which is a question linked to the corporate

culture of balancing group cooperation and company business independence. Here the opinions differ as well.

The TMT has chosen to involve all consultants in the decision making process. They obtained an opportunity to discuss and to announce their opinions at a sales conference. The opinions were non-concordant. Therefore, a vote was organized. A majority for a joint group Q-system was obtained. The first problem seems now to be well exposed.

Another investigation is dealing with the question of which Q-system to choose. That will probably produce information to decide about the second problem. Neither the interviews, nor my own research, obtained an answer about information on the third problem, the compulsory or voluntary decision of a Q-system on the whole when the interviews were carried out. A year later the picture is that there is a decision made about which Q-system to use. It is under implementation in just the parent company, which indicates that the need in the subsidiaries is still disputed. In all, not that much has happened during a year.

It is possible to follow the process in terms of decision making. The CEO presented his idea of a joint group Q-system to the TMT. The TMT decided to introduce such a system. It is to be understood as a strategic decision based on a top management perspective of cost effectiveness, but without an understanding of the business-related needs in the subsidiaries. However, the strategic decision was completed with an operational decision to investigate “how to do”, and here the problems and obstacles occurred. A very optimistic time schedule (“next sale conference”) has been extended by more than one year and the original strategic decision is now in doubt, both with regard to “one system for everyone” and the subsidiary business needs. The partial implementation of a Q-system in the parent company looks like an emergency exit to keep TMT prestige unstained.

The case shows how much trouble, and costs, a poorly prepared strategic decision causes; it is uncertain, 1½ years after the decision was made, if the decision will be implemented, at least in its original concept.

- CC16. A poorly prepared strategic decision built on perceived false premises and touching the entire, differentiated businesses causes resistance among implementers with consequences such as high implementation costs and even a risk of non-implementation (W)

#### 6.3.2.10 Decision 2304 Human resource committee

The decision scope: to establish a Human Resource Committee, HRC, with legitimacy as a discussion forum between the trade union members and the CEO.

The decision is expected, demanded and desired in the organization even if this is not explicitly expressed. The starting point of the decision making process is disputable – the respondents have some differences in their pictures – but the representatives of staff members are co-workers when the design of HRC is created.

The formal decision is made early by the TMT. Then it is more or less a case between the CEO and the representatives. During the implementation process, the

CEO gives up one standpoint, the MBL status of HRC. This is not a detail, it is a strategic question and he dares to give on this point. If HRC had obtained a formal status where the MBL could be carried out, the power would have been moved from the subsidiaries to the CEO and the HRC would have been representing, in certain situations, just trade union members (about 2/3 are members).

The CEO plays a role as a pusher when establishing the HRC but the representatives design form and structure. Everybody is pleased with the role the HRC has taken. The case radiates harmony, “we did it together”. The establishment of the HRC is a part of creating a new corporate culture. It also contributes to the profile of the CEO and his leadership. It has definitely long term effects.

- CC17. It is possible to make quite important changes in a decision during the implementation process if the decision is expected, demanded and desired by both the decision maker and implementers (decision target group), and the decision maker is involved in implementation; however, the changed decision causes a prolonged implementation period and therefore costs more than necessary, but gives an excellent goal satisfaction (W)

#### 6.3.2.11 Decision 2305 Accounting for working hours

The decision scope: to implement a new system of accounting for consultant working hours on a weekly basis.

The consultants demanded the decision. It builds on their ability to use the company IT system. They find that it is unnecessary to report once a week but this is another question. However, this decision tied them together, which forced some resistance during implementation.

The IT system was completed with a new module building on the existing system. The consultants neither took part in the original decision making process, nor in the subsequent choice of module. No training was offered, just an order to fill in from a stated day. There have been small problems to implement the decision. Some consultants refrained from registering in the beginning due to their opinions about frequency. They were convinced by good management with focus on communication of the aim rather than forced to register weekly. Some critical opinions remain about the lack of continuous feed back from management. In all, decision maker and implementer agree about a successful decision implementation.

- CC18. A simple, operational decision, demanded by the organization and touching just internal routines, is successfully implemented even if the employees are not involved in the decision making process (W)

#### 6.3.2.12 Decision 5401 New quality system

The decision scope: to replace existing quality system with a new system

There is just one interview around this case so it is not possible to make a serious conclusion.

The decision of changing Q system is customer-driven. Professional people in the organization prepared the decision. It is the same people that have to implement the decision. As the decision about changing is demanded it does not matter much, that another Q system was desired. The implementation is also smooth and easy as the decision is demanded. In total, everything seems to go very well.

- CC19. If the implementers take part in the decision making process and the decision is demanded, the implementation goes smooth and easy even if the content of the decision is not exactly what was desired (-)

#### 6.3.2.13 Decision 5402 Outsourcing

The decision scope: the original decision was to outsource manufacturing facilities but during implementation the decision was changed to a total re-structuring of the manufacturing process.

The chairman of the trade union picked up the decision case as an example of “poor implementation”. This strategic decision case is however complicated in several dimensions containing many aspects of implementation complexity. It is not one decision but a set of decisions, partly contradictory. I have identified three decisions (“outsourcing people and equipments”, “manufacturing in China” and “re-structuring the production”).

The trade unions in Sweden will support their colleagues abroad but have not yet established relations. They criticize the decision making process but they do not criticize the actual decision as such or the implementation. They are hung up on the procedure and their own role.

The implementation situation is complex. The Swedish CEO, representing the new owners, has made a new decision to re-structure the production, which is another solution compared to first decision, outsourcing. The decision will be implemented in this newly acquired foreign company with its own corporate culture. A Swedish manager has replaced the local management. Finally, the local labor force market is hit by industrial shutdowns.

The CEO shows strong leadership. He cancels the first decision and he replaces it with a new one. He acts with a long-term perspective and he designs an implementation plan, which will be implemented by a Swedish manager. The implementation seems to be successful even if the costs will be higher than planned and the time schedule delayed. It is easy to see the important role of the CEO in this complicated decision case.

- CC20. In a complex context, a strategic decision containing another solution for solving the same problem needs a detailed implementation plan with top management engagement in the execution phase and frequent follow-up for successful implementation (W)

#### 6.3.2.14 Decision 5403 Dismissing people

The decision scope: to dismiss blue collar employees in the manufacturing department as an effect of a decrease in sales volume.

There is only one interview around this case limiting the outcome of the analysis. The respondent has given his opinions in a down-up perspective.

There are at least two main approaches in Swedish companies when dealing with overcapacity: early informal trade union contacts “to discuss the situation” or a decision, often with a tactical margin for haggling, presented to the trade union. Over time, the players on each side learn and know the rules of the game and they act from historical positions. This is a part of the corporate culture.

In this case I have not been able to determine the historical positions. It looks like mostly as a decision with margin for haggling. But it also seems that it is a period of unrest, when the trade union chairman gives the CEO credits for his (unexpected?) action.

However, the trade union has to negotiate around a decision of dismissing people. The chairman is irritated over insufficient basic data but he seems to be satisfied with the results in the short run. But the implementation was disturbed by market renewal increasing the manufacturing volumes quite soon. A reorganization of the production line was also carried out. It is difficult to judge if halving the number of people dismissed, increasing volumes and reorganization are three independent or (causal) dependent events. It seems as the action of the CEO over all has facilitated the handling of the situation.

The trade union, at least, has learned a lot from the case. The chairman summarizes that in the future a careful examination of available information will take place from the beginning in order to make the right decision. He does not say anything about corporate costs but the implementation must have been unnecessarily expensive due to both severance pay and production disturbances.

- CC21. An operational decision, which is modified/changed during implementation due to new circumstances, causes decreases in implementation process efficiency and results in long term effects on corporate culture (-)

#### 6.3.2.15 Decision 5404 Laser cutter

The decision scope: to replace the laser cutter in the manufacturing department in order to improve productivity

The chairman of the trade union picked up the decision case as an example of “good implementation”. Investment decisions are frequent in the factory. Therefore this decision is well recognized; all actors are playing on home ground. The decision is made after years of discussions. To some extent the decision is desired in the organization as it secures the future manufacturing in the Swedish factory. There have been doubts about that after acquiring the foreign company. On the other side, the new equipment needs fewer operators and changes the shifts. The decision is good for the future when balancing the pros and cons in a trade union perspective. This atmosphere mobilizes all persons involved to do

their best not only for a successful implementation but also for an efficient production line. The situation benefits from years of built up loyalty as a part of corporate culture. The designed plan for implementation is a well-known, often used tool in the factory environment. Even if there is a delay, you know where you are! But the delay is repeated from project to project according to the opinion of the implementer. That means that the organization does not learn from earlier experiences.

The opinions about goal satisfaction are predictions as it is not possible to measure goal achievement until the laser cutter has been in action some months. Nevertheless, the predictions are on top as the laser technique already is used and the upgrading by the investment is well proven by other factories.

- CC22. A decision, which the implementers recognize by its type and characteristics, is well implemented even if the implementers have not participated in the decision making process (W)

#### 6.3.2.16 Decision 5405 Factory staff member reduction

The decision scope: to reduce the over-sized employee force in the manufacturing department as a result of investment in new technology.

This case is in total a very good example of decision implementation when a legal structure is managing. The decision makers and the implementers – both managers and representatives of the trade unions – are well aware of the rules of the game. When you follow them, the complications are easier to control. Putting in money makes it even easier; you buy a solution and loyalty. In this case all these ingredients are present. The chairman of the trade union has no objections about the decision making process. He shares the necessity of reducing the number of factory staff members. The most important thing is negotiation. The CEO, or his delegate, offers economic compensation to fired people. The negotiation quickly comes to an end agreement. The implementation also goes promptly. Everybody is satisfied: the management (no manufacturing disturbances and adjusted number of staff members), the chairmen of the trade unions (good negotiation results) and the dismissed employees (good economic compensation and some golden leisure years).

In the short run, the successful implementation costs a bit but in the long run the corporate culture gets a contribution (“we take care of our staff members even if they have to go”). The CEO in person plays a decisive and important role of reaching this state of the art. His action strengthens his leadership profile. Future challenges will benefit thereof.

The case contains at least two decision events. The first one is made by top management (“what to do”), the second is made in negotiations (“how to do”). The latter is a part of implementation. The avoidance of limiting details in the first decision makes it possible to negotiate actions in the implementation phase.

The decision has one outspoken goal, to reduce staff numbers. It cannot be excluded that the CEO has a hidden goal of buying long term loyalty and trust of the subordinates by economic compensation in a tough situation.

- CC23. A decision with a target group of subordinates achieves rapid goal satisfaction by putting more resources than strictly necessary into the implementation process (=lower efficiency), which in the long term may facilitate the implementation of a repetitive decision (W)

#### 6.3.2.17 Decision 5406 Painting investment

The decision scope: to install new painting equipment in order to better meet customer quality requirements.

The chairman of the trade union selected the decision as an example of successful implementation. His opinions are the only ones.

Originally, the case was a customer problem. A worker welfare problem was added. The Production Manager, acting on behalf of the CEO, took care of the multi-sized problem and he engaged key people in different departments in the decision making process. The team found a solution solving the problems. The decision data and solution were well anchored among affected people. The investment plan was presented to the CEO. When the formal decision was made by the Board of Directors it was just a confirmation.

Investment in a production line is a well-known activity in the factory. An implementation plan was designed. The implementation was a simple task when key people had been engaged from the beginning and the decision/solution was desired.

Goals (improved quality and better worker welfare) were achieved and implementation process followed the plans. This was a successful case.

- CC24. When a decision is prepared by the implementers and it is a confirmation of what they desire, the probability of both full goal satisfaction and excellent implementation process efficiency is high (-)

#### 6.3.2.18 Decision 5407 Product development

The decision scope: to develop a modified product aimed for a specific customer.

In this case, too, just one respondent is interviewed. The case follows a completely normal schedule according to the internal rules and guidelines of a development project. A decision is made to start the project, it is running normally but in a late phase the CEO unexpectedly enters the arena. He decides to launch the new product even if it is not finished according to professional standards. The reason is a customer request. The CEO is ready to do business and he takes the risk of launching a product not tested. He breaks through, not only routines and culture, but also professional codes. Everything goes well. The CEO decision gives net revenues and margins but his action plants a long term internal risk that standards and routines may be abandoned with an urgent order. Managers at a lower level may make a similar decision with reference to the CEO decision. What happens if things go wrong then? Now there is another CEO in charge and the implementer means that it would not happen today! So, old events are forgotten. The case illustrates the long term aspects of situational action. It has an impact on

corporate culture but so has the change of the CEO, too. Therefore, it will only be speculations about the future.

The case raises the question of the definition of implementation. Is implementation in this case the development process or the launching of the developed product? It is an entwining of decision and implementation a couple of times (decision to start development > process of development the product, decision to launch the product > selling process). The answer in this special case is that it is one case, at least according to the opinion of the implementer. My analysis has therefore had the same scope. In future studies it makes sense to carefully demarcate the scope of decision and its implementation.

- CC25. A top management intervention in an on-going implementation process can sharpen the implementation efficiency in the actual case but the long term effects on other implementation processes are difficult to predict (-)

### 6.3.2.19 Summing up the analysis of individual decisions

Firstly, how do the verbal statements and the scores of the respondents correspond? A method to compare these is to transform the verbal statements into scores (see, *e.g.*, Bryson & Bromiley, 1993); normally, the transformation is done by outsiders. However, I have done it myself, with a risk of bias, as I have information from the interviews also about body language and intonation. The transformations were done at the beginning of the analysis work and before analyzing the individual decisions. Therefore I was not updated about the respondent scoring.

I have focused on implementation efficiency as it has such a central place in the model. The scale 0-6 (see 4.2.2.1) has been used. I have interpreted and transformed the verbal statements into scores on this scale, where completely different is 0 and completely similar is 6. Only integers have been used. Next step is to compare pair-wise the scores of the respondent and my scoring, creating a calculated absolute value. An absolute deviation of  $\geq 2$  defines a notable difference; the chosen pivot point reflects considerations of scoring exactness. To check the effects, an alternative pivot point of  $\geq 1$  is also tested. The results are shown in table 23. At level  $\geq 2$  the correspondence is quite good and level  $\geq 1$  is not alarming. There is a tendency of better correspondence for process efficiency than for goal satisfaction. I summarize that there is an acceptable correspondence between verbal statements and scoring.

Table 23. *Distribution of absolute deviations between the scores of the respondents and the scores judged by the author when examining the verbal comments of the respondents (37 observations; GS=Goal Satisfaction, PE= Process Efficiency)*

		Cases	
		GS	PE
<b>Absolute deviations</b>	>1	27%	16%
	>2	11%	3%

Secondly, is the purpose of the analysis, to find relations between implementation efficiency and the explanatory variables, achieved? I find the answer to be “quite well”, even if many of the conclusions perhaps can be deemed as trivial. They may be finally evaluated when they are put together with other analysis results in Chapter 7.

A general observation is that the conclusions are linked to situational conditions. Just a few common characteristics have been found at this stage of analysis. It is an effect of the qualitative method where each single case just represents itself. It is also an indication that the studied decisions are covering many situations occurring in business life.

Another general observation is that an apparently “individual decision” is just the first step in a trend of events. The decision is in most cases selected from the minutes of TMT meeting and picked up for the study. According to selection criteria (see 4.2.1), the decision is reasonably defined. During the interviews a more complicated picture evolves. Things happen when time goes by. The initial decision may be followed by new TMT decisions or signals, which compared to the original decision, may be consistent and explanatory or changing and confusing. In the latter situation the implementer feels indistinctness and frustration. But they may also look upon the sub-decisions as a manifestation of indecisiveness of the TMT and understand the sub-decisions as contradictory, wasted resources, *etc.* These situations seem to arise for two reasons: the necessity to adjust the decision due to changed context for the actual decision (planned action) and unforeseen consequences for the actual decision of other decisions made or similar events (unplanned action). Decision 1331 Customer relation and 2304 Human resource committee are examples of planned action and decision 1304 Market extension and 2303 Group Q-system of unplanned action (see comments to these decisions above).

These circumstances raise questions about research approaches as well as method implications (*i.e.*, Which decision(s) do the respondent really mean when estimating the implementation efficiency?). Both reflections are discussed in Chapter 7.

A third general observation is that a decision and its implementation cannot be seen as an isolated event. The cases contain both observations of the advantages of an existing implementation culture and elements of building up or destroying an implementation culture: “How we act in this case means something for the future”. Furthermore, putting more resources in the implementation process than necessary in the short term (the case) can be a strategy for future implementation efficiency, *e.g.*, an investment in competence and routines.

These reflections have multiplicity and complexity in common. **These factors** make it difficult to relate specific explanations to the degree of the implementation efficiency. However, they are combined with other findings in the final discussion in Chapter 7.

- CC26. A decision and its implementation is often a story of complexity and multiplicity in a retrospective examination where the conditions and the results are situational (M)

### *6.3.3 Analysis of implementation of decisions in a corporate culture perspective*

The purpose of this analysis is to investigate if corporate culture as such has any influence on the implementation efficiency of decisions. The approach is two-headed, partly to examine the group of decisions in their respective corporate culture, partly to identify specific elements of corporate culture, consistent with the three companies studied. The corporate culture is described in 6.3.1.2.

#### 6.3.3.1 Does corporate culture matter regarding implementation efficiency?

As concluded in the comments connected to table 21, the mega corporate culture is strongest in company A and weakest in company B with company C in between. It is the mega corporate culture which is used here as the mirror in which the decisions and their implementation efficiency are reflected.

##### Company A

Decision 1304 Market extension (see C.2.7 and 6.3.2.1), which is a set of decisions over time with changing content, is “saved” by corporate culture in an implementation perspective. The outcome is sufficient in terms of goal satisfaction but the process efficiency is low. It seems that corporate culture also plays a role in decision 1308 Balanced Score Card (see C.2.8 and 6.3.2.2). The initial implementation situation, a task considered as an order and bad communication, is turned into a fulfillment of the task even if the implementation costs more than necessary. Decision 1310 Home PC for staff members (see C.2.9 and 6.3.2.3) has low implementation efficiency and it is not to any extent dependent on corporate culture. Finally, the implementation of decision 1313 Reports from Managing Directors (see C.2.10 and 6.3.2.4) plays on all corporate culture assets. The initial decision is developed in a dialogue between the CEO and the Managing Directors into subsidiary situational actions giving a sufficient goal satisfaction with regard to the initial decision.

In company A, the corporate culture in three cases of four seems to have been important for implementation efficiency even if it has been low. However, the alternative is even worse: the decisions may not have been implemented at all. Would the decisions then have been made in the same way if the corporate culture had been of another kind? It is just a speculation.

##### Company B

In decision 2301 Customer Account (see C.4.7 and 6.3.2.7) corporate culture does not play any important role as the decision is desired by the implementers. Mediocre implementation efficiency has other reasons. The changing corporate culture – from subsidiary independence into cooperation – seems on the other hand to explain the turbulence in the implementation of decision 2302 Phone cost reduction (see C.4.8 and 6.3.2.8), causing low implementation efficiency. In decision 2303 Group Q-system (see C.4.9 and 6.3.2.9) it is possible to imagine that corporate culture under change urges a careful executive action both in the decision making process and the up-coming implementation, giving a desired implementation efficiency. Decision 2304 Human resource committee, HRC (see C.4.10 and 6.3.2.10) and the implementation thereof are building stones in the

new, changed corporate culture as the whole case is a mutual project of the CEO and union leaders; the implementation efficiency is very good. Finally, decision 2305 Accounting for working hours (see C.4.11 and 6.3.2.11) does not seem touched by corporate culture.

In company B the corporate culture in three cases of five shows influence on implementation efficiency. In one case the corporate culture has been a disturbing factor, in two cases it has been an element taken into account when acting.

#### Company C

Implementation of decision 5401 New quality system (see C.5.7 and 6.3.2.12) is not affected by corporate culture. In decision 5402 Outsourcing (see C.5.8 and 6.3.2.13) the leadership role as a part of corporate culture is important for good implementation efficiency. The four decisions 5403-6 (see C.5.9-12 and 6.3.2.14-17) all benefit from existing corporate culture, certainly the element “we strictly follow the rules”, for successful implementation but also putting new experiences from the cases into corporate culture, a learning organization. The decision 5407 Product development (see C.5.13 and 6.3.2.18) shows the opposite: a perceived break against established routines causes uncertainty about the corporate culture even if the implementation efficiency is OK.

In company C, it is possible to trace effects of corporate culture on implementation efficiency in six of seven cases. In five cases the corporate culture has contributed positively to the implementation efficiency.

The findings in the three companies are the basis for the reflection that the implementation efficiency of a decision is positively influenced if the decision and its implementation are built on existing mega corporate culture. Observations are also made that some decisions are not influenced at all by corporate culture and others are contributing to the future corporate culture by the manner they are carried out. A final observation is that the scope and corporate penetration of the mega corporate culture itself (see table 21) does not matter much; it is the situational behavior of both the decision maker and the implementer that is important.

Let us also have a look at the two roles, decision maker and implementer, in a corporate culture and implementation efficiency perspective. The database is too small to permit an analysis including company level. For all three companies, it is not possible to find a correlation between corporate culture and goal satisfaction/process efficiency for neither the decision makers nor the implementers. They seem to estimate the implementation efficiency (GS and PE) situationally and independently of their estimations of corporate culture.

- CC27. An implementation of a decision built on the specific mega corporate culture (leadership style, corporate culture, corporate profile) improves the implementation efficiency in some but not all decision cases; the significance of the mega corporate culture lies in the existence (scope and penetration) sooner than in its content (M)

- CC28. Both decision makers and implementers estimate the implementation efficiency (GS and PE) situationally and independently of their estimations of corporate culture (M)

6.3.3.2 Are there specific elements of corporate culture affecting implementation efficiency?

I have been able to identify just one individual and common element of the three corporate cultures studied, leadership, when analyzing the interviews. And it is not a specific leadership style but the performance of the CEO in actual situations. If the CEO is acting in line with his perceived and expected style (from the perspective of implementers) and if he shows engagement and staying power, the decision is well implemented even if there are hesitations and resistance among implementers; this is a situational leadership.

- CC29. A situational leadership characterized by engagement and staying power overcomes hesitations and resistance among implementers and therefore it increases the implementation efficiency (W)

#### *6.3.4 Analysis of decisions in an organizational perspective*

The purpose of this approach is to find similarities and differences between the opinions of decision makers and implementers in their estimations of variables in the preliminary implementation model. The relations in the model are analyzed in 6.3.6 and 6.3.7.

During the interviews the respondent did not get an opportunity to score his/her participation in the decision making process – it was a mistake from my side due to insufficient foresight. I have tried to repair this mistake as much as possible by translating the verbal communications into scores on the scale 0-6. It must be noted that this scoring is not immediately comparable with the scoring of the respondents on other variables. However, there is much information from the interviews, which makes it possible to estimate. In many cases it is just a question of if they participated or not, Yes or No.

In the following, the analysis focus is set on average figures when presenting the results. The pictures do not change if medians are used instead of averages. The variance is not presented but a comment is done in the text if there are remarkable differences between the two groups. No t-tests are carried out, as the number of cases is too small.

##### 6.3.4.1 Participation of implementers in decision making process

Let us first have a look at the two main groups of respondents, decision makers and implementers. Their scores on implementation model variables are shown in table 24. There are no systematic or evident differences between the two groups.

The analysis has continued by combining the scores of participation in the decision making process and the scores of the respondents on model variables (see table 25). The approach makes it possible to divide implementers in two groups according to their participation in decision making process. I have chosen the

pivot point to be 2: below 2, the participation is almost absent but above they have at least got some information about what is going on. 11 of 13 implementer cases (NB! one implementer may have been interviewed about more than one decision) in row IMP -2 did not participate at all (=0). In row IMP 2- the implementer cases cover the scale from 2 to 6.

Table 24. *The average scores of model variables estimated by decision makers (DM) and implementers (IMP)*

Position	Numb	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
DM	12	3.4	4.5	4.3	3.0
IMP	26	3.9	4.0	3.7	3.5

As seen in table 25, differences related to participation in the decision making process are revealed. If the implementers have participated in the decision making process (IMP 2-), they have over all much higher scores than the implementers, which did not participate. They find the implementation context less complex and the implementation profile more clear which led to better goal satisfaction and higher process efficiency. They were very close to the decision makers in their estimations and had an even higher score of process efficiency.

Table 25. *Positional average scores of model variables (decision makers, DM, implementers, IMP, and Trade Union Representatives, TUR)*

Position	Numb	Particip in DMP	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
DM	12	5.9	3.4	4.5	4.3	3.0
IMP -2	13	0.1	3.3	3.1	3.1	3.0
IMP 2-	13	4.0	4.6	4.9	4.4	4.1
TUR	11	3.1	5.1	5.5	4.5	4.6

A third approach is the trade union dimension. Among the 26 implementer cases, 11 have a position as trade union representative (TUR), but just two of them have not participated in the decision making process. Therefore it is not possible to divide them into two groups. However, seen as a group they connect well to the IMP 2- group, which is not surprising as they too have participated in the decision making process to a substantial degree (3.1 versus 4.0).

The analyses of the implementer perspective detect that participation in the decision making process matters in terms of implementation efficiency according to their own estimations. As we have seen in table 24, there is no difference between the two groups of decision makers and implementers regarding implementation model variables; such a difference detects only if the implementer group is categorized by the participation in the decision making process (see table 25). How do decision makers estimate model variables when the implementers have participated in decision making or not? Firstly, cases with both decision maker and implementer respondents were identified. These cases have been categorized by the participation of implementer respondent in the decision making process using the same pivot point as earlier (that is score 2, YES/NO). Thereafter the averages of the scores of decision makers and implementers are calculated for

the model variables. The results are shown in table 26. There are few cases in each group giving a risk of case effects. There is a high consistency in the table both regarding variables and groups. Going back to the underlying cases it is not possible to find a potential explanation based on type of decision, decision complexity, company, *etc.* A reasonable explanation so far may be that participation of implementers in the decision making process gives higher implementation efficiency according to both the opinions of executives and the implementers. They also agree in their low scoring on other variables. All together, it seems as if there is a consensus between decision makers and implementers about the positive effects of the implementers' participation in the decision making process regarding conditions (implementation context and implementation profile) as well as goal satisfaction and process efficiency. As the number of cases is limited, the conclusion must be handled with prudence.

Table 26. *The average scores of model variables given by decision makers (DM) and implementers (IMP) in cases where the implementers have or have not participated in the decision making process (DMP)*

IMP part of DMP	Position	Numb	Particip in DMP	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
YES	DM	6	5.8	3.8	5.2	5.2	3.8
	IMP	8	3.3	4.6	5.1	5.2	4.5
NO	DM	5	6.0	2.3	3.4	3.0	1.6
	IMP	6	0.2	3.2	2.8	2.7	3.2

The verbal communications do not explain similarities and differences shown by the scoring, but I find that the tone and the expressed opinions support the numerical evaluations.

- CC30. The participation of implementers in the decision making process, even if just to a limited extent, improves the implementation efficiency according to the estimations of both decision makers and implementers (W)

#### 6.3.4.2 Concordance of goal satisfaction opinions between decision makers and implementers

A decision is made to change something and often the new state is expressed as a goal (or an aim, a purpose, *etc.*, see discussion in 3.3). It is therefore a challenge to achieve the goal. In this study the actors estimate goal satisfaction: do the decision makers and the implementers agree in their estimations? This is the question to answer here.

The analysis starts with a pair-wise (decision maker and implementer) comparison of scores on goal satisfaction for each relevant decision. The absolute difference ( $\geq 2$  scores) have been calculated, giving two groups, concordance exists (YES) or not (NO) (see table 27). The same type of calculation has been made for the other variables except for leadership style where complete concordance has been the condition. There are some missing values and therefore the added numbers on variable level are not always equal to goal satisfaction number level.

In two thirds of the cases, decision makers and implementers agree about goal satisfaction. When doing so there is a huge concordance in other model variables except leadership style where the opposite situation occurs. If the decision makers and the implementers do not agree about goal satisfaction, the opinions about the variables are very scattered. There is possibly a tendency to concordance (NO>NO). Over all, the decision makers and the implementers are more often concordant than divided in their opinions, with leadership style as the pronounced exception; a possible explanation may be that the decision makers estimate their intended style and the implementer estimate their performance.

Are there any different characteristics of decisions in the groups YES and NO? There is no decision from Company A, with the strongest corporate culture (see 6.3.1.4) in NO-group of goal satisfaction. The Company A decisions occur in all YES/YES-groups with one exception. Otherwise it is not possible to find differences.

Table 27. Goal satisfaction concordances (NO if the difference in scoring  $\geq 2$  scores) between decision makers and implementers and its relation to other model variables (the difference pivot point is NO  $\geq 2$  scores)

Model variables	Goal Satisfaction			
	YES 13 cases		NO 6 cases	
	YES	NO	YES	NO
Process efficiency	10	3	2	4
Implementation context	11	1	2	3
Implementation profile	11	1	1	4
Corporate culture	11	2	4	2
Leadership style	2	10	1	5

- CC31. Decision makers and implementers are essentially concordant in their estimations of goal satisfaction as well as other model variables except leadership style (W)
- CC32. A strong corporate culture forces a high number of concordant opinions between decision makers and implementers of all model variables except leadership style (-)

#### 6.3.4.3 Analysis of implementer action when implementation mission is given

What is happening when an implementation mission is received? The question is discussed as a black box in 2.4 and also in 3.3, where it is stated that we do not know much. This analysis is trying to find elements in respondent answers in order to build up a picture of a potential process.

As discussed in 2.4, the implementation process may be seen as a challenge of change. Robbins & Coulter (1999) define change as “an alteration in people, structure or technology” (p. 380). But Change Management has a definitive character of top-down approach problemized in terms of resistance according to Robbins & Coulter (1999). Given the aim to understand what is happening when the mission is received, it seems more fruitful to keep a strict down-up perspective. The analysis starting point is thus to approach the implementer situation as a decision making case: how will I solve the mission?

An analysis tool to use is the decision making model presented by Lunneryd (2003, table 1, p. 11) but simplified to three step phases labeled evaluation (=”problem detection and problem definition”), planning (=”analysis and choice”) and acting (=”implementation”). The analysis is demarcated to only taking into account answers of the implementers as they have inside information about how they behaved while getting the mission. Starting with evaluation, there are many testimonies, *e.g.*, “I understood the task as to identify market segments and customers ...” (1304), “What is the purpose?” (1308), “I do not like the distribution of the decision.” (1333), “It was just an order” (2305) and “Also in this aspect a routine case” (5407). Activity planning also gets many confirmations as “The implementation task was divided between ...” (2302), “There is a project plan ...” (5402) and “There is a clear plan ...” (5404). Acting has, with very few exceptions, been carried out and documented in the interviews. At the latest, the documentation was completed when scoring the process efficiency.

So, the interviews indicate that the implementer has a moment of evaluation when the implementation mission is received: “what does this task mean for me?” What are the reasons when no evaluation is detected? One reason may be that it is perceived as an order: “DO IT!” Another reason may be that the mission includes a plan, more or less detailed: there is nothing to evaluate. However, if no evaluation is made and no plan is attached, acting starts directly with a risk of “ready, fire, aim”. This situation can be observed in decision 2305.

The issue of an implementation plan is worth some more comments. A formal, written plan has been available in just a few cases. Decision cases, which may be judged as strategic, important and/or of large scope, are not always associated with implementation plans for the mission to implement. As there are so few cases with a formal implementation plan, it is not possible to analyze if the presence versus absence of a plan has any influence on implementation efficiency.

In 6.3.5.1, a categorization of decisions as demanded and recognized is made in an implementer perspective. These labels tell themselves that the implementer has conducted a form of evaluation. As it has been possible to classify all decisions as demanded and recognized, there is an indication that the implementers have done an evaluation of the implementation mission. Even if there are no directly outspoken ideas, it is very likely that the experiences from earlier implementations are used to design a more or less conscious plan.

In summary, it is possible to find support in my field data that an evaluation activity takes place when the implementer gets the mission. In some cases it is also possible to find traces of planning, certainly when the decision maker has not given a plan tied up with the implementation mission. The acting step has been taken in almost all decision cases (see 6.3.5.11). The analysis cannot detect, however, if acting is a consequence of evaluation and planning or of any other reasons such as decision maker power or corporate culture. At last, most observations are situational and it is not possible to bear out a repeated stepwise implementation process, but there are indications of such steps.

- CC33. The implementer evaluates regularly the implementation mission and sometimes does informal or formal planning, which is certainly the case if the decision is demanded or recognized (W)
- CC34. The implementer behavior seems to be situational in terms of evaluation, planning and acting without any stepwise process detected (M)

#### 6.3.4.4 Analysis of how to measure implementation efficiency

The dependent variable in the preliminary implementation model, implementation efficiency, consists of goal satisfaction and process efficiency (see 3.3). Their relationship is illustrated in table 28 and figure 10.

Table 28. *The distribution of differences in estimations of goal satisfaction (GS) and process efficiency (PE) for decision makers (DM) and implementers (IMP)*

	Number of cases with differences between GS and PE					SUM
	2.0 -	1.0 - 1.9	-0.9 - 0.9	-1.0 - -1.9	-2.0 -	
<b>DM</b>	5	3	4	0	0	12
<b>IMP</b>	5	4	8	6	2	25

The database contains 37 pairs of estimations. The correlation is 0.64. The 37 pairs may be separated into estimations of decision makers and implementers, as done in table 28. Over all, the decision makers estimate goal satisfaction to be equal to, or in most cases better than, process efficiency while the implementers seem to have a more complex picture where any of the two variables may be scored higher than the other. However, the difference in  $r$  is small (DM  $r=0.74$  and IMP  $r=0.66$ ). In 10 cases (DM = 4 and IMP = 6), the respondent has scored equally for GS and PE.

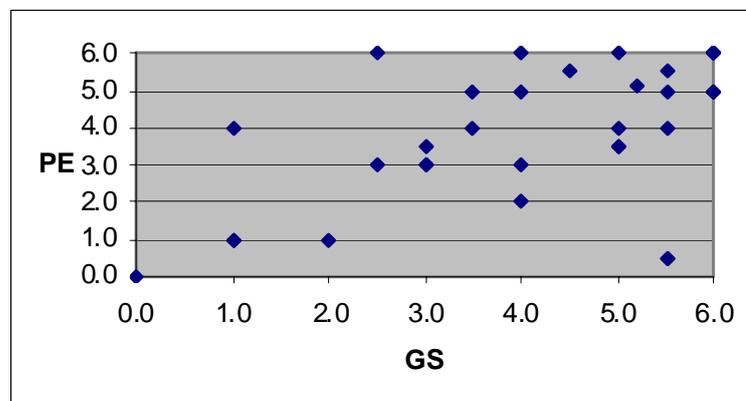


Figure 10. The relation between the case-wise estimations of goal satisfaction (GS) and process efficiency (PE). (NB! Some dots represent more than one observation!)

It seems reasonable to say that the respondents have estimated GS and PE separately from their different bases. The difference between decision makers and implementers regarding the relation goal satisfaction versus process efficiency is interesting (see table 28); there are no cases among the decision makers where process efficiency is scored higher than goal satisfaction but among implementers

the distribution of positive/negative differences of GS/PE is balanced. It is not possible to find relations between these differences and the estimations of implementation context and implementation profile. Perhaps the decision makers underestimate the need for implementation resources and therefore score low on process efficiency?

It is possible to calculate an artificial implementation efficiency index for the companies in Step II using the scores given. First, an average is calculated for goal satisfaction and process efficiency, for each decision. The calculated figure is transformed into an index by relating to the scale maximum 6, *e.g.*, if the calculated figure is 3.6 the index is 60. The individual case indices may then be calculated as an average in company and respondent dimensions. The results are presented in table 29 where the CEO estimation in Step I are included. The results are not immediately comparable as the CEOs in the companies A, B and C have estimated the company implementation efficiency in an over all judgment including both goal satisfaction and process efficiency in Step I (see 5.1.3); the methods to get the indices differ. Taking into account that the Step II indices represent a non-randomized sample of decisions, the impression that there are potential improvements in implementation efficiency is reinforced. The variations between steps, companies and respondents are limited but without evident structure. However, an observed improvement of the index for company B between Step I and II can be evaluated as an effect of changing top management and a company turn around taking place when the interviews were carried out.

Table 29. Comparison between implementation efficiency index estimations for companies A, B and C in Step I and II (decision makers, DM, and implementers, IMP)

Company	Implementation efficiency index			
	Step I	Step II a)		
	CEO	DM+IMP	DM	IMP
A	57	59	52	63
B	50	58	67	54
C	62	68	69	68

a) Estimations in Step II of individual decisions

- CC35. Goal satisfaction and process efficiency are estimated independently of each other (-)

#### 6.3.4.5 Summing up comments on organizational perspective

The purpose of this analysis is well achieved: I have found similarities in opinion between decision makers and implementers regarding the effect on the implementation efficiency of participation in the decision making process. I have also observed that a concordance between decision makers and implementers about goal satisfaction corresponds to the same concordance regarding the other implementation model variables. This is not the case if there is a non-concordance in goal satisfaction.

At last, there is probably an implementer evaluation of the implementation mission regularly leading to any form of planning, but the action cannot be tied up directly to these two initial steps.

### 6.3.5 Analysis of categorized decisions

The purpose of this approach is to find similarities and differences between the opinions of decision makers and implementers in their estimations of variables in a preliminary implementation model when categorizing the decisions. The causal relations in the model are analyzed in 6.3.6 and 6.3.7.

