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EVALUATION OF HRM PRACTICES FROM THE PERSPECTIVE OF STRATEGY IMPLEMENTATION

Master's thesis
Degree programme in International Business Management

2018



South-Eastern Finland
University of Applied Sciences

Tekijä	Tutkinto	Aika
Henna Kohonen	Master of Business Administration	Toukokuu 2018
Opinnäytetyön nimi		
Henkilöstöjohtamisen käytäntöjen arviointi strategian jalkauttamisen näkökulmasta		100 sivua 6 liitesivua
Toimeksiantaja		
Kohdeyritys XYZ		
Ohjaaja		
Ari Lindeman, Tutkimuspäällikkö, KTM MA		
Tiivistelmä		
<p>Strategian jalkauttaminen on tärkeä osa strategisen johtamisen prosessia, sillä sen myötä strategiset tavoitteet konkretisoituvat käytännön toiminnoiksi ja välittyvät yritysjohtolta työntekijätasolle. Strategian menestyksenkäs jalkauttaminen edellyttää koko henkilöstön osallistumista ja kaikkien yrityksen toimintojen mukauttamista strategiaa tukeviksi. Henkilöstövoimavarojen johtamisella (HRM) on tärkeä rooli strategian jalkauttamisessa, sillä eri HRM-käytäntöjen, kuten johtamisen, viestinnän, rekrytoinnin ja koulutuksen kautta voidaan edesauttaa ja tehostaa strategian jalkautumista henkilöstölle.</p> <p>Opinnäytetyön tarkoituksena oli tuottaa tietoa kansainvälistyville PK-yrityksille eri HRM-käytäntöjen hyödyntämisestä strategian toteuttamisessa. Tutkimuksen tavoitteena oli selvittää strategian jalkauttamisen sekä HRM-käytäntöjen hyödyntämisen nykytilannetta kohdeyrityksen eri yksiköissä. Opinnäytetyö keskittyi vastaamaan tutkimuskysymyksiin: "Mitkä ovat tärkeimmät strategian jalkauttamiseen vaikuttavat tekijät?" sekä "Miten eri HRM-käytännöillä voidaan edesauttaa strategian jalkautumista henkilöstölle?"</p> <p>Opinnäytetyön teoreettisessa viitekehyksessä yhdistyivät strategian jalkauttaminen sekä henkilöstövoimavarojen johtaminen. Pääteemoja käsiteltiin tarkastelemalla strategian jalkauttamiseen vaikuttavia tekijöitä, sekä eri HRM-käytäntöjen vaikutusta niihin. Tutkimuksen empiirinen osuus toteutettiin pääasiassa laadullisena haastattelututkimuksena, mutta myös määrällistä tutkimusmateriaalia kerättiin henkilöstölle lähetetyn kyselytutkimuksen kautta.</p> <p>Tutkimus osoitti, että strategian jalkautustyö on kohdeyrityksessä aloitettu tehokkaasti pitämällä strategiakeskustelua yllä eri yhteyksissä ja viestintäväylissä. Yrityksen henkilöstö oli hyvin tietoinen strategiasta, mutta ei vielä täysin ymmärtänyt, mitä strategia tarkoittaa käytännössä oman työn kannalta. Kohdeyrityksellä on siis parannettavaa strategisten tavoitteiden muuntamisessa käytännön toimiksi, ja niiden viemisessä tiimi- ja yksilötasolle. Tutkimuksen perusteella voitiin todeta, että kohdeyrityksessä eri HRM-käytäntöjä voitaisiin hyödyntää vielä tehokkaammin strategian jalkauttamisen välineenä.</p>		
Avainsanat		
Strategian jalkauttaminen, strateginen johtaminen, strategiaprosessi, strateginen henkilöstöjohtaminen, henkilöstöjohtamisen käytännöt		

Author	Degree	Time
Henna Kohonen	Master of Business Administration	May 2018
Title Evaluation of HRM practices from the perspective of strategy implementation		100 pages 6 pages of appendices
Commissioned by Case Company XYZ		
Supervisor Ari Lindeman, Research Manager, MSc MA		
<p data-bbox="147 653 1450 905">Abstract Strategy implementation is a significant part of strategic management, as there the strategic objectives are transformed into practical actions and transferred to the employee level. It is important that the whole organization is involved in the implementation, and that all operations of the company are aligned with the strategy. Human resource management (HRM) plays a key role in supporting the implementation activities through various practices, such as leadership, communication, recruitment and personnel development.</p> <p data-bbox="147 947 1450 1199">The aim of the thesis was to provide knowledge for the internationalizing SME companies about using HRM practices as a means for supporting strategy implementation. The objective of the thesis was to examine the current level of strategy implementation, and the use of HRM practices for supporting strategy implementation in different business units of the Case company XYZ. The research questions were: “What are the key factors affecting strategy implementation?” and “How can strategy implementation be supported by different HRM practices?”.</p> <p data-bbox="147 1241 1450 1451">The theoretical framework of the thesis integrated strategy implementation with human resource management by first presenting the key factors affecting strategy implementation, and then discussing, how those factors could be supported through different human resource management practices. The methodological approach combined qualitative and quantitative methods. The data was mainly collected through interviews with managers. To provide additional data, a survey to the selected group of employees was used.</p> <p data-bbox="147 1493 1450 1745">The study showed that the strategy implementation in the case company has been started efficiently and that employees have become aware of the company strategy. However, the level of employees’ understanding towards the strategy could be improved by converting the strategic objectives into practical team- and employee-specific actions. Additionally, the use of HRM practices for supporting the strategy implementation and increasing employees’ motivation and commitment could be reinforced, for example by taking a more strategic approach to personnel development, recruitment and leadership.</p>		
<p data-bbox="147 1751 1450 1856">Keywords Strategy implementation, strategic management, strategy process, strategic human resource management, human resource management practices</p>		

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1 INTRODUCTION

Strategies are important for companies in creating unique, long-term value and competitive advantage. While the content of strategy needs to be well planned and formulated to best meet the company's internal and external requirements, in recent decades the strategy implementation and execution have become even more important than the strategy itself. At the same time, the importance of people and the value they create through intangible elements, such as knowledge, competencies, innovativeness and customer relationships, have taken away the focus from tangible resources, such as raw materials and products. (Kaplan & Norton 2002.) As people have become the centre of strategic management, it has been noted that a successful implementation of strategy requires involvement from the whole organization and its people. Thus, also the strategic role of human resource management has increased notably. Moreover, as companies establish and implement new objectives and strategies, a significant amount of contribution is required from human resource management. (Viitala 2007, 23; Bagga & Srivastava 2014.)

The focus of this thesis is on discussing the key elements related to strategy implementation, as well as the ways, in which human resource management can support and reinforce the implementation success through various functions and practices. The thesis is written for the purposes of the case company, in which the strategy implementation has been started effectively, and where the desire is to get everyone involved in the implementation process and understand the strategy also in practical level.

The commissioning case company is referred to as Case company XYZ, as the company does not want to be directly recognized based on this thesis. Additionally, the names of the different case company departments, which this study discusses are modified. Case company XYZ is presented in chapter 1.5 for the parts, in which it is relevant for the purposes of this study.

1.1 Background for the research

The Case company XYZ launched a new significant project in the beginning of the year 2017. The project is called P20, which means that its goal is to increase the overall profit up to €20M, and to reach the turnover of €200M by the end of the year 2020. Reaching these goals require significant growth from the company in all business units, but the key is that the growth is profitable. Therefore, one of the statements in the company's basic strategy is "profitable and growing business". In the case company, the objectives and the strategy are well planned and clearly defined, and the process of strategy implementation has been started.

According to the company CEO, as the business is growing the "big picture" of the company strategy, mission, vision and values need to be clear to everybody by the end of the P20 project at the latest. In recent years the company has experienced a so-called time of confusion and the strategy has not been so clearly communicated to the employee level. To reach the goals of project P20, it is important that all members of the organization, in different levels, are aware of and committed to the mutual goals. The current level of implementation depends on how the managers have understood and committed to the strategy and values, and how well they have communicated the message forward to their employees. In some departments or countries, people are more advanced in the implementation process, and can already partly act according to the strategy and values. However, in some departments it is still difficult to understand the importance of strategy and what it means in practice.

Even though the strategy communication has been started efficiently through various channels and the management is discussing the strategy frequently, there is no actual data of how well the strategy has been approved and understood by the employee level. This is worth investigating, because without successful implementation the strategy will not be transferred to the employee level and people will not be able to understand it or act upon it (Hrebiniak 2006, 12). Moreover, as stated by Speculand (2009,167), no matter how good the strategy is and how well it is planned, if the implementation phase is lacking or done poorly, the strategy will fail.

1.2 Aim, objective and development aspect

The aim of the thesis is to provide knowledge for the internationalizing SME companies regarding human resource management practices as a means for strategy implementation.

The objective of the thesis is to examine what is the current level of strategy implementation in the Case company XYZ, and to which extent the different human resource management practices have been taken into use in strategy implementation process in different business units of the case company. The study is conducted as a qualitative interview research, using both semi-structured interviews for the management level and questionnaire study for the different employee groups of the case company.

The study provides important data for the case company management and human resource management professionals about the current situation of strategy implementation and the use of HRM practices for supporting the implementation activities. Based on the received data it is possible to plan development actions and corrective measures to improve the strategy implementation methods, which have not reached the employee level as desired.

1.3 Research questions and limitations

To achieve the aims and objectives of the study, the thesis focuses on answering the following research questions:

RQ1: What are the key elements and critical factors affecting strategy implementation?

RQ2: How can strategy implementation be supported and reinforced through human resource management practices?