The categorization of decisions is done by me (see 6.3.5.1). The categorized decision analysis is then concentrated on the variables scored by the respondents. It means that the variable “participating in decision making process”, DMP, is excluded as it is estimated by me. The analysis keeps an absolute respondent perspective and it is consequently presented in the dimension of decision maker and implementer. The statistical presentation is focused on calculated averages.

The decision transmission event, the decision purpose and the non-implemented decision are three specific aspects of decision implementation. They are also discussed in the chapter but in another way than the others. The purpose of the analysis of these decisions is to detect contextual conditions leading to different implementer behavior and consequences for implementation efficiency.

#### 6.3.5.1 Categorization of the decisions

The categorization of the decisions has been made in a couple of dimensions. First, the company category is given by the collected information itself. A qualitative estimation has been made for the two categories Type and Target group and a quantitative scale 0-6 is used for the other three categories, the same scale as earlier has been used (see 6.3.4). A summary of the categorization is presented in table 30.

In which dimensions is it meaningful to categorize the decisions? The main inspiration has been the literature review. The selected categories are discussed in different papers but not all together in a single publication. However, they have had some degree of importance somewhere. Unique and repetitive decisions (definition, see Appendix A) are discussed in the literature as a category (see, *e.g.*, Lunneryd, 2003). The distinction between unique and repetitive decisions is difficult to apply to the data. From the minutes of interviews a picture has evolved with the elements of decisions demanded and/or recognized as typical or “seen before”. The categories Demanded and Recognized therefore were easier to apply and they were selected instead of unique/repetitive. They also have a definite implementation perspective. As the follow-up plans in some papers indicate an importance for implementation success a category Follow-up was selected. Finally, a Scope category was chosen as the selection criterion of decisions to study was not beforehand decided and scope in any meaning may be postulated as important for implementation success. It is to be noted that scope is a measurement of the decision extent but implementation profile and context are estimations of implementation circumstances.

How to conduct the categorization? My starting point is to apply a selected definition to each category. The attempt to make an “objective” approach means that the information from different respondents in a specific case is balanced, even

if to some extent contradictory, into a categorization based on the selected definition. The results are found in table 30.

Type of decision has been categorized according to the definitions in Appendix A. Regarding Target group it has been a question to extract the main stakeholders affected by the decision. Sometimes there are also other groups affected by the actual decision but the focus is on the main target group.

The implementers said explicitly in many interviews that the decision was desired or demanded, in others it was implicitly expressed. Therefore the information is quite complete and the categorization is based upon the opinions of the implementers. The degree of demand is estimated by a transformation of the verbal expressions into scores using scale steps from “not demanded at all” (0) to “highly demanded” (6).

Table 30. Decision categorization (.. marks that categorization has not been possible due to lack of information)

Decision identification			Decision categorization					
ID	Title	Company	Type	Target Group	Demand	Regog-nition	Follow up	Scope
1304	Market extension	A	S	Cust	1	0	5	4
1308	Balanced Score Card		O	Mgm	0	3	4	3
1310	Home PC for staff members		O	SM	5	6	1	5
1313	Reports from Managing Dir		O	Mgm	0	3	4	4
1331	Customer relation	A sub	O	Cust	4	3	5	3
1333	Save money		O	Mgm	0	4	..	1
2301	Customer Account	B	S	Cust	3	1	5	6
2302:1	Phone cost cut (company)		O	Mgm	5	5	2	1
2302:2	Phone cost cut (private)		O	SM	0	4	0	2
2303	Group Q system		S	Cust	3	..	..	4
2304	Human resource committee		O	Mgm	6	3	6	1
2305	Accounting of working hours		O	Mgm	6	4	6	3
5401	New quality system	C	S	Cust	5	2	..	3
5402	Outsourcing		S	M	0	2	5	4
5403	Dismissing people		O	SM	0	6	6	5
5404	Laser cutter		O	M	4	5	6	3
5405	Factory staff member reduct		O	SM	0	5	6	4
5406	Painting investment		O	M	4	5	6	2
5407:1	Product development, phase		O	Cust	4	6	6	1
5407:2	Product development, phase		O	Cust	0	0	6	1
<b>Abbreviations</b>								
<b>Type:</b> Strategic, Operational								
<b>Target group:</b> Customer, Management (tools for use),								
Staff Members (as individuals), Manufacturing								

The implementers expressed themselves sometimes as “we have seen something similar before” or “the decision was quite a new challenge” and many other statements between these two poles. So the decisions to implement were more or

less recognized and the information was sufficiently complete in all decisions except one. The estimation of recognition followed the scale procedure from “totally unrecognized” (0) to “very well recognized” (6). It must be emphasized that “recognition” says nothing if the experiences from history are positive or negative. Given a specific decision case, two implementers recognize the decision but their experience may be positive or negative. My estimation does not take this into account, as there is no direct information making sense of such a judgment. The demand and recognition estimation described is done exclusively from the perspective of the implementers using their expressed opinions.

The following categorizations have taken all opinions of the respondents into account. Regarding the follow-up situation, the scale procedure is from “no follow-up” (0), “follow-up planned or partly done” (1-3) to “going on or completed” (4-6). I have tried to estimate how far the implementation has gone. When the implementation is not finished, the predictions have been used. There have been no problems in terms of different opinions about the existence of the follow-up plans between decision makers and implementers.

The scope of decision is influenced by complexity in a general meaning but also the impact on business and employees. The complexity and the potential impacts have both a qualitative and quantitative dimension. All these aspects have been taken into account when I have estimated the scope of the individual decision on the scale 0-6, where 1 is a very small scope (0 is not used) and 6 is very large, principally changing basic elements in the actual business or touching almost every subordinate. This is an attempt to measure the decision complexity and its potential impacts on organization. The attempt is completing the respondents’ estimation of implementation context and implementation profile as they subjectively perceived the decision implementation mission (see 4.2.2.3). The two approaches are interrelated but are not the same.

The estimations have weaknesses. My estimations are an over all calculation of all available information. There are differences in information scope on the respondent level as the interviews turned in different directions with different focus. Another weakness is the transformation of verbal expressions into scores. A respondent score had been more adequate. On the other hand, a strict average calculation of these scores does not take into account the different insights of the respondents.

#### 6.3.5.2 Analysis of decisions in a company dimension

The decision makers in Company B systematically score higher than implementers on all implementation model variables, contrary to company A and C as shown in table 31 (Asub is cancelled due to limited number of cases). Company B has a corporate culture in change (see 6.3.1.2), and the lowest score of mega corporate culture (see 6.3.1.4). A speculative understanding of the results is that the top management over all is more positive than the staff members in a situation like company B; “everything is going the right way”.

The decision makers estimate goal satisfaction to be higher than process efficiency, which has been observed earlier on an aggregated level (see, *e.g.*,

tables 24 and 26). The consistency for companies with different cultures may lead to a potential conclusion of an existing “CEO syndrome”: “we achieved the goals but it cost too much”. It is an unsurprising executive standpoint since the focus in business is normally on cost efficiency.

Company C has the highest artificial implementation efficiency, art IE, index. There are only two cases in the decision maker group so it is the sum (DM+IMP) that matters. Implementation context and, even more, implementation profile are scored high and superior compared to companies A and B, which have lower art IE indices. It seems that this is an evident relation, and probably a causality, between implementation conditions (IC and IP) and implementation efficiency. The issue is developed in the QCA and LISREL analyses (see 6.3.6 and 6.3.7).

Table 31. Average estimations of implementation model variables on company level (Artificial IE index from table 29 and Mega corporate culture from table 21)

Company	Position	Numb	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien	Art IE index	Mega culture
A	DM	5	3.0	4.5	4.2	2.2	52	15
	IMP	6	4.1	3.8	4.1	3.6	63	
	<b>DM+IMP</b>	<b>11</b>	<b>3.6</b>	<b>4.1</b>	<b>4.1</b>	<b>3.0</b>	<b>59</b>	
B	DM	5	3.7	4.0	4.2	3.8	67	10
	IMP	11	3.2	3.1	3.3	3.2	54	
	<b>DM+IMP</b>	<b>16</b>	<b>3.3</b>	<b>3.4</b>	<b>3.6</b>	<b>3.4</b>	<b>58</b>	
C	DM	2	3.3	5.8	5.0	3.3	69	13
	IMP	7	5.0	5.6	4.2	4.0	68	
	<b>DM+IMP</b>	<b>9</b>	<b>4.6</b>	<b>5.6</b>	<b>4.3</b>	<b>3.8</b>	<b>68</b>	

- CC36. In a corporate culture in change the decision makers have a more positive picture than implementers regarding decision factors as well as implementation efficiency (W)
- CC37. Executives estimate in general goal satisfaction to be more successful than process efficiency (-)

### 6.3.5.3 Analysis of strategic versus operational decisions

There are only five strategic decisions of which four have a customer target group. All three companies are represented in both groups. These facts must be kept in mind when looking at table 32.

Table 32. Average estimations of implementation model variables on decision type level

Decision type	Position	Numb	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
Operational	DM	8	3.9	5.1	4.6	3.4
	IMP	20	4.0	4.1	3.8	3.6
Strategic	DM	4	2.4	3.4	3.8	2.4
	IMP	6	3.8	3.5	3.4	3.3

Strategic decision cases are systematically scored lower than operational cases. The picture is confirmed and strengthened when looking at decision makers and

implementers separately. The five strategic decisions are all complex, both with regard to their contents and the implementation contexts and profiles, which the scores tell us. The complexity may also be seen as the main reason for lower scoring regarding goal satisfaction and process efficiency. But “complexity” itself does not per se explain poor implementation; complexity can be identified in the decision making process and treated more carefully to avoid implementation failure. The strategic cases studied have probably not passed through such a procedure, as the scores of implementation profiles are low.

- CC38. Strategic decisions are perceived as more complex than operational decisions, which causes lower goal satisfaction and process efficiency compared to operational decisions (W)

#### 6.3.5.4 Analysis of decisions related to target groups

In table 33, the four main target groups touched by the decisions are shown. The groups are small, between three and seven cases in each. In Manufacturing group only Company C is represented, while in the other groups all three companies are represented.

Table 33. Average estimations of implementation model variables on decision target group level

Target group	Position	Numb	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
Customer	DM	4	2.8	3.4	3.5	2.8
	IMP	9	4.2	4.4	2.9	3.2
Manufact	DM	2	3.3	5.8	5.0	3.3
	IMP	3	4.6	5.6	5.6	3.8
Manage	DM	4	4.4	4.8	5.1	4.0
	IMP	9	3.7	3.4	3.8	3.9
Staff members	DM	2	2.0	5.0	3.8	1.5
	IMP	5	3.7	3.6	4.2	3.4

It is not possible to find any structural or systematic differences between the groups. The manufacturing group shows however very high scores in both implementation profile and goal satisfaction. All three cases in the manufacturing group have a detailed and written implementation plan, which may explain the high scores of goal satisfaction. Nevertheless, the process efficiency scores are low, but the observations may also be pure corporate effects. However, the groups are small. Therefore an aggregation is made of the three internal target groups (25 cases) leaving the external Customer group untouched (13 cases, see table 34).

There seems to be the following tendency: goal satisfaction, but also to a limited extent process efficiency, is scored lower in the customer group than in the internal group. The reason cannot be a simple implementation profile effect as the implementers score slightly lower for this variable in internal than in customer group, opposite to the decision makers. Why is it so? A reason may be that decisions directly affecting my own job situation are emotionally perceived to be more difficult to handle, a statement supported by the estimations of the

implementation profile on the target group rows “Manage” and “Staff members” in table 33.

Table 34. Average estimations of implementation model variables on decision target group aggregated level

Target group	Position	Numb	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
Customer	DM	4	2.8	3.4	3.5	2.8
	IMP	9	4.2	4.4	2.9	3.2
Internal	DM	8	3.7	5.1	4.8	3.2
	IMP	17	3.8	3.7	4.1	3.7

- CC39. Decisions aimed for internal target groups are implemented more efficiently than decisions aimed for customers (W)

#### 6.3.5.5 Analysis of decisions demanded or not

As seen in table 30, the basic scoring is done in a continuous scale using only integers. The number of cases is however too small in each group for an analysis. Therefore an aggregation is made grouping the demand in YES or NO. The pivot point used is 2 giving 9 YES cases and 11 NO cases (see table 35).

Table 35. Average estimations of implementation model variables on decision demanded level (pivot point YES/NO set to 2, see table 30)

Decision demanded	Position	Numb	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
YES	DM	9	3.6	4.6	4.2	3.3
	IMP	16	3.8	4.1	3.6	3.8
NO	DM	3	2.8	4.2	4.8	2.2
	IMP	10	4.3	3.8	3.8	3.1

There could hardly be found any differences or tendencies, not even among the implementers. It is a bit surprising, since the demanded decisions would be appreciated by the implementers and therefore easier to implement; the results would be better. However, the data do not support such a description.

- CC40. The implementation efficiency is not affected by whether a decision is demanded or not (M)

#### 6.3.5.6 Analysis of decisions recognized or not

The same problem as above, too small groups, makes it necessary to regroup. The procedure carried out is the same as in 6.3.5.5 but the initial pivot point used was 3 giving 10 YES cases and 9 NO cases (one missing value). However, there were no systematic differences and the variance of implementer in the NO-group was high and above the other subgroups for all variables. Changing the pivot point to 2 gives 14 YES and only 5 NO cases. The variance was equal for all subgroups and variables. The results for implementers changed quite a bit but did not change for decision makers. The results, shown in table 36, are obviously very sensitive to selection of pivot point.

There are some interesting observations. Both decision makers and implementers score goal satisfaction and process efficiency higher when the decision is recognized. The decision makers also score higher for context and profile when the implementers recognize the decision, which the implementers do not. It is not easy to explain these observations; a proposal is that a decision recognized by the implementers has “a built in factor” supporting the implementers to do a good job even if the context and profile according to their opinions are not simple and clear. The result of the good job is estimated sufficiently or successfully from both parts; it is the result that is considered.

Table 36. Average estimations of implementation model variables on decision recognized level (pivot point YES/NO set to 2, see table 30)

Decision recognized	Position	Numb	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
YES	DM	8	3.9	5.1	4.6	3.4
	IMP	19	3.9	4.0	4.0	3.8
NO	DM	4	2.4	3.4	3.8	2.4
	IMP	7	3.9	4.1	2.3	2.7

- CC41. Decisions recognized by the implementers are implemented with a better result than decisions that are not recognized (-)

#### 6.3.5.7 Analysis of decisions with and without follow-up

The same problem as above, too small groups, makes it necessary to regroup the scores of the follow-up plans in YES and NO groups. The procedure carried out is the same as in 6.3.5.5 with the pivot point put to 2. It gives only 3 NO-cases and 14 YES cases (3 missing values). The three NO cases have however nine respondents as seen in table 37. Company C is not represented in the NO-group. Changing the pivot point to 3 does not help as no case has been scored 3. These circumstances make the analysis results uncertain.

Table 37. Average estimations of implementation model variables on decision follow-up level (pivot point YES/NO set to 2, see table 30)

Follow up	Position	Numb	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
YES	DM	9	3.3	4.2	4.3	3.1
	IMP	20	4.5	4.7	4.0	4.0
NO	DM	3	3.8	5.3	4.5	3.0
	IMP	6	2.3	1.9	2.8	2.2

The scores in table 37 indicate that the existence of a follow-up plan is important regarding goal satisfaction and process efficiency from the implementers' point of view; for the decision maker it does not matter. A proposed explanation may be that implementers perceive a greater importance of a decision with an implementation mission that includes a follow-up plan. Such an explanation is supported by the scores of implementers on implementation context and profile compared between YES and NO situations. The paradox is that the decision makers estimate goal satisfaction and process efficiency much higher

than implementers, when a follow-up plan does not exist, and equal to situations where a plan exists.

- CC42. An implementation follow-up plan gives increased goal satisfaction and process efficiency according to the opinions of implementers, in contrast to the opinions of decision makers (-)

#### 6.3.5.8 Analysis of decision scope

The pivot point small/large is set to 2. The same problem, too small groups, occurs once more (see table 38). There are only three DM cases in the Small scope group. These three decision makers stand out alone, giving higher scores on all variables compared to large scope decisions. Among implementers, no parallel observations are made.

Table 38. *Average estimations of implementation model variables on decision scope level (pivot point Small/Large set to 2, see table 30)*

Scope	Position	Numb	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
Small	DM	3	4.5	5.2	5.8	4.8
	IMP	11	3.7	3.4	3.3	3.1
Large	DM	9	2.9	4.3	3.8	2.4
	IMP	15	4.1	4.5	4.0	3.9

- CC43. Small decision scope gives increased goal satisfaction and process efficiency according to the opinions of decision makers, in contrast to the opinions of implementers (-)

#### 6.3.5.9 Analysis of decisions in a transmission event perspective

The transmission event has been discussed earlier (see 2.4, 3.1 and 3.3) as a critical step in the implementation process. The transmission is supposed to be of importance for further action of the implementer. Therefore, in this analysis a strict implementer perspective has been maintained.

The type of transmission has been estimated from the interviews. Initially four different types could be identified as

- via phone-call, letter or e-mail (order)
- at a meeting face to face (task)
- a result of participating in decision making process (participation)
- not transmitted

17 implementer cases (excluding not transmitted) could be identified with a skewed distribution of types. The data was regrouped in types of personal transmission (task + participation) and order transmission cases giving 13 and 4 cases respectively. The number in the order group is still too few but the difference between personal and non-personal transmission seems to be the most interesting approach so any other regrouping is cancelled. However, there are no differences between the two groups regarding goal satisfaction and process efficiency.

Comparing decision makers' and implementers' goal satisfaction and process efficiency estimations reduced the dataset even more as there is a lack of comparable pairs. However, in table 39, the analysis results are shown. The differences show that implementers have a lower scoring of both goal satisfaction and process efficiency compared to decision makers regarding personally transmitted decisions to implement. The reverse appears when a decision is ordered to be implemented.

Table 39. Differences in implementation efficiency estimations between decision makers (DM) and implementers (IMP) regarding decision transmission type

Trans type	Numb of cases	Difference DM vs IMP	
		GS	PE
Personal	10	0.95	0.60
Order	3	-0.17	-2.17

Looking at only implementers, there are 19 cases to analyze. If they are grouped according to the initial categorization, but excluding non-implemented decisions, it is not possible to find any systematic tendencies (see table 40). Even if participating in the decision making process gives the highest goal satisfaction score, it is not followed by a corresponding process efficiency score where, instead, the highest score is for personal transmission of the decision to implement. If "participation" and "personal" are added, the mean scores of goal satisfaction and process efficiency are slightly higher than for "Order" but there are just four cases in the later group.

Table 40. Implementers' estimations of implementation efficiency regarding decision transmission type

Trans type	Numb of cases	GS	PE
Participate	10	4.56	3.50
Task	5	3.20	4.00
Order	4	3.50	3.25

These results do not directly support the idea that a personal transmission should facilitate the implementation; as said before I have not found anything in the literature about the transmission event per se. The findings are detected from a limited dataset. The type "Order" contains only operational cases. In a strict implementer perspective there is a tendency in favor of personal transmission. However, it is difficult to draw any confident conclusion.

- CC44. A personally transmitted decision to implement does not confidently lead to a higher goal satisfaction and process efficiency, compared to a non-personally transmission (-)

#### 6.3.5.10 Decision purpose and implementation efficiency

The purpose of the decision may be a part of the implementation profile as it is defined (see 3.3). It is included in the respondent instruction to estimate the implementation profile on the scale (see 4.2.2.3). However, the word *purpose* (in Swedish *syfte*) was not used explicitly in the instruction but imbedded in the word

*task* (in Swedish *uppdrag*). This lack of clarity makes it impossible to classify the decisions in my database in terms of a communicated and understood purpose for the decision to be implemented. In some interviews, the respondent spoke about the purpose: as an example, Ason says in decision 1308 “What is the purpose?” and supported by Bson “I did not know the purpose ...”.

I have a feeling that in some cases, when analyzing the individual decisions (see 6.3.2), and recalling the interview situations, the decision purpose influences the attitudes, and even the behavior, of the implementers. It is reactions like resistance that are in line with the corporate culture and not understood. They have an effect on the implementation efficiency. For reasons described above, it is not possible to support the statement with direct proofs; it is so far just a general observation to bring into the discussions in Chapter 7.

- CC45. The perceived and interpreted purpose of the decision to implement influences the attitudes and behavior of the implementer causing effects on implementation efficiency (-)

#### 6.3.5.11 Analysis of decisions disappeared into an implementation grey zone

In 6.3.2, every decision has been analyzed with comments on the implementation process uncovering different respondent opinions but they are integrated in the total decision analysis. No decision in this study has been completely non-implemented but some have not been implemented in parts of the organization or within reasonable time; these cases were identified by me relating to respondent answers. Evident respondent attitudes towards the implementation task are discussed a bit closer here with three case examples.

In the decision case 1313, the respondent Rson denies knowledge about a new ordered manner of reporting. He does it the same as he always has done. Rson acts perhaps with good intents, even if I doubt this, but he will probably adapt to the new system even if he is delayed. The company loss is negligible.

Fson in decision case 1333 got an order to cut costs, but he chooses to “wait and see” as he does not like the decision. This attitude is a form of resistance causing a smaller, or under severe conditions higher, company cost level.

In decision case 5402 Mson, confronted with a unwanted decision, keeps his fingers away as he is not necessarily involved. His passivity does not cause added costs but an active support could have facilitated the implementation.

There are three different observed ways of behavior regarding the implementers’ reaction to the implementation task: continue as earlier, wait and see, passivity. Are there any similarities in their situations? Yes, at first, the decisions are categorized as aimed for an internal target group. Rson and Fson are personally affected by the decisions, Mson just partly. Their behavior causes no severe problem for others but includes a personal risk that they will be looked upon as “bad guys”. Therefore, a conclusion may be that an adjusted implementation resistance is worth showing if it does not cause troubles for others and a small associated risk of “punishment” for the implementer her/himself.

- CC46. An implementer's resistance against the implementation of a decision may occur if the effects do not affect others and the personal risk of sanctions is small (W)

#### 6.3.5.12 Summary comments on categorized decision analysis

Could there have been more useful categories than those selected? I have made some more attempts. The goal (or related words as aim, purpose, objective, intention, motive, and end) is an interesting dimension. Two aspects are to be considered: the desired effect of the decision and the activities generated by the decision, the implementation process.

The effect of the decision is very rarely spoken of in the data in terms of goals, given that a goal must fulfill the requirement of being measurable, fixed in time and realistic. The main impression is the presence of vague formulations as aim, intention, *etc.* Therefore it is also difficult to follow up the decision effects and that is probably one reason that follow-ups, too, are not precisely planned. As the effect aspect is difficult to catch in the data, it has not been used as a categorization approach.

Regarding the implementation process, the situation is more structured. It does not necessarily mean a formal written plan but oral communications. Here too, there are often vague formulations; the time schedule is not planned, reports are anecdotic, resources not budgeted, *etc.* This aspect, however, has been estimated directly by the respondents during the interviews and therefore it is not used as a categorization approach.

The decisions demanded or not and decisions recognized or not are related. Do they highlight the same thing? I do not think so. "Demanded" expresses a desire in the organization that a specific decision is to be made by top management. "Recognized" is a reaction in the organization when a decision is made and put in action. As said earlier, the recognition evokes both positive and negative feelings but "demanded" just positive feelings. So even if they are related, they illustrate different dimensions.

Manufacturing decisions in the study are all made with implementation plans. It could be a corporate effect as all such cases were found in Company C. A question for further investigations is if companies with a culture dominated or heavily influenced by manufacturing/engineering plan more than other types of companies.

Even if the analysis carried out here is dominated by figures, it is a qualitative approach. The verbal opinions have been translated into figures in order to categorize the decisions for better understanding. The scoring may therefore not be used as real figures, just as indicators of opinions of the respondents.

The data is limited. There is a risk when analyzing the data that I find the same things but under different labels. That is like a small village in the countryside. Looking at the village from different surrounding hills gives a glimpse of the church and the schoolhouse. But from a specific hill, you see Mr Pearson's house, from another hill the Post Office. I hope the analysis approach has shown a couple

of different houses covered in the village. Saying this, I mean that the purpose of the analysis approach in this sub-chapter – to find similarities and differences in the opinions of decision makers and implementers when decisions are categorized – is achieved.

Regarding the two special types of decision categorization, transmission event and grey zone implementation, the purpose to detect contextual conditions leading to different implementer behavior and its consequences for implementation efficiency, is achieved.

### 6.3.6 QCA analysis

The purpose of the QCA approach is to find causal relations between the variables in the preliminary implementation model. The QCA technique is briefly described in 4.4.2. The implementation model (see figure 3) is the starting point of QCA analysis.

#### 6.3.6.1 The QCA analysis approach

If one variable is selected from each factor group, giving six variables, a truth table contains  $2^6$  (64) rows. As the number of dataset rows under optimal conditions, *i.e.*, no missing values, is 43, it is impossible to treat the implementation model in one single step. That immediately suggests that it takes two steps, the corporate and the decision factor groups. The analysis of categorized decisions (see 6.3.5) gave some interesting findings. Therefore, a third QCA step is carried out combining the categorized decisions (see table 30), in sets of three and/or four (due to a limited dataset) to detect potential causality. A specific calculation is done to test if the transmission event in combination with other variables indicates causality.

The implementation efficiency in the model is measured in two ways, goal satisfaction and process efficiency. The calculations are made for implementation efficiency as well as goal satisfaction and process efficiency separately. As the implementer perspective is important (see 3.2), the analysis is carried out on each step both totally and for implementers separately; there are too few cases to do the same for decision makers.

The stability of solutions is regularly tested (see 4.4.2).

#### 6.3.6.2 Preparation of data for QCA analysis

The data has been prepared to fit the QCA analysis. A summary is presented in table 41. The corporate profile factor group has been estimated in two ways, Growth and Profit excluding Size and Solidity as they show minor variance; it is to be remembered that there are only three observations for each variable! All other variables are respondent estimations from the interviews (see Appendix C) or estimations made by the author (see 6.3.5).

The transformation of continuous variables has been done with respect to the desire for a balanced number of cases. (The following text uses the abbreviations in table 41). Therefore the pivot point is alternatively 2 or 3 with the exception of

CC where it is necessary to use 3.5 due to a skewed distribution. POS is not used as a variable in the analysis, just as a selection filter. For LSTY Value and Political styles are closer than any other combinations based on the discussions in Badaracco & Ellsworth (1989). GROW and PROFIT are transformed with zero (0) as the pivot point giving as it is both “natural” and give balanced distribution of cases. TYPE has just two possibilities initially and, finally, TARG is transformed in accordance with categorizations in table 30 giving External (Customer) and Internal (Management, Staff Members and Manufacturing).

The original data matrix contains missing values. All of them are covered, when using the technique of imputation in LISREL (see 4.4.4). Consequently there are 43 complete dataset rows to use in the analysis (see 6.3.7.1).

Table 41. Summary of data used in QCA analysis in Step II

Variable		Estimation		
Description	Abbrev	By	Original	Transformed
Company position	<b>POS</b>	Author	Decision Maker, Implementer	DM=0, IMPL=1
Leadership style	<b>LSTY</b>	Resp	Directive 1, Value 2, Political 3	D=0, V+P=1
Corporate culture	<b>CC</b>	Resp	Scale 0-6	<=3,5=0, >3,5=1
Growth	<b>GROW</b>	An Rep	3 year average, %	-=0, +=1
Profit	<b>PROFIT</b>	An Rep	3 year average, %	-=0, +=1
Participation in DMP	<b>PDMP</b>	Resp	Scale 0-6	<=2=0, >2=1
Implementation Context	<b>IC</b>	Resp	Scale 0-6	<=3=0, >3=1
Implementation Profile	<b>IP</b>	Resp	Scale 0-6	<=3=0, >3=1
Goal Satisfaction	<b>GS</b>	Resp	Scale 0-6	<=3=0, >3=1
Process Efficiency	<b>PE</b>	Resp	Scale 0-6	<=3=0, >3=1
GS+PE	<b>IE</b>	Resp	Scale 0-6	<=3=0, >3=1
Type of decision	<b>TYPE</b>	Author	Strategic, Operational	S=0, O=1
Target Group	<b>TARG</b>	Author	External, Internal	E=0, I=1
Decision Demanded	<b>DEM</b>	Author	Scale 0-6	<=2=0, >2=1
Decision Recogniced	<b>REC</b>	Author	Scale 0-6	<=3=0, >3=1
Follow up plan	<b>FOL</b>	Author	Scale 0-6	<=3=0, >3=1
Decision Scope	<b>SCOPE</b>	Author	Scale 0-6	<=2=0, >2=1

### 6.3.6.3 QCA analysis of the influence of corporate factors on implementation efficiency

The initial analysis starts with four independent variables, LSTY, CC, GROW and PROFIT with IE as a dependent variable (see table 41). The truth table is shown in table 42: 9 rows with outcome cases, which is 7 rows without cases.

There are 29 positive outcomes of IE and 14 negatives. 6 rows have contradictory outcomes and 3 rows, all with 3 or less total cases each, are one-sided. If contradictory rows are treated as positive outcome, when there is a clear positive bias from the beginning, and the case number condition of a single row is set to at least 4 (rows with smaller number of cases are ignored in the calculations), the equation is

$$\text{LSTY} * \text{CC} * \text{PROFIT} > \text{IE} \quad (14)$$

saying that a contemporary presence of non-directive leadership style, a strong corporate culture and a profitable company situation give high implementation efficiency. The equation covers rows with 19 cases of which 3 however are contradictory. As there are in total 29 positive outcomes, there are 13 positive cases distributed on other rows. One row with 3 cases has just positive outcomes. If the case number condition is set to 3 instead of 4, the equation is

$$\text{profit} + \text{LSTY} * \text{CC} > \text{IE} \quad (15)$$

showing a dramatic change of solution: a non-directive leadership style in combination with a strong corporate culture give a high implementation efficiency but this is also the case for a negative company profit situation! Even other changes in the calculation conditions show that the initial equation (14) is not robust.

Table 42. Truth table of corporate factors in Step II (rows without outcome are eliminated)

Independent variables					Numb of IE cases	
LSTY	CC	GROW	PROFIT		1	0
1	1	0	1	>	10	1
1	1	1	1	>	6	2
1	1	0	0	>	3	1
1	0	0	0	>	3	2
0	1	0	0	>	3	0
0	0	0	0	>	2	4
0	1	1	1	>	1	1
0	0	1	0	>	1	0
0	1	0	1	>	0	3

If the original calculation conditions are used, the change of IE to GS or PE results in the same equation (14) as well as a calculation for only implementers. As GROW does not occur in solutions a test calculation is done with only LSTY, CC and PROFIT as independent variables. Equation (14) is still the solution.

- CC47. A contemporary presence of non-directive leadership style, a strong corporate culture and a profitable company situation give high implementation efficiency; the conclusion is valid also for separated goal satisfaction and process efficiency as well as for just implementers (W)

#### 6.3.6.4 QCA analysis of the influence of decision factors on implementation efficiency

The analysis is carried out initially with PDMP, IC, IP as independent and IE as dependent variables (see table 41). The truth table (see table 43) has 7 rows with case(s) and 2 without. There are 29 positive outcome cases. Four rows have contradictory outcomes.

If contradictory rows are treated as positive outcome, when there is a clear positive bias from the beginning, and the case number condition of a single row is set to at least 4 (rows with a smaller number of cases are ignored in the calculations), the equation is

$$IC > IE \tag{16}$$

saying that if a simple implementation context is present, the implementation efficiency is high. The equation covers 3 rows with 30 cases of which 3 however are contradictory on 2 rows. The solution is quite robust under different conditions.

Replacing the dependent variable IE with GS, under the same calculation conditions, gives an equation

$$PDMP*IP + IC*IP > GS \tag{17}$$

which is more complex: there are two pathways to success (a high goal satisfaction), and they are implementer participation in the decision making process in combination with a clear implementation profile or an easy implementation context in combination with a clear implementation profile. Replacing IE with PE gives

$$IC*IP > PE \tag{18}$$

which indicates one way to success, the combination of a simple implementation context and a clear implementation profile.

Table 43. Truth table of decision factors in Step II (rows without outcome are eliminated)

Independent variables				Numb of IE	
PDMP	IC	IP		1	0
1	1	1	>	14	2
0	1	1	>	9	1
1	0	0	>	0	4
0	0	0	>	1	3
1	0	1	>	1	3
0	1	0	>	4	0
0	0	1	>	0	1

Equations (17) and (18) are seemingly robust under different conditions. The shared element in the equations (16)-(18) is IC. The solutions are more complex for each of the elements, GS and PE, constituting IE with a common characteristic in IP. The main reason for this complex picture is probably the method of calculation of IE. There are 29 IE 1-cases. In 17 of them both GS and PE also have a 1-case but in 12 cases one of them has a 0-case. The corresponding figures for the 14 IE 0-cases are 9 and 5 respectively. I conclude that the results of GS and PE are worth the most attention.

Equations (16)-(18) are repeated when the calculations under the same conditions are made for implementers exclusively.

- CC48. If the implementation context is simple, it is a sufficient condition for high implementation efficiency; the conclusion is valid also for just implementers (-)
- CC49. A combination of clear implementation profile and simple implementation context is one way to high goal satisfaction as well as high process efficiency; for the latter, there is also another way, namely the implementers' participation in the decision making process; the conclusions are valid also for just implementers (W)

#### 6.3.6.5 QCA analysis of the influence of categorized decisions on implementation efficiency

Categorized decisions contain five variables, giving  $2^5$  (64 rows), making it impossible to treat them at the same time with only 43 cases available. A great number of tentative calculations with 4 or less variables in combinations, with different settings, do not give stable solutions for either IE, or for GS or PE. Therefore it is not possible to make any conclusions from this analysis approach.

#### 6.3.6.6 Analysis of the transmission of the decision to be implemented

The transmission event has been discussed (see 2.4, 3.1 and 3.3) as a critical step in the implementation process. A first analysis has been carried out in 6.3.5.9. The same dataset used there, is used in this QCA analysis in combination with other variables presented in table 41.

The transformation of the two transmission types described in 6.3.5.9, see table 39, is done putting Order to 0 and Personal to 1, labeled as the variable TRANS. Still it is a question of implementer perspective giving 17 cases. Goal satisfaction and process efficiency are tested separately. The model is built up by the variable TRANS in combinations with IC, IP, TYPE, TARG, DEM, REC, FOL and SCOPE (see table 41). A combination pair-wise with two other variables gives in most situations a solution like  $IC*TRANS > GS$  (PE) and  $DEM*TRANS > GS$  (PE). It means that a personally transmitted task in combination with a simple implementation context (IC) or a demanded decision (DEM) gives a high implementation efficiency (GS or PE). However, the model is very sensitive to changed conditions (see 4.4.2), meaning that handling contradictory rows and number of cases plays a big role in the solution. The dataset contains just 3 order cases (trans). So, in all, the QCA analysis does not contribute to the understanding of the importance of transmission type, as the dataset is too small.

### 6.3.7 LISREL analysis

The purpose of the LISREL analysis is to find causal relations between the variables in the preliminary implementation model (see figure 3). The LISREL method is presented in 4.4.3.

#### 6.3.7.1 LISREL analysis approach

The LISREL analysis is done on the respondent level, giving 43 potential dataset rows incorporating variables as shown in table 44; the columns "best solution" are

commented in 6.3.7.2 and 6.3.7.3. The analysis, however, uses information from different sources and levels. Economic figures about the three companies are available at the company level. That means that there are only three unique figures for each variable, as profit or growth (see table 11), and they are repeatedly used in each related dataset row. The DECI2 observed variables are my categorization and scoring of the decisions (see table 30), and they are also repeatedly used in each related dataset row. The degree of participation in the decision making process of the implementers, DMP, is my estimation, too. All other observed variables are represented by the respondent scores. The scores of participating in decision making process, corporate culture and the estimation of CEO leadership style (one of three alternatives) are repeatedly used in each related dataset row if the respondents have been interviewed about more than one decision.

Each dataset row therefore contains information from these three different levels originating from four sources. As said, there are 43 potential dataset rows. However, missing values occur mainly as non-complete respondent answers. The imputation routine in LISREL was used to replace the missing values. The imputation covered all of them and there are 43 complete dataset rows for analysis.

Table 44. Variables used in the LISREL model (in "best solution", (x) stands for non-significance but necessity for model fitness)

Implementation model variables		Best solution	
Description	Abbr	All	Implem
<b><math>\xi</math>-variable CORP</b>		<b>x</b>	<b>(x)</b>
Sale figures, 3-years average	SALE	x	
Profit, 3-years average	PRO	x	
Growth over last 3 years	GRO		
Nb of employees, 3-years average	EMPL		
Leadership style	LS	(x)	x
Corporate culture	CC	x	x
<b><math>\xi</math>-variable DECI1</b>		<b>x</b>	<b>x</b>
Participating in decision making process	DMP		x
Implem context	IC	x	x
Implem profile	IP	x	x
<b><math>\xi</math>-variable DECI2</b>		<b>(x)</b>	<b>(x)</b>
Type of decision	TYP	x	
Decision target group	TAR	x	x
Recognition of decision	REC	x	x
Decision demanded	DEM		
Follow up plan	FOL		
Scope of decision	SCO	(x)	
<b><math>\eta</math>-variable IMPL</b>		<b>x</b>	<b>x</b>
Goal Satisfaction	GS	x	x
Process Efficiency	PE	x	x

Company position is coded ordinal 1 (decision maker) and 2 (implementer) but the variable is not used in the model, only to select sub-datasets. All other

variables are treated as continuous. Leadership style is coded 1 (directive), 2 (value) and 3 (political). The degree of freedom for the implementers to act is the underlying reason to estimate the variable as continuous. The type of decision is coded 1 (operational) and 2 (strategic), the target groups as 1 (internal) and 2 (external). For both of them, the underlying reason to classify them as continuous variables is the degree of complexity.