There are some limitations in the study regarding both theoretical and empirical parts. The theoretical part of the study does not focus on the different strategies and their content, or the different parts of strategy formulation process. Those concepts are discussed only for the parts, in which they affect strategy

implementation, and to the extent to which is relevant for understanding the concept of strategy implementation. Regarding the factors affecting strategy implementation, the focus is particularly on the internal factors, such as organizational structure, organizational culture, people, planning and communication, while some external factors might be briefly mentioned as well. In the empirical part, the limitations concern mainly the respondent groups, which were selected based on diversity criteria. The selection of respondent groups is further discussed in chapter 4.

The case company operates in international field through its various subsidiary companies, thus also international aspect is integrated in the thesis by discussing the strategy implementation and human resource management practices in the international context. Additionally, to get a perspective of how the strategy implementation has been executed in the international field of the case company, the subsidiary companies from Norway and Spain were selected as focus groups to the empirical research.

1.4 Structure of the thesis

This thesis introduces a framework which integrates strategy implementation with human resource management by first presenting the key factors or elements affecting strategy implementation, and then reviewing how those factors can be supported through different human resource management practices. The empirical study of the thesis is consisted of manager interviews as well as an employee survey, which aim to provide data on how the human resource management practices presented in the theory part have been taken into use in the case company. Also, by comparing the results of the employee survey to the answers received through interviews, it can be analyzed how well the managers' and employees' views are in line with each other.

The thesis consists of six main chapters, added with the list of references and figures as well as the necessary appendices. The structure of the thesis with its main chapters are presented in figure 1.

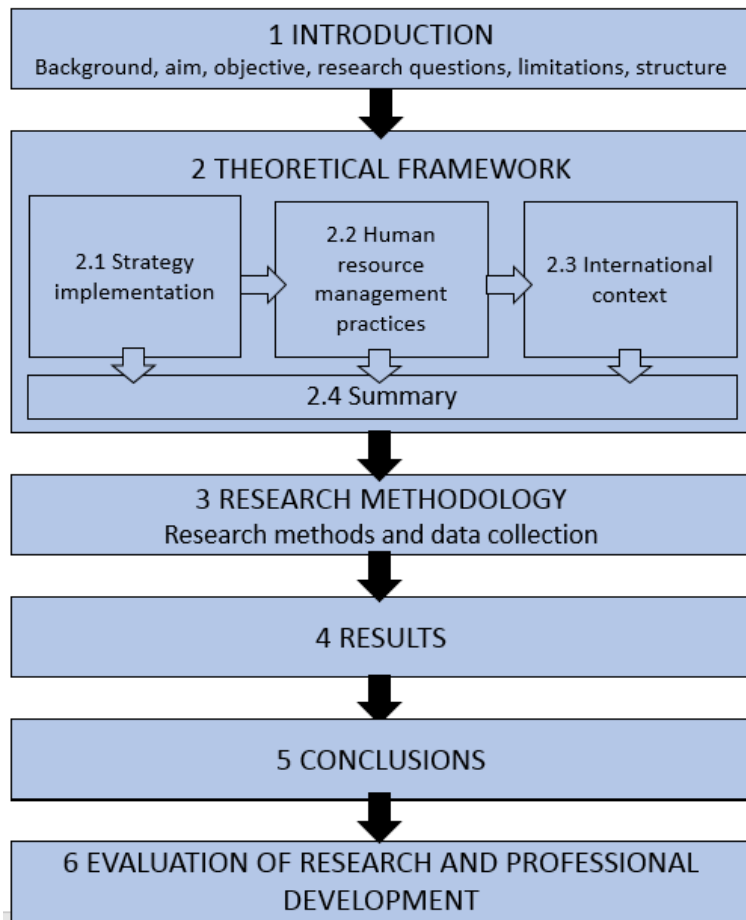


Figure 1. Structure of the thesis

The first chapter is the introduction part, which includes the background information for the research, aim, objective and development aspect, research questions and limitations, followed by the structure of the thesis and a brief presentation of the case company. The second chapter is the theoretical framework, which discusses the earlier studies related to factors affecting implementation of strategy as well as human resource management and its relation to strategy implementation. Additionally, the distinct features of strategy implementation and human resource management in international context are briefly discussed, and finally the main topics of the theoretical framework are summarized in the summary part. The used research methods, data collection and data analysis are presented in chapter three. Chapter four includes the results from both manager interviews as well as the employee survey. Chapter five, in turn, concludes the whole study by combining and comparing the information from the theoretical framework as well as the empirical results received from management interviews and employee survey. Based on the

received results and prior literature, the conclusions part also presents some managerial implications and suggestions for the case company, of how the implementation activities could be developed, and on which parts the subject should be further studied. Finally, in chapter six, the quality of research, the research process and personal professional development are evaluated.

1.5 Presentation of the Case company XYZ

The case company XYZ is a medium-sized, family-owned company, specialized in glass and aluminum construction. The company was founded nearly 40 years ago in North Carelia, but nowadays the company headquarters and manufacturing facilities are located in Kouvola. The company has sales units in different parts of Finland, and also a high level of international operations. The company is implementing different international operation modes, for example exporting, license manufacturing and foreign direct investments in total of 20 countries. The company has established subsidiary companies in nine different countries; sales and installation operations in Sweden, Norway, Spain, Germany, France, Switzerland, Russia, Denmark and additionally, manufacturing in Canada. The company takes care of the whole order-delivery process, from sales to the final installation of the product, by its own. This means that the company employs a variety of different people to different tasks, such as production, installation and sales, as well as IT, marketing, finances, planning and other supporting functions. Overall, the whole group of companies employ approximately 900 people.

2 THEORETICAL FRAMEWORK

The theoretical framework of the thesis, as illustrated in figure 2, consists of two main topics: strategy implementation and human resources management practices.



Figure 2. Theoretical framework

With respect to strategy implementation, especially the internal factors affecting the success of implementation, such as employees and management, organizational structure and organizational culture, are discussed. The thesis also describes how strategy implementation relates to the other parts of strategy process or the elements of strategic management, and what are the crucial elements in the strategy implementation process. Finally, some obstacles related to strategy implementation based on prior literature are identified.

Human resource management is reviewed by linking it with the company's overall strategy and objectives. The influence of different human resource practices, such as leadership, recruitment, training, rewarding and communication, in the key factors of strategy implementation and the implementation success is discussed.

The international context of strategy implementation and human resource management practices are presented in a separate part, which includes mainly the distinctive features that international context brings to the strategy implementation and HRM practices. Otherwise, it is assumed that the same principles apply to both national and international context.

2.1 Strategy implementation

The main purpose of strategy implementation is to change the company's strategic goals into practical actions. Implementation is an important phase, because without successful implementation the strategy will not be transferred to the employee level and people will not be able to understand it or act upon it. (Hrebiniak 2006, 12). No matter how good the strategy is and how well it is planned, if the implementation phase is lacking or done poorly, the strategy will fail (Speculand 2009, 167). In fact, it has been studied that majority of the strategic plans, for distinct reasons, fail to be successfully implemented (Kaplan & Norton 2002, 2; Sterling 2003, 27; Speculand 2009, 167). The failure of strategy implementation is a notable concern of company top management, not only because then the whole strategy fails, but also, as it has a negative impact on significant issues, such as organizational growth and competitiveness. Executives are also more judged by their ability to implement strategy than by the strategy itself, which is understandable as it is the implementation which brings revenues and offers competitive advantage to the company. (Lippitt 2007, 54.)

Even if executives are concerned with the strategy implementation, Speculand (2009, 167) claims that most of the implementation failures are caused by the leaders' wrong mindset and approach to implementation, which are based on the illusion that strategy implementation is easy compared to the creation of strategy. On the contrary, strategy implementation is much harder than the creation, and without implementation, a strategy does not exist. It can even be claimed that having a poor strategy, which is well implemented is a smaller problem than a good strategy which is poorly implemented. The reason for this is that presumably a company which is good at implementation can evaluate which changes need to be made to the strategy, change it, and then carry out the same implementation efforts again. (Speculand 2009, 168.) According to Kaplan and Norton (2002, 3) many of the failures relate to the difficulty and management's inability to measure the strategy and strategically correct actions. They state that while the environment and strategies are rapidly changing, the measuring systems are not developing in the same pace, which makes the data received from the measuring out of date. For that purpose, they have developed the

Balance Scorecard -system, which takes into account and measures all aspects of strategy, such as internal processes, customers, financials, and learning perspective, instead of merely focusing on financial figures, which alone do not present any relevant data about the strategy itself. The failures of strategy implementation can also be avoided by acknowledging the potential obstacles on the way to successful implementation and by being prepared for them. Some of these obstacles are more closely discussed in the section 2.1.8.

Strategy implementation is affected by several elements which need to be managed when pursuing a successful implementation, and moreover, many of those elements need to be managed simultaneously (Okumus 2003, 874). These elements which are more closely discussed in sections 2.1.4 – 2.1.7, include external elements, such as market conditions and competitors, and internal elements, such as people, structure and culture of the organization, communication, and planning. The ways to perform, manage and control the different variables need to be carefully planned, and it is not recommended to rush through the implementation phase. Lippitt (2007, 55) suggests that companies should perform a process of execution planning, in which the initiatives to achieving strategic goals are defined, communicated and implemented. Strategy implementation is related to all aspects of management, and they all affect each other. Thus, the implementation process should be reviewed and evaluated from a holistic perspective in a long time-period, and additionally all elements and their relation to each other should be considered. (Okumus 2003, 871, 878.)

2.1.1 Implementation as part of the strategic management process

Strategic management is a process where organization's mission and long-term objectives are defined and then implemented through an action plan which aims to achieving the mission and objectives (Luthans & Doh 2012, 271). In other words, it can be stated that through strategic management the company's purpose is identified and the actions for achieving this purpose are planned (Lynch 2009, 5). The identification of company's purpose requires taking many different decisions and answering several questions both at general corporate

level as well as at business level. The corporate level decisions include, for example, the field of business where the company operates, the organizational culture and leadership styles, and the allocation of resources between the businesses. The business level decisions, on the other hand, relate more to the success factors and competitive advantage of the company, as well as identifying who are the customers. (Lasserre 2003, 34; Lynch 2009, 5-6.) The aim of strategic management at the business level is also to align the company's internal resources with the external environment and relationships with customers, suppliers, competitors and other parties (Lynch 2009, 10).

Strategic management includes three core areas, which are strategic analysis, strategy development and strategy implementation. In strategic analysis, the organization's mission, objectives, environment and resources are examined and analysed. The development of strategy includes developing strategy options based on the analysis and selecting the most suitable options regarding the company's skills and other areas, and the options which bring competitive advantage to the company. In the implementation phase, in turn, the selected strategy options are implemented. (Lynch 2009, 13.) Implementation is an essential part of strategic management as there, the strategic plan is converted into concrete actions and put into practice at all levels of the organization (Hrebiniak 2006). As a result, the required goods and services are provided according to the created action plan (Luthans & Doh 2012, 284).

According to traditional perspectives strategy process is a linear and rational process consisting of either two or three phases, which are the planning phase and the implementation phase, or strategic analysis, development of strategy and implementation of strategy (Lynch 2009; Rao 2009, 31). According to some more precise definitions, however, the process can be seen to include at least five or six phases as presented in figure 3.

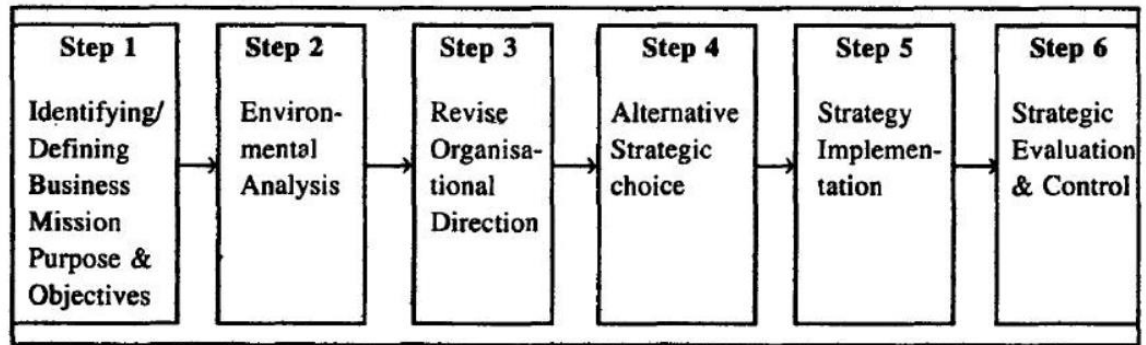


Figure 3. Main phases of strategy process (Rao 2009, 31)

In the model presented by Dessler (2009, 82) the strategy process includes seven different steps through which the process proceeds (figure 4). In this process model the main phases, which are planning, implementing and evaluation, are further divided into different individual steps.

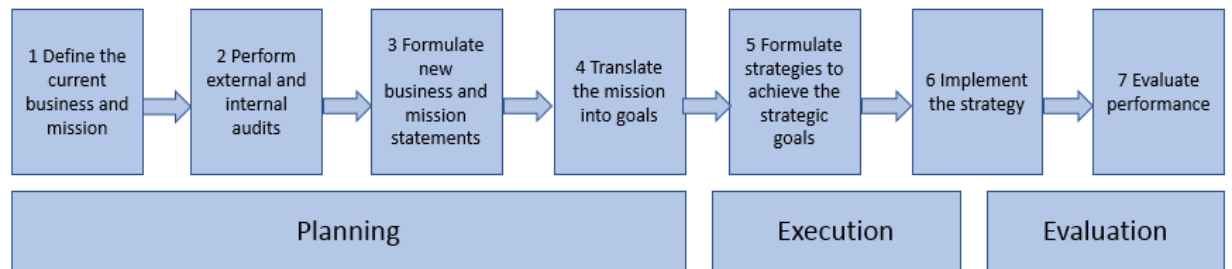


Figure 4. Main phases of strategy process (Modified from Dessler 2009, 82)

The above presented strategy process models represent the rational approach to strategic management, in which all strategic actions are carefully planned into linear, step by step order, with a strong belief that with the right actions it is possible to affect the future and reach the desired outcome or vision. Rational approach is the most typical way of seeing the strategy process, and it is also the most commonly reviewed in literature. (Juuti & Luoma 2009, 35, 43-44.)

However, in today's chaotic and constantly changing business environment, it is necessary to understand and implement also some alternative perspectives. Juuti and Luoma (2009) present two alternative approaches to challenge the rational strategy approach; complex and postmodern approach.

Strategic management through complex approach is balancing between chaos and order, and based on the idea that different elements, factors and functions are connected and affect each other. In complex strategic management it is not

possible to separate the different elements from each other and review them independently, as all elements and systems, such as organizational units, departments and processes, are tied together, and a change in one system causes a change in another. (Juuti & Luoma 2009, 114–115.) According to postmodern perspective, on the other hand, strategies exist and evolve in the interactions and discussions between the company and its stakeholders or between the people within the organization. Instead of rational planning, the development of strategies in postmodern perspective relies on people's emotions, experiences and creativity. For companies implementing postmodern perspective of strategic management, the key is to create images, significances and unique experiences to its customers and other people. (Juuti & Luoma 2009, 218–219, 251–253.) According to both complex and postmodern perspective, it is impossible to plan or predict the future, which is constantly changing, and therefore it is not possible to plan and describe strategic actions as a straight-forward linear process. Instead, the focus is on renewing, improvising and adapting to the changing circumstances of the presence. (Juuti & Luoma 2009, 247.)

The alternative perspectives do not overrule the significance of rational perspective. On the contrary, the rational perspective is often the starting point for alternative approaches, and the management of complex and postmodern approaches require the management and comprehension of rational approach. With the new alternative perspectives, it is possible to bring new elements to strategic management, take it to the next level, and develop it to better meet the requirements of the rapidly changing environment. The different approaches do not exclude each other, and are often, at least to some extent, overlapping. (Juuti & Luoma, 255–257.)

2.1.2 The link between strategy development and implementation

In theory, especially in rational perspective of strategic management, strategy implementation is often discussed as an individual step or phase in the process of strategic management, while in real life it is not possible to separate the implementation phase so clearly from the rest of the phases. Based on the

complex and postmodern perspectives the strategy is planned and implemented at the same time and continuously. (Juuti & Luoma 2002.) In practice, the implementation is taking place on some level during the entire process, and as Rao (2009) states, especially the linkage between strategy formulation and implementation is important to acknowledge.

There are, in fact, two types of linkages between those two phases: forward linkage and backward linkage. Forward linkage means preparing the organization, e.g. its operations, culture and leadership, to the actual implementation of strategy. Backward linkage, on the other hand, covers the possible reformulation of the strategy after the implementation, as sometimes there might be a need to modify the strategy during the process due to some ground realities. Thus, it is important to consider all previous strategic actions and experiences when formulating a new strategy. (Rao 2009, 122.) Okumus (2009, 875) also states that when developing a new strategy, its impact on the current strategic projects need to be evaluated, and in turn the current projects' impact on the new strategy need to be assessed.

The linkage between formulation and implementation is supported by Brenes et al. (2008, 594), who suggest that the whole strategy formulation process, which should be systematic and analytical, affects largely to the implementation success. The factors of strategy formulation that have an impact on implementation are an explicit strategy, which managers can easily communicate to the employee level. Strategy formulation process also involves analysing the company's external environment and making all decisions in relation to the company's long-term vision. Analytical approach to the formulation process improves the possibilities in anticipating external changes, which need to be met. (Brenes et al. 2008, 594.)

Hrebiniak (2006, 13) emphasises the connection between planning and implementation; even though they can be considered as separate phases of the process, planning and implementation are also interdependent and affect each other both ways. Due to this connection between the two phases, strategic

outcomes are most successfully achieved when the people who are involved in the planning are also involved in implementation and vice versa. Additionally, the planning and implementation should be simultaneously viewed and the possible implementation-related problems should be anticipated already at the planning stage. (Hrebiniak 2006, 14.)

2.1.3 Strategy implementation process

While many factors affect the success of strategy implementation, there are some basic elements or steps that companies should consider, when starting the implementation process. The basic steps of the implementation process are presented in figure 5. Firstly, the company should identify the strategic objectives, decide the right activities for achieving the agreed goals, and then make specific plans for them. Secondly, the time-frame and budgets for implementing the planned activities should be defined. Thirdly, it should be determined how the progress of implementation process is monitored and controlled. (Lynch 2009, 491.)