As there are too few observations (see 6.3.5.9), the transmission event is not included as a model variable in table 44. However, an analysis attempt is made and the results are presented in 6.3.7.3.

The  $\xi$ -variables CORP and DECI1 are derived from the original preliminary implementation model. In 3.3 it is proposed to use the preliminary implementation model to test different decision types separately. The LISREL modeling approach has however not been successful. Therefore the  $\xi$ -variable DECI2 is constructed to catch the complexity of the decision, inspired by the previous analyses already made.

The analysis is carried out in two echelons: first for all respondents, then in the perspective of implementers. As the decision maker sub-dataset is too small (14 dataset rows), it is not possible to do same analysis regarding them.

#### 6.3.7.2 LISREL analysis results of all respondents (decision makers and implementers)

All variables in table 44 have been tested in different combinations in the model. The best solution in terms of model fitness is presented in figure 11. The structural equation is

$$\text{IMPL} = -0.34 * \text{CORP} + 0.97 * \text{DECI1} - 0.081 * \text{DECI2} \quad (19)$$

with an error variance = 0.17 and  $R^2 = 0.83$ . The fitness of the model is acceptable according to P-value 0.19 and RMSEA value 0.065; the critical fitness values are  $>0.05$  and  $<0.9$  respectively. The t-values are mainly  $>1.96$  (*i.e.*, significant). However, DECI2 has a low t-value (-0.73). If excluded from the model, the fitness declines substantially.

All observed variables estimated by respondents are present in the best solution but LS is not significant. Also, the economic variables SALE and PRO are integrated. CORP and DECI1 give substantial contributions to IMPL, the implementation efficiency. DECI2, built up by observed variables estimated by me, has a non-significant value (t-value=-0.73). However, if DECI2 is excluded from the model, there is no model fitness.

The negative contribution of CORP to IMPL may be understood in the following way. LS is neglected as it is non-significant. A strong corporate culture, CC, is an obstacle for change; it is difficult to change a situation, *i.e.*, to implement, before the corporate culture is changed. SALE, bigness, is a measurement of complexity: a big SALE is an indicator of many employees and many customers (N.B. that EMPL does not occur in the best solution but SALE does), which makes implementation more complex and less successful. PRO, the actual profit of the business, at a high level may force the implementer to be more

careful in the implementation process, losing time and spending more resources giving lower implementation efficiency, IMPL. However, it must be kept in mind that SALE and PRO contain just three observations each, which may disturb the analysis results.

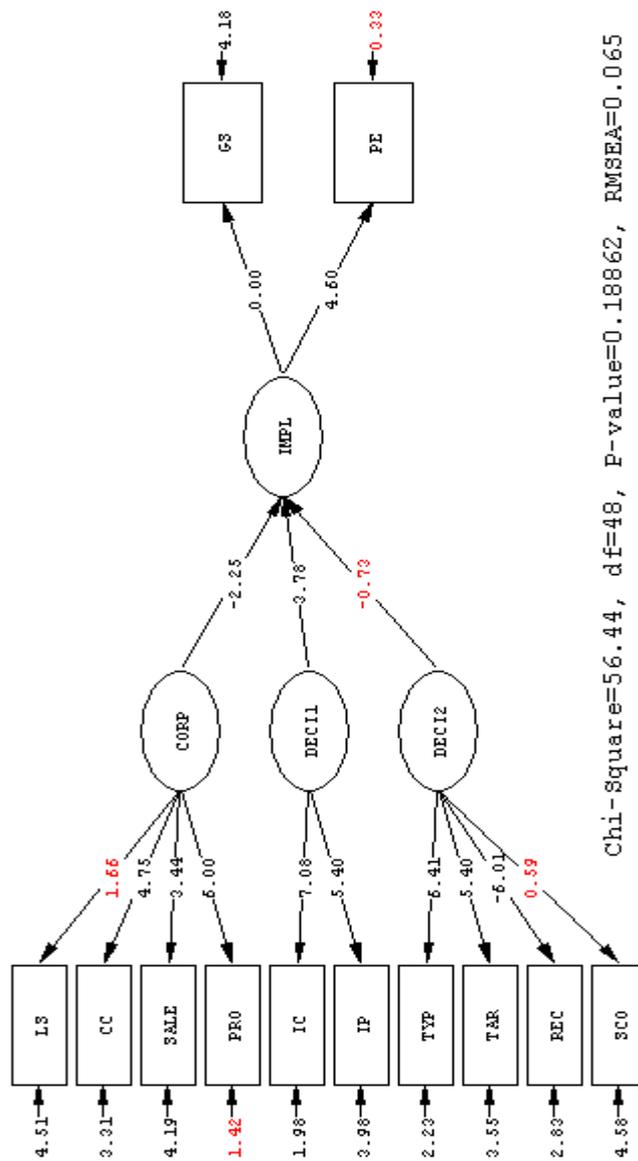


Figure 11. The best LISREL over all solution of implementation model (t-values)

DMP, the implementers' participation in decision making process, does not fit in the model building up DECI1 but implementation context, IC, and implementation profile, IP, do. Simple conditions, IC, and clear task, IP, cause unsurprisingly high implementation efficiency, IMPL.

DECI2 is measured in four ways (regarding the categorization and estimations of the variables, see 6.3.5.1 and table 30) but it does not contribute to explain IMPL (t-value<1.96). If excluded, however, the model fitness is not acceptable; this is the situation also for SCO (t-value = 0.59).

The model has also been tested regarding GS and PE as separate, single observed variables on IMPL. No model fitness solution is found. The best solution shows that corporate factors and decision factors both contribute substantially to the explanation of implementation efficiency in spite of a limited database. Observed variables with non-significant values in the best solution may be tested in a larger database in the future.

### 6.3.7.3 LISREL analysis results of implementers

The implementers were selected giving a potential of 29 dataset rows. The imputation routine in LISREL was run separately for these datasets as there has been observed some differences between decision makers and implementers in earlier analyses (see 6.3.4) giving in all 28 dataset rows that are useful for analysis.

An ambition was to test the over all best solution (see figure 11) for implementers, but exactly the same solution could not be produced. One reason is the limited dataset, which makes it necessary to test alternative combinations. A justified best solution (see figure 12) occurs as a simplification but is quite close: it has excluded TYP and SCO (DECI2) and PRO and SALE (CORP) but added DMP (DECI1). The structural equation is

$$\text{IMPL} = -0.25 \cdot \text{CORP} + 0.82 \cdot \text{DECI1} - 0.31 \cdot \text{DECI2} \quad (20)$$

with an error variance = 0.43 and  $R^2 = 0.57$ . The fitness of the model is acceptable according to P-value 0.4 and RMSEA value 0.04. However, there are problems with non-significant t-values regarding CORP and DECI2 (<1.96). The limited dataset is probably a reason.

DMP, implementers' participating in decision making process, takes place in the implementer best solution but not in the over all model. This seems quite natural: the implementer puts more importance than CEOs in her/his participating in the decision making process as a part of smooth implementation.

A couple of alternative calculations, changing observed variables as an effect of a too limited database, give solutions with acceptable model fitness but with the remaining problem of non-significant t-values.

Finally, in 6.3.5.9 an analysis of the transmission event is carried out and the same data, 17 implementer cases, is used in a LISREL analysis approach. As the total implementer data set contains 29 cases, there are 12 missing values of the

variable transmission, TRANS. The situation is unsatisfactory and it would be wise to stop.

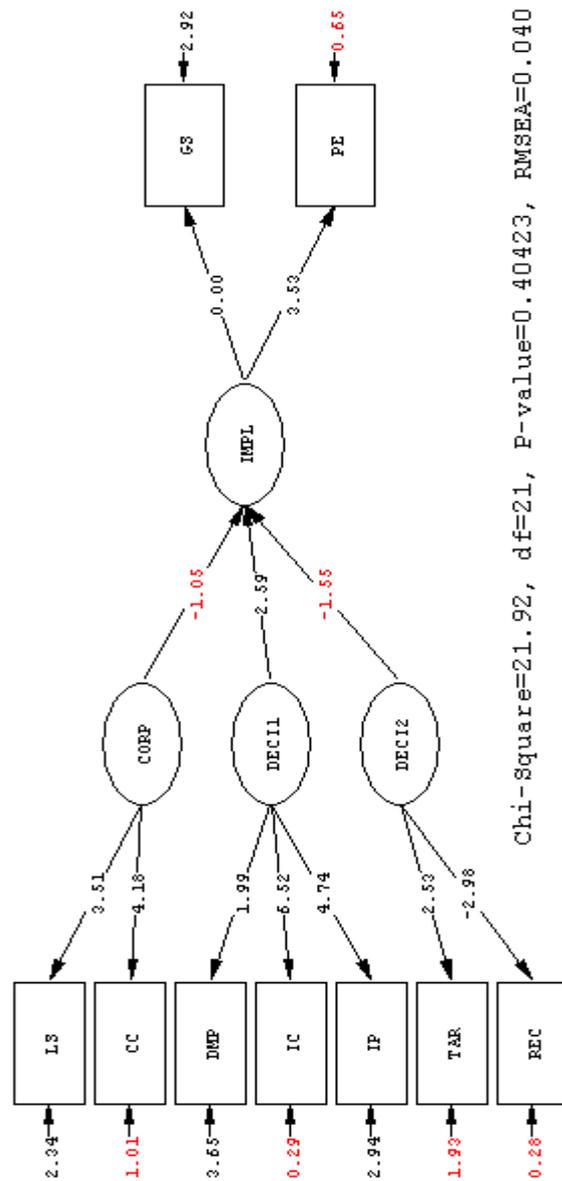


Figure 12. The best LISREL implementer solution of implementation model (t-values)

But in spite of these limitations a test is done: an imputation is performed giving 22 cases for calculations. These show that, even if model fitness is attained, the contribution of TRANS remains on an evidently non-significant level. An attempt

to use only the 17 TRANS cases causes problem as the imputation of missing values of other variables gives only 13 cases, which is a too small number to build a purposeful model. Therefore it has not been possible to include the transmission event in the model. The main reason is weakness in the database.

#### 6.3.7.4 Summing up the LISREL analysis

The LISREL analysis results essentially confirm the preliminary implementation model. However, some variables are not confirmed, either by significant t-tests or by model fitness coefficients; the reason may be limited datasets. Given these limitations of the results, the most interesting conclusion is that the LISREL calculation exclusively for implementers gives partly another picture of model relationships compared to the model with all respondents. The down-up perspective matters regarding implementation conditions and results. The “down-up perspective” implies that the implementer position generates a specific agenda of perceived implementation conditions and results. Irrespective of the underlying causes, which this study does not investigate, it is an important conclusion to be taken into account both in future research design and in the decision implementation mission in business life.

The LISREL model solutions contain all the variables estimated by the respondents (Leadership style, LS, however insignificantly in all respondent solution). The variables estimated by me both fit in (TYP, TAR and REC) and do not (FOL, SCO and TRANS). It is not possible to estimate my effect on this picture but it seems undisputed that a consistent respondent estimation is preferred in order to standardize the tools used.

- CC50. The preliminary implementation model is not falsified by multivariate estimations but has a weakness regarding the significance of some variables (S)
- CC51. The preliminary implementation model for implementers is more simple than for decision makers: it excludes the measurement variables sales, profit, decision type and scope but includes participating in decision making process; weakness regarding significance of some variables has been observed (S)

## 7 Discussion and final conclusions

In this chapter, the conclusions from the analysis made in Chapter 6 are used to answer the research questions and to test the main hypothesis (see 3.4). A general discussion follows. The rest of the chapter is dedicated to reflections on generalizations and methods but also on future research.

### 7.1 List of conclusions

In order to facilitate the overview and the understanding of the up-coming discussion all conclusions made during the analyses in Chapter 6 are listed. The conclusions are repeated with their weights in brackets (see 6.1: S=Strong, M=Medium, W=Weak and -= fragile).

- CC1. There is a potential for important improvements in implementation efficiency (S)
- CC2. Corporate factors as formulated and shared values and needs as well as internal resistance and culture conflicts have impacts of good and poor implementation respectively (M)
- CC3. Decision factors such as communication and clarity as well as available resources have impacts of good and poor implementation respectively (M)
- CC4. Size of company does not matter with regard to implementation efficiency (M)
- CC5. Extreme profit situations (very poor or very good) do not lead to high implementation efficiency (W)
- CC6. Executives estimate that successful implementation mainly depends on themselves and unsuccessful implementation mainly depends on subordinates (-)
- CC7. Value-driven leadership, a long period of CEO regime and a challenging economic situation in pair-wise combinations lead to a high implementation efficiency (W)
- CC8. An indistinct decision in a turbulent context may be well implemented in terms of goal satisfaction if the corporate culture is business- and action-oriented, supported by an attitude of “you are permitted to do mistakes”, but the price is low process efficiency (W)
- CC9. An implementation task without an expressed purpose causes frustration and even resistance among the implementers. The implementation is delayed, even if supplementary information clarify the purpose and other vital conditions, leading to low implementation efficiency (W)
- CC10. A decision made on false or insufficient premises causes poor goal satisfaction and low implementation process efficiency (W)
- CC11. A leadership, which builds on and utilizes a strong corporate culture and which focuses on human beings and result deviations, is more important than formal follow-up tools to manage a complicated implementation situation (W)

- CC12. Even if a decision has an evident goal and associated implementation plans, it is necessary to have defined roles and responsibilities supported by a coaching leadership during the implementation; this must be done in order to avoid poor implementation process efficiency, and not the least, a delay in the time schedule (W)
- CC13. A decision with content in conflict with the opinion of the implementer may have many difficulties to be overcome in order to be implemented (W)
- CC14. A decision with goal achievement at an unpredictable future point of time, but with a need of immediate implementation, meets resistance and down-prioritizing among the implementers challenging the executive leadership (M)
- CC15. Even if a decision is detailed with evident tasks and responsibilities, the implementation may be insufficient if there are direct effects on the private economy of the subordinates, and if the follow-up does not work (W)
- CC16. A poorly prepared strategic decision built on perceived false premises and touching the entire, differentiated businesses causes resistance among implementers with consequences such as high implementation costs and even a risk of non-implementation (W)
- CC17. It is possible to make quite important changes in a decision during the implementation process if the decision is expected, demanded and desired by both the decision maker and implementers (decision target group), and the decision maker is involved in implementation; however, the changed decision causes a prolonged implementation period and therefore costs more than necessary, but gives an excellent goal satisfaction (W)
- CC18. A simple, operational decision, demanded by the organization and touching just internal routines, is successfully implemented even if the employees are not involved in the decision making process (W)
- CC19. If the implementers take part in the decision making process and the decision is demanded, the implementation goes smooth and easy even if the content of the decision is not exactly what was desired (-)
- CC20. In a complex context, a strategic decision containing another solution for solving the same problem needs a detailed implementation plan with top management engagement in the execution phase and frequent follow-up for successful implementation (W)
- CC21. An operational decision, which is modified/changed during implementation due to new circumstances, causes decreases in implementation process efficiency and results in long term effects on corporate culture (-)
- CC22. A decision, which the implementers recognize by its type and characteristics, is well implemented even if the implementers have not participated in the decision making process (W)
- CC23. A decision with a target group of subordinates achieves rapid goal satisfaction by putting more resources than strictly necessary into the implementation process (=lower efficiency), which in the long term may facilitate the implementation of a repetitive decision (W)

- CC24. When a decision is prepared by the implementers and it is a confirmation of what they desire, the probability of both full goal satisfaction and excellent implementation process efficiency is high (-)
- CC25. A top management intervention in an on-going implementation process can sharpen the implementation efficiency in the actual case but the long term effects on other implementation processes are difficult to predict (-)
- CC26. A decision and its implementation is often a story of complexity and multiplicity in a retrospective examination where the conditions and the results are situational (M)
- CC27. An implementation of a decision built on the specific mega corporate culture (leadership style, corporate culture, corporate profile) improves the implementation efficiency in some but not all decision cases; the significance of the mega corporate culture lies in the existence (scope and penetration) sooner than in its content (M)
- CC28. Both decision makers and implementers estimate the implementation efficiency (GS and PE) situationally and independently of their estimations of corporate culture (M)
- CC29. A situational leadership characterized by engagement and staying power overcomes hesitations and resistance among implementers and therefore it increases the implementation efficiency (W)
- CC30. The participation of implementers in the decision making process, even if just to a limited extent, improves the implementation efficiency according to the estimations of both decision makers and implementers (W)
- CC31. Decision makers and implementers are essentially concordant in their estimations of goal satisfaction as well as other model variables except leadership style (W)
- CC32. A strong corporate culture forces a high number of concordant opinions between decision makers and implementers of all model variables except leadership style (-)
- CC33. The implementer evaluates regularly the implementation mission and sometimes does informal or formal planning, which is certainly the case if the decision is demanded or recognized (W)
- CC34. The implementer behavior seems to be situational in terms of evaluation, planning and acting without any stepwise process detected (M)
- CC35. Goal satisfaction and process efficiency are estimated independently of each other (-)
- CC36. In a corporate culture in change the decision makers have a more positive picture than implementers regarding decision factors as well as implementation efficiency (W)
- CC37. Executives estimates in general goal satisfaction to be more successful than process efficiency (-)
- CC38. Strategic decisions are perceived as more complex than operational decisions, which causes lower goal satisfaction and process efficiency compared to operational decisions (W)

- CC39. Decisions aimed for internal target groups are implemented more efficiently than decisions aimed for customers (W)
- CC40. The implementation efficiency is not affected by whether a decision is demanded or not (M)
- CC41. Decisions recognized by the implementers are implemented with a better result than decisions that are not recognized (-)
- CC42. An implementation follow-up plan gives increased goal satisfaction and process efficiency according to the opinions of implementers, in contrast to the opinions of decision makers (-)
- CC43. Small decision scope gives increased goal satisfaction and process efficiency according to the opinions of decision makers, in contrast to the opinions of implementers (-)
- CC44. A personally transmitted decision to implement does not confidently lead to a higher goal satisfaction and process efficiency, compared to a non-personally transmission (-)
- CC45. The perceived and interpreted purpose of the decision to implement influences the attitudes and behavior of the implementer causing effects on implementation efficiency (-)
- CC46. An implementer's resistance against the implementation of a decision may occur if the effects do not affect others and the personal risk of sanctions is small (W)
- CC47. A contemporary presence of non-directive leadership style, a strong corporate culture and a profitable company situation give high implementation efficiency; the conclusion is valid also for separated goal satisfaction and process efficiency as well as for just implementers (W)
- CC48. If the implementation context is simple, it is a sufficient condition for high implementation efficiency; the conclusion is valid also for just implementers (-)
- CC49. A combination of clear implementation profile and simple implementation context is one way to high goal satisfaction as well as high process efficiency; for the latter, there is also another way, namely the implementers' participation in the decision making process; the conclusions are valid also for just implementers (W)
- CC50. The preliminary implementation model is not falsified by multivariate estimations but has a weakness regarding the significance of some variables (S)
- CC51. The preliminary implementation model for implementers is more simple than for decision makers: it excludes the measurement variables sales, profit, decision type and scope but includes participating in decision making process; weakness regarding significance of some variables has been observed (S)

The first seven conclusions come from Step I; the others are from Step II with CC8 to CC26 from the qualitative analysis of individual decisions, CC27 to CC29 from the qualitative analysis of decision context, and CC30 to CC51 from the quantitative analysis.

## **7.2 Research questions and their answers derived from the analysis**

The research questions, RQ, are formulated in 3.4 and the conclusions from the analysis, CC, listed in 7.1, are used to answer them. An overview of the combinations is presented in table 45 as a structural help for the following discussions.

In the following, each research question is repeated with an individual heading. The last digit in the headline number corresponds to RQ<sub>x</sub> to be found in 3.4, *e.g.*, 7.2.6 to RQ6, and therefore the identification RQ<sub>x</sub> is not shown.

Many but not all of the research questions are linked to the measurement variables in the implementation model. As discussed in 3.3 the measurement variables may be interrelated. If so, there are also connections between the research questions. However, overlapping, conditional assumptions, *etc.*, between the research questions are not discussed in this chapter. The interrelations and the complexity are instead discussed in 7.3, using the LISREL analysis results, and in 7.4 using all available information from the study.

From the beginning of the discussion, it must be emphasized that the answers to the research questions are based on conclusions from few observations, and in a couple of cases just a single observation, as this is mainly a qualitative study (see 4.2.1). Furthermore, the number of conclusions and their weights support the research questions answers to a varying extent. Therefore the answers to the research questions are not definitive or absolute but indicating paths to follow in future research approaches; they are hypotheses.

The answers to the research questions are initially given as a differentiated YES/NO/DON'T KNOW, if relevant, followed by a discussion supported or contradicted by the literature. In order to facilitate the reading as well as understanding and evaluating the discussion, the supporting conclusions are supplemented with the weight (see 6.1 S=Strong, M=Medium, W=Weak and -=fragile) in brackets, *e.g.*, CC6(-). A consistent theme in the study is the down-up perspective. The literature review has not indicated any reports with such an explicit approach (see 2.4). Accordingly it is not possible to find pros and cons to my findings in literature regarding the down-up perspective, which therefore generally may be looked upon as new knowledge.

### *7.2.1 Are there essential differences in implementation efficiency between complex profit-driven Swedish organizations?*

A tentative answer is YES, which is investigated in 6.2.1 and conclusion CC1(S). However, there are some comments to do regarding the analysis results in order to value the answer as the results are calculated and compared from the estimations made by CEOs regarding the decision implementation efficiency of their own organization. Therefore, these estimations are not an objective measurement. The reasons are discussed here.

Table 45. How the conclusions, CCx, (see 7.1) have been used to answer the research questions, RQx, (see 3.4); conclusion weight (S, M, W, -, see 6.1)

Conclu- sions	Research questions																					
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
CC1	S	x																				
CC2	M							x											X		X	
CC3	M																				X	
CC4	M							x														
CC5	W							x														
CC6	-		x	x																		
CC7	W							x														
CC8	W											x										
CC9	W							x														
CC10	W																		X			
CC11	W								x				x								X	
CC12	W												x									
CC13	W							x											X			
CC14	M							x														
CC15	W							x					x								X	
CC16	W							x														
CC17	W																					
CC18	W																					
CC19	-							x														
CC20	W												x	x							X	
CC21	-																					
CC22	W																					
CC23	W																					
CC24	-							x														
CC25	-												x	x								
CC26	M																					X
CC27	M							x	x													
CC28	M											x										
CC29	W							x				x	x									
CC30	W							x	x													
CC31	W																					
CC32	-																					
CC33	W																					X
CC34	M																					X
CC35	-																					
CC36	W																					
CC37	-																					
CC38	W																					
CC39	W																					
CC40	M																					
CC41	-																					
CC42	-																					
CC43	-																					
CC44	-																					
CC45	-																					
CC46	W																					
CC47	W																					
CC48	-																					
CC49	W																					
CC50	S																					
CC51	S																					

The estimation tool could have been used differently and, even if it is used correctly, they could have measured different things. At last, the implementation

efficiency is measured in Step I as an aggregation of goal satisfaction and process efficiency. On the other side, the estimation range of implementation efficiency among 30 companies goes from 45 to 85 (100 is maximum) with 80% of the companies below index 75. So in total, the result is an indication of existing differences between complex profit-driven Swedish organizations and, furthermore, there is a potential for improvement. Even if this statement takes into account both strategic and operational TMT decisions, it is in accordance with the research results for the implementation of strategic decisions, reported by Nutt (1997) and Nutt (2002), saying "...decisions that were put to full use only half of the time". Hickson et al. (2003) report an implementation success average (measured as achievement) of 3.7 on a six-grade scale (that corresponds to an index of 62) with a standard deviation of 1.5 regarding 55 decisions in 14 companies; the standard deviation indicates that 67% of the decisions range between index values 37 and 87. Dean & Sharfman (1996) report a similar picture: the implementation success average (measured as decision effectiveness) of 4.32 on a seven-graded Likert scale (that corresponds to an index of 62) with a standard deviation of 1.69 regarding 52 decisions in 24 companies; the standard deviation indicates that 67% of the decisions range between index values 38 and 86. Altogether, even if the discussed report results are obtained from different approaches, they support my results that there are important variations in implementation efficiency between companies.

Finally, the implementation inefficiency detected in this study may be reflected in similar observations regarding product development (Strannegård, 2003). He has found that just two of ten product development projects results in a launched product. The project costs exceed the budget in most cases between 40% and 200%. The failure is mostly explained by the hopelessness of the original product idea. He concludes (p. 159, my translation) that "If too many actors are skeptical to the trend of events, the project runs the risk of breakdown". It seems that there are many parallel results and explanations in Strannegård's study and mine even if the two studies have different purposes.

### *7.2.2 Do decision makers and implementers differ in their opinions on implementation conditions and results?*

YES, to a certain extent. In 6.3.4.2 the question is analyzed resulting in conclusion CC31(W). If decision makers and implementers agree upon the estimation of goal satisfaction (that is the fact in 2/3 of the cases) they also agree quite well on other variables. However, if they do not, they are also disunited about the estimations of other variables. Conclusions such as CC32(-), CC36(W), CC42(-), CC43(-), CC47(W), CC48(-) and CC49(W) confirm the picture: there is to a certain degree consensus but also situations where decision makers and implementers disagree. The latter is most evident in table 31, CC37(-), regarding implementation efficiency: the decision makers estimate goal satisfaction to be much less achieved compared to process efficiency in contrast to implementers. In total, even if many of the conclusions are based on few observations, the sum of them gives support to the YES answer.

When the CEOs in Step I were asked about reasons for good and poor implementation, they generally answered, that successful implementation mainly depends on themselves and non-successful implementation mainly depends on subordinates, CC6(-). Even if support for the statement is weak I dare to make an interpretation. It seems as the decisions generally are OK but in some cases they fail in the implementation phase due to implementer shortcomings. Such an understanding is supported theoretically (see, *e.g.*, Hogarth, 1994). People make value judgments by which they express preferences. The judgments are mainly done intuitively. In the actual case it is to be understood that the CEO judgments of implementation success express their preference that they have made reasonable decisions but some of them failed for reasons out of their control. If the implementers had been asked the same question about reasons for variation in implementation success, a prediction of their explanation may be that less successful implementation depends on wrong decisions! Braga Rodrigues & Hickson (1995) discuss a similar aspect saying “An attempt was made to cover unsuccessful as well as successful decisions, and therefore executives were also asked to suggest examples of each. Not surprisingly, there were more successful cases than unsuccessful. Perhaps the less successful decisions are more readily forgotten; or perhaps organizations in which the majority of decisions are unsuccessful are no longer around to be studied” (p. 658). It may be only speculations of the reasons for this situation but they seem to support the CEO opinions in my study.

The results show that a specific implementation situation is sometimes not perceived in the same way by the actors. The conclusion is discussed in an overview of management and leadership literature (Sjöstrand et al., 1999). They conclude that “... people perceive ‘the reality’ from their individual starting-points” (p. 18, my translation). Anyhow, this study underlines that there are different pictures of what is going on in a complex profit-driven company regarding decision implementation. The database is too small to say something about what the differences consist of or potential causality between concordance and degree of implementation efficiency. But it seems as the finding, supported by existing knowledge, is a critical aspect to focus on in future research in order to obtain the key to improved implementation efficiency.

### *7.2.3 How are goal satisfaction and implementation process efficiency, constituting implementation efficiency, connected?*

It should be noted that the measurements of the two variables in this study are done as estimations of the respondents (see 4.2.2.2). They have been asked to score on a scale given oral information about what to estimate. However, there could be a risk that if goal satisfaction, GS, is scored a certain figure (indicating good/poor), process efficiency, PE, would also be estimated with the same value: good is good, poor is poor. A look at individual decision cases shows that there are GS><PE relations as 2.5><6 and 5.5><0.5 saying that the decision goal was not quite reached but the implementation was very successful (first example) and vice versa (second example). In 73% of the cases the respondents have given non-equal scores on the two variables. The implementers show a very sensitive picture

(see table 28) with well distributed combinations of scores for the two variables. The decision makers on the contrary have never scored PE higher than GS within the same case. The analysis also shows, however, a correlation of  $r=0.64$  between GS and PE. In summary, my conclusion is that GS and PE are estimated independently of each other CC35(-). This statement is partly supported by conclusion CC6(-), which says that poor implementation depends on subordinates!

The QCA analysis of Step II (see 6.3.6.3/4) has detected separated conditions for successful GS and PE (see CC48(-) and CC49(W), respectively), but also indicated that in some situations the conditions for success are the same for both as shown for CC47(W).

A specific question is if and how the decision goal may change during the implementation phase due to new information, changed context or implementation influence. When the respondents are estimating GS, they have not been asked their opinion about which goal they are judging. This is a weakness related to reliability, which may be taken into account in further studies. The question is further discussed in 7.4.1.1.

All these findings support the statement that the respondents have estimated the two variables separately but that there is a positive correlation between them. Implementation efficiency related to decision making efficiency as a part of organizational efficiency is discussed in 3.1. Irrespective of if the decision is “clever” or not, the implementation must aim in reaching the decision purpose using just the necessary resources. Looking at implementation in this way, the results show that it is relevant to measure implementation efficiency as both GS and IE but also to keep them separated.

The studies that are referred in table 3 all focus on goal satisfaction of the implemented decision or similar measurements. The implementation costs to reach the decision aim (or not!) are not estimated. Therefore it is difficult to compare my results with results from other studies. However, Bryson & Bromiley (1993) tested seven different measurements of implementation success (p. 321) where Success accounted for 59% of total variance and Learning for 16%. The correlation in between is not reported. Braga Rodrigues & Hickson (1995) report that the four implementation success variables Realization, Propitiousness, Non-Disturbance and Perceived Success “... do catch at least something of the general managerial appraisal of a decision, grounded in managerial experience of what happened. They do enable some comparability between the performances of different kinds of decision in different kinds of organization”. It seems as these two studies support the idea that implementation efficiency must be estimated in different dimensions.

In summary, the answer to the research question is that GS and PE are estimated separately as two different things. It means in the individual case, as an example, that the decision goal may be well achieved (high GS) but at the price of an insufficient degree of resource consumption (low PE); both variables seem to be necessary to measure in order to get an acceptable estimation of implementation efficiency. The process efficiency results from the study are also a contribution to

our understanding about the implementation scope as there are no findings of this approach in the literature, so far as indicated by the results of the literature review.

#### *7.2.4 Does the type of decision (strategic vs operational) matter regarding the implementation efficiency?*

YES, but not without reservations. Strategic vs operational decisions are analyzed in 6.3.5.3 with the conclusion formulated in CC38(W).

Strategic and operational decisions are kept apart in the decision making literature (see, *e.g.*, Cooke & Slack, 1991, p. 21). The studies found in the literature are dealing with implementation of “strategic” decisions even if the definitions of the term “strategic” is unclear (see discussion in 2.4). Irrespective of the definition, there is no comparison between strategic and operational decisions in terms of implementation conditions and efficiency. In my study, however, the analysis results of such a categorization detect differences: strategic decisions are perceived as more complex than operational decisions, which causes lower goal satisfaction and process efficiency compared to operational decisions. The decision makers and the implementers are agreed, which indicates that the differences in the “strategic” definition (see 2.4) are not a problem here.

The differences in implementation efficiency may be explained by a higher degree of uncertainty regarding strategic decisions, since they may occur as decisions forcing a higher degree of change. Uncertainty is discussed in the literature in terms of a decision maker dilemma (see, *e.g.*, Janis & Mann, 1977). Strategies are formulated to handle uncertainty. Uncertainty in the implementation phase, when a specific decision is made, is a similar thing: the implementer has to make decisions how to act. This uncertainty may be decreased if the mission to implement includes a detailed, accurate implementation plan and executive coaching. Such an action will have positive effects if uncertainty is a potential factor causing lower implementation efficiency of the strategic decision. The reported literature has dealt with this concept and has presented successful action solutions (see, *e.g.*, Hickson et al., 2003, and Nutt, 1986) discussed in 2.2.1. The proposed theory in table 1 supports the discussion above; there is a combination of conditions and executive action giving reasonable possibility to a successful implementation. Nutt reports a similar approach in his many papers. In other terms, a specific executive action selected from a range of four different management tactics (see 2.2.1) with a given situational decision/implementation context, influences the implementation success.

As it has been said, no reports are found where strategic decisions are compared to operational decisions per se. But it has been observed that the theory in table 1 is commented with “As far as the evidence presented here goes, it would appear to be the same for any kind of decision in any kind of organization” (Hickson et al., 2003, p. 1822). Nutt (1986) says “this study found no relationship between implementation tactics and type of change. Managers do not appear to favor particular tactics to implement program, equipment or construction changes” (p. 255). The two citations do not directly support my answer on the research question but the implicit meaning is, as far as I understand, that there are no principal

reasons why different types of decisions would be implemented with different degrees of success. It is instead a question of the relevant implementation approach depending on not only the type of decision but also on the other situational conditions, as discussed above, regarding the aim to decrease uncertainty.

May there be other potential explanations for the implementation efficiency differences between strategic and operational decisions? Yes, I suppose so. One is of psychological nature: if a thing to do is perceived to be difficult, it will be difficult to do (see Robbins & Coulter, 1999, chapter Motivating Employees, p. 483). The shortages in implementation and follow-up plans, executive coaching, *etc.*, uncovered in the analysis and discussed in 7.2.5/13/19/20 and 7.4.1.3, support a psychological explanation to a certain degree. “Scope” and “demanded” and/or “recognized” are decision characteristics close to decision type. These categorizations are discussed in 7.2.15-17 and 7.2.20. It seems reasonable that they may be seen as background variables contributing to the explanation of the observed differences in implementation efficiency between decision types.

In summary, the strategic decisions seem not to be treated in the implementation phase according to their conditions (needs of plans and executive coaching, *etc.*) leading to less implementation efficiency compared to operational decisions.

#### *7.2.5 What are the reasons explaining implementer attitudes towards implementation action?*

The implementers present negative or expectant attitudes to some decisions to implement, CC45(-). Such examples are antagonism between the existing culture and the content of the actual decision, CC13(W), a decision goal in a non-predictable future, CC14(M), and lack of a follow-up plan, CC15(W). Further more, an implementation mission without a communicated purpose causes resistance, CC9(W), as well as a perceived “wrong” decision, CC16(W). The attitudes are positive if the implementers have been involved in the decision making process, CC19(-), CC24(-) and CC30(W), or if the decision is recognized, CC41(-). It seems that the implementer resistance to implementation of a decision may occur in specific situations identified in the study. CC46(W) point out loyalty to job fellows and sanctions as critical criteria for potential resistance to individual decisions. However, in many other decision cases the initial hesitation or resistance has been overcome.

The conclusions show the implementers’ perceived reality, not an objective reality or the perceived reality of the decision maker (see discussion in 7.2.2). The implementer attitudes are influenced by the situational performance of the leaders. This aspect is discussed in 2.2.2; Thompson & Strickland (1992) list six principal tasks for successful implementation whereof “Exercising strategic leadership” is the sixth. A further step in leadership performance is presented by Brundin (2002): the emotions of the leader “... can be related directly to the change process where they serve as driving forces or restraining forces ...”; see also citation in 2.2.1. The importance of leader action in order to influence the attitudes of subordinates is discussed in textbooks about leadership (see, *e.g.*, Robbins & Coulter, 1999),

but testimonies are also given by leaders of industry such as Carlzon (1985) and Iacocca (1984). They all underline key elements in leader action as creating motivation through presence, as figureheads, or by example and dialogue. Brunsson (1985) sets up three conditions of organizational action: expectation, motivation and commitment (p. 176). They are interrelated. Each of them may be a starting point for executive action, e.g., motivation in a rationalistic decision procedure. In this study, the coaching of the implementation process by the leader is however limited (see 7.2.13). Therefore advice and prescriptions are not directly applicable in order to understand the reasons for the implementer attitudes as they per se presume leader action. These different literature references support strongly the observations in the study that there *are* positive and negative attitudes towards the decision to implement. The question, however, remains: Which are the reasons causing them?

One way to attempt to understand the implementer attitudes is to look at them in two dimensions: how they are created and how they are manifested. The importance of active leadership according to the literature stands in contrast to the actual executive coaching in the implementation process observed in this study. This absence of leadership is probably the common and main reason for the negative attitudes of the implementers and the reverse in observed positive cases. The statement does not neglect the influence on the attitudes of the implementers from decision complexity, existence of a follow-up plan, coaching, *etc.*, their competence and personal conditions (decision recognition, perceived corporate culture, *etc.*) but emphasizes the role of executive coaching. This is not new knowledge but it contributes to our understanding of the importance of the soft side of the leadership in change management including implementation of top management decisions in complex profit-driven organizations. Future research may not only map the implementer attitudes on the scale resistance-acceptance-commitment but also explain the procedures leading to the established attitudes in different implementation situations.

#### *7.2.6 Do extreme corporate situations such as a very successful running business or a business in deep crisis improve the implementation efficiency?*

The answer is NO, CC5(W). Even if the conclusion is based on the 30 companies in Step I, the NO-answer needs modification. The extreme profit situation itself does not lead to high implementation efficiency but the implementation efficiency is higher in combination with either a value-driven leadership or a long period of CEO regime, CC7(W). In the latter case, it is impossible to elucidate the impact of an extreme profit situation. So in all, this study indicates that extreme profit situations do not promote high implementation efficiency.