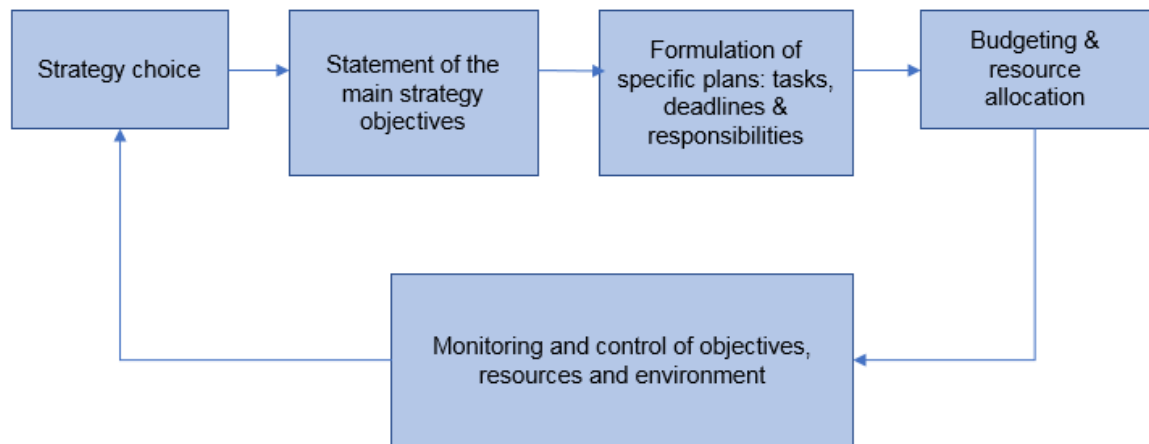


Figure 5. The basic implementation process. (Modified from Lynch 2009, 491.)

Implementation is all about taking the right actions, however, it also requires effective planning of the initiatives that need to be taken to reach the long-term objectives (Sterling 2003, 33). To manage the long-term needs of implementation, leaders should divide them into short-term objectives that are easier to obtain step by step. The short-term objectives must be measurable and logically related to the business strategy. The focus of short-term objectives is on

daily, weekly, monthly or quarterly needs and key issues that are vital for strategy implementation. (Hrebiniak 2006, 22.) All implementation activities that relate to the short-term objectives, need to be prioritized in a reasonable order, in which the most urgent and important actions are taken first. Even though there are numerous important activities to consider, not all of them are necessarily the first priorities. (Brenes et al. 2008, 596.)

Implementation is a long and demanding process, and companies should reserve much more time for implementation than for planning. The long time-frame causes challenges for leaders, as it is harder to control the process and focus on key issues as many variables are happening and need to be managed at the same time. Also, during a long-time period, many changes and unexpected things affecting implementation process may occur internally as well as externally. Such changes can relate, for example, to financial situation, customers' and competitors' behaviour or key people leaving the organization. (Hrebiniak 2006, 14.)

Even though the long-time frame of strategy implementation causes certain challenges to the leaders, according to Hrebiniak (2006, 17) rushing and trying to speed up the implementation includes different, and even more destructive challenges for the implementation process. When rushing and trying to find short-cuts, the most critical implementation initiatives that need to be taken are easily missed (Lippitt 2007, 55). In a shorter time-frame implementation, there are more change variables and critical factors which need to be considered at once (Hrebiniak 2006, 25).

When the time for implementation is long, according to Hrebiniak (2006, 25), a sequential change usually takes place. Sequential change is a chain of activities or steps, which all need to be handled before moving to the next step. Before moving to the next step in the process, the prior step is analysed, which takes the company towards a more planned, controlled and rational change. Sequential change also allows the managers to celebrate the successes and achievements of each step, and learn from mistakes by analysing the cause-effect relations of

each phase. This kind of step-by-step process may also make the change easier for employees, increase their motivation and reduce change resistance, because there are more chances for successes, which usually promotes employee motivation and commitment. Sequential change is beneficial also in terms of financial investments, as they can be made in smaller portions with lower risks. The challenges related to the long time-frame of sequential change include keeping the employees' minds focused on the long-term goals, as well as preparing for unexpected changes in the external environment, which force the company to change its operations and reconsider its change process. (Hrebiniak 2006, 26-27.)

If the strategic change needs to be made quickly and the time to be used is short, it drives the company towards a complex change. This means that due to short time-frame, complex change requires many aspects and factors to be managed at the same time. Complex change is not the most ideal process for implementing strategic change, as it involves numerous challenges, which may lead to the failure of implementation. The major challenges of complex change include the difficulty of coordination and control of the process, as many changes are happening at the same time; the difficulty of making cause-effect analysis, as it is impossible to identify which elements have caused the poor outcomes; difficulty of learning from mistakes, as the reasons behind them remain unclear; and finally the difficulty of managers to focus on key elements of the change, as they are usually responsible and accountable for several elements at once. (Hrebiniak 2006, 27-28.) However, as Juuti and Luoma (2009) have stated, in a quickly changing business environment the companies may have to start learning to manage also the complex change perspective, and face the fact that it is not possible to plan and control everything that surrounds us.

Monitoring, control and follow-up are one of the critical dimensions leading to successful implementation. Thus, they are also important elements in the strategy implementation process. They can be either formal or informal mechanisms, which include procedures such as periodical evaluation by the top management, setting priorities for the actions to be taken, and implementing

control and follow-up tools for systematic process control. (Brenes et al. 2008, 596.) Control system is required for collecting valid and timely feedback and evaluating the performance and accomplishments. Without feedback on the performance it is difficult to know whether desired outcomes are being obtained. (Hrebiniak 2006, 23.) According to Sterling (2003, 33) and Okumus (2003, 877), successful implementation requires continuous monitoring of whether the implementation is progressing according to the predetermined plan, and how the different internal and external factors, such as competitive environment, customers and finances, have affected the process. This is important as sometimes the environments are changing fast, and thus, the process of implementation, although well planned and translated into short-term objectives, must be flexible to respond and adapt to the possible changes and unexpected events. As the circumstances change and the previously defined objectives may become impossible or irrelevant, it should be possible to define new objectives. (Lynch 2009, 498.) The achievement of the predetermined objectives and outcomes as well as the organizational learning gained during the process should be evaluated at the end of each step of the implementation process (Okumus 2003, 877).

2.1.4 Key factors affecting strategy implementation

Earlier studies related to strategy implementation present various perspectives, models and frameworks regarding the key factors leading to the successful strategy implementation. Due to the variety of frameworks, it is difficult to define exactly which elements, and in which order, are the most critical ones in strategy implementation. However, there are some elements which are repeatedly mentioned in several sources of literature. The most commonly presented implementation factors in prior literature form the framework of key elements in this study, and are more closely discussed in this chapter.

Okumus (2003, 875) presents a framework of key factors, which are grouped under areas strategic content, strategic context, operational process and outcome (figure 6).

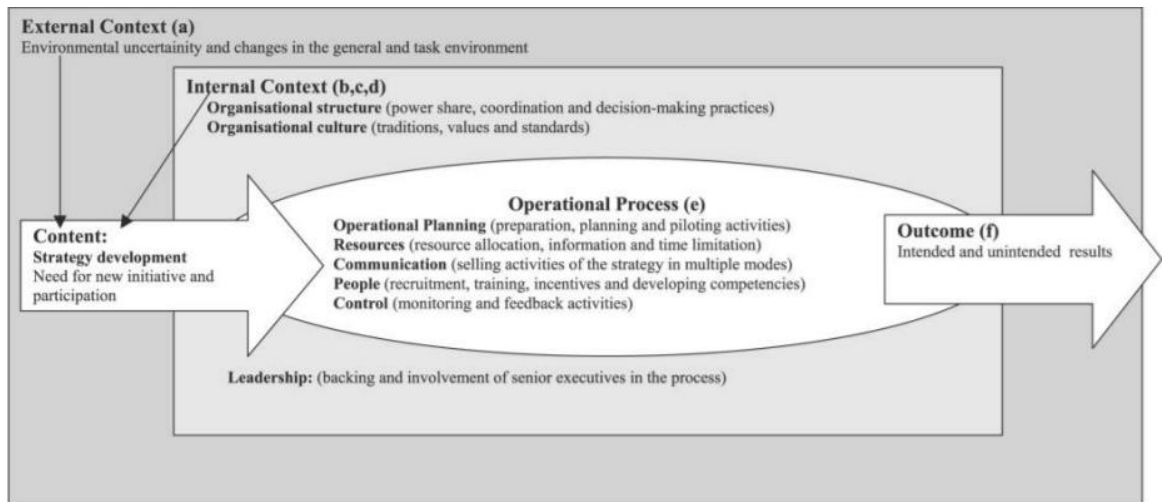


Figure 6. Strategy implementation framework. (Okumus 2003, 875.)

As the figure 6 illustrates, contextual category is further divided into external context, which includes environmental uncertainty, and internal context, which consists of organizational structure, culture, and leadership. The operational process includes also internal factors such as planning, communication and people. Strategic content, in turn, means the development of strategy, and outcome is the ultimate result of the implementation.

Brenes et al. (2008, 591), on the other hand, have defined a framework of five important dimensions, which influence strategy implementation (figure 7).

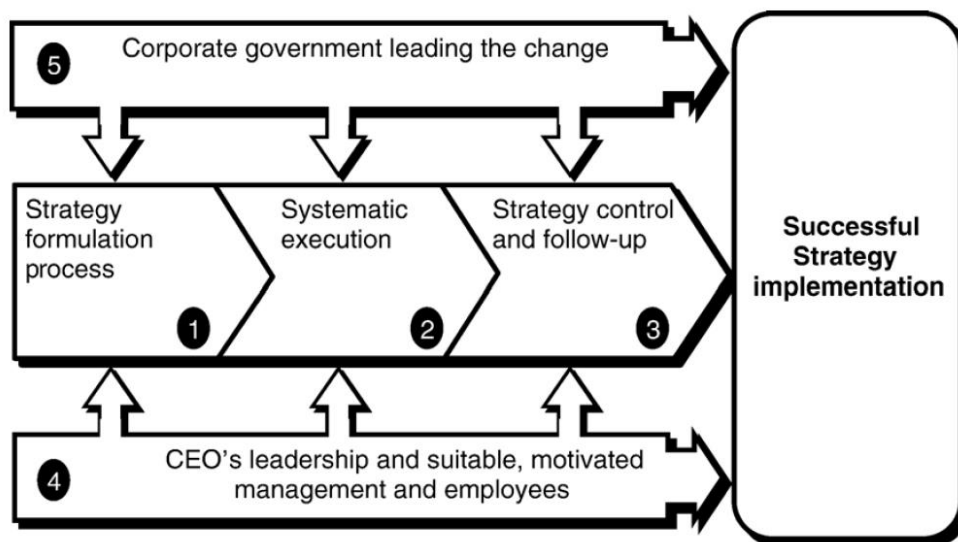


Figure 7. Five key dimensions in successful implementation of business strategy (Brenes et al. 2008, 591)

These dimensions, as illustrated in the figure 7, are strategy formulation process, systematic execution, strategy control and follow-up, CEO's leadership and suitable, motivated management and employees, as well as the corporate governance, i.e. board and shareholders, leading the change. According to Brenes et al. (2008, 591), a systematic development of these abovementioned factors improves the company's possibilities in successful strategy implementation.