As I have not found reports directly dealing with the implementation process efficiency, it is not possible to compare my results with other studies. However, executives have discussed the topic in their books (see Wallander, 1990; Carlzon, 1985; Peters & Waterman Jr, 1982; Iacocca, 1984; see also 3.3). They emphasize that well running business as well as crises are complicated contexts for change. Sometimes decisions go the right way according to the implementer opinion,

sometimes the opposite. In the first case the implementation goes smooth and in the second case resistance occurs. These reactions of implementers are not typically for extreme profit situations but they may be more evident as the decisions in this context often are forced by the executives and need rapid implementation for change. It seems, as the successful implementation of decisions in a complicated context is situational to a large extent; other conditions than “crises” mean more. If so, the result from my study connects to this statement. This knowledge is therefore valuable for further development of the down-up perspective in order to improve implementation efficiency.

#### *7.2.7 Does the size of an organization itself influence the implementation efficiency?*

The answer is NO based on the analysis of companies in Step I, where the size goes from 3 to 1250 employees, as shown in 6.2.1 with CC4(M). The QCA analysis (6.2.2) of data from Step I support this conclusion as no solutions including size were found. It should be noticed that the analysis is based only on the CEO’s opinion and therefore lacks an implementer perspective. From Step II no company size effects can be analyzed directly, as information is available from just three companies and they are all of a certain degree of complexity (300, 1000 and 1100 employees). However, single case information is interesting in an implementer perspective, given the complex organization situation: participating in decision making process may overcome complexity, CC30(W) and CC49(W), as well as situational leadership, CC29(W), and a strong corporate culture, CC27(M).

The reason to look at size is based on the idea that a bigger organization size, such as an organization with many employees, forces a growing complexity in terms of communication, contacts, and overview leading to an individual uncertainty on how to act, as discussed in 2.1 (see, *e.g.*, Kaufmann & Kaufmann, 1998, and Bolman & Deal, 1981); uncertainty is partly linked to company size. However, the results in this study have not detected any direct influence of company size on implementation efficiency. A possible explanation is that size itself does not matter but size may be a context factor with an indirect influence on implementation efficiency through variables such as coaching, resources, competence, *etc.* The literature review supports such a standpoint: the size of studied organizations is reported but not investigated per se (see, *e.g.*, Braga Rodrigues & Hickson, 1995; Dean & Sharfman, 1996; Nutt, 1998). To conclude, there seem to be findings in the study, confirmed in the literature, that look at size as a part of “complex” in co-variation with other factors such as technology, business scope, *etc.*, as discussed in 2.1.

#### *7.2.8 Does strong, pervasive and committed corporate culture improve the implementation efficiency?*

The answer is YES, which is supported by the conclusions CC2(M) and CC27(M) derived from analyses of data from Step I (6.2.1) as well as from Step II (6.3.3.1). The answer is also supported by conclusions CC11(W) (see 6.3.2.4) and CC47(W)

(see 6.3.6.3) where the idea “corporate culture” is broadened to include leadership and corporate profile.

The YES answer is supported by a review (Alvesson, 1997) of corporate culture dimensions with an important condition: the strong and pervasive corporate culture must be perceived as positive. Braga Rodrigues & Hickson (1995) have studied business and non-business organizations. Their organizational cultures matter as “the conditions for the success or otherwise of a decision, in the terms defined here, differed markedly between the non-commercial and commercial worlds ... In the non-commercial world ... it seems how things are done can matter more than what is to be done or even whether it is feasible ... in the commercial world of the business firms. There it is relatively means-oriented. The wherewithal for deciding and implementing is comparatively important, and what is more, top management plays a larger part with better effect” (p. 665/6). Nutt (1989) says “To act the strategic manager must deal with resistance to change that has political and social roots in the organization ...” (p. 146). Even if the first citation touches an organizational type (non-business) without appearance in my study, both of them support the finding that culture matters. It is however a question how to estimate the culture: may specificity complete or substitute penetration and commitment? It is a future research challenge to find the answer in order to improve the implementation model.

#### *7.2.9 Do differences in the individually perceived corporate culture of executives and subordinates affect their opinion about implementation efficiency?*

The answer is NO. The analysis in 6.3.3.1, leading to conclusion CC28(M), shows no correlations between the estimations of corporate culture and implementation efficiency for neither decision makers nor for implementers. The conclusion must be understood that, given a specific perceived corporate culture, the implementation case is estimated individually. It does not contradict what is said in 7.2.8; in total, a strong, pervasive and positively perceived corporate culture improves the implementation efficiency in general but in the individual implementation case it is not a guarantee as situational factors may take over. This standpoint is supported by the LISREL analysis, where corporate culture in interplay with other independent variables influence the implementation efficiency (see table 44 but also figures 11 and 12).

The findings may not be compared to other implementation studies, as they do not have a double perspective (down-up and top-down; see Chapter 2). In cognitive psychology (see, e.g., Eysenck & Keane, 1995), it is possible to find support both for the NO answer given above and a potential YES answer. If two persons have different perceived pictures of one issue, it is not necessarily the same as they also will have different pictures of another issue. It depends on how similar the issues are, how close the issues are in time and room, and other circumstances. A YES answer to the research question would have been more expected as the two issues – corporate culture and implementation efficiency – are related. Therefore it seems clever to be suspicious of the result; it may be influenced by other factors that are not controlled in this study.

#### *7.2.10 Do implementers in general have a readiness to implement top management decisions even if they are perceived as controversial?*

The answer is DON'T KNOW. The term *readiness* is picked up from the literature (Hickson et al., 2003) and used when formulating the research question. Readiness may be seen both as a part of corporate culture and an individual characteristic. However, there is no available conclusion to provide an answer. It has not been possible to extract attitudes or opinions from the interviews to such an extent that an analysis could be done. Two citations, both from implementers, illuminate the topic. Ason says regarding corporate culture "Will and readiness to change for efficiency are also essential parts of culture" and Aberg says "We are ready to change as the world changes". To express such opinions is something else than to be confronted with a controversial decision to implement; it is only in such a situation that readiness is tested.

The Readiness-based approach (Hickson et al., 2003, see presentation 2.2.1), is "... to occur where the climate is receptive but experience relatively lacking. It seems highly likely that this is the most promising alternative where managers 'do not know what they are doing'. For it means clearing the way by seeing that departmental structure and authority are not obstacles, and by ensuring focused priority for this implementation so that other issues do not intrude too much and it holds managerial attention" (p. 1814). So even if the study has not answered the research question it is an important issue for further studies with a specific down-up perspective giving an answer to the managerial question "Are the subordinates ready for take off"?

#### *7.2.11 Does an action-oriented corporate culture improve implementation efficiency?*

The answer is DON'T KNOW as it has not been possible to detect such a correlation, positive or negative, in the data. However, there is one conclusion, CC8(W), from decision 1304 indicating that an indistinct decision is possible to implement successfully in terms of goal satisfaction, if the corporate culture is "action-oriented", but the process efficiency will be low.

The discussion in 7.2.8 is relevant here too. Action-oriented corporate culture is an example of *specificity*. So even if the research questions are not answered in the study, the topic is relevant for future research according to the argumentation in 7.2.8.

#### *7.2.12 Does a CEO leadership style, characterized by engagement and confidence in people, improve the implementation efficiency?*

The answer to the question is divided between a careful and tentative YES for "engagement" and DON'T KNOW for "confidence in people".

The question contains two parts. The first, "engagement", is supported by conclusions from three individual decision cases, CC20(W), CC25(-) and CC29(W). Proof for the second, "confidence in people", is more difficult to uncover in the interviews. It seems as "engagement" is more characterized by

intervention, power and follow-up than “confidence in people” even if situational leadership is observed, CC12(W), as a tool to improve process efficiency. However, this is to a certain degree an effect of the limitation of the data in the study. – Additional comments are given in 7.2.13.

### *7.2.13 Does the quantitative input of executive time and engagement in the implementation process improve the implementation efficiency?*

The answer is YES, supported principally by conclusion CC29(W) saying that “A situational leadership characterized by engagement and staying power overcomes hesitations and resistance among implementers and therefore it increases the implementation efficiency”. The answer is also supported explicitly or implicitly by conclusions CC11(W), CC20(W), CC25(-) and CC47(W).

In spite of five conclusions, it is an important observation that the executive activities in the implementation process have been rare in the study; the theme is discussed in 7.4.1.3. The following discussion must therefore be understood with that background. The answers to research questions RQ12 and RQ13 are based on few observations of the decision maker acting in the implementation process. The observation raises the question about the decision maker role in the implementation process. From the implementer perspective it is about guiding, managing and pushing, which can be summarized as coaching. The demand seems to be situational depending on decision complexity, implementer competence, *etc.* There is also a decision maker perspective, *e.g.*, how important is the issue related to other things the decision maker has to do (the margin value). In this study, as said, the decision maker is infrequently present in the implementation phase. The effects of this absence on the implementation efficiency are just partly detected as I was not prepared to pick up the issue during the interviews; it was not until the analysis was carried out that this important aspect came true. So it is not possible to estimate the effects of the absence in other ways than has been done in the conclusions used above.

Some of the reports in the literature have detailed information of case selection for their study. Hickson et al., 2003 have an aim of the study to identify “... a number of features that characterize the way implementation is managed which appear to enhance the chance of success”. The primary criterion for decision selection was that their implementation was traceable, but in eight per cent of the decision cases the implementation was not traceable. This information is interesting if it is compared with my findings of the absent decision maker during the implementation process. As the detailed reasons are not reported, it is open to speculations: may one reason be that the decision makers did not act during the implementation and, consequently, the implementation of the decision is not traceable? However, the literature (see, *e.g.*, Hickson et al., 2003; Miller, 1997; Nutt, 1989) is very clear about the importance of decision maker coaching in the implementation phase and the choice of coaching strategies. So we know a bit about relevant leader action, when action is taken, but not what happens if the leader does not act. My findings are therefore a contribution to the understanding of this situation, so far mostly by pointing out a necessary research area for better understanding of the conditions for implementation efficiency. Leadership matters.

#### *7.2.14 Does the participation of implementers in the decision making process improve the implementation efficiency?*

The answer is a careful YES. The main analysis to answer the question is carried out in 6.3.4.1 with the conclusion CC30(W) as a result. In two decisions, 5401 and 5406, there is explicit support in conclusions CC19(-) and CC24(-). But there are also cases where non-participation does not matter regarding implementation efficiency given the conditions operational, demanded and aimed for internal target groups, CC18(W), or recognized target groups, CC22(W). A single decision, 2305, gives a good example of co-operating situational conditions: an operational decision, demanded by the implementers and just affecting internal routines, is successfully implemented even if the implementers are not involved in the decision making process. It seems as participating value is dependent on implementer-perceived decision complexity.

The aspect of the implementer participating in decision making process has been found in just a few reports. One reason may be that implementation of strategic decisions has been investigated, a decision area for top management to which subordinates may not be invited to participate. However, Braga Rodrigues & Hickson (1995) found that participation in the decision making process by those affected by the decision was positive regarding implementation success, but only in public organizations. Brunsson (1985) deals with a very big strategic case, where the decision making process proceeded for almost half a year. The union representatives were involved on full time. Nevertheless, when the decision was made there were different opinions on its implementation causing demonstrations and a demand for a change in the decision. I understand the case that in spite of participating in the decision making process, the implementation was troublesome causing delays and also adding implementation costs, which with my terminology is low implementation process efficiency. Nutt (1997) concludes that implementation success was better "... when participation was used to involve people in shaping the decision" (Abstract). Robbins & Coulter (1999) prescribe participating as positive for successful implementation: "If the people who must carry out a decision participate in the process, they're more likely to enthusiastically support the outcome than if they are just told what to do". Another textbook (Cooke & Slack, 1991) advises group decision making in relevant situations as day-to-day issues but also when the decision will be preferably made at a lower organizational level than intended.

The participation seems to have several dimensions. One is the short run cost/benefit calculation; are the costs of participation balanced by lower implementation costs or better achievement of the decision goal? Another is the learning dimension: may the participation be looked upon as an investment in competency or motivation for future yield? And a third dimension is the long run corporate culture effect: does participation create expectations of regular participation in decision making processes at the top level? The answers to the questions are a future research field. A preliminary hypothesis is that the value of participation is situational depending on corporate culture, potential decision complexity, *etc.*, supported both by literature and my findings.

*7.2.15 Does the type of decision target group influence the implementation efficiency?*

The answer is a careful YES relying on the analysis in 6.3.5.4, giving conclusion CC39(W). One reason is indicated to be “complexity”. Another may be that decisions affecting customers cause uncertainty about their loyalty and future liaisons affecting the future sales. – More comments are made in 7.2.18.

*7.2.16 Does the scope of the decision influence implementation efficiency?*

YES and NO! It depends on whom you ask: the decision makers say YES, the implementers NO according to CC43(-) from 6.3.5.8. It is a bit surprising; the reverse had instead been expected. However, as seen, the basis for the answer is very limited. Secondly, the estimation of scope is made not by the respondents but by the author (see 6.3.5). – More comments are made in 7.2.18.

*7.2.17 Does implementers’ recognition of the decision or a demanded decision improve the implementation efficiency?*

The answer is contradictory: demanded NO, recognized YES. The two terms *recognized* and *demanded* are treated at the same time as they are to a certain extent overlapping. In this study, a demanded decision is not better implemented than a non-demanded (see CC40(M) from analysis in 6.3.5.5), in contrast to a recognized decision, which is better implemented than a non-recognized decision (see CC41(-) from analysis in 6.3.5.6). It is not what I have expected as both ought to have the same direction: the more recognized and demanded, the higher the implementation efficiency.

Hickson et al. (2003) have studied implementation success as an effect of eight variables including familiarity, acceptability, *etc.*, (see 2.2.1), factors close to *recognized* and *demanded*. They have collected data through interviews with top executives and managers, which is a complication when compared with my results, as I have had an implementer perspective in my estimation of the variable coefficients. However, their reported results support that the experience and readiness in the organization matters regarding implementation success. In my study I got a comparable result for recognized decisions but not for demanded. Therefore it seems reasonable to continue to study both aspects in future research.

Why may recognition facilitate implementation? An interesting explanation may be found in the theory about the tacit system (Hogarth, 2001) as an explanation of intuitive behavior based on learning. The tacit system is broadly described as the information processing that “... covers all thought processes that are neither deliberate nor conscious” (p. 191). People learn from their experiences. When confronted with a strange, new situation people react in an immediate and “un-thought” way, intuitively. This understanding of the potential implementer reaction, when receiving an implementation mission, may improve the situational leadership, the coaching, discussed in 7.2.13. – More comments are made in 7.2.18.

7.2.18 How does implementers' perceived conflict between actual decision to implement and existing goals, guidelines, etc., influence the implementation efficiency?

The implementer perceived conflicts are negatively effecting the implementation efficiency as indicated in conclusions CC2(M), CC10(W), CC13(W) and CC46(W). The conclusions come from both Step I and II, which strengthens the statement.

The research questions RQ15-18 have a common element, a "decision characteristic". The implementer perceives the "decision characteristic", both regarding the categorization and the scoring on the scale, given her/his personality, competence and job context. In this study, it is a complication, as already mentioned a couple of times, that I and not the respondents have made some of the categorizations and estimations; I have made interpretation of their interview answers, where a direct respondent score estimation had been more correct. It creates at least an uncertainty regarding understanding of the implementation process. This is a method problem to be solved in further investigations.

Many of the implementation studies (Nutt, 1997; Roberto, 2004; Skivington & Daft, 1991; Dean & Sharfman, 1996; Miller, 1997; Nutt, 1998; Hickson et al., 2003) have detailed presentations of the decisions and their characteristics. Speaking just about business companies, the decision characteristics have a broad range covering the strategic and operational, the service and product, the internal and external dimensions *etc.* both within most of the studies and between the studies. However, the impact on implementation success of the decision characteristics has not been analyzed directly. However, from the comments, some useful information may be picked up. Nutt (1997) concludes that "Managers use a variety of tactics ... Some of these tactics were found to be far more successful than others. ... These findings hold for both public and private organizations, different types of decisions, degrees of urgency, and similar situational factors" (Abstract). Miller (1997) says, "In other words, a computer installation is no more and no less likely to do well than is a merger, and neither will, of itself, do better than new buildings, for instance. This would mirror the lack of significance of topics as such during decision-making ..." (p. 592). Nutt (1998) discusses four implementation approaches (see 2.2.1), and finds that decision characteristics matter in terms of the successful choice of managerial implementation approach. Skivington & Daft (1991) say that generic strategic decisions (definition according to Porter, 1980) characterized as either *low cost* or *differentiation* need different managerial approaches for successful implementation. In the remaining studies I have not found any comments to the decision characteristics and implementation success. It seems that the importance of the decision characteristics, at least in the referred studies, is subordinated to other variables regarding their impact on implementation efficiency. Such variables are managerial implementation approaches, contextual factors as existing guidelines, and teamwork.

Given the condition under which my study is carried out, it is obvious that the characteristics of a decision matters regarding the implementation efficiency. It is a complex picture, which growths up, when all characteristics are put together.

The complexity involves overlapping, interrelations and influences on goal satisfaction and process efficiency. This complexity is better handled in the LISREL analysis (see 6.3.7), and the results thereof are discussed in 7.3. However, from the analysis of each categorization of the decisions it seems reasonable to handle the complexity in two groups. It is a question of the implementation context how the decision to implement is evaluated but it is also an individual interpretation of the implementation mission, including decision characteristics, that matters. Both groups may induce uncertainty among the implementers. Uncertainty among them is a leadership challenge to be treated. The discussion in 7.2.4 is therefore applicable here too.

To summarize, my conclusions are partly in contrast to literature findings. One main reason may be the difference between the presence and action of executives or managers. If they are not coaching the implementers during the implementation process, which is the situation in most cases in my study, the implementers are exposed to a higher degree of their own considerations. In such situations it is likely that decision characteristics mirrored in their potentially limited experience and competence will play a larger role. Therefore the future research may continue to evaluate the importance of decision characteristics on implementation efficiency taking into account the implementation coaching aspect.

#### *7.2.19 Does an implementation plan attached to the mission improve the implementation efficiency?*

When designing the study I assumed the presence of an implementation plan in any forms. It was based on the findings in literature discussed in 3.4.2.6. But as concluded in 6.3.4.3, there is a shortage of implementation cases with an implementation plan presented by the decision makers. Therefore it is not possible to provide an answer to the question. However, the presence of an implementation plan, its relation to decision category, its place as an element in decision maker coaching and its potential influence on implementation efficiency are interesting aspects to study in future investigations.

#### *7.2.20 Does a follow-up plan improve the implementation efficiency?*

A DON'T KNOW answer is most correct, but further explanation is required. A follow-up plan may be seen as a part of an implementation plan, but it is looked upon in this study as a phenomenon that stands for itself, as it is not necessary that the follow-up plan is either formal or presented when mission given. In the analysis in 6.3.5.7 it is not the existence of a plan but the management follow-up, which is analyzed. The absence of an implementation plan (see 7.2.19), including a formal follow-up plan, is nevertheless in many cases concluded with a follow-up. Therefore it is rather the follow-up than the plan that is discussed here.

It is possible to understand the arguments in table 9 as that the CEOs in Step I do not pay much attention to the follow-up: only about 10% of CEOs relate “follow-up” as an argument for good and poor implementation.

Some conclusions, CC20(W) and CC42(-), from the analyses of Step II data promote the importance of follow-up but others, CC11(W) and CC15(W), are at least partly contradictory. These observations in summary (that follow-up is not very important) stand in contrast to the CEO's arguments in Step I (table 9) that shared values and needs are factors for successful implementation where cultural conflicts and internal resistance are factors for poor implementation (CC2(M) and CC3(M)). The contrast is intensified by conclusion CC26(M): a decision and its implementation are often a story of complexity and multiplicity in a retrospective examination. Some decision cases indicate that the occurrence of the plan matters: is the plan available at the moment the mission is transmitted or later? A specific corporate culture, as in Company C, implicitly includes follow-up as a routine. Furthermore, it has been discussed that in this study, a decision maker is infrequently present in the implementation phase (see 7.2.13).

The textbooks underline the importance of follow-up. Simons (2000), as mentioned in 3.4.2.6, says "diagnostic control systems are the essential management tools ...". Robbins & Coulter (1999) has the Evaluation of Decision Effectiveness as the last of eight steps in the decision making process needing a control function. In my study, a systematic follow-up has occurred only in 50% of the decisions (see table 30; systematic means score 5 and 6). There is a gap between practice and management guidelines. Why? Perhaps the answer is found in the following citation (Yates, 2003): "Sometimes when people make a decision, they have a free hand to do as they wish and, once they have decided, the deed is done and they can move on" (p. 176).

In summary, pro and con observations are made in the study regarding the importance of follow-up and its influence on implementation efficiency, but it has not been possible to identify a structure. There are indications of the positive influence of the existence of a follow-up plan on implementation efficiency but so far the answer to the research question is DON'T KNOW. The follow-up issue is treated in the LISREL analysis (see 6.3.7), and the results are discussed in 7.3. So far, the contribution of my study to a greater understanding of this process seems to be that follow-up does not necessarily influence the implementation efficiency in a positive way, but may play a role under specific circumstances. Which they are is a future research task including the question if a formal follow-up plan as a part of the implementation mission is more successful than a sooner potentially less structured follow-up.

#### *7.2.21 Is it possible to identify an implementation process and some of its elements?*

The answer is a YES. In 6.3.4.3 the analysis results in two conclusions, CC33(W) and CC34(M), saying that the implementer evaluates regularly the implementation mission and sometimes does informal or formal planning. In addition, and even more evident, the implementer seems to be situational in terms of evaluation, planning and acting, further on called *mission adoption process*.

Since the implementation literature (see Chapter 2) has dealt with implementation in a top-down perspective it is not possible to calibrate my findings with other studies in an implementer perspective. It seems however

possible to confirm my findings with the help of the knowledge of cognitive psychology. Alternative actions are possible when a person is meeting a new problem (see figure 13), where the figure text explains the possible actions. An important aspect is that the degree of familiarity with the new problem initiates different behavior. “Old problems solved” matters, as presented in the discussion of the tacit system in 7.2.17. Applying the concepts in figure 13 to my findings, the evaluation step corresponds to four possible actions (a-d) in the figure. The step planning corresponds with the specific and general plans in the figure. The third step action is not involved in the figure but it is implied. This knowledge from cognitive psychology supports further efforts to describe and understand the implementer behavior when receiving the implementation mission, *mission adoption process*.

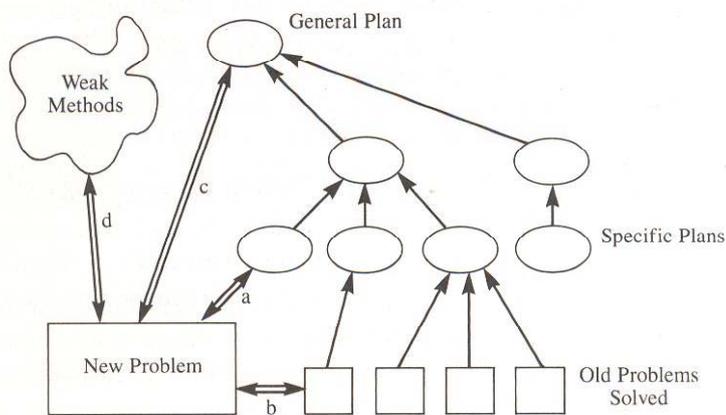


Figure 13. An attempt to understand the mission adoption process as a basic problem solving approach involving the following: (a) instantiating specific plans, (b) using analogical transformation to a known solution of a similar problem, (c) applying general plans to reduce the problem, (d) applying weak methods to search heuristically for a possible solution, or (e) using a combination of these approaches. Source: Carbonell (1986), p. 373.

The potential connection between *the mission adoption process* and *the transmission event*, 7.2.22, is not detected in the study. The issue is discussed further in 7.4.4.

### 7.2.22 Does it matter how the decision to implement is transmitted?

There are indications for a potential YES-answer based on conclusion CC44(-), which is very weak as the data available for analysis has a very limited distribution (see 6.3.5.9 and 6.3.6.6). The results do not clearly support my idea that a personal transmission should facilitate the implementation; as said before I have not found anything in the literature about the transmission event and its significance for implementation efficiency. Support, that the manner of transmission matters, may however be found in general leadership literature. Both executives (see, e.g., Carlzon, 1985 and Wallander, 1990), and researchers (see, e.g., Brundin, 2002;

Robbins & Coulter, 1999; Sjöstrand et al., 1999), not to forget Peters & Waterman Jr (1982) who introduced MBWA, stress the importance of personal meetings. Therefore it seems reasonable to continue to study the transmission event and its potential impact on implementation efficiency under different conditions in future research. Doing so, the interaction between an implementer participating in the decision making process and the manner of transmission is an interesting research question. Participation may be a manner of transmission (Brunsson, 1985).

The transmission event and the mission adoption process (evaluation, planning, acting) have been held apart so far. There is however a relationship: the transmission event is the starting point of the entire implementation process where the mission adoption process is the first sub-process. It has not yet been explained if the manner of transmission has an influence on implementation efficiency, via the execution of the implementation process. The observation that the manner of transmission matters is however new knowledge according to my understanding. This hypothesis is worth a detailed investigation in future research. The findings are also a contribution to the development of the implementation model.

### **7.3 The fitness of the preliminary implementation model**

The hypothesis for this study is formulated in 3.4.1 as

- The implementation model satisfactorily explains differences in the implementation efficiency of top management decisions in complex profit-driven Swedish organizations

The implementation model is presented in figure 3. From the LISREL analysis in 6.3.7, two important conclusions are made, CC50(S) and CC51(S). Firstly, the hypothesis is not falsified by the results. The non-falsification of the hypothesis is therefore the basis for the development of the implementation model (see 7.4.4.3). Secondly, there are differences in the set up of independent variables in the preliminary implementation model between decision makers and implementers. The LISREL results are confirmed in the answers of a couple of research questions as shown in table 46 in 7.4.2.

In both model variations, there is a reasonable causality between the independent and the dependent variables as discussed in 6.3.7. In spite of the fact that the study is essentially qualitative, giving a limited database for quantitative analysis, the degree of explanation is rather high, 83% and 57% respectively, for the two model variations (see 6.3.7.2/3). The difference in the degree of explanation is however important information, which in combination with the difference in the sets of independent variables in the two model variations calls for prudence when drawing conclusions; it is too early to establish the presence and importance of different independent variables in the over all model and the implementer model. Further studies must confirm the differences but so far it seems reasonable to conclude that there is an important message: the decision makers must detect and understand the implementer competence, opinions, attitudes and behavior in order to improve implementation efficiency. This requires a coaching leadership, which in most of the implementation situations has been absent in this study (see 7.2.13 and 7.4.1.3).

It is confirmed that there is a potential for the improvement of implementation efficiency in Swedish profit-driven organizations (see 7.2.1, CCI(S)). How will companies make use of this potential? The preliminary conclusion above contains a promising answer: with a top management engagement in the implementation of their decision, characterized by a coaching leadership based on an understanding of implementer-specific situational behavior. Such an approach harmonizes well with established knowledge about Change Management discussed in 2.4.

## 7.4 General discussion

In this chapter all analyses, conclusions and discussions in 7.2 and 7.3 are combined, summarizing what has been found in the study. It means that both qualitative and quantitative analysis results are put together.

### 7.4.1 Decision and implementation situations – complexity and multiplicity

The study is carried out mainly as a qualitative approach built on interviews with the actors (decision makers and implementers) involved in decision making and implementation. The analyses of these interviews leave, on an aggregated level, three strong impressions, which may be formulated as two questions (“What is a decision?” and “How is an implementation situation perceived?”) and a statement (“The decision makers’ abdication of implementation process”). They are not independent but they are commented separately in the following in an implementer perspective.

#### 7.4.1.1 What is a decision?

As a background to my attempt to answer the question, I point out some issues. Most of the decisions studied have been picked up from the minutes of TMT meetings. In the beginning of the interviews, I have presented the actual decision with words from the minutes. In some implementer interview situations, the respondent has made clear, through verbal statements or body language, that she/he is not immediately aware of what I am presenting. Therefore a dialogue has taken place to make clear which decision we are going to discuss. In other situations, a faceted decision picture has evolved during the interview.

As a researcher, I use the term *decision* according to the definition in Appendix A. When I am searching decisions to study in the minutes of the TMT meeting this is not a problem: a decision is a decision, formulated in the minutes to meet my demand. But when the selected decision is analyzed many months later during the interviews, it is not longer just a decision but a package of experiences. The decision may have gone through a complex set of consecutive sub-decisions during the implementation phase forced by new information, changed context, implementer attitudes and actions, *etc.* The decision may be openly changed a bit by the decision makers, the decision may be misunderstood by the implementers, the decision may become obsolete. It appears that the original decision was not always “a single event”. It was just a departure station for a long journey during which things happen.

This description leads to some reflections. The original decision is not always the decision that is estimated in terms of implementation efficiency. It is instead the “final” decision. Does this matter? Yes, I think so. If many things have been changed during the “journey”, this will probably be taken into account when process efficiency is estimated. Also, if the goal of the original decision has been changed or modified, it will probably be the “latest” goal that is the basis for the final evaluation and estimation. If the conditions for the implementation efficiency estimations are not clear, it is a problem to interpret and understand the estimation and its connections to the independent variables, the conditions. This complexity may be a future research area to chart and understand.

Another reflection is related to the conflict as such. Conflicts during the “journey” may occur for at least two reasons: the changed decision environment and the implementer more or less self-willed action. Janis & Mann (1977) confirm the existence of post-decisional conflicts and they address a specific chapter to the issue. They say: “There is a surprising lack of empirical evidence on postdecisional buck passing, although the phenomenon is popularly regarded as an occupational hazard in many large institutions, such as the military, government agencies, hospitals, and corporate business firms” (p. 313). They prescribe however three modes of resolution: reversing, reaffirming and curtailing implementation. The alternative modes presume an executive presence in order to get relevant information from the implementers as a basis for their action. The results in my study have shown absent executives in many implementation situations, which is the opposite. Top management decisions left to their fates are therefore an interesting future research area.

In summary, the study has shown that “decision” is a complex issue to handle in an implementation perspective in complex profit-driven organizations, both from a methodological point of view (which decision is on the agenda?) and as a postdecisional conflict area.

#### 7.4.1.2 How is an implementation situation perceived?

The preliminary implementation model (figure 3) shows a high degree of complexity. It is applied individually but many decisions are implemented by many implementers. Each of them has a unique set of personalities, competences, positions, *etc.* These factors are so far not integrated in the model (see 3.3). All together, the interviews and the analyses evidently exhibit that the individual implementer perceives a decision implementation case as situational: examples are the type of decision, if it is recognized, the decision target group as well as the mission content with regard to planning. Furthermore, the decision makers and the implementers are not always unanimous. The observations are not surprising. They are confirmed both on a basic knowledge level of cognitive psychology (Eysenck & Keane, 1995) and in field management studies, *e.g.*, Yates (2003) saying “... when deciders have mishandled the acceptability issue, it is often because they have mishandled prior cardinal decision issues in particular ways” (p. 177).

The observations lead to at least two reflections. Firstly, an implementer profile in terms of personality, competence, *etc.*, may be incorporated in the

implementation model in order to improve the understanding of implementation efficiency in an implementer perspective. But this may not be done until we know more about other variables (see 7.4.4). Secondly, future guidelines for smooth and successful implementation must much more systematically and vigorously take into account that human beings are involved; it is to push at open doors but nevertheless an important statement supported by established management theories as they are presented in textbooks, see Chapter 2.

#### 7.4.1.3 The decision makers' abdication of implementation process

The interviews with decision makers expose in many cases a low information level about what is going on in the implementation process of their decisions. It is not only a question about the lack of plans (resources, time schedules, follow-up, *etc.*), which is severe enough and discussed in 7.3 and 7.4.2, but also the absence of engagement and supportive and driving leadership. As the picture has evolved during my analysis, it has not been possible to dig deeper into the issue; there has not been enough information as I did not in the individual interview cases observe the issue and therefore did not ask follow-up questions. But some comments are possible to express.

A continuous theme in prescriptive literature regarding successful leadership is executive presence in terms of dialogue, figurehead, attendance *etc.* (see, *e.g.*, Robbins & Coulter, 1999). The leader's time is under competition from many demands from subordinates, customers, suppliers, media and family. One reason for the observed absence may therefore be a leader feeling that she/he has done her/his part of the work (Yates, 2003; see citation in 7.2.20).

In all reports discussed in 2.2.1, the effects of different executive actions, such as use of tactics, planning and backing, have been studied. It is an underlying condition that the executives are present in the implementation phase, at least to a certain degree. The opposite, the total absence of executive implementation leadership, has not been studied so far as I know. My detection of this state of things is therefore important to follow-up in future research in order to understand both the reasons for the executive (non)-action and the effects thereof on implementation efficiency.

Situational executive coaching is discussed in 7.2.12 and 7.2.13. The implementers have estimated the leadership style of the CEO. Even if the decision, as in the study, is made in the TMT, it does not follow that the CEO is directly involved in the implementation; another team member may have the task. Therefore it is not explicitly relevant to use CEO leadership style as an independent variable if she/he has not been involved; it is better to estimate the coaching of the responsible executive. Such an approach catches also the absence of a leadership in a specific situation. This is a contribution to the improvement of the preliminary implementation model laid out in more detail in 7.4.4.

#### 7.4.2 *The preliminary implementation model*

The preliminary implementation model is presented in figure 3 and commented upon in 3.3. The model has been tested in a LISREL analysis using the limited

quantitative data in the study (see 6.3.7). The basic structure of the model is confirmed with some notable differences between decision makers and implementers (see discussion in 6.3.7.4 and table 44).

How do research question answers support the LISREL analysis results? The two approaches are combined in table 46. The database is essentially the same for both approaches but there are some analysis conclusions from Step I, providing answers to research questions, giving additional information. The picture given in table 46 shows quite good conformity between the two analysis results with two exceptions: SALE (sales figures) and PRO (profit). SALE and PROFIT appear only in the LISREL model for all respondents, but they are not supported by answers to research questions RQ6 and RQ7. It is interesting as RQ6 is answered with information only from Step I and RQ7 is answered with information mainly from Step I. It seems that corporate profile, at least measured as sales and profit, has a secondary importance in the model keeping in mind that there are only three observations in Step II as grounds for the LISREL modeling.

Furthermore, a simple addition of numbers of analysis cases in the study, where decision makers and implementers agree and disagree, respectively, regarding relevant aspects of the implementation model, shows that there is an approximate balance between agree and disagree. This observation supports the LISREL model result: there are opinion differences between the two groups of actors resulting in the relevance of the same basic model but with partly different content.

The preliminary implementation model has been designed with the findings in the literature survey (see Chapter 2) as an important source. How may the results, generated using the model, be understood compared to earlier research approaches and results? The dependent variable has many definitions in terms of “implementation success”, as shown in table 3, but none has had a focus on goal satisfaction and process efficiency at the same time. In this study the use of them, both separate and in combination, has shown that they take place in the model as measurements of implementation efficiency but also that they are estimated partly differently by decision makers and implementers. The conclusion is therefore that the findings add new knowledge to our understanding of the constitution of “implementation success”.

The independent variables differ between the reported studies (see table 3), as well as between them and my study. The most interesting findings in my study seems to be that the consequent down-up perspective has underlined the necessity to understand and utilize the implementer situation for a successful implementation. This is not new knowledge per se but has not been emphasized in the implementation research so far as I understand.

Looking at details regarding the independent variables it is possible to see similarities between my results and the findings in Hickson et al. (2003). They found that implementation success, measured as achievement, was explained by acceptability (interrelated with assessability, specificity, resourcing) and priority (interrelated with receptivity and structural facilitation), as discussed in Chapter 2. Some of the independent variables in my model (implementation context, implementation profile, type of decision, target groups and recognition of

decision) seem to a certain extent have the same characteristics. Miller (1997) elucidated leadership aspects (backing, clear aims and planning) as well as a conducive climate as reasons for success or failure in the implementation of strategic decisions, which is in accordance with the independent variables leadership and corporate culture in my model. Pinto & Prescott (1990) underline the importance of planning in the beginning of the implementation phase, a variable close to implementation profile in my model.

Table 46. Answers to relevant research questions and their applications to the LISREL model

LISREL model a)		Research question chapter 7.2.x b) c) d)															
		2*	3*	4	6*	7*	8*	9	11	12	13	14	15	16	17	20*	
SALE	X					NO											
PRO	X				NO -												
GRO																	
EMPL						NO											
LS	(x) X									YES?	YES						
CC	X X						YES		??								
DMP	X											YES					
IC	X X																
IP	X X																
TYP	X			YES -													
TAR	X X												YES				
REC	X X															YES	
DEM																NO	
FOL																	DK
SCO	(x)													??			
GS	X X	YES -	Part ly					NO									
PE	X X																
a) Abbreviations, see table 44; x marks variable in solution for all respondents and implementers (grey cells) respectively																	
b) Research question answers supported by conclusions from Step I marked with *																	
c) - and ? after YES/NO indicate "with reservation" and "uncertainty" respectively																	
d) DK stands for DON'T KNOW																	

To summarize, the preliminary implementation model has given promising contributions, in terms of the measurement of implementation efficiency and the different impacts of influencing independent variables, to the understanding of the concept of implementation of top management decisions in profit-driven organizations. Since the reported studies in the literature have been designed in different ways compared to my study, the implementation model is not directly comparable with them. However, the impact of the independent variables in my implementation model has been supported in a couple of other studies.