As can be seen from the presented frameworks, strategy implementation is affected by both internal factors and external factors, as well as factors related to strategy formulation and planning, leadership, people and control. The impact of external factors, such as market conditions and competitor reactions, should not be disregarded (Sterling 2003, 27). In this study, however, the focus is particularly on the internal factors, such as organizational structure, organizational culture, people, planning and communication, while some external factors might be briefly mentioned as well. This study does not discuss the content of strategy and its influence on the implementation outcome, however, the strategy formulation was discussed through its link to strategy implementation in the section 2.1.2.

2.1.5 People of the organization

According to traditional approaches, strategic planning is usually associated with the top management and executive branch of a company, the implementation phase, in turn, involves much more people. It requires participation, support, motivation and commitment from the whole organization, from company CEO to middle managers and employees (Brenes et al 2008, 596).

For the strategy to be successfully implemented, it is necessary that the company executives and all levels of management, including management team and middle managers are supporting the implementation initiatives and involved in the actual implementation during the entire process (Okumus 2003, 877). Executives, such as the company CEO, are also in key role when communicating the strategy implementation and its importance forward to the personnel and facilitating the

process for achieving personnel cooperation (Brenes et al. 2009, 597).

Successful implementation also requires cooperation and team work among the leaders to ensure the right dialogue and communication for embedding the knowledge to the lower levels (Beer & Eisenstat 2000, 31).

While the top management team retains the main responsibility for setting the strategy, recent studies suggest that personnel's involvement already in strategic planning increases their understanding about the strategy and thus promotes the personnel commitment to strategy implementation. (Sterling 2003, 30; Luthans & Doh 2012, 271; Kohtamäki et al. 2012, 161.) The better understanding about strategy, values and vision is also said to increase employees' willingness to work towards the shared goals and align their own goals with the company goals (Collier et al. 2004, quoted in Kohtamäki et al. 2012, 160.) Moreover, it has been found that employee participation and active involvement at the strategy formulation stage is one of the key success factors in strategy implementation (Fahey and Randall 1994, quoted in Brenes et al. 2008, 594). Without personnel commitment to the strategy, it is difficult to steer peoples' behaviour and operations to the right direction, and thus, achieve a successful implementation of strategy (Kohtamäki et al. 2012, 163).

Managers and leaders may often have the assumption that the employee level is hindering the implementation with their resistance, which, according to studies, is not true (Beer & Eisenstat 2000, 38; Speculand 2009, 168). According to the statistics presented by Speculand (2009, 168) only 20 % of people resist change, while other 20 % are so called early adopters, who embrace the change and are willing to support it. The remaining 60 %, on the other hand, are people who are neither supporting nor resisting the change, but do their jobs regardless of the changes. The reason why it seems that most people are against changes, is because the 20 % of people who resist are usually the loudest ones. Leaders should put their energy in supporting the early adopters, who can from their side influence the rest of the employees, instead of paying too much attention to the resisting group. (Speculand 2009, 168-169.) This is supported by Brenes et al. (2008, 595), who suggest that it is important to select the right people to be in

charge for implementation and empower them wisely to make decisions and take actions, which are required for getting other people involved as well.

The involvement of many people from several business units is essential, but also causes challenges, for example to communication, which needs to flow across the different departments and organizational levels (Hrebiniak 2006, 14). To make all people in the organization participate in the implementation process, the leaders need to link the strategic objectives with the practical objectives people face in their day-to-day work, as well as create incentives that support the strategy implementation (Hrebiniak 2006, 15). It is important that the incentives are guiding people towards the right direction, because the implementation will suffer if people are rewarded for doing the wrong things. Carefully developed incentives are important for motivating people and committing them to the change at hand (Hrebiniak 2006, 23).

2.1.6 Organizational culture

Organizational culture is a vast concept, which has various definitions. It consists of many elements such as shared values, beliefs, ways of working and leadership styles, which help people in understanding their roles and norms within an organization. Organizational culture also includes the common language, terminology and rituals as well as organizational climate and unwritten rules of employee behavior. (McKenna & Beech 2002, 15; Luthans & Doh 2012, 169.)

The corporate culture is usually formed over time and is affected by the company's history and the founder. Schein (2004, 1) defines organizational culture as a dynamic phenomenon which surrounds the people in the organization, and is shaped by the interaction between the people.

Organizational culture is also shaped by leadership behavior, as well as structures, norms, rules and routines that guide the operation of the people.

Therefore, organizational culture provides structure and meaning to its members, at the same time limiting and stabilizing their operations. (Schein 2004, 1.)

Organizational culture, whether it is strong or weak, affects the implementation of the strategy. In strong organizational cultures, where the employees already have

a sense of cohesiveness and understanding of the company's objectives, it is easier to implement changes and make people work in a way that supports the strategy. The organizational culture can support the strategy implementation for example by providing a structure, standards, value system and set of informal rules for people to know how to behave and what is expected of them. In such organizations, individuals understand their roles and input for achieving the mutual goals, and can thus be more motivated to commit and contribute to the company. (Rao 2009, 136.)

In organizations with weak culture, on the other hand, the lack of company identity and poor understanding of the company's purpose may lead to confused and uncommitted employees. In such organizations, individuals do not understand their role and input for the overall objectives of the company, and may also feel that the strategic issues do not touch them. Such attitudes from the employee side are likely to affect negatively to the strategy implementation. (Rao 2009, 136.)

For an efficient implementation of strategy, companies need to make sure that their organizational culture supports the strategy implementation and is in line with the new strategy (Brenes et al. 2008, 595). The company should evaluate what kind of impact the current culture has on the implementation process, and how the new strategy, in turn, will affect the current culture. This is important as the organizational culture usually defines the level and methods of communication, coordination and cooperation between different organizational levels. (Okumus 2003, 876.) If the organizational culture does not meet with the strategy, it causes conflicts and confusion and may ultimately lead to a strategy failure and weaken the company's performance. For example, if a company has had a strong organizational culture for years and people have learned to follow certain rules and behavioral models, they are likely to follow these models also when a new strategy is implemented, if the culture is not modified to fit the new strategy. (Rao 2009, 137.) There can be also some parts in the organizational culture which are not modifiable, and in such situations, it is important for the

company to select and formulate a strategy which is in line with the existing culture (Rao 2009, 138).

According to Schein (2004, 291) leaders are in key role considering cultural change in the organization; leaders can shape the culture for example by changing what they measure, monitor, reward or pay attention to. Leaders can also change to what they allocate resources, create new organizational structures and processes by that changing the culture. The possibility for changing the culture, however, depends on the level of cultural development that the company is on; deeply rooted culture with its long-lived beliefs and assumptions are hard to change, whereas cultures in their early evolvement stage can be highly affected by the values and actions of their leaders (Schein 2004, 292).

2.1.7 Organizational structure

One of the key factors affecting strategy implementation is the organizational structure, which includes for example the division of responsibilities, duties and roles as well as the information flow, decision-making procedures and cooperation between management and employee levels (Okumus 2003, 876). According to Hrebiniak (2006, 20) the selection of organizational structure is vital to the implementation of strategy, but in some cases the strategy drives the choice of organizational structure. Design of organizational structure can be seen to reflect the strategic abilities of a company, and as one of the key factors in achieving strategic success (Brenes et al. 2008, 595).

The structure can be either tall and vertical, flat and horizontal or something in between. As already stated, organisational structure indicates how the information flows, as well as how duties and responsibilities are allocated in the company, but it also refers to how people are grouped into different units and departments, and what is the level of hierarchy in the organisation. Tall organisations with a vertical structure are more formal, hierarchic and have more levels in their organisation chart. In such organisations, the chain of command is thus longer and authority is more centralised. The organisation chart is clear with certain people taking care of certain tasks, which have been designated to them

by their managers. (Rao 2009, 123.) The advantages of tall organisations regarding strategy implementation are, for example, efficient decision-making and analysis of activities, as many managers in various levels are monitoring and controlling the operations. This also helps in communicating the organisation's mission and goals to the employees in all levels and all business units. However, the risk with too many levels in the decision-making chain and very tight control is that the decision-making process becomes slow, eventually resulting in an incompetent organisation. (Rao 2009, 125-126.)

In horizontal or flat organisations, the structure is more informal and has less hierarchy levels in the organisation chart. The chart is more like a network or a web of people and their social relationships within the company. The companies with flat organisation have more decentralised authority distribution, and the decision-making is shared among managers and subordinates. The advantage of flat organisations compared to tall organisations is a quick decision-making process as more people are empowered to make decisions at the right time. Shared responsibilities and authorities to make decisions, increases the creativity, innovation and motivation of middle managers and employees as well as their commitment towards the organisational goals. (Rao 2009, 127.) One example of a company with flat organizational hierarchy is Google, which is very comfortable with implementing changes in their organization and encouraging its employees to creativity and developing their ideas (Speculand 2009, 171.)