#### 7.4.3 Analysis conclusions not used to answer research questions

The analysis has been carried out not only with the formulated research questions in mind but also with inspiration from the data itself. Therefore, it is not surprising

that some of the analysis conclusions have not been used in 7.2 where the research questions have been answered. The remaining, unused conclusions (see table 45) are CC17(W), CC21(-) and CC23(W). (NB! CC50 and CC51 are LISREL-related and not directly useful for answering research questions). All three unused conclusions occur from the analyses of individual decisions and therefore they are situational. However, they all together give an indication of an adjustment of action by the implementer during the implementation process, but also a moment of *learning* for the future. The observation is supported to a limited extent in the conclusions CC25(-) and CC41(-). As an example Qson says (in decision case 5402): “I involved myself quite a lot in this project to show how a change will be implemented in a systematic way in the future”. Furthermore, the implementers express themselves, when confronted with a decision to implement, using words such as complex, new, scope and recognition. These words describe an attitude related to their competence, which is a sum of their earlier experiences. The *learning* aspect has been discussed by Bryson & Bromiley (1993), Lunneryd (2003) and Pressman & Wildavsky (1979) as an effect of the implementation process. My study confirms these previous findings. Therefore I propose that learning is included as a third measurement variable to test in the estimation of implementation efficiency (see discussion in 7.4.4.3).

#### *7.4.4 Analysis of potential contributions to the development of the implementation model*

##### *7.4.4.1 Introductory reflections*

The preliminary implementation model is designed to handle empirical data, which are essentially opinions of the decision makers and implementers but completed with economic variables. The down-up perspective of the implementers has been the main thread through the study. The preliminary implementation model has not been falsified in any of these dimensions even if the limitations of the database cause some problems with the significance of observed correlations. The results, to be seen as hypotheses rather than answers, have evolved in a qualitative study of only three companies but from 43 interviews giving a variation also in variables as perceived corporate culture as it is estimated by the respondents. The results from the qualitative part of the study in Step II are to a certain degree also supported by results from Step I, which consists of 30 companies. The preliminary model is therefore an acceptable ground for development.

The analysis of single decisions (see 6.3.2) as well as the analysis of corporate culture (see 6.3.1) has revealed many elements as potential contributors to the understanding of implementation efficiency and, therefore, to a development of the preliminary implementation model. A list of elements regarding decision factors contains communication, clarity, available resources, decision indistinctness and purpose, decision premises, implementer role, responsibility and resistance, goal fulfillment in an uncertain future, existence of implementation plan, top management intervention in implementation process, situational leadership and implementers' participation in the decision making process. A corresponding list of elements regarding corporate factors includes formulated and

shared values, cultural conflicts, leadership style, CEO regime period, and a challenging economic situation. The lists do not claim to be complete but reflect observations and conclusions from the studied decisions. There are confirming as well as contradictory mutual observations. However, the observations inspire a development of the implementation model for further studies.

The potential improvements of the model emerge from the analyses in Chapter 6 and the discussions in 7.4.1-3, as well as from the observations listed above. They are concentrated to the following statements:

- What's a decision?
- Situational attitudes and behavior of the implementer when the implementation mission is received, and the relationships with
  - transmission event
  - communicated, understood and supported decision purpose
  - decision types
  - corporate culture
  - mission adoption (evaluation, planning and action)
- Decision makers' abdication from the implementation process

It is necessary to focus these statements at this stage of knowledge development, so as not to get lost in a jungle of details. – Besides these potential improvements of the implementation model there is also an important method issue to take care of:

- Focus on actor opinions regarding scaled variable estimations

The consequent application of respondent judgments gives first of all a possibility to identify differences between decision makers and implementers but it also ensures an improved validity.

7.4.4.2 The black box problem: How does the implementer evaluate and plan for acting when an implementation mission is received?

There are promising observations in the study supporting a sequential behavior (see CC34(M)) involving the steps evaluation, planning and action. These steps are activities in a *mission adoption process*, which in future research may be verified, developed and understood. It is a question about how the presence/absence of implementation and follow-up plans, resource allocation, goal and resource conflicts, decision type, *etc.*, are treated and which results the *mission adoption process* will evoke in terms of, *e.g.*, attitudes and behavior of the implementer. The potential connection between *the mission adoption process* and *the transmission event* (see 7.2.22) is discussed further in 7.4.4.4.

7.4.4.3 A developed implementation model

The analysis results do not support a cancellation of any variables at this stage of our understanding. However, the results have contributed in different ways to the explanation of the implementation efficiency but we must know more before we make any approaches to estimate their relative importance. The study has furthermore indicated that there are good reasons to consider adding complementary variables to the implementation model. The discussions and conclusions made in 7.4.4.1-2 have therefore been used to design a developed

implementation model, which is depicted in figure 14. The structure of the model is changed a bit: a third factor group is added, Human factors. The reason is that the study has detected a situational behavior of the implementer and an abdication of the decision maker in the implementation process, both of which speak for a specific focus on human forces in the implementation situation. The issue is discussed in 3.3 with the conclusion that my planned study would be too complex if the implementer's personality was incorporated. However, the study result is convincing that the human dimension must be a part of the model in order to understand variations in implementation efficiency. The Human factor group "takes over" CEO leadership style from Corporate factor group (see figure 3) and a new Implementership performance is added (definition see Appendix A).

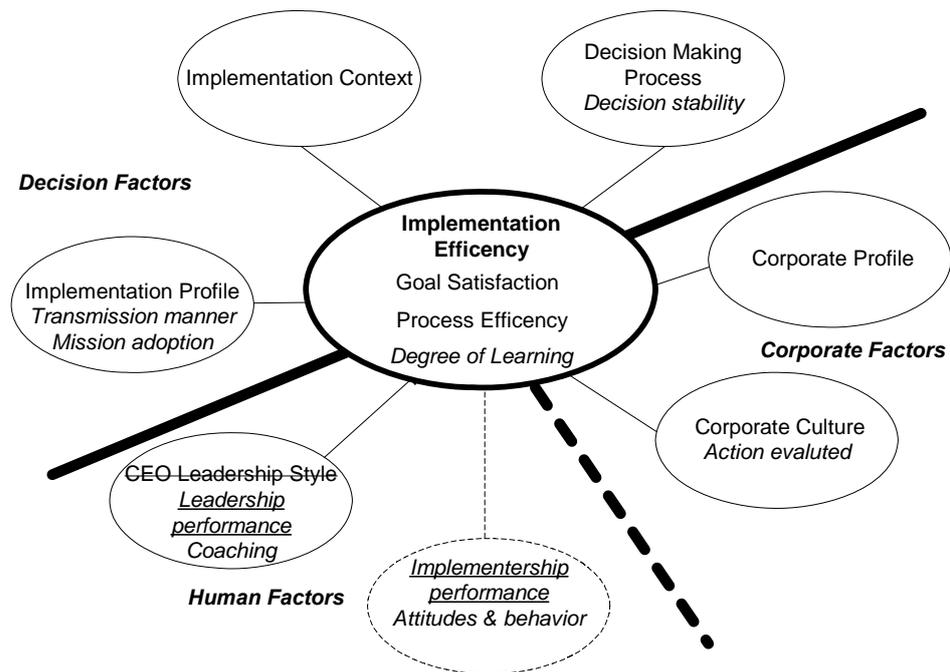


Figure 14. A proposal of a developed implementation model (excluded elements ~~struck through~~, new elements in italics, labels underlined, and, if relevant, with dotted lines and frames)

Taking the developed implementation model in figure 14 as a starting point, I discuss the potential improvements of the model in terms of factor groups. It is to be observed that all proposed improvements of the model presented under each factor group are designed to meet the condition to be estimated by the actors using the same six degree scale, in relevant cases, as in this study (see 4.2.2.1).

#### Corporate Profile

Business variables (sale, profit, growth, number of employees) have had limited influence in the LISREL model solutions. However, it is too early to remove the corporate profile from the model. A more quantitative design in future research may uncover its importance.

### Corporate Culture

The respondents have estimated the variable in terms of “Non-existent” to “Strong and penetrating” on a corporate level. The variable has a strong position in the LISREL model solutions; the influence on implementation efficiency is however negatively related to its strength.

Decisions are made for change. The change may influence private (job content, salary), internal (managing system, organizational change) and external (customer relations, new markets) conditions (see, *e.g.*, Boddy, 2005), causing resistance among implementers. A strong corporate culture is per se more difficult to change than a weak. A decision will be implemented given the corporate culture, which itself may be influenced, changed to a certain degree, by the decision to implement. Looking at the LISREL model solutions this way, I understand them not as a paradox but as the evaluation of the actors: a weak and non-distributed corporate culture may be positively appreciated by an individual giving many degrees of freedom for action and also the reverse. A strong and pervasive corporate culture may be negatively perceived as it provides limited possibilities for free action. Therefore, in an implementer perspective, it is not only a question of the strength of corporate culture but also its evaluation in a specific implementation situation. Thus, a sub-variable, *Action evaluated*, is introduced to catch the situational estimation, given the implementation mission.

### Decision Making Process

In the preliminary implementation model, the variable was intended to estimate the implementer's degree of participation. Unfortunately the respondents did not get the opportunity to make a scale estimate; I did it afterwards. This may be one reason for a weak position of the variable in the LISREL model solutions. Therefore the variable remains in the model but is estimated by the respondents in the future.

The problem to define the treated decision is discussed in 7.4.1.1. The decision making process continues in some cases even after the implementation has started up. Confirming or contradictory sub-decisions may occur, correcting, supporting or disturbing the implementation process. It is necessary to uncover such situations during data collection in a descriptive way, which in the future should be done better than in this study. It is also possible to get an implementer scale estimation in terms of if the original decision to implement has passed through the implementation process unaffected, the *decision stability*. The idea is that *decision stability* may have an influence on implementation efficiency, *i.e.*, low decision stability causes a low process efficiency, as indicated in the study, CC17(W), but also probably causes problems regarding the measurement of goal satisfaction; which of the goals is to be achieved and measured?

### Implementation Context

The variable, estimated by the respondents, has a strong position in the LISREL model solutions. The variable is aggregated including internal and external factors giving a great space for the respondents to estimate the variable importance taking into account their individual perceived conditions. There are, however, no findings in the study to form a basis for a more detailed approach.

### Implementation Profile

The variable, estimated by the respondents, has a strong position in the LISREL model solutions. It is an aggregated variable (time schedule, responsibility, resources, *etc.*). These sub-variables may be categorized as conditions more or less decided upon by the decision makers. The study has shown, however, that it is possible to approach implementation profile in a more process-oriented direction with the implementer as a process actor. Most interesting is perhaps how the transmission event of the decision to implement is happening (see 7.2.22). Observations of the topic “communicated, understood and supported decision purpose” also stimulate curiosity. The analysis results indicate that decision type matters. There are also observations supporting the values of implementation and follow-up plans in some situations, not least when implementers perceive competition between time and other resources when implementing. In all, a more detailed approach to the content of the implementation profile in a strict implementer perspective may provide an improved understanding of the implementation process and its conditions and results.

The implementation efficiency is not evidently influenced by the manner of transmission of the decision to implement, CC44(-). However, in order to contribute to the understanding of implementers’ resistance, commitment, acceptability, *etc.*, which may be called the implementer performance, the findings in the study motivate the introduction of this sub-variable in the model. The transmission event linked to a specific person is related to the possible participating in the decision making process of the person in question; if the person has participated it is probably less critical how the transmission is done. However, at this stage of constructing the implementation model, it seems reasonable to measure both the transmission manner and the participation in the decision making process in order to understand their potential correlations.

The study indicates (see CC9(W) and CC45(-)) that the implementers may perceive decision goal, purpose or aim in a conditional way. The *perceived decision goal* is a step in Mission adoption, which is commented in 7.4.4.4.

As mentioned above a process-oriented approach seems interesting. This aspect is developed in figure 15 with comments in 7.4.4.4. Furthermore, the Implementation profile has something to do with the new factor group Implementership performance, which is discussed later on.

### Leadership performance

The respondents have estimated this variable using three alternatives. The person to judge has been the CEO of the company. Therefore the variable has been labeled “CEO Leadership style”. The variable does not have a strong position in the LISREL model solutions. The implementer behavior has been revealed to be quite situational. The decision makers have been observed to abdicate from the implementation process, to a certain degree, when coming to implementation of their decisions. These observations make it reasonable to change leadership focus in the model from the CEO to the actual decision maker, which in any meaning is responsible for the implementation. The observations also call for changing the method in order to catch the variable essence from leadership style to leadership performance, coaching. But who is the decision maker? It may be a single person

as well as a TMT, and in some cases it may be a person that is not present. What-so-ever, there is a possibility to estimate the coaching in both a quantitative and qualitative dimension.

#### Implementers performance

In congruence with the term leadership, I launch the term *implementership* to cover the implementer attitudes and behavior in the implementation situation. It strengthens the keeping of the down-up perspective. As a preliminary proposal, the implementer may estimate her/his attitudes to the decision to implement (the mission) on a scale from “denial” to “joyful support” and behavior on a scale from “searching for more information to “direct acting”. Implementership is integrated in the process-oriented approach (see figure 15 and 7.4.4.4). A further step not taken so far in the development of the implementation model is to explore the underlying reasons to the attitudes and behavior of the implementers. Such a step is probably necessary to take in order to understand how to improve the implementation efficiency.

#### Implementation Efficiency

Other studies (see table 3) have used estimations of learning, culture development, long term effects, *etc.*, to estimate implementation efficiency. In this study the respondents have estimated goal satisfaction and process efficiency. However, there have been observations that pay attention to the learning dimension (see discussion in 7.4.3). Learning has several dimensions, *e.g.*, creating new competence (generated by the profile of the decision to implement or generated by process experiences) among implementers and creating new insights (generated by implementers’ reactions and behavior) among decision makers. It is to a large extent “learning by doing (making mistakes)”. Therefore, a future challenge includes designing a tool to catch the multiplicity of the learning dimension based on existing knowledge (for an overview, see, *e.g.*, Morgan, 1997, pp. 95-113). This tool may be used for measurement if there is something relevant to learn from the implementation and also to what degree we have actually learned.

#### 7.4.4.4 A proposal for a “Decision making and implementation link”

The following presentation is inspired by the conclusions in the study and the discussions around the developed implementation model in 7.4.4.3. Figure 15 is a preliminary design of an analytic approach, labeled by Hogarth (2001) as the deliberate system. The tacit system, supplementing the deliberate system, is discussed in the end of this sub-chapter. The comments in the following sub-chapter focus on an implementer perspective.

A deliberate system implies a person’s processing of information through deliberate, conscious mechanisms. The starting point for designing a *Decision making and implementation link* is the condition that the decision made by top management shall be implemented by subordinates in a complex profit-driven organization. The decision is the end product from the decision making process.

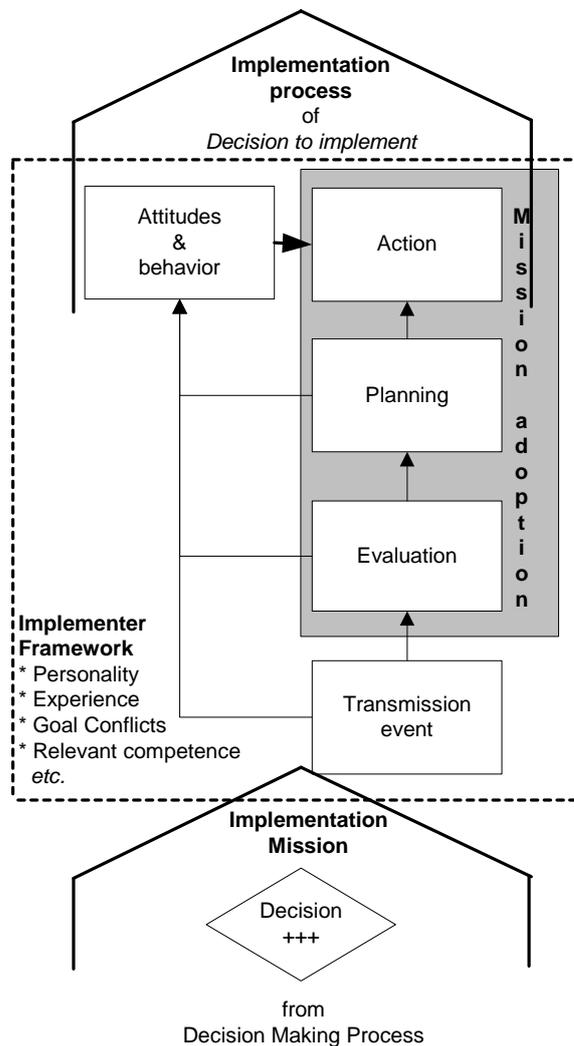


Figure 15. The Decision making and implementation link as a bridge between decision making process and the implementation process

The decision, associated to varying degree with information about goals, time schedules, resources, appointed responsibility, follow-up plans, *etc.*, is transmitted to the implementer(s). The transmission event may be done as an e-mail order, a personal meeting, *etc.* The implementer starts up a mission adoption process in a conscious manner in three steps using the transmitted, available information (decision +++ in figure 15 indicates the possible, situational presence of decision goal, plans, resources *etc.*) within a personalized framework of personality, experience, *etc.* The black box syndrome, discussed in 7.4.4.2, corresponds to the grey area in figure 15. The *perceived decision goal*, discussed in 7.4.4.3 (under Implementation Profile), is evaluated in the Evaluation step. Each step, including the transmission event, evokes situational attitudes and behaviors resulting in an

implementer relation with the implementation mission, which influences the activities in the implementation process.

The model in figure 15 is described in an individual perspective. The main idea is that the implementer, receiving an implementation mission, takes her/him through an intellectual and emotional, conscious process leading to a specific, situational act. In addition, the model may also be applied in a multi-implementer situation. Such a situation may occur in at least two forms: a decision to implement individually but by many actors and a decision to implement by a team. The first situation is parallel to a single implementer situation but with the possibility that the decision will be implemented differently by each actor. In the second situation existing theories about team-building and teamwork are applicable (see, *e.g.*, Robbins & Coulter, 1999).

The mission may include useful information as decision goal, guidelines, resources, responsibility, follow-up, *etc.*, (+++ in figure 15). However, as seen in the study, that is not always the case. The absence of executive coaching in many cases has also been uncovered in the study. This means that in many situations the decision making and implementation link may be carried out with lack of information and without active executive support. How the implementer, individually or in a team, will solve such a situation is a challenge for future research to uncover. An idea is presented in 7.4.5.

The decision making and implementation link completes and does not replace the implementation model in order to understand what is happening between the decision and its implementation. When empirical data is available, confirming and adjusting the proposed process in figure 15, it is possible to develop the implementation model even more, perhaps also by integrating the process model inside the implementation model. The introduction of new or extended sub-variables in the implementation model (see 7.4.4.3) must so far be seen as preliminary.

The tacit system shortly discussed in 7.2.17 and 7.2.21 is always “turned on ready to go”, so to say, and will therefore supplement the proposed analytical process in figure 15. Öhlmér et al. (1998) and Lunneryd (2003) have shown that intuitive behavior is common in the decision making process including implementation. In future research, it is therefore not only a question of describing the existence of the analytical (deliberate) process outlined in figure 15, but also of detecting the alternative behavior if the existence is not possible to verify. The reported findings in other studies predict an implementation field where the two alternative behaviors may be present side by side, a leadership challenge to handle.

#### *7.4.5 A proposal of an extended decision making model*

The decision making model described in 2.3, see table 2, is designed for situations where the decision maker and the implementer are the same person. But its principal outline is applicable also on complex organizations, where decision maker and implementer are not the same person. In 7.4.4.4 the critical phase of transmission of the decision to implement and the following mission adoption process are discussed in the light of study results. The proposal in figure 15 will

also be possible to introduce as a phase between Analysis & Choice and Implementation (see table 47). This grey-marked phase, Implementation Mission, will also connect to the idea of sub-processes as presented in the table.

Öhlmér et al. (1998) conclude, that their revised model "... identified important implications for changes in managerial assistance" (p. 288). The conclusion is to be understood under the condition that their empirical approach is one-man-business or at least small organizations. However, given the results of this study of complex profit-driven organizations, the conclusion seems even more valid for such organizations when it is about the implementation phase. The soft side of leadership, discussed in 7.2.13 and 7.4.4.4, must be supplemented by relevant management tools, in a down-up perspective, in terms of thoroughly designed plans and systematic routines in order to optimize the conditions for high implementation efficiency. In all, the executive dialogue seems to be an important element in the model. Future research may uncover who starts, the executive or the implementer – or no-one!

Table 47. An extended decision making model. Developed from Öhlmér, Olson & Bremer (1998), p. 285

Phase	Subprocess			
	Searching & Paying Attention	Planning	Evaluating & Choosing	Bearing Responsibility
<b>Problem Detection</b>	Information scanning, Paying attention		Consequence evaluation, Problem?	Checking the choice
<b>Problem Definition</b>	Information search, Finding options		Consequence evaluation, Choose options to study	Checking the choice
<b>Analysis &amp; Choice</b>	Information search	Planning	Consequence evaluation, Choice of option	Checking the choice
<b>Implementation Mission</b>	Transmission event, Adoption, Executive dialogue	Executive dialogue, Planning	Executive dialogue, Consequence evaluation, Choice of option	Executive dialogue, Checking the choice
<b>Implementation</b>	Information search, Clues to outcomes		Consequence evaluation, Choice of corrective action(s)	Bearing responsibility for final outcome, Feed forward information

#### 7.4.6 Summary

The study has contributed to an improved understanding of implementation conditions and efficiency in complex profit-driven, Swedish companies. The study has also pointed out areas where we need to know more in order to better understand the implementation concept. The following aggregated statements are

an attempt to summarize the contributions of this study with the characteristics of contributions compared to the state of our knowledge in parentheses (Con=Confirmation of current knowledge, New=New knowledge):

- ✓ **S1.** The decision maker and implementer perspective exhibit differences in perceived implementation conditions and implementation efficiency (Con)
- ✓ **S2.** The preliminary implementation model satisfactorily explains basic causal correlations between implementation conditions and implementation efficiency (New)
- ✓ **S3.** It makes sense to measure both goal satisfaction and process efficiency when estimating implementation efficiency; furthermore, observations support adding a third variable, learning (New)
- ✓ **S4.** The implementation efficiency is positively correlated with a simple implementation context, an evident implementation profile, as well as decision factors as decisions aimed for internal groups, operational decisions and recognized decisions (Con)
- ✓ **S5.** The implementation efficiency is complexly yet weakly correlated to leadership and corporate culture (corporate factors) (Con)
- ✓ **S6.** The implementation efficiency may be influenced by the transmission event and the purpose of decision to implement perceived by the implementer, according to observations (New)
- ✓ **S7.** The attitudes and behavior of the implementer are influenced by external conditions such as decision category, decision purpose (goal) and decision transmission manner (Con and New /transmission manner/)
- ✓ **S8.** The implementer attitudes and behavior are influenced by individual factors such as personality and competence (Con)
- ✓ **S9.** A mission adoption process by the implementer is possible to observe in the three steps evaluation, planning and acting (New)
- ✓ **S10.** Decision makers engage themselves to a very limited extent in the implementation of their decision (New)
- ✓ **S11.** The implementation model may be developed if findings according to mainly S6 – S9 are verified in a future empirical study (New)

The summary above is made in a scientific perspective. Are there implications that have been uncovered for complex profit-driven organizations and their actors in order to utilize the potential of implementation efficiency improvements? It is my opinion that some of the findings may be used in business life directly even if much more is to be known. The following recommendations are therefore given with reasonable confidence, meaning that they are not in conflict with established management theory or practice. In order to ensure and to improve the implementation efficiency

#### Executives must

- ✓ **R1.** Evaluate the potential reactions of the implementer to decision alternatives that are considered during the decision making process and use the information when the final decision is made
- ✓ **R2.** Evaluate the need of a detailed implementation plan in an implementer perspective and create such a plan if necessary

- ✓ **R3.** Transmit the decision to implement at preferably a meeting (face-to-face, conference, MBWA, *etc.*) between the decision maker (her/his representatives) and the implementers instead of using impersonal channels like e-mail, memos, *etc.*
- ✓ **R4.** Evaluate the need of executive coaching in an implementer perspective and use if necessary support coaching during the entire implementation process

Subordinates must

- ✓ **R5.** Evaluate the implementation mission and start a dialogue with the principal if necessary
- ✓ **R6.** Report plan deviations for further instructions

The recommendations are written in a down-up perspective emphasizing the importance of leadership, which takes its starting point in the need of the implementers.

## 7.5 Generalization possibilities

Two dimensions of generalization are discussed in this chapter, the validity/reliability and the broadening of the results to organizations and situations outside the empirical database used in the study.

### 7.5.1 Validity and reliability of the study

A basic method discussion is presented in 4.3.1. The occurring general validity and reliability problems in Step I and II are discussed in 5.1.4 and 5.2.4, respectively. Specific problems are discussed, when present, in the sub-chapters of Chapter 6. Some weaknesses are demonstrated. The most serious validity problem seems to be the categorizations and estimations of some variables made by the author instead of the respondents. However, this is a part of the analysis so that the interview information is used as well as possible. In all, the validity and reliability of the study do not present any obstacles for the further discussion of the generalization of the results.

### 7.5.2 To which organizations and situations are the study results applicable?

The study is carried out using data from a sample of complex profit-driven, Swedish companies, selected from the Stockholm Stock Exchange O-list. The study is mainly qualitative. The first question to ask is, therefore, if the results can be generalized to all 229 companies listed there in January 2003. My answer is yes, as the sample in the first step of the study is representative and no problem has occurred when comparing the companies that answered the questionnaire and those that did not. Step II, with just three companies, is a qualitative study. The accordance between Step I and II is good on the issues, where comparison has been possible. So in all, I judge that the results in this study are to a reasonable degree representative for the companies listed on the Stockholm Stock Exchange O-list.

A second question is if the results may be generalized for all complex profit-driven, Swedish companies. An issue that arises is the dimension *ownership*. My database contains companies owned through the special legal form *share*, sold and bought on Stockholm Stock Exchange. But there are also private owned profit-driven, Swedish companies in other, different legal forms. And co-operatives strive to achieve profit-competing goals such as owner benefit. However, given an organizational complexity (see 2.1), these types of organizations may be included in the group for which the study results are applicable, but with carefulness due to the small empirical sample.

Thirdly, how specific is the concept of a profit-driven enterprise compared to other types of organizations? The implementation efficiency depends in the study to a certain degree on corporate culture and corporate profile. The literature indicates (see, *e.g.*, Nutt, 2000, and Braga Rodrigues & Hickson, 1995), that there are differences between profit and non-profit-driven organizations in terms of organizational goals, financing, customer focus, *etc.*, variables constituting corporate culture and profile. Therefore it is not so far possible to generalize the results to such organizations.

Close to this question is the demarcation *Swedish*. This is also a cultural dimension. Business cultures differ between countries (see discussion in 2.3, *e.g.*, Hickson, 1987, and Papadakis & Barwise, 1997). The conclusion is therefore similar: it is so far not possible to generalize the results to non-Swedish organizations.

A fifth question deals with the *complex* dimension. As discussed in 2.1, it is not only a question about size but branches, technology, *etc.* *Complex* has after all not a very precise definition in the study. Therefore, I dare to generalize the results to implementation situations where the decision maker and the implementers are different persons but still only in a business organization.

The generalization of the results is, after this discussion, limited to be applicable to Swedish business organizations where a *profit* goal has a strong position in the corporate culture and the organization itself is complex or the implementation situation is perceived complex by the implementers. However, so far, the results are more likely to be well-based hypotheses for future research than definite truths.

### 7.5.3 An epilogue

As an introduction to my research approach, I present in 1.2 three implementation cases. I comment on each case in terms of potential explanations as to why it happened as it did. Even if the results from this study confirm results from earlier studies, it also contains new knowledge (see 7.4.6 S1-S11). Furthermore, the proposed model in figure 15 is so far a hypothesis, which is to be tested in future research. However, it would be of some interest to explain the implementation model and other results with the aid of the three cases.

#### 7.5.3.1 Case A (see 1.2.1)

I have concluded that the reasons for a high level of implementation efficiency are "... that the key people were involved in the decision making process committing them to implement the decision successfully. Even more, the adaptation of the tools and the training program were important for success". The study results show that the value of the implementers' participation in the decision making process is situational; "It seems as participating value is dependent on implementer-perceived decision complexity" (7.2.14). In this case, we have "complexity" in the meaning that a new culture or manner of coaching was introduced. The adaptation of tools and the training program have a definitive down-up perspective, which is important according to results shown in figure 12; not only is the participation of the implementers in the decision making process (DMP) positively correlated to implementation efficiency, but the perceived simple implementation context (IC, in this case a decision with only internal consequences and based on existing corporate knowledge) and clear implementation profile (IP, in this case goal, implementation plan and follow-up) are also correlated. So far, my suggested conclusions are in congruence with the study results. But the study may contribute further. In this case, the CEO and/or the TMT have been present and engaged, which improves the implementation efficiency according to study results (see 7.2.12 and 7.2.13). To summarize, the case is an example of what has been found in the study about the importance of CEO planned action in a down-up perspective and an engagement in implementation in order to ensure a high implementation efficiency of a top management decision.

#### 7.5.3.2 Case B (see 1.2.2)

It was not possible to find direct explanations for the decision implementation outcome. I more or less speculated: "... the Marketing Director has not involved the Sales Manager in the entire process of decision making. It is possible that the Marketing Director has a hidden agenda as the Sales Manager thinks that the real objective of the Managing Director is that he will manage the sales force more or less directly. Perhaps the set goals are unrealistic. The actors perhaps have different pictures of reality. Is there a complex set of conflicts that continue because of bad personal relations?"

We do not know that much about the details in this case. The fact is, however, that the responsible implementer, the Sales Manger, is not a member of the TMT and she has only been able to give her opinions through the Managing Director, who is a member of the TMT and who introduced the decision about the discount item. After the decision making process, the decision is handled in the operational organization which means that the Sales Manger received a task to cut down the discounts with 7%-units. This picture may be understood in light of summary S7 (see 7.4.6): "The attitudes and behavior of the implementer are influenced by external conditions such as decision category, decision purpose (goal) and decision transmission manner". This will lead to a situation discussed in 7.2.18: "The implementer perceived conflicts between the content of actual decision to implement and existing goals and guidelines ... are negatively effecting the implementation efficiency ...". Furthermore, the non-participation of the Sales

Manager in the decision making process will give the effects already discussed in case A above (7.5.3.1): “It seems as participating value is dependent on implementer-perceived decision complexity” (7.2.14). In this case it is clear that the Sales Manager perceives the situation as complex. In summary, it seems as the implementation model will explain the non-achievement of goal satisfaction in case B quite well. It is not my proposed explanations, when I presented the case, that are directly the reasons for poor goal satisfaction but rather the effects thereof on implementer attitudes and behavior that cause poor implementation efficiency as is shown in figure 15.

#### 7.5.3.3 Case C (see 1.2.3)

In this case, the background to the non-implementation is not well known. Therefore the proposed explanations are more or less inferences: “... the absence of a time-fixed goal ... the case ‘was not important’ ... the non-involvement of the Purchasing Manager in the decision making process ... the President and the TMT did not have an up-dated picture of the supplier market ... the relations between the Purchasing Manager and the existing suppliers were very good”.

The study has not detected any completely non-implemented decision. Therefore I must be extraordinary careful when I mirror the decision case in the preliminary implementation model. If we accept that the case outcome is an implementation efficiency equal to 0 (zero), it is interesting to test the explaining factors. If the variables in the case are introduced into the implementer model (see figure 12) we may establish that the Purchasing Manager has not participated in the decision making process (DMP), the implementation context is complex as the decision initiates a new purchasing policy (IC), the target group is external (TAR) and the decision is not recognized (REC). All these parameters are decreasing the implementation efficiency. However, the implementation profile is at least clear in one dimension, the task to acquire complementary suppliers, which will influence the implementation efficiency in a positive way. We have no information about the remaining model variables, LS and CC. As a summary, the model seems to explain the case in a logical manner. Even more, the transmission of the task is a short paper which is not positive for the implementation efficiency (see 7.2.22). Finally, figure 15 will explain how both the transmission event and the mission adoption have created attitudes which are manifested in implementer non-action, the behavior. All together, a non-implemented decision as in case C seems to be well understood by using the study results even if they to a certain extent are preliminary.

## 7.6 Experiences from methods and tools – reflections

In Chapter 4, the research approach and the selection of methods have been discussed beforehand. Here afterwards follows some short, general reflections: how did methods and tools work and what can be improved? To a certain degree some topics overlap the validity and reliability discussions in 7.5.1.

The interviews were planned to find their own tracks after my first question in order to obtain as much spontaneous information as possible, as our state of

knowledge was estimated to be limited. I had prepared follow-up questions. However, I sometimes missed to ask them what in some cases limited the data available for analysis. The reason is a combination of an ambition not to manage the interview too much and my insufficient attention. The use of scales for the respondent estimation has been successful without any observed problems. The conformity between verbal opinions and scoring was acceptable (see 6.3.2.19). During the analysis, I decided to make scale estimations of some variables using the minutes from the interviews. They occurred in the LISREL model solutions in different ways, as discussed in 6.3.7.4. In future research, when using the same approach as in this study, respondent estimation is to be preferred.

The technique of writing down short notes on my PC directly during the interview, and afterwards concluding these notes by taking into account an overall impression of what the respondent has told me, has worked well.

To summarize the interview experiences, the general approach has worked well, to the best of my knowledge. However, in future research (see 7.7), it will be better to use more semi-structured interviews based on what we now know in order to get more precise information about, for example, the transmission event and the implementation process.

There is another aspect of a shortage in data. My initial planning did not predict the need of respondent scores for some variables (implementer's participation in decision making process, their recognition of the decision to implement, and if the decision was demanded); these missing values were covered in the analysis by my estimations based on the respondent verbal opinion. Future research may take into account the necessity of respondent scoring of more variables than done in this study.

The analysis tools have worked well. The QCA analysis has contributed to a limited extent, however, but it has demonstrated a value in situations where the variable has a YES/NO characteristic. Future research design may take into account this aspect and utilize the possibility of asking YES/NO questions, if feasible.

The QCA datasets, almost identical to the datasets used in LISREL, have been treated with the LISREL imputation technique in order to minimize the negative effects of missing values; as I understand, the approach has worked methodological well.

The study has shown that the methods used have, in general, worked well but also uncovered possible, and sometimes necessary, improvements.

## **7.7 Future research approaches**

The future research ideas are presented in connection with the discussions earlier in this chapter. The ideas are summarized in a research program formulated as three Future Research Question, FRQ, in priority based on a logical time schedule:

**FRQ1.** Create a better understanding of the link between Decision making and Implementation, according to the proposed design in figure 15, in order to improve the implementation model

**FRQ2.** Test the developed implementation model including already proposed improvements in figure 14

**FRQ3.** Carry out a longitudinal study for the confirmation of research results

The background to the Future Research Questions is described, as said, in earlier sections of this chapter. Therefore, short comments just follow here. The Decision making and implementation link puts the implementer in focus. It is still a question of creating basic knowledge about how the implementer reacts and acts, given a decision to implement, the mission of implementation. The challenge is to find if there is any repeated structure or common elements in different situations. The contemporary presence of an analytical and a tacit system is certainly interesting to investigate. Therefore, it seems suitable to repeat a qualitative method of information collection but to carry out the interviews in a semi-structured form based on the figure 15.

The test of the developed implementation model follows thereafter. The purpose is to confirm and broaden the results from my study. Therefore, a quantitative research approach seems most suitable using the LISREL as the analyzing method.

FRQ1 and FRQ2 include many detailed research questions of which some are mentioned in 7.4.2, 7.4.4 and 7.4.5 but an extended design must be done when the research starts up.

So far, the studies are retrospective that have been carried out and those that are planned for the future. The advantages and disadvantages of this research method are discussed in 4.2. An additional longitudinal study will give the possibility to apply the implementation model as a prediction tool and then follow-up the real outcome.

A list of Future Detailed Research Questions, FDRQ, included in the research program, follow here with the origin in brackets:

**FDRQ1.** Why do decision makers and implementers differ in their opinions on implementation conditions and results? (7.2.2)

**FDRQ2.** Does strong, pervasive and committed corporate culture improve the implementation efficiency? (7.2.8)

**FDRQ3.** “Are the subordinates ready for take off”? (7.2.10)

**FDRQ4.** Does a specific corporate culture improve implementation efficiency? (7.2.11)

**FDRQ5.** What are the reasons of executive non-engagement in the decision implementation process? (7.2.13)

**FDRQ6.** What are the reasons for the variation in the value of implementation efficiency to the implementer participating in decision making process? (7.2.14)

**FDRQ7.** What are the reasons for the variation in the value of implementation efficiency for decision characteristics? (7.2.18)

**FDRQ8.** What are the reasons for the variation in the value of implementation efficiency for the presence of an implementation plan? (7.2.19)

**FDRQ9.** What are the reasons to the value variation in implementation efficiency of follow-up plans? (7.2.20)

**FDRQ10.** Does the manner of transmission of the decision to implement matter? (7.2.22)

**FDRQ11.** What are the consequences of a decision changed during the time from the moment of decision made until implementation is completed? (7.4.1.1)

At last, the designing of a future research approach must focus on keeping a down-up perspective where respondents as far as possible estimate on scales in order to avoid the combination of respondent and researcher estimations. This is an important experience from this study.

## **7.8 Is the dissertation aim achieved?**

The aim is formulated in 3.2 as "... to contribute to the understanding of the main conditions that affect the implementation efficiency of top management decisions in complex profit-driven Swedish organizations". Besides the aim, two other main aspects of the study are outlined: a specific down-up (implementer) perspective and to catch and analyze non-implemented decisions.

As summarized in 7.4.6, the state of current knowledge is confirmed and new knowledge discovered. Therefore I consider that this is proof of the statement that the aim is achieved. Furthermore, the specific implementer perspective has been kept consistent throughout the study leaving contributions to the understanding of the decision>implementation process. However, completely non-implemented decisions have not been studied; on the other hand, some partly implemented decisions have been possible to analyze. My intention was to explain why a decision is not implemented, but that has not been possible.

Thus, the aim of the study is essentially achieved according to my opinion.

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To write a thesis is a challenge. To go back to the academy after a professional business life, and do it, is quite a challenging challenge! My experiences are from a business world of doers. In the academic world I meet thinkers. In this scientific world, my experiences may be both an asset and a handicap. My supreme supervisor Bo Öhlmér and my associate supervisor Daniel Lunneryd, who arrived later in the process, have in a first class manner guided me to make use of my experiences in a favorable way in a research perspective. Bo and Daniel, I am humbly grateful to you for all your energy, all your questioning opinions, all your support and all your stimulation for my best!

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"Life is something going on while you are occupied with other things". If I sometimes have been too absent, not only in the process of writing a thesis but in my entire travel through life, my family has brought me back to the real life. In the family, kept together, not to say managed by my wife Ulla, I include our three children KBS with their partners: Karin and Martin, Bodil and Thomas† with their son Philip and Sverker and Pernilla with their daughters Eila and Mika; of course my parents Eva and Bertil† are also included. My family has inspired and challenged me but also been the source of my sustenance. That is life. You make it worth living. I wish that all people could live such a good life as I have done and do.

## Appendix A. Definitions and abbreviations

The management vocabulary is not always used in a common and shared meaning. Therefore I present some definitions to be sure that a reader and me have the same understanding of terms used in the thesis. If no reference (x) is given it is my own definition based on “a common use”.

### General management terms

Complex organization	an organization becomes complex when no one can sensibly and comprehensibly account for all of it (Czarniawska-Joerges, 1992, p. 36)
Decision	a choice made from two or more alternatives (Robbins & Coulter, 1999, p. 182)
Effectiveness	Goal attainment (Robbins & Coulter, 1999)
Efficiency	The relationship between inputs and outputs, the goal of which is to minimize resource costs (Robbins & Coulter, 1999)
(Business) group	the word <i>group</i> is often used alone but in the meaning “business group” (in Swedish “koncern”) (FARs engelska ordbok, 1997)
Implementation	Conveying a decision to those affected and getting their commitment to it (Robbins & Coulter, 1999, p. 187)
Implementership	the implementer attitudes and behavior in the implementation situation (the term launched by the author, see 7.4.4.3)
Leadership	the ability to influence a group toward the achievement of goals (Robbins & Coulter, 1999, p. 520)
Management	“... is viewed as those activities relating to the organization and operation of a firm for the attainment of specific ends. It directs resources use after interpreting the goals of those controlling the firm” (Osburn & Schneeberger, 1978)
Organization	a deliberate arrangement of people to accomplish some specific purpose (Robbins & Coulter, 1999)
Problem solving	decision making and implementation (Cooke & Slack, 1991, p. 4)
Strategic vs Operational (decision)	strategic decisions differ from operational decisions in that they relate the organization to its environment and involve a large part of the organization; the definition of “organization” is deciding (Cooke & Slack, 1991, p. 22)

Unique (decision) “those decisions, which have not been faced before by the farmer/decision maker; usually unique decisions are strategic, but they could be operational” (Öhlmér et al., 1993)

Abbreviations of organizational terms

BA	Business Area (Affärsområde in Swedish)
BAD	Business Area Director (Affärsområdeschef in Swedish)
BAS	Business Administrative System
BSC	Balanced Score Card
CAC	Customer Account Concept
C/B analysis	Cost/Benefit analysis
CE	Capital Employed
CEO	Chief Executive Officer (Koncernchef in Swedish)
CFO	Chief Financial Officer (Finanschef in Swedish)
DHR	Director of Human Resources (Personalchef in Swedish)
Growth	Change (+-) in net revenues between two consecutive years, %
HRC	Human Resource Committee
HQ	Head Quarter (Huvudkontor in Swedish)
MBL	“MedBestämmandeLagen” in Swedish; Law on co-determination at work (FARs engelska ordbok, 1997)
MBWA	Management By Wandering Around, launched by Peters & Waterman Jr (1982)
MD	Managing Director (Verkställande Direktör in Swedish)
MtD	Marketing Director (Marknadsdirektör in Swedish)
Profit	Income after financial items (often expressed as % of net revenues)
PuM	Purchasing Manager (Inköpschef in Swedish)
SEC	Swedish Export Council (Exportrådet in Swedish)
SM	Sales Manager (Försäljningschef in Swedish)
TM	Top Management (Toppledning in Swedish)
TMT	Top Management Team (Ledningsgrupp in Swedish)

Other definitions

Latent variable	unobserved or theoretical variable (Diamantopoulos, 1994)
Measurement or observed variable	manifest empirically measured/observed used to estimate the latent variable (Diamantopoulos, 1994)
Mega corporate culture	a sum of scores pro company of CEO regime duration, corporate profile and corporate culture (defined and calculated by the author for this study)

Abbreviations in the preliminary implementation model

CC	Corporate Culture
CP	Corporate Profile
DM	Decision Maker
DMP	Decision Making Process

GS	Goal Satisfaction
IC	Implementation Context
IE	Implementation Efficiency
IMP	Implementer
IP	Implementation Profile
LS	Leadership Style
PE	Process Efficiency (regarding implementation process)
TUR	Trade Union Representative

## Appendix B1. Introduction letter of questionnaire sent in Step I to Presidents



### Forskningsenkät

#### Hur effektivt genomförs Företagsledningens beslut?

Att finna svaret på denna och närliggande frågor är den utmaning jag antagit i min doktorsavhandling!

##### Vem är ”jag”?

Jo, en doktorand som heter Bengt Göransson vid Institutionen för ekonomi, Sveriges Lantbruksuniversitet. Jag har hunnit bli 61 år med en 15-årig egen erfarenhet som VD i olika företag i skilda branscher och med varierande ägarförhållanden. Därtill konsultupplevelser i ledningssammanhang under nästan 10 år. Och ett tredje perspektiv är arbete i ett flertal företagsstyrelser. – På min hemsida <http://w1.442.telia.com/~u44200011/> finns mer om mig!

##### Ska Du läsa vidare?

Det anser jag bestämt att Du ska göra! Jag vill att Du skall delta i en enkel undersökning. Materialet som jag samlar in skall utgöra en del av min doktorsavhandling. Men omedelbart efter avslutad insamling kommer jag att bearbeta det i ett VD-perspektiv för praktisk tillämpning. Du kommer alltså att få snabb och praktiskt användbar information tillbaka om hur genomförandeffektiviteten av företagsledningsbeslut kan förbättras. Du kan alltså ha direkt egen praktisk nytta av att delta i min undersökning!

##### Vad vill jag?

Mina samlade praktiska erfarenheter indikerar att Företagsledningens beslut uppvisar stora skillnader i genomförandet. Detta har gjort mig nyfiken på att vetenskapligt studera beslutsfattandets implementeringsfas. Min forskning handlar alltså om att beskriva, förklara och förstå genomförandeffektiviteten av företagsledningsbeslut så att genomförande-effektiviteten kan förbättras i praktiken. – Med Företagsledning menar jag VD och Ledningsgrupp (eller motsvarande).

##### Varför skriver jag till Dig?

Jag vill studera komplexa, vinststyrda företag. Med komplexa menar jag företag där många av de beslut, som fattas av Företagsledningen, skall genomföras av andra medarbetare i organisationen. Jag har då funnit att O-listan på Stockholmsbörsen är en grupp företag som passar mitt syfte. Du och Ditt företag har slumpmässigt valts ut från O-listan. Urvalet omfattar c:a 50 företag.

Detta är första steget i min materialinsamling. Det skall dels indikera att jag formulerat ett relevant problem, dels ge underlag för ett andra steg som är en

intensivstudie av några få företag. I ett ev tredje steg avser jag göra en enkät baserad på intensivstudien till de andra företagen på O-listan.

#### **Vad ber jag Dig om?**

Jag skulle verkligen uppskatta om Du kunde ta Dig tid att besvara frågorna i bilagda Frågeformulär Beslutsgenomförande. Det tar bara en kort stund eftersom jag vill ha Dina spontana reaktioner. Jag ber om Ditt *svaret senast den 10 februari* i bifogat, frankerat svarskuvert.

Skulle Du föredra att svara elektroniskt så finns frågorna på min hemsida <http://w1.442.telia.com/~u44200011/>. Observera att Du då måste ange företagsnamn och Ditt eget namn i formuläret!

#### **Hur använder jag Dina svar?**

Jag kommer att bearbeta och analysera Dina svar dels mot bakgrund av vissa data från Ditt företag (omsättning, vinstutveckling, bransch m fl hämtade från Din företagspresentation på Stockholmsbörsens hemsida), dels jämföra dem med vad andra VD:ar i det slumpmässiga urvalet har svarat. Jag kommer självfallet att försöka dra generella slutsatser. Inga svar kommer att publiceras på ett sådant sätt att det går att identifiera företaget eller VD:n.

#### **Fler frågor?**

Jag arbetar i huvudsak hemifrån bostaden. Du får därför gärna kontakta mig på någon av de nedan angivna kanalerna om det skulle behövas!

Min handledare är Professor Bo Öhlmér, 018 67 17 26.

Med vänlig hälsning

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Gärds Köpinge den 29 januari 2003

## Appendix B2. Questionnaire sent to Presidents in Step I



### Frågeformulär Beslutsgenomförande

1. Företagsnamn
2. VDs namn
3. VDs födelseår
4. VDs tillträdesår som VD i undersökningsföretaget
5. Finns ett VDs ledningsorgan (Ledningsgrupp, direktion eller motsv)?  
 Ja  Nej

#### Om Ja:

Hur många personer finns i ledningsorganet? .....

Förs beslutsanteckningar eller motsv från ledningsorganets möten?

Ja  Nej

6. Det finns många etablerade skolor för att beskriva ledarstilar. Jag har valt en teori som begränsar dem till tre. Jag ber Dig nu ange Din personliga ledarstil med hjälp av *endera* av dessa tre beskrivningar nedan! Ingen kommer att kännas helt perfekt för att beskriva Dig men Du måste välja! Markera den som passar bäst – men bara en!

#### ✓ POLITISKT LEDARSKAP

##### Grundsyn

- Människan drivs främst av ett egenintresse, söker trygghet och avvisar förändringar
- Tilltagande konkurrens i marknaden och ökad intern komplexitet som båda leder till specialisering
- Avdelningar, enheter osv tenderar att ha egna uppfattningar om "verkligheten" vilka divergerar från företagets bästa och leder till byråkrati och inflexibilitet
- Ledarna är lika mycket fångar som föregångsmän i organisationen

##### Tillämpad ledning med utgångspunkt i grundsynen

- Ledningen sätter allmänna och flexibla mål
- Ledningen fäster stort avseende vid system och struktur eftersom det garanterar likformighet i agerandet
- Ledningen försöker förutse och förekomma konflikter genom att hitta kompromisser

- Den dagliga ledningen fokuserar på att identifiera problem och lösa dem, ofta att fatta de beslut organisationen vill ha

✓ **DIREKTIVLEDARSKAP**

Grundsyn

- Människan motiveras mer av interna krafter än av yttre tryck
  - Organisationer kräver starka signaler för att hänga ihop
  - Sammanhållning och innehåll är viktigare än stil
- Dessa tre faktorer leder till att agerande är bättre än reagerande.

Tillämpad ledning med utgångspunkt i grundsynen

- Ledningen sätter precisa och utmanande mål
- System och struktur är inte så viktigt, huvudsaken är att saker blir gjorda
- Ledningen är inte rädd för konflikter och försöker använda dem för att tydliggöra företagets mål
- Den dagliga ledningen innehåller många kontakter med de närmaste medarbetarna och "fältet"

✓ **VÄRDERINGSLEDARSKAP**

Grundsyn

- Människan har olika skäl till varför hon arbetar i just min organisation
- Självförverkligande och personlig integritet är därvid viktiga inslag
- Detta tar sig uttryck i viljan att få vara kreativ och att jobba för ett syfte man tror på

Tillämpad ledning med utgångspunkt i grundsynen

- Ledningen sätter både kvantitativa och kvalitativa mål och på flera olika nivåer som hänger ihop
- Eftersom värderingarna skall styra handlandet är system och strukturer underordnade dem och måste ständigt anpassas
- Konflikter är en del av livet och Ledningen ser till att vinnare blir de som bäst stödjer företagets värderingar
- Den dagliga ledningen karaktäriseras av informella möten, dialoger, etc för att sprida och befästa företagets värderingar

7. Denna fråga handlar om beslutsgenomförandet i Ditt företag.

Förutsättningar för frågans besvarande

- ✓ Det handlar om de beslut Ledningsgruppen (motsv) och Du själv fattat under 2002, de som kallas Företagsledningens beslut
- ✓ Det handlar om Företagsledningens beslut som skulle ha varit genomförda vid svarstillfället och där effekten kan bedömas/prognosticeras
- ✓ Med genomförandeeffektiviteten menas både hur väl genomförandet i sig gjorts och hur väl syftet med Företagsledningens beslut har uppnåtts (eller i förekommande fall är på väg att uppnås)

Frågan

Jag ber Dig nu bedöma genomförandeeffektiviteten av Företagsledningens beslut 2002 genom att ange en procentuell fördelning:

<b>Genomförandeffektiviten är ...</b>	<b>%-andel</b>
<i>Obefintlig</i>	
<i>Mycket dålig</i>	
<i>Dålig</i>	
<i>Acceptabel</i>	
<i>God</i>	
<i>Mycket god</i>	
<i>Fullständig</i>	
<b>SUMMA FATTADE BESLUT</b>	<b>100%</b>

Kommentera gärna fördelningen .....  
fortsätt på baksidan av frågeformuläret om det behövs!

Vilka är skälen till att vissa av Företagsledningens beslut blir väl genomförda  
(=hög genomförandeffektivitet) i Ditt företag?

.....  
.....

fortsätt på baksidan av frågeformuläret om det behövs!

Vilka är skälen till att vissa av Företagsledningens beslut blir dåligt genomförda  
(=låg genomförandeffektivitet) i Ditt företag?

.....  
.....

fortsätt på baksidan av frågeformuläret om det behövs!

***STORT tack för Din medverkan! Använd bifogat svarskuvert! Jag rapporterar tillbaka enligt löfte!***

## Appendix C. Descriptive presentation of Step II data

### C.1 A reader's guide to the presentation of Step II

The information used for analysis in Chapter 6 is presented in this appendix. Each studied company occurs under its own heading. I am very concise about the general presentation of the companies according to the guarantee of anonymity. Only information necessary for understanding the decision and implementation environment are presented.

You can identify the three main elements of the presentation, the companies, the respondents and the decisions, in the following way wherever they occur:

Companies	A, Asub, B, C
Respondents	Ason, Bson ...
Decisions	1313, 2305, 5402 ...

The link between the companies and the decision numbering is

Company A	13xx
Company Asub	133x
Company B	23xx
Company C	54xx

All decisions beginning with, for example, 23 are consequently linked to company B. The number codes of the companies 13, 23 and 54 were given during Step I and I have found it useful to keep them during the entire study, mainly to avoid any risk of mixing the data during collection, analysis and presentation in the study.

The presentation of collected information follows the implementation model (see 3.3), starting with the three specific corporate factor groups followed by the three factor groups for each individual decision. When describing corporate culture I have tried to pick up and translate as careful as possible special words, formulations and metaphors given by the respondents as they are so expressive.

The following structure is used regarding the presentation of individual decisions. First I present the decision under the headline *Background and actual situation of decision xxxx* by referring or citing the minutes of the meetings of Top Management, the source of decisions to study. This is intended to be an objective description without evaluations. As the same respondent can play different roles (decision maker or implementer) in different decisions, it is important to present the role she/he plays in the actual decision; the role can be another in another decision.

The opinions of each actual respondent are referred to under the headings from the implementation model (decision making process, implementation context, etc.). I normally refer to what the respondent, *i.e.* Gson, has said in the way I understood it, including body language, pauses and other expressions. Sometimes I cite a respondent marking it as a "citation", when I refer exactly what she/he said.

The last heading in each decision description is *C.x. Comments to...* This only occurs if I have anything to say that is valuable for the understanding of the respondents' views.

The companies are introduced in 5.2.3, so this information is not repeated here.

## **C.2 Presentation of data from Company A**

### *C.2.1 Specific information collection procedure for Company A*

The starting point for finding interesting decisions to study was the TMT minutes of meetings. I selected 12 decisions, trying to find both complicated and simple ones. I received some comments from the CEO about the selection, when I presented him the list in order to get information about potential respondents. This led to a second selection of 4 decisions to start with. They were selected because the CEO gave me spontaneous comments like "very interesting, a lot of internal resistance", "a good example when we were successful" and "we didn't finish!". I got stories as examples of "what happens in our organization", especially about corporate culture, during the interviews. I used this information to ask questions and picked up some interesting decisions to study. This approach led me to study two decisions made specifically in a Business Area, further on labeled Company Asub. It became apparent that it was necessary to manage corporate culture and leadership style associated with Company Asub and its Managing Director separately. Therefore I present these two decisions separately under C.3.

The interviews were carried out over 6 months, followed by an additional period 10 months later with 3 interviews for decision 1313. Nobody has denied participating when asked for an interview. I have met out-spoken people and they have all been very interested in the research, providing a lot of comments off the record. My presentation of the company is for the year 2004, which is the point from which expressions like "the last three years" are to be understood.

### *C.2.2 Business and organizational information of Company A*

Company A operates on a mature marketplace as a trading company with a limited manufacturing capacity. The main geographic area is the Nordic countries. The products are mainly goods and commodities. Company A has a slow organic growth but a quite aggressive acquisition and outsourcing policy. The operating income has been acceptable on a sustainable level.

Company A has a purely hierarchical organization. There have been a couple of re-organizations over the last years. Now it is organized with a group TMT of four persons at the top. The next level consists of several Business Areas (BA) led each by a Business Area Director (BAD), and the third level consists of about 40 subsidiaries (Aktiebolag, "Ltd") each belonging to a specific BA. The MDs of the subsidiaries have an ultimate responsibility for profit. Company A is consequently decentralized with a very small group HQ mainly populated by some executives and economical functions. There is, as an example, no human relations department. The BAs too are managed by a single BAD. From the Managing

Director level of subsidiaries and up in the organization, there is no female director but around 40 male directors. The Board of Directors consists of just males. The trade unions have no representation in TMT meetings or in the Board of Directors. Their position on the subsidiary level varies.

### C.2.3 Respondent profiles in Company A

I have made a profile of each respondent in Company A in table C01. The respondent is categorized due to his/her role in the specific decision. Some of the respondents are interviewed about more than one decision. In these cases their estimations of CEO leadership style and corporate culture are repeated. The scores of their estimations are also given here but they will be referred to later on in the text.

Table C01. Respondent profiles in Company A

Decision	Respondent		CEO Leadership style	Scoring				
	Nick-name	Position		Corp Culture	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
1304	Dson	DM	Value	6.0	4.0	4.0	6.0	4.0
	Hson	IMP	Value	4.5	5.0	2.5	6.0	3.5
1308	Ason	IMP	Value	5.5			4.0	3.0
	Cson	DM	Directive	5.4	3.0	3.0	3.5	1.0
	Eson	IMP	Value	4.5	3.5	2.5	3.0	4.0
1310	Cson	DM	Directive	5.4		5.0	3.5	1.0
	Json	DM	Directive	5.0	2.0	5.0	4.0	2.0
1313	Gson	DM	Value	5.0				
	Kson	IMP	Value	5.0	5.0	4.0	3.0	4.0
	Rson	IMP	Value	5.0				

There are some missing values in table C01. This depends on conditions that made it impossible for the respondent to set a score. More comments are to be found in the statements.

### C.2.4 Corporate profile of Company A

Company A has existed as a listed Stock Exchange company for the last three years. The profit has been stable and acceptable given the business segment but the growth is negative, as shown in table 11. The acquisition of new companies has not been able to match the organic decrease in selling figures. The marketplace has been tough over the past five years but Company A has had a sustainable profit in spite of negative growth.

### C.2.5 Corporate culture of Company A

#### C.2.5.1 Respondent views on corporate culture of Company A

##### Ason

There is a mission that you shall not implement a decision that you think is wrong. The chain decision > implementation is hard to understand. You get a decision and

then you have to find out what it really means. “The day-to-day decisions, which quite often are not on paper, are the hardest to implement.” Our reactions also depend on which of the TMT individuals that sends the message. “If X says something, it is negotiable; if Y should have said the same, it is an order”. The basic elements in our philosophy are responsibility and freedom, the balance. Will and readiness to change for efficiency are also essential parts of the culture. And simplicity. It is possible to discuss openly our business vulnerabilities and also the influence of private values. Corporate policy decisions will sometimes not be made with our delegating culture as a false excuse. But we make a lot of business that would not have been made in another corporate culture.

The culture is well adopted by the employees, but the acquired companies cause problems. It takes often too long to get them in. But in a long term perspective, we have been successful. Incitements are mainly aimed for sale reps. Office people are forgotten.

#### Cson

Open-minded with freedom and responsibility. We have entrepreneurship with a very basic way of profitability thinking. But we also put emphasis on human values, the individual in focus. “We not only speak about it, we do it.” The formal information structure is not strong; it is a bit ad hoc. When something important is on the track, the TMT travel around with the message. Incitements are designed as option programs for about 50 directors and there is a bonus system for sales representatives. We are not that good in other forms than economic incitements. “We are proud to have removed the Human Relation Function at the top level – the responsibility of Human Relations is without a question a MD mission”. A weakness is that the culture creates a pressure on individuals that is too much for some, but there are only a few negative examples. The culture is well adopted by the employees.

#### Dson

Our business philosophy is profitability, development, responsibility and rights. “The nearest you can come to be a company owner is to be the CEO of our company”. We have an open dialogue. Ideas come often down-up, driven by “small platoons”. We have a culture of possibility and creativity. “Two individuals in the TMT know the original business in detail. That is 2 out of 3. Good or dangerous?” There is a risk that we will be where we should not be. We have a bit top-down managed culture.

Ethics and morals are on a high level. We have our feet on the ground and we are not intoxicated by money. But if you do not share the company values you will be fired. Bits of the culture will be lost on its way through the organization because there are weak links in the chain (*e.g.*, badly formulated messages, next level has not “bought” the message and will therefore not “sell” it). We are very aware of checking if the message has reached its target group. “Given more than 1000 employees our organization is better up-dated than any other”.

#### Eson

The culture is not so strong. We have changed the TMT and the organization has not yet adapted to the change. “We are a centralized, non-bureaucratic

organization with focus on long term and human values”. But doing business is very decentralized. There is quick feed back after meetings and we focus on dialogue and problem solving. We have a stake in our employees. Profitability and long run ownership are strong elements. Profitability turns focus from investments and product development, a short term effect. That is why we acquire a company instead of developing our own products. When we buy companies we do not press our culture upon them. “We respect their culture but try to subtly introduce our culture upon them”. But they have to adapt and implement the accounting routines immediately!

TMT has a soft style. The messages are often not that clear so you have to interpret them in your own business reality. But that also creates uncertainty.

#### Gson

There are three main constituting the culture. The first one is basic business guidelines: growth of profit, profit level and development. The second is a statement of philosophy: every leader is a missionary of the culture. The third one is a set of guidelines for markets, products and manufacturing. These are completed by simplicity & efficiency, will of change and freedom & responsibility. The culture is strong, well communicated and accepted in the organization.

#### Hson

We have an open-minded culture with a lot of communication and dialogue striving for consensus. Honesty and humanity form a warm human atmosphere. We are quite good at confirming excellent performances but not so good at taking care of bad ones. We are too soft which is dangerous for staff members in the long run. In order to obtain a consensus, too much energy is put on NO-people to convince them: “hallelujah and conversion”. This will also sometimes cause decision anxiety and delay. Even if we have a delegating principle, and it works, the TMT wants to know details. The delegating principle is double-edged. Our track record in terms of profitability is quite good so we are a bit comfortable and will not always make the drastic or most important decisions even if they are necessary.

We have a high ambition level with a lot of ideas but we do not always have energy enough to make it happen. This is certainly the case when investments are necessary; we are not ready to take the risk for our ambitions. Over all, we are risk avoiders. The management is not focused enough on business development. Our decisions could be better prepared in terms of implementation process.

The culture is well established and supported – “the culture is put in the walls” – and not tied to the President.

#### Json

(The interview was shortened regarding corporate culture due to unforeseen circumstances). There is a history about entrepreneurship, delegation and “not to stifle newly acquired companies”. Now it is more about identifying common areas, which gives the TMT a supporting role. This is appreciated by most people but not all. The historical essence is still there with the RESPONSIBILITY even more focused.

### Kson

We are self-deciding. So long the result is OK, we run the race. But if result goes wrong, we will be noticed very soon. We have a total responsibility for the company in all dimensions. It is easy to get in touch with the CEO. "There is no personal risk to be creative". That means that if you have an idea based in clever business thinking you will not be banned if anything goes wrong. "But you have to act quickly to eliminate the mistakes".

### Rson

There is a long tradition, which goes back to the original owners. A small scale and managing possibilities are heritage for me from those days. That means short decision ways and fast actions and reactions. A small scale has a disadvantage in the manufacturing dimension but production is a bit odd in our group.

We have clear goals, we measure and evaluate and we are business focused. We take care of staff members. When acquiring new companies we are looking for a good track record. So when we buy we respect their culture, as they have been successful. Then it takes time to implement our culture; we try to implement our core values in their culture. The atmosphere is open and we stimulate dialogue. Everybody is welcome to express her/his opinion.

C.2.5.2 Comments to respondent opinions on the corporate culture of Company A  
Ason turned the initial question *Describe corporate culture* into decision making and implementation and said "The corporate culture decides the implementation efficiency". This statement is a bit suspicious as I had briefly presented a couple of minutes earlier my research approach and then presented my model as a picture!

### *C.2.6 Leadership style of Company A*

#### C.2.6.1 Respondent views on Leadership style of Company A

Table C01 shows a classification of CEO leadership style. All respondents, with one exception, classify the leadership of the CEO as value-driven.

#### C.2.6.2 Comments to respondent opinions on Leadership style of Company A

My estimation of the respondents' classification indicates some difficulties to decide. Every respondent has mentioned the foreseen, "a bit of all three". Nevertheless, the picture is quite clear, there is uniform opinion about the leadership style of CEO.

### *C.2.7 Decision 1304 Market extension*

#### C.2.7.1 Background and actual situation of decision 1304

The case is about a geographical market extension based on established products. A strategic decision for action in a decided direction is made by he TMT but operational decisions will be taken underway and they are a part of an on-going implementation. Dson is a decision maker and Hson an implementer.

#### C.2.7.2 Decision Making Process Profile of decision 1304

##### Dson

The TMT refined the Business Idea, repealing the limitation of the Nordic geographic area. This created an idea to expand in Europe. Germany was definitely interesting but the first investigation together with the Swedish Export Council (SEC) lead to a NO. Further on, we looked at a more narrow application of our product – “we are selling solutions, not volumes” – and we found a possible market segment. As we want to acquire a company as our tool to reach the market instead of creating our own subsidiary from scratch, we now have a list of candidate companies for acquisitions. There we are, we have not decided which one. Unless we buy a company or not, we have learned a lot about the Germany market, the cooperation with SEC and the entire process to approach a European marketplace.

##### Hson

I do not know so much about the decision process. My first contact with the case was a brief introduction by Dson when I was asked to meet the SEC for an interview. As far as I know, there was no decision made at that moment to enter the German market. The TMT had discussed to broaden the geographic market from the Nordic area to Europe, especially the Baltic area, Germany and the UK in order to improve growth. This was a strategic break through.

After the SEC race, the TMT decided to look closer at the German market. I was involved in a pilot study aimed learning more about the German market. “But suddenly it was a question of acquiring business!”

#### C.2.7.3 Implementation Context of decision 1304

##### Dson

A new marketplace with an unknown business culture for us was a bit risky. We had to build up our competence. There was no formal implementation plan created but we have a culture how to act when acquiring new companies or businesses.

##### Hson

There was no plan. But to meet the unknown is not unique for me. So even if I did not know very much, I think the given task was not that complicated.

#### C.2.7.4 Implementation Profile of decision 1304

##### Dson

We involved some MDs quite early in the process and they were soon convinced about our possibilities doing business in Germany. They got special tasks to solve and in the next step they took over from the TMT according to our culture; the TMT will create new business possibilities but the BAD and the MD will run the business. As the MDs were involved on an early stage they were designing their implementation profile themselves and they integrated the costs in their own budgets as a normal business routine.

##### Hson

I understood the task as to identify market segments and customers in Germany for our products. But after a while I also was involved in more or less direct

(potential) business even if we were not prepared. I did not see myself as a project manager but as a source of knowledge. The responsibility of the project was not clarified. I could use the project as an advantage for my own business.

#### C.2.7.5 Implementation Efficiency of decision 1304

##### Dson

It has taken longer than we expected. I myself am convinced that we are on the right track. “We do not know for the moment if we will be successful”

##### Hson

It is not that easy to answer. It is not a well defined project. Which decision are we speaking about? What was the aim? What were we going to implement? From my position I will summarize my opinion like this. First, “that will be Germany! The driving force and our interest remain but we have lost tempo”. Secondly, I do not know the next step. It is a Business Area question; I cannot go my own way. Perhaps, here we will see effects of our culture: decision anxiety and risk avoidance. The state of the art will perhaps depend on our reorganization: has this case fallen between the chairs? The strategic direction is perhaps unclear: the growth outside the Nordic area does not seem as important today as some years ago. I think that the TMT does not understand that the conditions have changed. “Extended processes will cause lost efficiency due to a non-evident problem owner; that they ought to understand”.

#### C.2.8 Decision 1308 Balanced Score Card

##### C.2.8.1 Background and actual situation of decision 1308

The case is a trial to introduce the tool Balanced Score Card (BSC). A note was written in the TMT’s minutes of the meeting, not a decision, “to discuss at the next MD meeting”. It is possible to follow the case through the TMT minutes of meetings changing appearance from BSC to other labels. It was cancelled after less than one year after implementation (trial). Cson is the decision maker in the TMT while Ason and Eson are implementers.

##### C.2.8.2 Decision Making Process Profile of decision 1308

##### Ason

I don’t know – my first contact with the concept was an e-mail from the TMT!

##### Cson

I worked very hard at my former job in an affiliated company trying to introduce BSC. A decision was made there but never implemented. Now I wanted to try once more. The CEO bought my idea. The project was already on track when it appeared in the TMT minutes of meetings. It was not formally decided upon and to be honest it was at that time not a real BSC concept as it only contained economical information.

##### Eson

I met it first on an internal business conference. I do not know how the decision was made.

#### C.2.8.3 Implementation Context of decision 1308

##### Ason

The BSC concept was not supported by our IT system. It created a lot of extra work. There was a bit to do to understand how to manage the concept but once that was done, it was quite easy.

##### Cson

I assumed that we had both the culture and the IT system to match the BSC concept. We had not.

##### Eson

No problem with the implementation.

#### C.2.8.4 Implementation Profile of decision 1308

##### Ason

It arrived as an e-mail. "What is the purpose?". Probably because the CEO has to make a better prognosis for the Stock Exchange and the shareholders.

##### Cson

The BSC concept was distributed by e-mail. The purpose was clarified at a business conference: to decrease the capital employed, CE. We arranged a competition and we measured CE. The MDs had to report every month.

##### Eson

It arrived as an e-mail with a short manual and a form to fill in. I do not remember if the e-mail arrived before the conference but at the conference the aim of the tool was very clear: to improve economic prognosis, to follow-up projects and staff members for recruiting leaders and development needs. It was nothing new but a new tool. And it was quite clear: fill it in!

#### C.2.8.5 Implementation Efficiency of decision 1308

##### Ason

"Yes, not a good example of our decision making and implementation"

##### Cson

As I said, the conditions were misjudged so both the Goal Satisfaction and the Process Efficiency were poor.

##### Eson

...

#### C.2.8.6 Other respondent comments of decision 1308

##### Ason

The aim was wrong. It was something extra and I had a lot to do so I put it aside. The Controller took over. As we did not understand its purpose we did not give it priority so we were late to deliver in the beginning. It would have been quite different if we had understood the purpose. A clear purpose is a part of our culture, in this case it failed. It is not only my opinion but many MDs say the same.

“I do not understand why it was cancelled. Now I miss it!”

#### Bson

(During an interview about another case, the discussion was sidetracked to the BSC case.) “The BSC case was an extremely good example of an order, pointing with the whole hand. I did not know the purpose. I had a lot to do so I did not do anything until I was asked why I did not fill it in. So I had to do so without any enthusiasm”.

#### Cson

The BSC concept was withdrawn because we had achieved the purpose to decrease CE and the competition was completed. Now we are preparing a real BSC concept, which will be matched by a new IT managing system.

#### Eson

“I became the champion of the competition!” It was a good tool. I did all the work myself to fill it in. I do not know why it was cancelled. The economic reporting is systematic but we have no follow-up of project and staff members. “It was astonishing to find out that we had so many project going on and that we finished them!”

### *C.2.9 Decision 1310 Home PC for staff members*

#### C.2.9.1 Background and actual situation of decision 1310

The case is about the renewal of PCs that are rented for home use, so called “home PC”. “Json presented a package for home PC. A decision was made to run out the offer to staff members in the Swedish companies. The agreement partner is every single subsidiary” (minutes of meetings April 2002).

Cson is a member of the TMT and Json prepared the decision case. Json is the MD of a company when I meet him. So he also has experience with how the offer is treated in practice.

When interviewing about other decision cases I have also asked some respondents about this case. Eson is the BAD. Fson and Lson are (potential) end users and “front soldiers”.

#### C.2.9.2 Decision Making Process Profile of decision 1310

##### Cson

We introduced the home PC program during 1998. Since then we have got a couple of new staff members so we had a pressure from them to repeat our offer. Json prepared some calculations and a general agreement of purchasing PCs.

##### Json

There was a home PC offer for staff members for the past two years. The technical development called for a renewal. This was supported by the fact that we have a much better personal policy than others on the market. We wanted to care for families with children. We did not do any formal evaluation about how the first offer was implemented or welcomed. But we knew that there had been a lot of administrative troubles, which we tried to avoid this time.

#### C.2.9.3 Implementation Context of decision 1310

##### Cson

We were pressured as I said but we did not know of the use or the benefit for the staff members from systematic survey.

##### Json

Some staff members asked for a new offer but not all the MDs did. It was a quite simple decision as it was more of a prolongation of an earlier decision. We did not make any promotion for the offer.

#### C.2.9.4 Implementation Profile of decision 1310

##### Cson

I have a coordination role but after the decision in the TMT, the implementation is a question for the MDs. I do not remember when the implementation shall be finished and I do not know the actual situation.

##### Json

The decision with implementation instructions was sent by e-mail to our MDs. The (potential) implementer (=end user) of this decision was everyone in our organization. We offered a set of hard ware and soft ware. Therefore, “hackers asked a lot of (technical) questions but Svensson did not”. A hidden agenda was that by offering a set of products, we stimulated the staff member to learn more about IT in order to make the right choice for him/her/the family. In some cases we also get reactions on offered prices as another member of the family had got an offer from her/his employer!

We did not fix any quantitative or qualitative goals but we hoped to support IT maturity and increase our reputation as a modern employer.

#### C.2.9.5 Implementation Efficiency of decision 1310

##### Cson

We have not done a systematic evaluation for either the first decision, or for the actual decision. So we do not know how well we have achieved our expectations. We have had administrative problems. “It is not that easy to shove the responsibility on to the MDs”. The IT world is complex in the meaning that everybody has views and desires. It is not easy to cover all of them in a general agreement.

##### Json

There was just a vague aim as “good for the staff members” in the decision. We have not made any systematic evaluation so we do not know how well it has gone. There have been a lot of troubles during the implementation around technical questions and responsibility.

We have not done any systematic evaluation of “goal satisfaction” in terms of asking people, not even when we now are planning a third offer. The MDs have been better prepared this time but it is up to everyone to fix it him/herself by using the website.

Regarding the process efficiency it is even worse as we have had to spend a lot of time at top level for meetings with our supplier in order to solve how to treat information requests and invoicing procedures. The latter has been complicated by the fact that our supplier has involved a financial leasing company.

#### C.2.9.6 Other respondent comments to decision 1310

##### Eson

I cannot remember the decision. “At that time I was the BAD in the old organization and I was not affected by the decision. And now I do not know how it works in my business area. You have to ask the MDs”.

##### Fson

I have never heard about this offer. Maybe it depends on the fact that I have a PC as my job equipment and I use it also in private life “without having asked if it is OK”.

##### Lson

I have not received a personal invitation to buy, perhaps because I have a PC as my job tool. But I have heard about the possibility. “Yesterday, new rules arrived saying that private use of job PC is no longer permitted. It does not matter to me as I have my private PC but I wonder for the others’ sake. I think it is fine if you can also use your job PC privately”.

#### *C.2.10. Decision 1313 Reports from Managing Directors*

The presentation structure of this decision will be adapted to the special approach and therefore it will not be in accordance with other decisions.

##### C.2.10.1 Selection background for decision 1313

When I had carried out ten interviews, I met the CEO to select some more decisions to study. I was looking for something complex, affecting many people in the group as the organization itself is complex, but with a strong corporate culture, according to my understanding after the first ten interviews.

I had studied the case Balanced Score Card, BSC. The CEO mentioned that there had been a development of BSC into a “Time out concept”. It was introduced in the beginning of 2002. The CEO thought that this decision was a broad test of implementation capacity of the organization as it affected almost 50 Managing Directors. He had no opinion as to how well it had been implemented. He just knew the results. I decided to study the Time out concept.