From another perspective, Lynch (2009, 469) identifies six types of organizational structure, which all have their advantages and disadvantages in relation to strategy implementation. These types are: Small organization structure, functional organization, multidivisional structure, holding company structure, matrix organization structure and innovative organization structure. For example, the small organization structure consists only of the owner and a small team of employees. Such organizations usually do not have a clear structure as the resources are limited and decision-making as well as sharing responsibilities are disorganized. In functional organizations, on the other hand, the structure is built around the critical functions and main activities of the company, e.g. production,

human resources and marketing. The advantages of functional organizations are that the responsibilities are clearly shared, and that the strategy is centrally controlled. However, in these organizations, the coordination could be difficult as there are many different functions and it is difficult to get an overall perspective to the strategy. Multidivisional structures, in turn, are based on separate divisions which are categorized for example by geographical location.

There is a variety of organizational structures for different purposes, and thus, the selected structure needs to be determined based on the operational branch of the company as well as the scope of its operations and goals. In terms of strategy implementation, it is important that the company has an organisational structure that fits the strategy and is built around the key success factors and strategic activities. For the companies to be able to determine their organisational structure, they need to be aware of what are the critical activities, which promote strategy implementation, and on the contrary, what are their weak points that could endanger the implementation. When the company has determined its critical activities for the strategy implementation, it should be made sure that those activities receive enough attention in all levels of the organisation, and that enough resources are allocated to those activities. (Rao 2009, 128-129.) In other words, the company should anticipate the potential challenges related to the existing organizational structure and operational processes, such as communication and resource allocation (Okumus 2003, 876). Lynch (2009, 455) presents the concept of strategic fit between strategy and structure, which is required for companies to become economically effective. Strategic fit means that the company should align its internal practices to effectively undertake the strategy. Rao (2009, 131) presents a study made by Alfred Chandler, in which it was detected that changes in the company strategy raised administrative problems, which required reassessment of the organisational structure. Without this reassessment, the company's internal problems would eventually lead to an unsuccessful implementation of the new strategy. The study emphasizes the role of organisational structure both as a means for strategy implementation and a managerial tool in achieving organisational objectives.

2.1.8 Obstacles of strategy implementation

It is much harder to implement a strategy than to plan it, thus the problems that may occur in performance are often caused by poor execution or implementation and not by planning (Hrebiniak 2006, 12). To further investigate the strategy implementation problems, Hrebiniak (2006) conducted a research by surveying 443 managers about the most critical obstacles they have faced in strategy implementation. In the research *poor change management* was identified as the most significant factor preventing strategy implementation, especially in complex situations which require massive changes. Change management is critical, because strategy implementation usually involves change, for example, related to job responsibilities, organizational structure, people, incentives or controls. Inability to manage changes, can also lead to employees' resistance towards changes and strategy implementation. (Hrebiniak 2006, 16.)

Another critical factor discovered in the research was *poor or vague strategy*, because not even good execution can rescue the situation if strategy is bad and planning has been done poorly. Strategy needs to be clear so that it is possible to select the right people with proper skills to the right tasks and guide them to the right direction. Strategy sets the guidelines and the operating field for the implementation work. (Hrebiniak 2006, 17.)

Third obstacle was related to *inadequate or non-existing model for guiding managers in their implementation efforts*, decisions and actions. Implementation without any guidance can lead to uncoordinated and even conflicting actions, as managers are unaware of which steps are important in the process. (Hrebiniak 2006, 17.)

Fourth obstacle was *poor or inadequate information sharing and unclear responsibility*. This obstacle may cause strategy implementation to fail, especially in more complex strategies where effective coordination, cooperation and information sharing across organizational units is important. This is not possible, if the managers know neither their own responsibilities nor the ones of their colleagues, and to which direction to head. (Hrebiniak 2006, 18.)

The fifth obstacle presented by the research was *working against the power structure*. Leading a strategy implementation requires an ability to influence others and making them work according to strategically important policies. This might require some people to change their behavior and working methods. Such changes must be in accordance with the prevailing power structure or else the strategy execution will fail. In other words, if the leaders in influential positions do not agree with the execution plan, it is not likely to succeed. However, if it is possible to win over and convince those influential people, it will most probably help in the implementation process. (Hrebiniak 2006, 18.)

Beer and Eisenstat (2000, 29) talk about “the silent killers of strategy implementation”, by which they refer to factors that are not clearly identifiable but may exist and turn out to be obstacles for the strategy implementation in practice, even though everything would be done correctly in theory. Beer and Eisenstat (2000, 29) suggest that while in theory, for successful implementation companies to need to realign their structures, processes, leadership and human resource practices, culture, values and management according to the strategy, in practice the implementation may not be as simple. For example, the implementation will not work if the leaders and senior managers think that strategy implementation happens just by communicating the strategy to the employees, or if they approach the implementation from a narrow perspective and do not present the real reasons behind the change. In their research, Beer and Eisenstat (2000, 31-32) identified six main barriers for strategy implementation:

- Top-down or laissez-faire senior management style, which means either autocratic leadership style with centralized decision-making power to themselves, or leaders who avoid taking responsibilities and making decisions
- Unclear strategy and conflicting priorities
- Ineffective senior management team
- Poor vertical communication
- Poor coordination across functions, businesses or borders
- Inadequate down-the-line leadership skills and development

According to various sources (Beer & Eisenstat 2000; Sterling 2003; Hrebiniak 2006), many obstacles are leadership-related, starting from the lack of support

from the top management to poor management or leadership skills. Also lack of communication and coordination, as well as unclearly presented strategy can affect negatively to the strategy implementation. Hrebiniak (2006, 12) states that poor execution is often caused by the lack of knowledge about execution process and the leaders' inability to overcome obstacles related to strategy implementation or execution. This, in turn, may be caused by the fact that leaders are more trained on planning the strategies than to implement them. The implementation phase is often only touched in the trainings and handled as part of the strategy process, instead of actually being emphasized in the studies. Usually the implementation and execution are learned by trial and error in practice, whereas the key steps of implementation could be taught to the managers already in advance. (Hrebiniak 2006, 13.) Another management-related problem that Hrebiniak (2006, 13) presents is the leaders' perception of strategy implementation being something, that is below them, and should be done by lower-level managers and employees. This kind of demeaning attitude towards implementation creates problems, because implementation demands dedication and commitment from all levels of management, starting from the top management.

There are numerous reasons, why the strategy may fail, luckily however, the problems can be anticipated, and therefore, prevented from disrupting the implementation process (Sterling 2003, 27). Each of these barriers individually is harmful for the strategy implementation, but when combined with other barriers, they cause even more demanding situation for the company, as their interaction can affect the quality of direction, quality of learning and quality of implementation. (Beer & Eisenstat 2000, 32.) It is possible for the leaders to overcome these obstacles, if they first face and discuss the obstacles openly and make everyone aware of them and their causes (Rao 2009). Open and honest acknowledgement of the factors, which may block strategy implementation is the starting point for defeating them, whereas failure in recognizing them is likely to lead to failure of implementation (Hrebiniak 2006, 16).

2.2 Human resource management practices and strategy implementation

Human resource management (later HRM) includes various functions and activities related to the people working in a company. The major goal of HRM is to assure that the availability and capacity of human resources, by amount as well as by skills and competencies, are adequate to fulfill the company's overall objectives (Muscalu 2013, 1532). Simply stated, the purpose of HRM is to manage the recruiting and developing of personnel so that it is valuable for the company (Business dictionary 2017).

In the context of this thesis, it is relevant to use also the concept of strategic human resource management (later SHRM), as it presents the company's strategic goals as the starting point for planning and formulating HRM policies and practices (Harrison & Bazy 2017, 1260). The process of SHRM usually begins with identifying the strategic goals, then defining the required skills and behavior for achieving these goals, and finally, formulating HRM practices, by which these skills and behaviors are produced (Dessler 2009, 80). Podolsky (2018, 20) presents a value-based approach to SHRM, which suggests that the suitable HRM practices should be planned based on the value proposition of the company. Based on the clearly identified value proposition, e.g. the unique value that the company's products or services offer to the customer, the company management identifies the core activities by which the value proposition is realized, and then based on those core activities the HR professionals can identify a set of core competencies required for carrying out the core activities. According to this value-based approach, all HRM practices should be planned in relation to the core activities of the company, rather than benchmarking the competitors or other common practices of the industry. (Podolsky 2018, 20-21.) According to Bagga and Srivastava (2014) all companies, regardless of their size, should implement the concept of SHRM, and align their HRM practices with the company strategy.

According to Beaumont (1993, 10) and Tayeb (2004, 5), HRM is an important part of the company strategy, as well as a source of competitive advantage, because it can lead to lower employee costs, bigger productivity and financial

performance if done properly and effectively. HRM also considers the importance of flexibility and helps the company to quickly react and adapt to the changing circumstances and requirements in the company's environment (McKenna & Beech 2002, 21). In practice, HRM responds to the organization's external and internal requirements, and enhances the organization's profitability, for example by such activities as, human resource planning, recruitment, training, rewarding and developing leadership practices (McKenna & Beech 2002, 22; Rao 2009, 148).

HRM has a key role both in the development and implementation of strategic plans, and according to Fulmer (1990), especially in the implementation phase HRM plays a significant role. Through SHRM it is possible to increase employee productivity and motivation, by searching the key areas of HRM for implementing company strategies (Bagga & Srivastava 2014). Based on prior studies presented by Sanz-Valle et al. (1999, 656), some approaches claim that HRM contributes to strategic management only by designing appropriate human resource policies to support the implementation of strategy, whereas according to other approaches HRM should participate already the strategy formulation phase. The level on which HRM is involved in the strategic management of a company, evolves through different stages, thus, in some companies HRM may be highly involved in the whole process, and in some companies the involvement may be minimal (Fulmer 1990; Sanz-Valle et al. 1999, 656). In companies which are implementing SHRM, HR functions have been taken as solid part of strategic planning and they are always included in the formulation and implementation of the company strategies and long-term objectives, so that they are able plan and develop HRM programs in the long run (Bagga & Srivastava 2014).

Strategy guides the use of human resources to meet the company's needs, thus, forming the foundation for long-term HRM and the development of human resources (Laakso-Manninen & Viitala 2007, 20). HRM should, therefore, be operated according to the overall strategy of the company. Ideally, there is a separate human resource strategy and vision created for supporting the achievement of the overall strategy and vision (Fulmer 1990, 1; Viitala 2007). The

HRM strategy aims to clarify, which HRM procedures and practices are suitable for the business strategy (Sanz-Valle et al 1999, 656). For example, if the company has a growth strategy, HRM functions of the company must be directed towards growth and have an emphasis on human resource development (Rao 2009, 148). Through HRM practices it is possible to influence in people's behaviour and encourage them to behave and operate in accordance with the company strategy. (Sanz-Valle et al 1999, 656). Individuals' behaviour can be influenced for example by creating situational strength around the desired activities and behavioural patterns, which support the strategy implementation. In a strong situation, employees understand what kind of attitudes and behaviour are expected and most suitable in all situations, and there are incentives to prove it. The situational strength guides peoples' behaviour in the right direction and reduces the impact of individual differences in behaviour. (Podolsky 2018, 18.)

As presented and emphasized in chapter 2.1.6, organizational culture has a strong impact in strategy implementation, and for a successful implementation it is important that the culture is supportive for the strategy. Harrison and Bazy (2017, 1264) argue that there is a strong linkage between organizational culture, strategy and SHRM, and that aligning the organizational culture with the company strategy is a key factor in successful SHRM, and leads to strategy implementation and achieving organizational outcomes. Organizational culture which is not aligned with the company strategy, leads to inconsistent SHRM practices and can be one reason why the strategy is not implemented as it was intended. In other words, while by HRM functions such as recruitment and training, it is possible to develop and reinforce the organizational culture which is in line with the strategy, also the wrong type of organizational culture reinforces HRM practices which do not support the strategy implementation. (Harrison & Bazy 2017, 1264.) As illustrated in figure 8, the linkage between organization strategy, organizational culture and SHRM implementation forms a loop which

can either strengthen or disrupt the organizational performance.

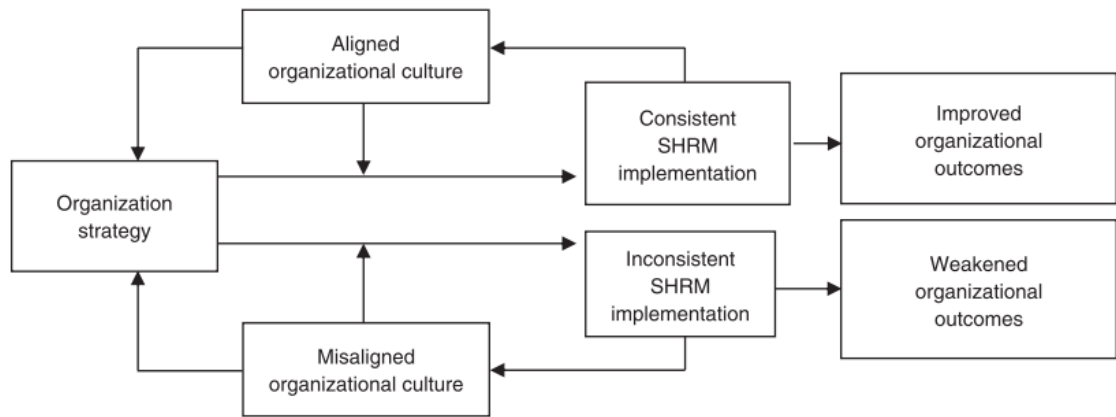


Figure 8. The linkage between strategy, organizational culture and SHRM. (Harrison & Bazy 2017, 1264.)

As previously stated, strategy implementation involves many people from various levels of the organisation, and a successful implementation requires that individuals are committed and motivated to help their organization in reaching the strategic objectives. Kaplan and Norton (2009, 168–169) describe the employee motivation and adaptation to strategy as a three-step process, which begins with the introduction of strategy to the personnel via different modes of communication and training. Secondly the employees' individual goals and incentives are connected to the strategy, by which the employees will have also a personal interest in committing to the strategy and its details. Finally, the training and personnel development systems are adapted to the strategy to ensure that people possess the required skills and competencies for implementing strategies.

Strategy implementation also includes changes and thus, a successful implementation requires efficient change management and engaging the right people in the process. Change requires adjustments from the individuals and the whole organizations, which in turn may cause fear in individuals. This may bring challenges to the strategy implementation as individuals, who are afraid of changes may become resistant towards the change. Even more challenging it becomes when the individuals start grouping up and resist the new strategy as a group. This is one of the reasons why strategy implementation and changes in general require, not only well-planned change management, but also a significant effort and contribution from the human resource management. (Rao 2009, 132.) According to Lippett (2007, 56), HR professionals play a key role in facilitating

executorial planning through their various skills and knowledge, for example, in assessing and developing competencies, culture and change management, organizational analysis and forecasting. HR professionals in general need to understand the entire organization with its processes and practices.

This chapter takes into consideration the key factors of strategy implementation, presented in chapter 2.1, and discusses how those factors can be influenced through HRM practices, such as leadership, recruitment, training, employee motivation as well as communication to achieve a successful implementation.

2.2.1 Leadership practices

Leadership can be defined as a process of influencing other people to direct their operations towards the desired goals (Luthans & Doh 2012, 456; Rao 1990, 133; Hrebiniak 2006, 18). Leadership is one of the key factors and main channels for affecting strategy implementation, and successful implementation requires an appropriate style of leadership (Rao 2009, 133). One of the main tasks of leadership is to take part in the strategy process especially in the implementation phase (Fulmer 1990, 8). Speculand (2009, 171) suggests that instead of wasting their time on solving daily problems, leaders should spend most of their time on crafting and implementing strategy. Leaders are also in key role in shaping and manipulating the company's internal context to a more change-friendly direction and more welcoming for the implementation of new strategy (Okumus 2003, 877). Considering that the successful implementation requires involvement from the whole organization and people in it, also the leadership style should promote a culture where people are allowed to participate in the process. Fulmer (1990, 8) suggests, that in fact, leadership is an organizational task, because leaders alone are not able to accomplish the leadership objectives; it requires that other people will follow the lead.

Leadership styles and roles vary, for example, depending on the leadership context, leader's personality and leadership culture of the company. However, there are some critical functions that the leaders should engage themselves with regardless of their role. Firstly, the leaders must provide vision, direction and

sense of purpose to their employees. Secondly, they need to motivate their subordinates to strategic thinking and actions. Thirdly, they need to communicate the company values and make sure that people act upon them. Additionally, leaders are responsible for allocating resources in different areas and assigning responsibilities to their team members. (Fulmer 1990, 8.)

As stated, leadership styles are different, and they vary from so called free-rein or laissez-faire styles, in which the responsibilities and decision-making is shared and decentralized, to the autocratic style, which is the exact opposite with highly centralized decision-making power. Not all leadership styles necessarily have a positive influence on strategy implementation. (Rao 2009, 134.) According to Rao (2009, 135) one of the most effective and appropriate leadership styles is a situational leadership, in which the leaders align their leadership style according to the situation that they are facing. This is because leadership is highly contextual and different situations require different kind of leadership. Leadership styles can also be divided into transformational leadership and transactional leadership. Transactional leadership is a traditional, task-oriented leadership style, where authority, punishments and rewards are used to get people working in a certain way. Transformational leadership, on the other hand, is more people-oriented leadership perspective, which aims in supporting and empowering the personnel, facilitating innovativeness and focusing on development and change. In strategy implementation, the transformational leadership would be more appropriate as it inspires employees' involvement in strategy-related activities and contribution in organizational mission and vision. (Rao 2009, 135.) Transformational leaders tend to lead by example and work with their employees, they also listen and talk with their subordinates, and by that are able to get important information and feedback on how the implementation process is going.

Leaders play a key role in shaping the organizational culture to better support the strategy implementation (Rao 2009, 137). Schein (2004, 246) has listed several ways in which leaders are able to embed priorities, values and beliefs to the employees, and thus shape the organizational culture to better meet the strategic goals, and on the other hand, reinforce and underline certain elements which also

affect the strategy implementation. These embedding and reinforcement mechanisms are presented in the table 1.

Table 1. How leaders embed their beliefs, values and assumptions. (Schein 2004, 246)

Primary Embedding Mechanisms
<ul style="list-style-type: none"> - What leaders pay attention to, measure, and control on a regular basis - How leaders react to critical incidents and organizational crises - How leaders allocate resources - Deliberate role modeling, teaching and coaching - How leaders allocate rewards and status - How leaders recruit, select, promote, and excommunicate
Secondary Articulation and Reinforcement Mechanisms
<ul style="list-style-type: none"> - Organizational design and structure - Organizational systems and procedures - Rites and rituals of the organization - Design of physical shape, facades, and buildings - Stories about important events and people - Formal statements of organizational philosophy, creeds, and charters

One of the most efficient mechanisms for embedding leaders' values, assumptions and beliefs is systematically measuring, controlling, rewarding and paying attention to the right things. For this mechanism to work, leaders must acknowledge the power of this and be consistent in their behavior. (Schein 2004, 247.) In fact, consistency is key for all of the above-mentioned mechanisms, as they all send messages, which need to be in line with each other. The problem is that leaders cannot always control what kind of signals they send with their behavior, as some actions may be highly unconscious and unintended, and lead to sending controversial and inconsistent messages to their subordinates (Schein 2004, 253). This kind of inconsistent pattern of attention may guide the employees in the wrong direction as they start to use their own experiences and other signals to interpret what is important, ultimately leading to differentiation of assumptions and creation of subcultures (Schein 2004, 254).