CEO told me about the implementation approach. It contained the use of established routines like conferences, competitions, and bonus systems but also specially designed activities regarding leadership by using an elite soccer team coach not only as a speaker, but also directly in his coaching of his team before, during and after a match.

### C.2.10.2 The background for decision 1313

As a company on the Stockholm Stock Exchange O-list, it is important to present key figures and comments for every past quarter but also to forecast the future. Therefore there is an established routine of quarterly written comments of the managing directors of the subsidiaries reported to CEO.

One of the five corner stones in the Time out concept was to improve the capital turnover rate. As this key figure is an essential estimation of profitability, it was supposed to be a part of the quarterly comments from the Managing Directors. The discussion between CEO and me concluded that this issue would be possible to study as it is a single, well-defined key figure and it is the focus of the Time Out Concept. I was given the possibility to study the quarterly written comments.

The time out concept was launched at a MD conference. A bonus system was tied to it. At the MD conferences, a champion for the quarter was appointed. Even more events were created to support the focus in the Time out concept.

I carried out three interviews when I had processed the written quarterly comments. Gson is the group CEO while Kson and Rson are implementers as Managing Directors of subsidiaries.

### C.2.10.3 Case Information for decision 1313

#### Prime Data

I have access to comments from four quarters: 2002:1&3 and 2003:1&4. The selection criteria were

- the first possible set of comments (= 2002:1)
- the latest possible set of comments (= 2003:4)
- two more sets of comments between them

I judged that using all eight possible sets of comments would not add any more information. The comments are written and transmitted to the CEO within 14 days after each quarter break.

During the studied period there were organizational changes. In the first studied quarter 2002:1 there were 46 Managing Directors' reports and in quarter 2003:4 43. They represent in total 70 companies whereof 26 were exactly the same in the beginning and in the end. Managing Directors were also changed, four of them among the 26 identical companies. In conclusion, 22 companies had the same organizational status and the same Managing Director over the studied time period.

#### Processed Results

I started to read all the comments in Q 2002:1 and Q 2003:4 to find out how *capital* was managed; I have accepted comments about *inventories* as equal to *capital*. I categorized the reports according to the following criteria in two steps:

- Step 1: comments prepared
  - Comments, goal managed >> Step 2
  - Comments but no specific goal mentioned YES
  - Figures repeated but no comments NOYES
  - Nothing said NO
- Step 2: comments on goal achievement

- An explicit goal achieved YES
- An explicit goal not achieved NO

I performed the two-step procedure as I think “goal” indicates a stronger focus than just comments over all.

In table C02 the comments in the beginning and at the end of the studied period are treated according to the criteria. The comment frequency of *capital/inventory* is low both in the beginning and at the end of the period. If I remove the four companies where the Managing Director was changed during the studied period, the picture will not change. One has prepared a comment, one is commenting “goal achieved (NO)” and two of them are NOYES-speakers.

Table C02. *Type of comments of Managing Directors (46 and 43 observations respectively)*

Esti- mation	Comments on capital/inventory			
	2002:1		2003:4	
	Prepared	Goal	Prepared	Goal
YES	35%	11%	26%	2%
NOYES	4%		7%	
NO	48%	2%	60%	5%
<b>SUM</b>	<b>87%</b>	<b>13%</b>	<b>93%</b>	<b>7%</b>

I observed a wide range of both a formal capacity to formulate the message and to formulate the content of the message when reading the text mass, not focusing on *capital*. Not a few Managing Directors just repeat the figures and/or complete them with some formulations without meanings. Just few of them present explicit goals in which the achievements are mirrored, as seen in table C02. Some go even further giving comments about what to do to achieve or to perform even better in the future.

I have also processed the comments from the MDs of the 22 identical subsidiaries over the period. Only 14 MDs have given comments on all four selected quarters. The other 8 MDs have given oral comments (see interview with CEO later on). In table C03, the development of their comments during the period is shown.

Table C03. *The consistency of the comments over the studied period (subsidiaries with the same Managing Director)*

Comments prepared the first quarter	Comments over the period		
	Consistent	Mixed	SUM
YES	3	6	9
NO	3	2	5
<b>SUM</b>	<b>6</b>	<b>8</b>	<b>14</b>

The Managing Directors are not consistent in their comments over the period irrespective if they gave a comment or not in the first quarter report.

I have analyzed in all 185 reports. About 45% of them include comments of *capital or inventory*. Only five quarterly comments will meet the criteria-based

evaluated comments for the achievement of an explicit goal plus a comment about future development.

What was the result of the Time out concept in hard figures? It has not been possible to obtain a fair key capital figure for each subsidiary, as the official annual reports are just formal. Therefore I have used group figures. From the annual reports I have processed the figures of capital employed putting them in a relation to net revenues as shown in table C04.

Table C04. *Company A capital employed (CE) in relation to net revenue*

Financial year	Sales	Capital Employed	CE in % of Sales	Turnover rate of CE
	MSEK			
2000/01	2502	588	23.5%	4.26
2001/02	2360	589	25.0%	4.01
2002/03	2275	536	23.6%	4.24
2003/04	2210	513	23.2%	4.31

The picture does not show any essential development over the years. The net revenue has decreased during the period with a little more than 10 %.

Gson

I did an interview with Gson when I had processed the written comments. I did not mention anything about my findings beforehand but of course my questions are influenced by my knowledge about the case.

*Did the TMT formulate an explicit goal for Company A?*

“Yes, we have two goals formulated but this was done before the concept started up. Even more, the bonus for Managing Directors is linked to their fulfillment of the company goals which are the same as for the entire group.

*Has Company A achieved the goals?*

“Yes. Let me give you an example (a graph is handed over). We have focused on the development of the inventories. A special goal is ‘inventory <15% of sales’. When the concept started up we had a level of 16.5% and two years later we are at a level of 13.5%.”

*Are there guidelines as to how the comments will be written?*

“No there are not. We want freedom, which is one of our basic values. I do not read just the text but also what is between the lines. The Managing Director shows up, dressed or – undressed.

Perhaps there are some informal guidelines. We have said ‘not more than one A4 page’. We also said ‘be future-oriented in your comments’. And ‘focus on deviations’. But these are not written down. Not everyone will write himself. They delegate the task. Some phone or meet me to get oral comments if they prefer that. In all, I get the picture of the business reality according to the opinion of the Managing Director when ‘everyone is free to speak’.”

*Do you, or another person of the TMT, have a systematic dialogue or give feedback to the Managing Directors about their comments on economic performances?*

“No, not systematically. An ideal report says something I did not know. If I have not seen a report for some quarters from a Managing Director, I speak with him, of course.

My impression is that there are more comments today about *capital*. The comments on deviation are more frequent over all. But some Managing Directors still do not understand the purpose of the comments – they are careless. But I play much on the individual. To use a soccer term I accept ‘flyers’ but a Managing Director cannot be a ‘flyer’ whenever or wherever. I tolerate much if the Managing Director is a businessman with a good track record in terms of profit and growth.”

#### Kson

Kson has been with the company since 1985 and was appointed Managing Director eight months before the interview took place. He has shifted positions many times in the group and he has been the MD before.

Initially Kson said he has never heard about the Time out concept. When I mentioned something about the content, he knew quite well about that concept. The entire interview was then turned by my questions in the direction of the quarterly comments of Managing Director.

Kson is writing the quarterly comments himself. There is no manual but Kson has obtained some oral guidelines. They say, do not repeat figures and do not write “the business is developing well/poorly” but answer the question WHY. Kson tries to write about what is happening and is focusing on straight business. There has not been much about the future so far (just two reports are produced) but it will come. Kson will also write more about development projects. As there are group messages about increases in the profit margin, Kson will comment on that aspect even more in the next report giving the situation that the company is losing a very profitable agency.

The report concept is forcing Kson himself to think about the business more deeply. Therefore Kson will put even more energy in formulating his comments. Kson is discussing the content of the report with his chairman of the Board of Directors. But he has not so far got any feed back from the top. Kson had not thought about that until I asked the question. Nevertheless Kson has the feeling that his comments are useful for Top Management, as they do not know his business in detail.

The book-keeping system is very good so he knows today the result coming up at the end of the month, which is the end of a quarter. Kson has already decided on some comments in the report that will be prepared and delivered a month ahead.

As Kson has held his position for a short period, he looks at the comments as a “decision” he has to implement. Therefore he was ready to score on the decision. The relative low scores of implementation efficiency are an effect of lacking feed back and his looking for an appropriate manner to write his comments.

### Rson

Rson has been with the group for 25 years. When interviewing him he has held his new position as Managing Director for not yet a full year. Rson has one of the members of the TMT as his sounding-board.

I opened the interview asking if he was familiar with the Time out concept. Rson was not. As I told him about the content he answered “that is not anything new” and said spontaneously that the R/RK goal for a long time has been 45% “which is what we strive to reach”. The interview continued with focus on the quarterly comments. Rson is writing the quarterly comments himself. He is concentrating on just comments, not to repeat the figures, which are already in the hands of the group CEO. Rson also tries to give opinions about the future. He thinks that his comments are used mainly by his Business Area Manager as an input to his market over-look. There are no manuals or guidelines about how to write the content or its content. As he has been so long with the company, he does not need a manual himself “but perhaps newly acquired company Managing Directors would need a manual”.

Rson never gets a formal feedback on his comments from the group CEO, but the comments are discussed by his Board of Directors to be shared and approved. There is an advantage to be forced to forward quarterly reviews: Rson has to think over how the business is running and developing.

As Rson did not observe the Time out concept, he cannot say anything about the effects on R/RK development. But as it is such an essential key figure and the goal is out-spoken, he always focuses on the achievement of 45%.

Since Rson has been with the company so long he does not consider the quarterly comments as a “decision” but as an established routine. Therefore he was not ready to judge according to my scales.

#### C.2.10.4 Comments to respondent answers for decision 1313

Gson did not know anything about my processing results when I interviewed him. He had not given me any information beforehand about goals. My inspection of the annual reports shows just a slight increase in capital turnover. The Gson figures are much better. They are cleaned up in some manners to better focus on the business conditions of the subsidiaries. But they are of course comparable over time. Rson and Kson have no bonus agreement.

## **C.3 Presentation of data from Company Asub**

### *C.3.1 Specific information collection procedure from Company Asub*

When dealing with a decision case in Company A, I found a side track which led to a contact with the MD of Company Asub. I observed quite soon that I had to change the corporate perspective a bit in order to understand, according to my implementation model, the special conditions of decision implementation regarding this subsidiary. The following presentation complements the information given about Company A and it is arrived from special interviews.

The approach is equal to that of Company A described above. Four interviews with 3 individuals have been performed, concerning 2 decisions. Nobody that was asked for an interview has declined participation.

### *C.3.2 Business and organizational information of Company Asub*

Company Asub operates in Sweden on a mature market sensitive to business cycles. It is in business-to-business and the products of Company Asub are necessary parts of the “product package” to the customers. The Company Asub market is dominated by one actor with two others as runner-ups. Company Asub is one of them and it has around 50 staff members spread all over Sweden.

### *C.3.3 Respondent profiles of Company Asub*

In table C05, the respondent profiles are shown. My comments to the table are the same as those found in C.2.3. I just have to add that the CEO is substituted for the MD (of the subsidiary).

Table C05. Respondent profiles in Company Asub

Deci- sion	Respondent		MD Leadership style	Scoring				
	Nick- name	Posi- tion		Corp Culture	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
1331	Bson	DM	Value	4.0	3.0	5.5	4.0	3.0
	Fson	IMP	Political	4.5	4.0	6.0	5.0	3.0
	Lson	IMP		4.0	3.5	5.0	3.5	4.0
1333	Fson	IMP	Political	4.5				

### *C.3.4 Corporate profile of Company Asub*

Company Asub is an old company and has had many different owners over the years. The profit track record is not that good. Now “we are on dry ground and we are able to meet a business cycle decrease, as right now, with figures in the black”. Book-keeping figures representing real business in Company Asub are not available due to group policy. Orally presented information is the basis for my estimation that Company Asub has a three year profit as well as growth average around 0%.

### *C.3.5 Corporate culture of Company Asub*

#### Bson

It is an informal and flat organization with just one manager level between the MD and the subordinates. It is an open climate with a lot of personal relations. Sometimes there are problems with respect. The subordinates experience the culture as “restrained and miserly”. As our owner is a company on the Stock Exchange, we suffer from a “quarterly economy”.

The business culture is extremely customer-oriented, trying to build long-term relations. All subordinates are selling people. A service man will sell a new

product if that is a better deal for the customer than maintaining an old one. The rep is not involved in such a case. As a small company with people spread all over Sweden the phone is the normal way of communication, supported by our intranet. "The e-mails are almost killing us". There are no unions, which forces a bit of added work.

It is a sales-focused organization with traditional bonus benefits, out door kick offs, *etc.*, where ALL subordinates are involved.

#### Fson

We are a small company with short decision tracks. We are a tight team in which everybody "pulls at the same direction". Our business is tough; the product prices are the same as ten years ago. We are selling me-to-products so we must create relations with our customers. We really do. We are always available, day and night, working days as well as weekends. All people share the values and the culture. Our culture is characterized by professionalism and common sense but also by vulnerabilities in structural work.

The normal information channel is e-mails and phone calls. We are not so formal; letters or information papers are not frequent. The union activity is low and many are not union members. We have no formal bonus system but we use gratifications to sale reps. We do not hesitate to give feed back on poor performance, often with personal talks but also by e-mails.

#### Lson

We are a small, well-trimmed organization where everybody is very heavily occupied and stressed. We can manage it but it was better ten years ago. When we meet a little resistance it will stop! Many of staff members have been with the company for years and therefore they have a lot of experiences. New-comers are often confused as they are heavily occupied. We have had the same culture for many years. We help and support each other rather than compete: everyone for everyone. The profitability is in focus by giving all for our customers.

Our IT-system is old and often malfunctioning which obstructs the work to be done. We have a tough schedule to report but we do not get much feedback. Formal information by e-mail is overflowing, but is it relevant? Not much feed back from my boss regarding what he gets from the top. No problem to get support when you need it and ask for it. But there is a geographic and travel cost gap between Stockholm and Skåne. "We manage things ourselves here in Skåne".

### *C.3.6 Leadership style of Company Asub*

#### Bson

"I think I am a value-driven leader but I also give orders. I stop for values when I have to select just one style".

#### Fson

Very decisive that Bson is a political leader.

#### Lson

"I know him too little to have an opinion".

### *C.3.7 Decision 1331 Customer relations*

#### C.3.7.1 Background and actual situation of decision 1331

The biggest customer company, BATUNION, has a market share of 50%. The main competitor of Company Asub is very strong at BATUNION and Company Asub itself is weak. The case is about how to strengthen the customer relations between Company Asub and BATUNION.

Bson is the MD and decision maker while Fson and Lson are the implementers.

#### C.3.7.2 Decision Making Process Profile of decision 1331

##### Bson

I have had a clear picture for a long time: "We must improve our position at BATUNION, but how?" I had not found a good solution but I was informed that BATUNION was going to support their reps with PCs. I made a decision to create a CD with all technical information about the products of Company Asub. The information was designed exclusively from a BATUNION perspective. A special task force was created to "invade BATUNION from top to bottom".

##### Fson

We (that is our service and sales people) observed that the staff members of BATUNION contacted us more and more in different cases. We did not understand why. A simple investigation showed that they were not satisfied with their suppliers. BATUNION had these suppliers because the customers of BATUNION demanded it. I presented the situation to our Marketing Group, which is very close to the TMT, and we made a decision and we created a plan of action. The MD got a special support of 250.000 SEK from the Board of Directors.

##### Lson

We have talked about our BATUNION relations since I joined our company in 1985. I do not know if there is a specific decision. But we got a task to create a plan how to tackle BATUNION, so maybe we are a participator in the decision making process?

#### C.3.7.3 Implementation Context of decision 1331

##### Bson

There is a difference between the special task force (score 4) and other subordinates (score 2) "so I score an average of 3". The decision itself is simple but to some extent it is a complicated implementation situation. We do not know exactly which people we have to speak with of BATUNION. We have to anticipate some ripostes from our competitors when they become aware of our efforts. Will that be a price chicken race at BATUNION and/or at other customers? Remember that the market is mature with a long-term growth of just 2% a year and potential ups and downs regarding business cycle.

The special task force consists of two people. The MD manages them more or less daily and directly even if they are self-driven to a high degree. But other subordinates meet BATUNION subordinates and other customers daily, all over

Sweden, and how shall they act in all these different upcoming situations? Information must be general but action situational. "I worry about that".

Fson

It is not a complicated decision to implement but the logistics are crucial; if we get a strong response from our efforts with BATUNION, we must have a safe provision of components from our English supplier. Our people are well prepared to manage the project but it is necessary to prioritize the use of individual working time. There is a weakness in our salary system: some people have to work with this project and "they will not be paid for it", but in the long run it is good for everybody.

The action plan has a very evident goal: 10% at the BATUNION market within three years. That makes it easier for everybody to understand and prioritize. The special support from the Board of Directors outside the budget is also a driving force. A problem occurred when we put the plan in action: BATUNION has reorganized twice since then! There is a risk that our competitors will attack our other customers if we are successful in our BATUNION approach.

Lson

We must build relations, it is impossible for us to take a price fight. So, we have always tried to do so and we have a good and fair starting point. But there is a high risk that our competitors will make greater efforts against our other customers, mainly with the price, if we will be too successful at BATUNION and push them out. Nevertheless I am positive to our approach. "Trucknissarna" (nickname of BATUNION) change their overcoats with the change of the wind". BATUNION has always been "big and beautiful but now they have come down to earth". The changes within BATUNION have created new possibilities for us.

C.3.7.4 Implementation Profile of decision 1331

Bson

The goal was to increase the market share of BATUNION by 5 %-units within two years. The Board of Directors decided to support the project with an additional SP budget of 0.3 MSEK. The special task force has a very specific and clear task. The goal is well formulated. It is up to the special task force to use all its competence and find the right approaches. Sometimes the MD nevertheless has to "point with his whole hand" with regard to what to do. It is often a question of allocating enough personal time; 10% is said to be put into the BATUNION project. Other resources, 0.3 MSEK, are enough.

As said in the description of the context above, the main problem is the other subordinates; they do not have clear mission in the project.

Fson

The action plan is very clear with target groups, goals, resources, *etc.* Perhaps there is some weakness in the time schedule. I have responsibility for the project.

Lson

I do not know any specific goal but I have heard a figure of "some more millions". "I have not got any broken-down or detailed goals". As I am working on the after-

sale market, I am always available to serve them, even on Christmas Eve if necessary. We use the tagged 0.2 MSEK mostly for social activities in order to build relations.

#### C.3.7.5 Implementation Efficiency of decision 1331

The case is not yet fully implemented according to unified statements of the three respondents. Their judgments and comments must be understood under these circumstances.

##### Bson

“The special task force thinks the project is running well. I find it going too slow!”

##### Fson

“We are on the track to reach our goal but we have not been efficient enough.”

##### Lson

“I do not know how to judge Goal Satisfaction correctly as I do not know the goal”

#### C.3.8 *Decision 1333 Save money*

##### C.3.8.1 Background and actual situation of decision 1333

When the interview of decision 1331 was to be concluded, Fson spontaneously said: “I have an example ...”. Even here he has the role as the implementer.

##### C.3.8.2 Opinions on decision 1333

##### Fson

As no formal interview was carried out, the spontaneous opinion is just cited here. “If a TMT decision shall ‘go through’ people must understand the meaning of the decision. This is Alpha and Omega. Eson has gone out with a message that we must save money. As we mainly are a sales company (our manufacturing just put components together) the only way to save money is to fire people and sell less. Obviously, key figures as the net sales margin are more important than growth, perhaps leading to a slightly lower net sales margin on a bigger sale volume!? I do not understand that kind of philosophy – 6% of 60 MSEK gives 3.6 MSEK and 5% of 80 MSEK gives 4 MSEK. I find it very difficult to implement such a decision. Besides, I do not like the transmission of the decision. It came as an e-mail, like an order. If the decision had been transmitted through a personal contact, it had been possible to react, to have a dialogue. And my opinions given here could have been discussed. I do not think that the ‘order’ would have been withdrawn but perhaps modified.”

##### C.3.8.3 Comments to respondent answer on decision 1333

Fson’s body language said that he was not ready to implement the decision, at least not immediately. I got the impression that he was going to discuss his perceived consequences of the implementation of the decision with Eson.

## **C.4 Presentation of data from Company B**

### *C.4.1 Specific information collection procedure for Company B*

I got permission to look at the TMT minutes of meetings from which I selected 3 decisions, using my experiences from the earlier interviews in the other companies. That means that I selected one decision affecting almost all staff members and two strategic decisions with impact on the future business. The CEO had no objections to my choice and helped me by pointing out staff members to interview.

The interviews were carried out starting in November 2004 and continuing for three months. Nobody that asked for an interview has declined to participate. I have met out-spoken people that were easy to understand and ready to give the personal opinions.

### *C.4.2 Business and organizational information of Company B*

Company B is operating in the consultant marketplace specializing in manufacturing companies with a need for advanced technical product development. Company B has offices all over Sweden but it has customers in the entire Nordic area. Company B has gone through a trial by fire during the last 18 months due to figures in the red that were caused by overcapacity in a declining marketplace.

The group is organized in a parent company (without any operations), a couple of companies and a subgroup of small companies dealing with special business segments. The Top Management Team consists of the CEO, the Managing Directors, the Specialized Business Area Manager, the CFO and a Senior without portfolio, in total 7 persons. Economic functions are centralized but the HQ is slimmed. The role of trade unions is traditional according to laws and history.

### *C.4.3 Respondent profiles of Company B*

In table C06, the respondent profiles are shown. During the interviews about decision 2302, it was clear that the decision in some aspects contained two sub-decisions. Therefore you will see it managed accordingly. Decision 2303 was selected as I got the information that the implementation was going to start. It was interesting for my research to follow a decision “just when implementation was happening”, which could add new aspects to the study. However, the implementation decision was not made, so it was impossible for the potential implementers to score. Nevertheless, I received valuable orally information.

### *C.4.4 Corporate profile of Company B*

Company B was bought out from the Stock exchange during the autumn of 2003, when my Step I was passed, after some years there. The three years before leaving the Stock exchange, the profit average has been 0% but the average growth is 13% a year. The profit the last 18 months after the buy-out has been negative but not

communicated as it is privately owned. Company B has now overcome the capacity problems and is looking forward to profitable business.

Table C06. Respondent profiles in Company B

Decision	Respondent		CEO Leadership style	Scoring				
	Nick-name	Position		Corp Culture	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
2301	Sson	DM	Political	2.5	3.0	3.0	3.0	3.0
	Tson	DM	Value	4.0	1.0	1.0	1.0	1.0
	Xson	IMP	Directive	4.0	4.0	3.0	3.0	4.0
	Yson	IMP	Directive	3.0	3.0	2.0	1.0	1.0
	Zson	IMP	Directive	2.0	2.0	4.0	2.0	3.0
2302:1	Tson	DM	Value	4.0	5.5	6.0	6.0	6.0
	Vson	IMP	Value	3.5	4.0	3.5	4.0	3.0
	Yson	IMP	Directive	3.0	1.0	1.0	4.0	3.0
	Zson	IMP	Directive	2.0	0.0	0.0	0.0	0.0
2302:2	Vson	IMP	Value	3.5	4.0	3.5	5.0	3.0
	Yson	IMP	Directive	3.0	1.0	1.0	1.0	0.0
2303	Sson	DM	Political	2.5				
	Uson	DM	Value	6.0				
	Aberg	IMP	Directive	4.0				
2304	Aberg	IMP	Directive	4.0	4.0	4.0	5.0	6.0
	Bberg	IMP	Directive	2.5	6.0	6.0	5.0	6.0
	Cberg	DM	Value	3.5	4.0	5.5	5.5	4.5
2305	Uson	DM	Value	6.0	5.0	4.5	5.5	4.5
	Bberg	IMP	Directive	2.5	6.0	6.0	6.0	6.0

#### C.4.5 Corporate culture of Company B

##### Sson

The companies are allowed to develop their own cultures. It means that there is a wide range of sub-cultures from a group perspective. The CEO tries to implement a “collective compass heading” among the set of motley sub-cultures. One key word is “cutting-edge competence”, another, linked thereby, is “specific value for individual customers”. During the last years, we have had a tough journey: figures in the red, fired staff members, re-organization of business and companies. But now the puzzle pieces are falling in place. We have seen, through investigations, an increased staff member satisfaction index.

The communication climate is good. Our intranet gives possibilities to exchange information within the entire group. It is used frequently. We have a positive attitude to trade unions. The staff members are organized in a majority but they have not created a local organization. We hope they will do this.

##### Tson

The group is just now between two cultures, the old one characterized by decentralization and the new one characterized by cooperation. There are pros and cons for both but the biggest risk is that it takes too much time to establish the new

culture. There is an internal resistance against the shift and the customers feel this: “sometimes we do not make decisions as quickly as we did before”. The group is going from an entrepreneur-driven to a staff member-driven organization. The past years with a profit problem have led to short term decisions and the avoidance of inconvenient decisions.

“10 to 15 years ago the individual was in focus. Now a lot of potential staff members are knocking on the doors so we are more focused on competence from a customer perspective.” There have been low salary increases, so it is easier for the customers to buy out a consultant with the lower salary. The consultants have an excellent tool in intranet for dialogues and problem solving.

#### Uson

We have a culture under change. Earlier, every single company did their own business. Now we have a focus on cooperation, but decision making is still where the business takes place. Cooperation is essential in order to improve the optimal covering rate of the consultants (the benefit side) and to be as cost effective as possible (the cost side) with, for instance, information and book-keeping systems.

The new culture demands a higher degree of close follow-up. This control is sometimes experienced as if the bosses are poking in details. Communication is quite top-down and the reverse, but less intensive, side to side. “As a metaphor, we have come about 30 meters in a 100 meters race; that is, up to the long jump pit”.

#### Vson

The climate is open both now and historically. It is OK to raise controversial questions and we are stimulated to dialogue. But there are differences between the companies, depending mainly on leadership styles. So far, the single company has operated on one’s own record, but now we are trying to create a cooperative culture based on our four E core values: entrepreneurship, ethics, engagement and evolution. One aim of this culture is to catch a potential customer even if “my company” is not the right one. “We are a few steps on the way”. Everyone understands and to a certain extent supports the culture but everyone does not “buy” decisions made in this spirit.

The well-working intranet is an important part of exchanging information. The TMT is not yet a team but on the track to be a team. The position of trade unions is not strong but it differs among the companies.

#### Xson

A characteristic of Company B is decentralization. This means guidelines and directives from the top but business decisions made by them who know the marketplace. The other side of the coin is a weekly reporting of charged time and available but not used time. The Top Management knows therefore exactly how successful the business is running.

The climate is open. We try always to be straight and clear. Our consultants look at the customers as “they, and only they, are paying our salaries”. Therefore the consultants are aware of the importance of our customers giving us “long ears”.

The intranet is our main and almost only communication channel. It is an arena for both business communications and social dialogues as far they are not too extensive. So far, we have not been drowned in the information flow; putting a technical question on the intranet results in immediate response.

The strength of trade unions differs between the companies but over all we have good connections. There is a group forum of trade unions' representatives where Top Management can discuss common group items. Economic incitements are used but they are double-edged so we try to avoid them. Poor performance is managed immediately by correcting the individual in question in order to prevent a repetition. The decision making close to the customers is the strength of our culture. The individual company is well known by the customers but the group is not. That is a weakness.

#### Yson

The staff members are committed and competent. We are ready to make quick decisions regarding structure, customers, *etc.*, but we often discuss the small things, not the important! Many things fizzle out. And we are often too short-sighted in our decisions: the covering rate of the consultants is always in focus and that casts a shadow on everything else.

We are geographically spread in small units, which causes "a culture of we do it our way". The advantage of this culture is a close handling of all customer-related possibilities and problems. But we are changing now into a culture of cooperation without losing the closeness.

#### Zson

Over all, we have a culture that is changing. We have started in a position where we had a company culture but not a group culture. Our new CEO is implementing a group culture of openness and cooperation between top bosses and group companies as well as internally in the companies. We are on the track but there is yet much to do. We have gone farthest at the top level.

The openness has at least two dimensions, geography and competence. It will also lead to a higher degree of mobility among the staff members: there will be a new, interesting job to find in another company when someone leaves that company. We have some basic beliefs, the four Es. "I can just remember one of them which indicates that they are not a part of our working days". We also have a new concept, TEMPO, which is living its own life without links to the four Es.

The communication in the group is growing depending both on the openness and the intranet and the IT system "perspektiv". 60% of the staff members log in every day on "perspektiv" but the goal is 90%. Some people are confused about some elements in "perspektiv", mainly the personal declarations of how you feel today. "What is the purpose of answering such questions?" Many staff members still think that communication is a managerial responsibility but the attitude is changing.

We are not very good at paying attention to good performances, but the opposite applies.

### Aberg

The culture of our company has changed a lot since we got a new CEO. Earlier we were a cluster of companies, now we are a group characterized by analytical thinking: this is the market and what can we do to explore it? We decide on big issues when we have done our homework. That does not mean that we do not make quick decisions, too.

We are ready to change as the world changes. We are flexible. Our CEO is charismatic in a positive way but there is no runner up. So we live a bit dangerously; what happens if our CEO is not there? We are so dependent in him. "We have four basic beliefs. They are ethics, emotions ... and, yes, I do not remember the other two." But what we are most aware of is "How do we earn money?" The four Es are used now and then but they do not influence daily work.

TMT cares about the staff members. On lower levels we also take care of each other. On every 4<sup>th</sup> or 5<sup>th</sup> month, we conduct a staff satisfaction survey so we always have a good indication of the mood of the staff. We have an open communication supported by our intranet. It is harmless to say what you think.

### Bberg

Our business climate is "from hand to mouth". We work so much at the offices of our customers and in their culture that we almost forget our own culture. That sometimes causes loyalty conflicts like coinciding meetings. Some staff members say that they feel more for the customer than for our company: "remember who is paying my salary".

The individual consultant, not the company, is demanded by the customer. That means that two competitors will use the same person. Therefore we have high ethical standard saying that we must be very careful not to bring secret knowledge among competitors. The climate is very open. A consultant can always search for support and solutions in our intranet. Everyone is ready to contribute. Our new CEO has an open door policy. Nevertheless, only a few take the opportunity to communicate directly with him.

Since we left the Stock Exchange, we focus on what we are here to do and not on satisfying of the needs of stock market analysts ("prognosis, moving comma signs and flashing presentations"). Our culture is to create relations with our customers, to deliver on time and what we have promised. This is disturbed when the profit is under pressure; we get directives from the top how to act.

### Cberg

I have constituted four key culture elements, the four Es. Expertise stands for not only a competent (theoretical and practical) person but also a person with capability to implement and to cooperate with others. Engaged is the second: taking responsibility not only for her/himself but also taking care of job fellows and customers. Evolution means an ambition to make things better, not to be satisfied with "this is good" but to improve. Ethics is the fourth element and it means to stand up for what we are saying, a handshake is an agreement.

We have gone a bit along the road. "I try to be a figurehead, to live as I learn. My job is to promote our culture". The new culture is a break from independence

(in a subsidiary perspective) to customer-driven action and internal cooperation. It is possible and allowed to build subcultures in the subsidiaries but they must be a subset of the group culture.

“I hope that the new culture will create a sales and winner climate. I also hope that the staff members will look at themselves as cathedral builders and not as stone-cutters.”

#### *C.4.6 Leadership style of Company B*

##### C.4.6.1 Respondent views on Leadership style of Company B

The evaluation of leadership styles is shown in table C06.

##### C.4.6.2 Comments to respondent opinions on Leadership style of Company B

There have often been “pros and cons” when the respondents have had to decide. But they have come to conclusions without too much hesitation. I have not scored lower than 5 when judging the credibility.

#### *C.4.7 Decision 2301 Customer Account*

##### C.4.7.1 Background and actual situation of decision 2301

The TMT decided to introduce a Customer Account Concept (CAC) as a new element of the corporate culture supporting internal group cooperation. A single staff member of any company takes responsibility for a specific customer. The goal is to satisfy the customer’s consulting demand by using the competence of the entire group.

The implementation has gone on for more than one year when the interviews are carried out. Sson and Tson are members of the TMT but also as Managing Directors of companies responsible for the implementation in their companies. Xson is deputy Managing Director of a company and he has the executive responsibility for the implementation. Yson and Zson are consultants and implementers, “front soldiers”.

##### C.4.7.2 Decision Making Process Profile of decision 2301

###### Sson

The idea has been on the agenda for a long time. When trying to find the answer of the question “Why will we be a group?” we found that we could offer our customers more than what the individual company is able to do. Therefore there is a need for a systematic approach, an organization. “The ring was raked” (direct translation from the Swedish sentence *Manegen var krattad*; that is everything was ready). Even before the decision in the TMT, the process was going on. “I cannot remember who the initiator was but it does not matter, we were prepared and the decision was made unanimously”.

###### Tson

The concept had been discussed now and then. The TMT made a decision to introduce the concept. We had no investigation, just the idea. Before

implementation it was necessary to develop a manual. It was done by an external supplier. The manual became very complicated and bureaucratic.

Xson

“I was not involved at all in the decision making process”

Yson

There has been a discussion during the past two or three years. I have not been involved. Then there suddenly was a decision.

Zson

“I was not involved until we had a sales conference where we were briefly informed about the concept. Perhaps I had gotten a hint before about what was going on.”

C.4.7.3 Implementation Context of decision 2301

Sson

“The concept fulfils two functions, clarity to the customer and internally to develop and maximize the individual customer business”. As we have been in the process of implementing CAC, it was just to continue. We have a few so to say VIP customers and they were selected easily. But to collect supplementary information about and from them was a protracted job as the task was “another one upon all others” according to CAC opinions. But we met the time schedule and we are on track.

Tson

It was very easy to identify a set of customers as a target group. The responsible consultants were also easy to point out. But as the manual was not that well suited, the implementation context over all became complex.

Xson

The customers often did not know the entire range of our group consultant services. Therefore they have used other consultants. Our consultant service users are normally people in “the middle of the organization”. Some of them were disturbed when we approached the Managing Directors in our selling efforts.

I think that the customers have not been affected that much by our concept. They have always been provoked by our efforts to sell even more consultant services. The customers like having just one group contact person, the CAC. The consultants got the CAC task on top of other tasks. We received a few reactions but most of them are positive.

Yson

When we started there was no manual available so far as I know. However, my boss knew the aim of the concept so we started to select customers and decided jointly on the appointment of persons responsible for the CAC. I got the two customers I wanted. I was also appointed member of two CAC teams. The manual arrived later and it is instructive but we have not followed it.

#### Zson

My appointment as responsible for the CAC of a big customer was not surprising. We had already a close relation. My customer used other consultants in areas where we have competence so there was a possibility. But the main problem was, and is, that the CAC task was on top of all other jobs. Nevertheless, I thought it was an appropriate concept and I did my best.

#### C.4.7.4 Implementation Profile of decision 2301

##### Sson

I took care of the implementation in my company. Initially 7 of 15 team managers were appointed as CAC managers. No bad feelings were demonstrated by those not appointed, as the selection was done due to existing customer relations. No special benefits were given to CAC managers.

##### Tson

The consultants got their customer but the original idea of an individual benefit incitement was never put in action. The manual was also hard to understand and follow.

##### Xson

I got the task from my boss and written directives from the HQ. We had discussed the concept at a sales conference so I was aware of it. We identified a set of customers and the CAC consultants got one to three customers each. Today the number of customers had declined to nine distributed among five consultants. The reason for the decline is that we have learned something during 1½ years. The goals were formulated in the directives and I myself am responsible in our company.

##### Yson

No goals were formulated but over all the concept should increase the consultant coverage rate. I got my task and I knew what to do.

##### Zson

After the sales conference my boss and I sat down and discussed the approach. It was obvious that I would take care of “my customer”. But we were not agreed on the tools as we lacked guidelines. They arrived later. But instead of waiting for instructions, we started work. I did not formulate a specific goal but I was convinced of the benefit of CAC.

#### C.4.7.5 Implementation Efficiency of decision 2301

##### Sson

The results are so far not that impressive. We have to be patient. In a year the CAC will give us competition advantages and, as a result, increased sales figures.

The implementation process has gone quite well. It depends mainly on the fact that the concept was not new to us and even requested by some of our customers. But nevertheless it has taken some manpower from other tasks.

#### Tson

Starting up, there were about 40 customers. Today they have decreased to 20. The concept is still OK but the market has come loose which means that the concept is not so important any more for volume growth. The staff members were not that well managed in the concept. "You cannot climb a ladder in one step". That caused some bad feelings. So far there is no evaluation of volume effects.

#### Xson

We are on the track to achieve the goals but we are not yet there. It is very hard to convince a customer to abandon a well performing consultant of a competitor in favor of us even if we also are doing a good job. Our company has not put unimportant resources in CAC but has received just a few jobs linked to it. The entire group is coming out better. I think that it is necessary to evaluate CAC within a year.

#### Yson

"It is rolling on". I have got some cross-selling to one of my two CAC customers. In the CAC teams nothing has happened. The follow-up is not that good. We have a list of persons responsible for CAC and customers. It is not up-dated: staff members have left and offices are closed. There is no feed back about goal achievement. "If it depends on CAC or anything else, I do not know, but the internal cooperation has improved." We are tardy so I think it will take another year to focus on CAC. Just now we have a new campaign ("short take off 2005"). "We act like a fire brigade on quenching fire." "CAC takes efforts but is not cannibalizing."

#### Zson

We have so far not received any cross-selling. One reason is the price level. Big customers have price advantages in our agreement. Therefore other group companies get higher incomes from other customers when the consultants are fully occupied. But my customer today knows the entire group competency very well and my customer now asks me first of all when something is coming up. Nevertheless there is cloud in the sky: my customer has signed a frame agreement with one of our competitors. To conclude, even if we so far have not get that much out of the concept, we are well prepared for next demand decrease which will come now or then.

#### C.4.7.6 Comments to respondent opinions on decision 2301

Tson was very decisive in his judgments but I felt that he was low-rating all-over because he had a preconceived opinion based on the design of the manual.

#### *C.4.8 Decision 2302 Phone cost reduction*

##### C.4.8.1 Background and actual situation of decision 2302

There exist three sister-groups of companies since the buy-out from the Stockholm Stock Exchange O-list. One of them had negotiated and implemented a new phone cost agreement with a supplier. The TMT in Company C made a decision to hang on the existing agreement. Some elements of the decision are cited here in translation:

- the agreement with the supplier is signed immediately (a)
- the prefix to be used when dialing private phone calls and the private invoices will be sent to home address (b)
- the decision is implemented as soon as possible with an individual company time schedule (c)
- the MD appoints a phone coordinator of his each company as soon as possible but not later than May 6 (d)
- Vson designs a phone policy, dead-line May 31 (e)

Three months later Vson reports (a) and (d) are completed and (e) on track in cooperation with the supplier. No more reports are to be found up to the end of the interviews 12 months after the initial decision was made.

The agreement has two parts. The technical solution to reduce company phone costs is easy to implement. The other part aims to differentiate business and private phone calls on mobile phones. The solution is to use a prefix for private calls. This arrangement is motivated by a personal tax risk for private calls paid by the company but also because the company strives to cut costs over all.

Tson is decision maker in TMT and implementer in his company. Vson is investigator in the decision making process and coordinator during the implementation. Yson and Xson are implementers affected by the prefix solution as they are mobile phone holders.

#### C.4.8.2 Decision Making Process Profile of decision 2302

##### Tson

The push to make the decision came from the owner's side. When we put the question on the TMT agenda there was well prepared basic data showing a potential cost cut of at least 10%. So it was easy to make the decision.

##### Vson

Our sister groups had got a cost cutting agreement with the same supplier as we had already. They contacted us and we together conducted an investigation showing a potential 17% cost cut. The solution was presented in the TMT and the decision was made according to the proposal with one exception: the TMT members were not included in the division between business and private mobile phone calls by using a prefix. All their calls should be managed as business calls. The exception was not written down in the minutes. The change of practice regarding private calls was not anchored among the staff members beforehand, neither directly nor through trade union negotiations.

##### Yson

I have heard about the discussions but I was not involved in the decision making process.

##### Zson

"I have not heard about the decision."

#### C.4.8.3 Implementation Context of decision 2302

##### Tson

I think it is an easy decision to implement. It is well defined.

##### Vson

The decision itself is not complex. But our supplier is involved in the implementation. And the decision affects the private sphere, the staff member will receive an invoice to their home address. Not all of them are happy with that as they will have to explain certain phone calls to their husband/wife.

##### Yson

No problem to implement the company part of the new deal. We have only two personal mobile phones here, just me and another consultant. The rest of the team uses a phone from the pool when they have a need. So regarding the prefix part of the decision, it is not a big deal for us.

##### Zson

“I have not been in touch with the decision, not even the prefix case when you ask me specifically about that.”

#### C.4.8.4 Implementation Profile of decision 2302

##### Tson

There is a person responsible for IT matters in every company that takes care of the task. In our company I have appointed a staff member.

##### Vson

The implementation task was divided between the supplier and the company. The implementation took place during the summer, which caused some disturbances in the coordination of the activities. As an example, the supplier addressed a letter to the home of staff members without the company knowing about it.

##### Yson

We had a quite intensive discussion about the prefix. We had the impression that it was a proposal, not an order. We did not find the motives strong enough to introduce the prefix. We have not received a prefix to use. No decision was made in our company. After the discussion I have not heard anything more. Half a year has past since then.

##### Zson

“As I said, it did not affect me”.

#### C.4.8.5 Implementation Efficiency of decision 2302

##### Tson

I think we will reach group goal satisfaction. So far we have not implemented the privatization in my company but I do not see any problem as we have quite few mobile users.

##### Vson

I should have used more time to push and support the companies. I could also have sent a letter to all staff members about the privatization in order to inform in

the same way using all arguments for the change. Some of them have been badly communicated. We have a plan for follow-up. I think we will exceed the cost cut goal.

Yson

The cost cut was already done by us so that is quite well implemented. The prefix is not implemented at all.

Zson

“As I said, it did not affect me”.

#### *C.4.9 Decision 2303 Group Q-system*

##### *C.4.9.1 Background and actual situation of decision 2303*

I observed in the minutes of meetings of the TMT that the question of a group joint Q-system was discussed a couple of times. I got the feeling that there was a resistance in the organization so I decided to look at the case.

I have the following picture of the procedure. There are different operating quality systems in the group. The CEO initiated a principal investigation of a group joint Q-system, which was presented at a TMT-meeting. The TMT decides with an unclear formulation “principally, we are looking in the direction of a group quality system. A group survey of the state of the art will be carried out ... and will be reported at the next sales conference”. Voting was organized some months later on the intranet giving a majority for a joint group Q-system. The TMT made a new decision to carry out an even more detailed investigation with the CEO as the responsible person but without a time limit.

My interviews were done 3-5 months later. A follow-up phone call was made a year after the first interviews in order to get an actual picture of the case. Sson and Uson are decision makers while Aberg is the implementer.

##### *C.4.9.2 Decision Making Process Profile of decision 2303*

Sson

Our company is running an ISO-system for the past couple of years. Our experiences are good. We are ready to share our experiences with the rest of the group. Our Quality Manager is involved in the on-going investigation. We think that a group Q-system is favorable in terms of cost effectiveness and knowledge sharing. But we have to overcome the fact that some managers do not see a quality system as a business tool. For us it is important to get a decision as soon as possible. We hope that it will be an ISO standard. But we do not know when such a decision will be made.

Uson

We have not yet made the final decision about a group Q-system. The question was discussed at a sales meeting half a year ago. The companies that have a Q-system demanded a joint Q-system. The others were not interested in being forced into a system, as their customers do not demand a Q-system. The quality maturation is high even if a formal Q-system does not exist.

There was a TMT decision to make an investigation about a common Q-system. It is still running. The investigator does it as a side job and he offers as much time as he has available. There is no timetable for a report but “I think it will come soon”. “I suppose it will contain a C/B analysis”. All together, the way we are handling the question indicates that it is not so important.

It will take time to implement a common Q-system, if there will be a TMT decision. “I will give it a 30% chance that we have a Q-system at the end of next year” (that is from the interview event 23 months ahead).

A year later Uson says that the TMT has understood that the consequences of one common quality system are extensive in terms of customer relations and internal costs. “Therefore, we have decided to implement a selected Q-system as a first step in just the parent company and then we have to decide if we go further on”.

#### Aberg

At our latest sales conference, we spoke a lot about the Q-system. Someone had got a task to map the quality system in our group. We got a survey report. We decided not to make a decision now and there. The CEO should ask some questions on the intranet about a joint Q-system of the group. The answer was a huge “yes” majority. We will have a new sales conference within two months and I expect a report. I am convinced that the decision will be a group joint Q-system. But it will take time to implement, probably more than one year after the decision is made. From the customers’ point of view, it matters of course to have a Q-system but it is not necessarily to be certified.

A year later Aberg does not know what has happened. At least no Q-system has been installed. He has heard that investigations are running but he has not heard anything about a decision. He is not convinced that a decision will come about a group Q-system, as it is difficult to calculate a pay off.

#### C.4.9.3 Comments to respondent opinions on decision 2303

Uson and Aberg (Sson has not been available) differ in the level of actual information when they are contacted a year later. They also have more divergent opinions about the case then, probably because the case is delayed.

#### *C.4.10 Decision 2304 Human resource committee, HRC*

##### C.4.10.1 Background and actual situation of decision 2304

The minutes of the TMT meetings show that the question of a HRC was on the agenda a couple of times until a decision was made saying that “the representatives of the staff members get a task to design a proposal for the implementation of a HRC and to clarify the legitimacy of a HRC”. The implementation of a HRC was on-going without any further decisions noted in the minutes but with reports from the CEO coming up and noted about the state of the art. When the interviews are carried out, a HRC is in operation.

Aberg and Cberg are representatives of the staff members but also members of the group Board of Directors as trade union representatives while Cberg is the

CEO. The double roles of Aberg and Cberg should be kept in mind but in a HRC context they represent all staff members irrespective of the memberships in trade unions.

#### C.4.10.2 Decision Making Process Profile of decision 2304

##### Aberg

“I cannot even verify that such a decision is made!” As I remember, the process to establish a HRC was started even before we got a new CEO. But he took over and pushed the process. He was, and is, keen to have good relations with staff members through trade unions. As a colleague and I were members of the Board of Directors we got a task from the CEO to design an arrangement. So we did this and our proposal was accepted.

Our proposal was quite clear that a HRC should have no formal status regarding MBL, which the CEO initially wanted. But we meant that the negotiations according to MBL must be carried out in the subsidiaries. A HRC should be a forum for discussions in early stages and testing ideas. So it was.

##### Bberg

There was a decision made to implement a “consultant time bank”. The decision was made without sufficient discussions between the CEO and the representatives of trade unions. So we proposed that the CEO set up a HRC to avoid such situations in the future. Our proposal was received in a very positive manner and the decision was made quite soon.

##### Cberg

My basic belief is that there will be group advantages if we have a close cooperation with the trade unions. That was my experience from the company I managed before I was appointed CEO. We had a committee. Therefore I wanted to create such a committee at the group level. My proposal was well received by the TMT.

#### C.4.10.3 Implementation Context of decision 2304

##### Aberg

There were some complications regarding roles, demarcations and formal handling around trade unions, representation in the Board of Directors, MBL and the status of a HRC. The representatives of staff members and the CEO discussed and solved the problem in a good atmosphere.

##### Bberg

There were two alternatives for organization of a HRC. To avoid a too large committee we preferred representation from every company, that is,  $5 \times 2 = 10$  persons. If we should have representatives from every office, there would have been a number exceeding 20 persons. A HRC does not include employer people. A HRC has no decision capacity. It does not take over any of the trade unions' negotiation rights. It is just for communication with the CEO as a sounding board. A HRC can also raise questions itself. This design is decided in an agreement between us and the CEO.

Cberg

The proposal to create a HRC was more or less foresighted as the staff members knew my record. Perhaps there was not at first a concordance of opinions between what TMT intended and staff members wanted. I was keen to start immediately even if the system and the structure were not designed. That had to be done during the on-going process.

C.4.10.4 Implementation Profile of decision 2304

Aberg

The representatives of staff members got the task to implement the proposal upon which the CEO had agreed.

Bberg

As we totally agreed upon the organization and the task there was no problem at all.

Cberg

In my opinion, it was very clear!

C.4.10.5 Implementation Efficiency of decision 2304

Aberg

There were initially some mistakes done but now it is running excellently.

Bberg

Everything went very well, just a communication fault around the handling of a salary principle in the beginning. We have established the routines.

Cberg

The HRC is running better than my expectations. But I have missed a bit about communication due to lack of time.

*C.4.11 Decision 2305 Accounting for working hours*

C.4.11.1 Background and actual situation of decision 2305

A decision in the minutes of meetings is formulated “we make weekly reports of working hours and we do it using a new IT module, PX”. A month later the minutes note, that “the decision about PX stands good”, supplemented with some information about the responsibility of the costs for education and installation. Some weeks later on, a couple of questions about details are solved and decided.

The decision does not affect the routine for the collection of data about working hours to invoice the customers. Uson is an implementer as consultant but also chairman of a trade union and Bberg is a decision maker, member of the TMT.

C.4.11.2 Decision Making Process Profile of decision 2305

Uson

There was a two-step-decision. First, a decision was made to collect information once a week in stead of once a month. The consultants did not like it because they had to use fax or letter, with many of them sitting at the offices of the customers.

The idea came up to use our IT system. I cannot remember who came up with the idea. Perhaps it was formulated as a request. But so what, we liked it. And the decision was made quickly.

Bberg

We have a Business Administrative System, BAS. Earlier, we collected information about the working hours of the consultants by using pen and paper. It was possible to use BAS for that purpose too. So we decided to collect information using IT. The decision was made over the heads of the consultants.

C.4.11.3 Implementation Context of decision 2305

Uson

The system itself was very easy to implement. The consultants were familiar with the basic system. But they still think that once a week is too often to give this information. "It takes customer time". They have not understood the aim of weekly collection. So the implementation context was a bit complicated.

Bberg

As the consultants got a system they had demanded it was no problem to implement.

C.4.11.4 Implementation Profile of decision 2305

Uson

It was just an order to fulfill. Quite clear. And so we did it.

Bberg

It was decided that from a specific day everybody had to register the working hours in the IT-system.

C.4.11.5 Implementation Efficiency of decision 2305

Uson

Some of the Managing Directors have not used the information for follow-up and feed back well enough.

Bberg

Today the entire system works very well and the consultants are satisfied. Of course, we check if the hours are registered and send a reminder if they are not. But I do not hear any complaints about it.

## **C.5 Presentation of data from Company C**

### *C.5.1 Specific information collection procedure for Company C*

The CEO of Company C was very positive to my research but had to decline to participate due to "too much to do". As I was generally lacking enough information in the down-up perspective in other studied companies I once more contacted the CEO nine months later. I asked about the possibility to interview the chairmen of the four trade unions working in Company C and there was no problem to do so. An e-mail from the CEO including a short presentation of my

research, prepared by myself, was sent to them. A couple of days later I phoned them to agree about an interview. At the same time I asked them to think over one well and one poorly implemented decision according to their personal experience and opinion.

The interviews followed the prepared check lists starting with corporate culture and leadership style. Then the two decisions (“well and poor”) were proposed for the continuing interviews without any remarks from my side beforehand in order to avoid bias in any dimension. The respondents had prepared themselves quite well and the selected decisions were all used for further gathering information.

After these interviews, I find out that it would be very valuable if I could get the CEO to give his view on some of the cases. He was kind enough to accept my proposal and an interview was carried out where two decisions were selected by me. Quite frankly, I just decided to select the most successful and the most complicated decision according to my opinion after the interviews with the chairmen.

The interviews were carried out over a period of 2 months.

### *C.5.2 Business and organizational information of Company C*

Company C is a manufacturing company with a limited product range. It is a sub-supplier of sophisticated technical business-to-business solutions. The main market area is the European countries. A few years ago a European manufacturing company was acquired. Company C is organized in subsidiaries but is now under re-organization into business areas. The HQ is situated in Sweden. Company C has some 300 employees. As a manufacturing company there is a tradition of strong trade unions.

### *C.5.3 Respondent profiles of Company C*

A summary of the respondent apprehensions is shown in table C07.

Table C07. Respondent profiles in Company C

Decision	Respondent		CEO Leadership style	Scoring				
	Nick-name	Position		Corp Culture	Impl Context	Impl Profile	Goal Satisfac	Proc Efficien
5401	Mson	IMP	Directive	4.5	5.0	6.0	5.0	5.0
5402	Mson	IMP	Directive	4.5			(0,0)	(2,0)
	Qson	DM	Value	5.0	1.5	5.5	5.0	1.5
5403	Nson	IMP	Value	4.5	6.0	6.0	6.0	4.0
5404	Nson	IMP	Value	4.5	4.0	6.0	6.0	3.0
	Qson	DM	Value	5.0	5.0	6.0	5.0	5.0
5405	Oson	IMP	Value	4.5	4.0	5.0	6.0	6.0
5406	Pson	IMP	Value	4.8	5.2	5.2	5.1	4.5
5407:1	Pson	IMP	Value	4.8	5.5	5.5	0.5	5.0
5407:2	Pson	IMP	Value	4.8	5.5	5.5	0.5	0.5

All respondents are males. The chairmen of the four operating trade unions and the CEO are interviewed. The chairmen have all been with the Company C for more than ten years.

The respondent wanted to score in two different aspects of decision 5407. Therefore this decision is split in two parts. One respondent declined to score some variables in decision 5402, where there are missing values. He also estimated the implementation efficiency of a cancelled decision. Therefore these scores are placed in parentheses.

#### *C.5.4 Corporate profile of Company C*

Company C was founded by an entrepreneur and was introduced on the Stockholm Stock Exchange O-list about 15 years ago. The sales figures the last three years, including 2003, have been established on a 15% lower level without any yearly growth depending on the market stagnation of their customers. The profit has been negative one year but it has definitely been on the positive side for the last two years without reaching the high level of five years ago.

#### *C.5.5 Corporate culture of Company C*

##### *C.5.5.1 Respondent views on corporate culture of Company C*

###### Mson

“The founder is still living in the walls”. Everybody can enter the room of the CEO for a talk. People go to their jobs with pleasure. It means also that people will be supported if they have problem.

We are strong in product development. We have distinct management by bosses with individual freedom to act. But the over all strategies are not known. We do not know where to go. We have an over all shortage of communication. The trade unions are not represented at TMT meetings. It is “the secret group” but is nowadays more harmonious; earlier there were subgroups within the TMT. There is a continuous demand of reports but we do not get feed back. “We are supplying figures but we do not understand how or for which purpose they are used. There is no analysis of cause and effect.”

###### Nson

It is a very soft company, sometimes too soft, certainly in employee questions. There is still a lot of patriarchal culture in the walls but the new CEO has other values “coming in from Europe”. Nevertheless he also cares for the staff members.

We have almost a monopoly market position balanced by very tough customers. It means that we can work systematically without “the pistol to the head”. Sometimes we launch solutions, which are not ready for manufacturing. Then we get quality and delivery problems. In the factories we now have “teams” and no “cells”.

The information works but could be better. We have no groups or committees for dealings but the formal negotiations work quite well.

### Oson

“It is a nice little company”. The company has a strong history and there is still influence from the founder in spite of a development from handicraft to engineering and automation, from manufacturing to marketing focus, from good profitability to crises to unsatisfactory profitability.

There is a gap between the blue and white collar employees but the cooperation between the trade unions is quite good. The loyalty of the staff members is strong; no problems with overtime or changed working hours if there is a need. But as the white collar employees are mainly in the age range of 40 to 50 years, and this job is their first one, there is a skepticism of change. It is not impossible to change but it takes time. This situation could have been better if we knew more about the future, not about the details but about the direction. Communication between the Top Management and the staff members exists but is not systematic and it sometimes lacks substance. At the office, everybody has an IT terminal but not in the factory. An IT terminal in the pause rooms would have provided a possibility for the staff members to get better updated with what is going on.

Feedback is quick, and reproachful if there are mistakes, but we are often not encouraged when we are doing well. The Top Management is very seldom seen on the factory floor; “if they come we will be sure that something has gone wrong”.

### Pson

“There is a barrier between the Top Management and the staff members”. The founder “listened and trusted people”. Now it is “listen, evaluate and decide”. We accept the decision and try to implement it in the best way for the company. There is a difference between the culture in the original company and the acquired company. Our CEO tries to bridge over these differences. It is easier to do so between the technical people (“iron doesn’t contradict!”) than between marketing people. The staff members have been with the company for long time. People know what to do and do so. The communication could be better. Both lack of time and the information style are reasons. The performances are not very often observed. It is much of a laissez-faire culture. And when feedback is given it is often sweeping and not individual. Knowledge is the strength; “or perhaps the capacity to generate new knowledge”.

### Qson

The company is in a heavy process, changing from a supplier of a specific product to the domestic market to a supplier of customer solutions to an international market. The acquisition of the new subsidiary situated abroad has forced a culture conflict. It is not a question to combine or to merge the two cultures but to create a new culture. “I have spent much energy on designing the new culture but too little on communicating it”. There are no formal communication channels like intranet or corporate journals.

The subsidiaries are strong in cultivating their own brand name but they have problems contributing to the over all new culture of business development and profitability. The old culture is characterized by “managing”, the new one by “developing”. There are communication problems in the language dimension.

English is the group language but too few in both Sweden and the European country subsidiary have a good command of it.

There is no skill in the organization to manage deviations (analysis and proposals of changed action). One reason may be the fact that the company has never shown figures in the red. "All together, it is hard to implement big changes due to cultural resistance".

#### C.5.5.2 Comments to respondent opinions on corporate culture of Company C

There are interesting differences in the definition or understanding of *corporate culture* among the respondents. The trade union chairmen speak about soft things like communication and loyalty, the CEO speaks about business related things like brand name and profitability. The scores in table C07 are surprisingly high taking into account that all respondents emphasize a corporate culture in change. I presume that the chairmen mainly judge the old, appreciated culture and the CEO judges the awareness of an ongoing change of corporate culture.

#### C.5.6 Leadership style of Company C

The judgments of leadership styles are shown in table C07. Three respondents classify the leadership of CEO as value-driven, the fourth one as directive. The CEO himself agrees with the majority. All respondents are sure according to my judgments.

Some comments are to be cited. "The CEO hears what we say but he will do as he has decided". "The leadership style is the clam-shell variety". "We have met three quite different leadership styles of our three CEOs".

#### C.5.7 Decision 5401 New quality system

##### C.5.7.1 Background and actual situation of 5401

The decision was selected and commented by respondent Mson as an example of a well implemented decision. Mson is one of the implementers.

##### C.5.7.2 Decision Making Process Profile of 5401

###### Mson

The decision to replace an existing quality system was forced by customers as far as Mson knows. The Board of Directors made the decision and Mson was not involved in the process but his boss supplied the Board of Directors with information and proposals.

##### C.5.7.3 Implementation Context of 5401

###### Mson

Mson appreciated the decision to apply a new quality system in the company even if he had preferred another system. He finds the culture well prepared to take care of the implementation even if there is some lack of competence.

#### C.5.7.4 Implementation Profile of 5401

##### Mson

There is a plan that gives responsibility to selected staff members in project teams and a time schedule for implementation. The team members have not been released from other jobs but the implementation is more or less “a bit of our day-to-day operations”.

#### C.5.7.5 Implementation Efficiency of 5401

##### Mson

The implementation is not yet ready (dead line within some months) but everything seems to be on track. Mson judges that Goal Satisfaction will be well achieved as well as Process Efficiency.

#### *C.5.8 Decision 5402 Outsourcing*

##### C.5.8.1 Background and actual situation of 5402

The case was selected and commented by respondent Mson as an example of a decision causing a lot of problems during implementation. A segment of the manufacturing in the subsidiary situated abroad was initially to be moved to China. This decision was cancelled and replaced by a decision of a total re-structural approach to the manufacturing.

Mson looks at the case as chairman of a trade union and Qson is the CEO and decision maker.

##### C.5.8.2 Decision Making Process Profile of 5402

##### Mson

We were informed about the ideas of outsourcing a segment of our manufacturing abroad under certain conditions. We have understood this as “people and equipments”. There was a procedure going on to find a buyer. One day I was informed that the subsidiary management was giving notice to staff members and moving the manufacturing to a low cost price country. This was completely new stuff. We have got a new decision to implement! My trade union is not a direct part of the case but we always try to support each other, certainly in difficult situations. “The decision is difficult to manage as it is fixed when we got knowledge about it”.

##### Qson

When I entered the company I was confronted with the bad profit situation in our subsidiary abroad. The local management had decided to move a part of the manufacturing to China. It was motivated by the product calculation and so far all right. But the move should not improve the over all profitability; the fixed costs in the factory were not changed. “So I stopped the project”.

Given the new business strategy to offer customer solutions, not manufactured products, an analysis of the situation clarified that it was necessary to outsource the manufacturing in order to get scale advantages as our volumes were too small. To sell the entire production was impossible: there was no buyer. Instead, the idea

was to re-structure the production. I myself designed a project plan. I informed all the staff members about the plan before the formal decision was made by the Board of Directors.

#### C.5.8.3 Implementation Context of 5402

##### Mson

Following the legal rules there will not be any obstacles to execute it. "It is not possible to judge the context on your scale".

##### Qson

The competence level of the local management, and their earlier decision, made it necessary to appoint a Swedish project manager supported by local consultants. The Chinese solution is still a part of the project but a European partner is also involved. As the latter group of people speaks the same educated language as the subsidiary people do, they will communicate. That fact has brought to the insight that it is possible to move the manufacturing, which they thought was impossible in the beginning.

As the re-structuring project will result in lay-offs, the trade unions are heavily involved. Due to local culture, they have directly accepted the matter as fact (even if they said "there will be riots") and the rest is a question of economic compensation. "We have put in money as this is a test case of our credibility". The project does benefit from the fact that the region has been hit by big changes in the traditional manufacturing industry in the last decade. "It is a complex implementation context as we are new owners, we are not familiar with the local culture and its implication in stressful situations, and we have a problem with the local management. That is the reason for the score of 1.5".

#### C.5.8.4 Implementation Profile of 5402

##### Mson

The trade union has no part in the implementation. We will just try to support our colleagues. The Managing Director of the subsidiary has the full responsibility of implementation as far as I know. He has instructions to do it as cost effective as possible and on a time schedule.

##### Qson

There is a project plan, a responsible project manager and resources. The time schedule is however too optimistic; instead of the end of the 4<sup>th</sup> quarter of 2004, the project will finish in the end of 1<sup>st</sup> quarter 2005. I involved myself quite a lot in this project to show how a change will be implemented in a systematic way in the future.

#### C.5.8.5 Implementation Efficiency of 5402

##### Mson

The decision is not fully implemented yet but Mson judges a 0 for the Goal Satisfaction as "we have not fulfilled the first decision; we have got a new one". He also has a low score for process efficiency as the first decision was cancelled and replaced by a new.

If we had been involved earlier in the decision making process, we could have created trade union cooperation teams to look at different solutions. Even if we had not come to a better decision than we have made, we had been participating and therefore responsible. And the climate had been better both for actual implementation and for future decisions.

#### Qson

“We will almost completely reach the goal to improve the profitability”. Saying so, he is judging his own reformulated goal, not the initial one. He scores very low for process efficiency. The reasons are that the local management lacks competence, the higher costs to implement than calculated, and the delayed time schedule. But he also points to the future advantage of a successful project regarding goal achievement. “It may cost something in the actual project”.

#### C.5.8.6 Other comments on 5402

##### Mson

“This case indicates that the CEO does not look at trade unions as assets. We will make a move to the CEO to improve communication and involvement. It is necessary to create better relations for the future. There will be more hard decisions to make”.

### *C.5.9 Decision 5403 Dismissing people*

#### C.5.9.1 Background and actual situation of 5403

The decision background was a decrease in sales volumes due to market weakness hitting the manufacturing department. Originally, Nson picked up the decision as an example of a poor implementation. The interview then turned into two parts, the original decision itself and the negotiations according to the Law on co-determination at work (MBL).

Nson looks at the case as chairman of a trade union but also as a blue collar employee of the actual department. The case has its focus not that much on implementation but on the long term effects of the premature reactions.

#### C.5.9.2 Decision Making Process Profile of 5403

##### Nson

The selling volume forecast was presented to the Production Manager. He decided immediately without any contacts with the trade union to reduce the number of blue collar employees. Then we, the trade union, were involved and the negotiations started.

#### C.5.9.3 Implementation Context of 5403

##### Nson

As there are legal and negotiated rules for such a situation, the context is formally simple even if many people will be affected.

#### C.5.9.4 Implementation Profile of 5403

##### Nson

“Just one thing to say: quite clear, we knew exactly what to negotiate about”.

#### C.5.9.5 Implementation Efficiency of 5403

##### Nson

As the situation occurred, there will be two goals for satisfaction. The Top Management had decided on a number of employees to fire, and the trade union had a goal to reduce that figure as much as possible. Nson is judging from the trade union perspective and he says “we reached more than we thought and that depends on the attitude of the CEO”. But he also remarks that the implementation process was turbulent.

#### C.5.9.6 Other comments on 5403

##### Nson

The decision was based on insufficient information and a weak analysis. “If you think of a 15% decrease and if in reality it is 10%, then it is 30% wrong. The speed was too fast on a too weak basis”. Nevertheless, we had to start the negotiations around a notice of a fixed number of staff members. We succeeded to cut the number by half. Our CEO showed a soft side and we got quite good economic solutions for the fired people, they were satisfied. But quite soon we had an upswing in the manufacturing trend, which gave us a lot of overtime. Everybody had left before the changed trend. The situation also influenced our working organization. We had introduced goal-managed teams excluding traditional supervisors. I think that neither the blue collar employees, nor the Top Management had understood the conditions for that organization to work well. So we went back to the traditional working organization. The old supervisors had got new jobs but they were called back. The staff members liked it and we got a higher productivity. We recruited new staff members and the over time is low today. But we have not any figures on recruiting and training costs.

If the same situation would occur tomorrow, I think everyone understands that we must be calmer and, wait more before action. Earlier, we had manufacturing strategies saying “if market signals are for ‘decreasing volumes’, then we should break immediately; if market signals are for ‘increasing volumes’, then we should accelerate slowly. Now I think we will act slowly in both cases. Nobody can be sure about predictions.”

#### *C.5.10 Decision 5404 Laser cutter*

##### C.5.10.1 Background and actual situation of decision 5404

The manufacturing department, the same as in decision 5403, is operating a laser cutter. The company also has a subcontract, manufacturing with the same technique, which can be brought home if the capacity grows. This investment decision is made mainly in order to improve productivity. The cutter will be in place within a couple of weeks after the interviews are carried out.

Nson is the implementer, process operator and chairman of a trade union while Qson is the decision maker and the CEO

#### C.5.10.2 Decision Making Process Profile of decision 5404

##### Nson

The idea has been brought up for discussions now and then. The Production Manager mentioned at a meeting in the autumn of 2003 that he was calculating on an investment in a new laser cutter. Neither the blue collar employees, nor the trade unions were involved in the decision making process. The Board of Directors made the principal decision to invest. Then the trade unions were engaged in the project dealing with work organization (reducing shifts, moving people...), work environment, *etc.*, but this is more an implementation question than a decision question.

##### Qson

The initiative was coming from the Factory Manager “who is a sowing but not a harvesting man”. It is a classic case: improving productivity by capital investment. The Production Manager, the head of the Factory Manager, presented the case for me. However, the new production strategy is to invest for the same purpose either in Sweden or abroad. But in this case it was simple. This type of manufacturing is going on within the group just in the Swedish factory so there were no co-ordination aspects.

The favorable investment pay off was obvious. Furthermore, the investment level was actually very low. I decided to go even if the Board of Directors made the formal decision.

#### C.5.10.3 Implementation Context of decision 5404

##### Nson

As said above the new laser cutter will affect the operations in different ways. Nson means that the investment is a good thing but in the short term it will cause some turbulence nevertheless “the turbulence is manageable”.

##### Qson

The implementation will follow a traditional pattern. Even if the investment partly will introduce a new operating approach it is not a question of a large jump.

#### C.5.10.4 Implementation Profile of decision 5404

##### Nson

It is normal that the Factory Manager is the responsible person, with all affected people involved. There is a clear plan with a definite take off day and with all other ingredients for a successful implementation.

##### Qson

When the decision was formally made by the Board of Directors there was already a designed implementation plan. As said above, this decision case is very traditional and therefore well-known by all people involved.

#### C.5.10.5 Implementation Efficiency of decision 5404

The judgments are made some weeks before the start of manufacturing. There is a delay of some weeks compared to the time schedule.

##### Nson

I have no doubts about Goal Satisfaction. But there is the same weakness in this case as many times before: an overly long start-up period causing unnecessary costs. "Therefore, I score just 3 for Process Efficiency".

##### Oson

"Everything seems to go right but it is too early to give full scores".

#### C.5.10.6 Other comments on decision 5404

##### Nson

The investment will cause problems for the sub-contractor losing volume but we do not expand the number of employees. The new machine will be able to produce perhaps the doubled volume as it is possible to run the laser cutter automatically without any present operator. That is 168 hours a week! An on-going product development will enhance the investment.

#### C.5.10.7 Comments to respondent opinions on 5404

I checked, by a phone call, the implementation situation a couple of weeks after the interviews. Everything was on track.

### *C.5.11 Decision 5405 Factory staff member reduction*

#### C.5.11.1 Background and actual situation of decision 5405

In year 2001, the investments in new manufacturing technology caused an oversized employee force. A downsizing program was effectuated. Today there is a very trimmed organization.

Oson is chairman of the trade union and the decision is an example of good implementation (by the way, Oson could not find an example of poor implementation!).

#### C.5.11.2 Decision Making Process Profile of decision 5405

##### Oson

The trade unions were not involved in the earlier stage of the decision making process. But even for them it was obvious that a staff member reduction was necessary according to the investments and the profitability problems. Top Management made the initial decision without any contacts beforehand with the trade unions. When the decision ("reduction of staff members") was made, we were invited to the negotiations about the number of people to lay-off, how to carry out the reduction and the conditions. The negotiation agreement consisted of essential financial support from the company to people aged 62+, a program of pre-retirement. Even for younger people, a few in fact, the company supported more than it was obliged to regarding the legal aspects.

#### C.5.11.3 Implementation Context of decision 5405

##### Oson

Of course there are always “heads down” when people are fired, even among them who are not affected. But all people appreciated the good economical conditions. “Given the situational necessity”, the case was not that difficult to implement.

#### C.5.11.4 Implementation Profile of decision 5405

##### Oson

The Factory Manager was given the implementation task and the representatives of the trade unions supported this. There was a demand from Top Management for no delays.

#### C.5.11.5 Implementation Efficiency of decision 5405

##### Oson

The whole case was very well implemented. The process went easily and we achieved both company goals and private goals (“sufficient economic compensation”). The main reasons for success are good agreement conditions and short implementation time schedule leading to satisfied fired staff members. They are still happy over their “bonus retirement years”.

### *C.5.12 Decision 5406 Painting investment*

#### C.5.12.1 Background and actual situation of decision 5406

The Marketing Department registered that the customers demanded better quality lacquering. Today, new painting equipment is installed and running.

Pson is chairman of a trade union but also involved as implementer in the case.

#### C.5.12.2 Decision Making Process Profile of decision 5406

##### Pson

The old painting equipment was manual and, therefore, also a bit risky from the point of view of worker welfare. Our volumes were too small to make a robot-equipped installation profitable. Therefore, we asked a business contact if they were ready for subcontract lacquering. The answer was yes and we made an agreement. That way we passed the volume break-even point. The investment was easily “calculated home”. So far, the case had been developed without any formal decision, so far as I know, but with a lot of informal dialogues. Of course there was a green light from the CEO to carry out an investigation. The technical development and the marketing departments prepared the decision facts and conditions. The Factory Manager was involved. The CEO presented the investment case for the Board of Directors, which made the desired decision.

#### C.5.12.3 Implementation Context of decision 5406

##### Pson

The technique installed was well tested in other industries (“we were late”) so the risk of a wrong investment was low. We had to have a letter of acceptance from

our customers. As said above, we needed better worker welfare. So from both human and technical points of view the context was quite easy to manage.

#### C.5.12.4 Implementation Profile of decision 5406

##### Pson

As a part of the investment plan a new Painting Manager was employed. He and the Production Manager were responsible for implementation. They prepared a tight time schedule in order to disturb the ongoing manufacturing as little as possible.

#### C.5.12.5 Implementation Efficiency of decision 5406

##### Pson

The time schedule was followed. The investment in total was slightly more expensive than decided. The take off was successful with minor problems and was quite soon running very well.

The very fast process exposed a weakness: one of our customers with a very strong quality system was not ready to accept our quality approach immediately. But we went on without a letter of acceptance. We got it one year later. If they had not accepted, we would have been forced to make modifications with cost consequences.

### *C.5.13 Decision 5407 Product development*

#### C.5.13.1 Background and actual situation of decision 5407

The case happened some years ago before the acting CEO had joined the group. The Marketing Department promises a customer to develop a modified product aimed just for them. The customer gets the product delivered and is satisfied.

Pson picked up the decision as an example of poor implementation. He is involved in the product development process and he is therefore the implementer.

#### C.5.13.2 Decision Making Process Profile of decision 5407

##### Pson

The starting up of a new product development case followed the normal routines including contacts between stakeholders to certify that the capacity was available within the company. Everything was OK and the CEO decided to start the project.

#### C.5.13.3 Implementation Context of decision 5407

##### Pson

Quite a normal task with no special problems in sight.

#### C.5.13.4 Implementation Profile of decision 5407

##### Pson

Also in this aspect a routine case.

#### C.5.13.5 Implementation Efficiency of decision 5407

##### Pson

When “95%” of the development is made, just one thing remains: the testing of the durability in order to get a certificate of the product safety. There are given norms what to do and what to achieve. The Development Department knows, by experience and preliminary tests, that the product fulfils the real requirements of product safety. But the Development Department will not release the product for selling according to company policy and professional standards of product safety until the certification tests are completed. Nevertheless, the CEO decides to do so. “The product and the project are handed over to Marketing Department”. The product is manufactured and sold and the customer is satisfied but still the product is not certified. “Such a decision would not be made today”.

Pson knows that the customer is satisfied. But he thinks that goal satisfaction as such is not achieved as we have sold a non-certified product. He divides the implementation process into two steps. The first step is up to the CEO’s decision to go selling. It is very successful. The second step follows thereafter and he means that the implementation of the product safety test went wrong.

#### C.5.13.6 Comments to respondent opinions on decision 5407

I do not think this is an example of poor implementation but an example of deviation from routines and corporate culture. It has not been possible to interview the CEO acting at that time.