2.2.2 Recruitment practices

One of the main tasks of HRM related to the company strategy is to develop systems, which enable the company to obtain a suitable amount of people with required skills to successfully implement the strategic plan. In other words, HRM

ensures the quality and quantity of people needed to achieve the goals. (Fulmer 1990, 5.) Nowadays this process is called human resource planning (HRP), and it aims to forecasting and identifying the needed human resources and ensuring their availability for achieving the strategic objectives (Bagga & Srivastava 2014). One way of assuring this is to develop and implement suitable recruitment practices, which are usually defined by the company's strategy and vision (Viitala 2007, 100). Recruitment includes the functions by which the needed human resources can be obtained to the company (Okumus 2003, 877). While earlier, recruitment and selection were made by reviewing who is a suitable person for the particular job, today the selection is done more based on organizational criteria, by which it is evaluated who fits the organization and its values (Bagga & Srivastava 2014). To support the strategy implementation, recruitment systems must ensure that the people who are hired are able to commit to the shared goals and values of the company and capable of carrying out the strategy implementation activities. For ensuring that the candidate fits the company's values, the HRM people need to learn to think through the presumable personality of the company's culture. (Fulmer 1990, 6.) Strategically important persons to the key positions of the company should be recruited on strategic basis, which means integrating recruitment and selection with the long-term objectives of the company, and translating them into specific selection criteria. This also requires that the company's objectives and the candidate's objectives are similar. (Bagga & Srivastava 2014.) Recruitment of key people is usually a different kind of process from the regular recruitment, however, hiring new people is always a financially big, long-term investment for a company, by which the quality of service, fluency of operations and efficiency of performance can be affected. Unsuccessful recruitment can cause suffering for the hired person, to the organization and customers, whereas a successful recruitment, at its best, will develop the company's operations and improve its performance. (Viitala 2007, 100.)

According to Viitala (2007, 100), recruitment is always a substantial investment for the company, so there are usually multiple decisions and evaluations, which the HRM professionals need to perform before making the decision of recruiting a

new person. They evaluate if the task at hand is critically necessary, and if it is, could it be done for example by someone inside the company, could it be outsourced, done as part-time job, or could the task be automated. If the company decides to hire a new person for the task, they need to decide, how the candidates are attracted and what kind of recruitment methods are used; what kind of selection criteria is used; and what kind of contract type is offered (Sanz-Valle et al. 1999, 659). The selection criteria based on which the new person is hired includes diverse aspects, such as, organizational criteria, i.e. the strategic goals, nature of operations, culture and atmosphere; business criteria, i.e. the work environment, team and the contribution expected of the new person; and thirdly the job-specific criteria in which the skills and competencies related to the task need to be considered (Viitala 2007, 101).

2.2.3 Training practices

Recruiting new people with needed skills is one way of assuring the quality and quantity of human resources, yet alone it is not enough. It is highly essential also to retain and develop the existing key people in the company. (Fulmer 1990, 6) According to Lynch (2009, 480) in motivational perspective it is better to first assess if the required skills can be found in the existing organization. If not, then it becomes relevant to start training the existing personnel or to hire new people from outside the company. It is important for the HRM department to develop training and orientation practices by which can be ensured the adequate level of skills for achieving the strategic goals, and prepare the managers and employees for the implementation process. (Okumus 2003, 877.) Additionally, the company needs to decide what kind of training activities are required and suitable for this particular strategy; what type of trainings and how much should be invested in them (Sanz-Valle et al. 1999, 659). For this, it is relevant to create a performance evaluation plan, which links the employees' performance and objectives to the strategic objectives, and aligns competency requirements to the core values of the company (Bagga & Srivastava 2014). To reinforce the strategy implementation, companies should provide a performance appraisal system, which include formal procedures and programs for employee training and development (Lynch 2009, 480).

The existing people and the newly hired can be adapted to the company's values and made part of the company's culture by, what can be described as, a "socialization process". In practice this "socialization process" is handled in personnel training and orientation by reinforcing the desired values and skills through symbols and rituals, as well as emphasizing the values which are important for the strategy implementation. (Fulmer 1990, 6.) Instable employment situations within an organization can disrupt the socialization process and result in preventing the passing on of traditions. Therefore, it is important for the HRM people to pay attention also to the lay-off practices.

2.2.4 Rewarding and motivating practices

One way of reinforcing the implementation of strategy and retaining the employees with strategically important competencies, is creating strategically linked rewarding and compensation systems (Bagga & Srivastava 2014). This means that both negative and positive rewards are in line with the company's aspired behavior, values and goals. Same idea applies to measuring and controlling systems; firms should measure what is strategically important to them. (Fulmer 1990, 7.) According to Lynch (2009, 479) the achievement of strategic objectives should be measured and the good performance in relation to the objectives should be rewarded, as it increases the motivation. This is supported by Viitala (2007, 141) who emphasizes the importance of aligning salaries and rewards with the business strategy, because rewards guide people to working in certain way. Therefore, people should be rewarded for actions which are hoped for the selected strategy and essential for achieving the strategic goals. The strategically important and beneficial performance could be rewarded in the individual level but also the performance of the whole team should be measured and rewarded by linking the team's achievements to the strategic objectives (Bagga & Srivastava 2014). Rewarding principles should be defined in a rewarding strategy which is part of the company's HRM strategy, to which, in turn, the guidelines are set by the company's overall strategy. Rewarding strategy determines who and what kind of actions are rewarded and how the reward is distributed and shared. (Viitala 2007, 140.)

Distributing financial rewards and incentives are one way of motivating employees, but rewards should be viewed from a wider perspective than merely as payment (Lynch 2009, 479) Often financial rewards are not even the most efficient rewarding method, as they usually only bring short-term satisfaction and motivation to the employees. Efficient rewarding methods for supporting strategy implementation are, for example, promotions and different forms of public recognition, which indicate to the rest of the organization, what kind of skills, values and attitudes are desired by the company (Fulmer 1990, 7). Employee motivation is one of the key success factors for strategy implementation, and therefore, a critical task for the managers. However, individuals are motivated by diverse reasons, which brings challenges for the managers. (Åberg 2002, 152; Viitala 2007, 17) Employee motivation is also dependent on the way people are treated; are they fairly treated and are their jobs and efforts systematically acknowledged (McKenna & Beech 2002, 35).

2.2.5 Communication practices

Communication in general is often seen as one of the principal functions determining the success of top management. Particularly, when changes are taking place, the level of communication is important, and usually employees want to get as much information and knowledge about details as possible. With adequate communication in change situations, the management can prevent the culture of suspicion and mistrust from developing. Communication also reduces uncertainty, anxiety and resistance to change, clarifies objectives and thus increases the employee commitment and trust in the work place. (McKenna & Beech 2002, 37.) Transparency between superiors and subordinates should be clear to avoid the information sharing through unofficial channels, which usually increases work-place stress. The communication between superior and a subordinate highly affects the employee satisfaction, commitment and performance level. The efficient communication enhances the employees' confidence and trust towards the organization, which in turn improves their loyalty and operational results. (Al-Ghamdi et al. 2007)

Effective communication is one of the key success factors also in strategy implementation, and in this context, it includes the mechanisms that send either formal or informal messages about the new strategy (Okumus 2003, 877). Without consistently communicated clear messages about the strategy, people will not understand the strategy, and if they do not understand it, they will not adopt it, or commit to it (Sterling 2003, 33; Speculand 2009, 170). The strategic elements and goals should be clearly communicated and presented as a simplified “big picture” preferably on one page, so that it is easy to communicate it and get people focused on the key elements. It is important to keep the employees informed during the entire implementation process, and explain how recent events relate to the strategy and why certain actions are taken. Communication should be continuous and persistent equally before, during and after the change. (Sterling 2003, 31; Al-Ghamdi et al. 2007.) However, the communication alone is not enough, and it is not enough that the people merely understand the strategy; they also need to know exactly what they need to do differently, and what actions to take to participate in the implementation process. This means that strategy needs to be broken down into concrete action steps for each staff member. (Speculand 2009, 170.)

There are numerous means of communication, such as formal or informal, top-down or bottom-up, lateral, internal, external and continuous or one-time, which can be used either together or separately. Also, the use of training programs, incentives and operational plans work as indirect means of communication. (Okumus 2003, 877.) The commonly known communication channels, in turn, can be divided into three main groups: face-to-face communication, e.g. meetings and conferences; electronic channels, e.g. email, phone and discussion forums; and traditional channels, such as newsletters and notice boards (Jones 2008, 34.) The impact of the used communication modes to the strategy implementation should be considered, and the selected communication channels should be planned carefully to fit the purpose, significance and complexity of the message. For example, in uncertain and demanding situations a verbal, face-to-face communication is the most efficient and preferable method, whereas written

reports and memos are the worst option. Jones (2008, 33), presents six criteria, which should be considered when selecting the communication channel:

- Does the channel provide feedback
- Is the channel reliable
- Does it allow communicating more complex messages
- How many people will be reached with the message, and is it personal or impersonal
- How quickly can the message be prepared
- How quickly can the message be communicated

Generally, in strategy implementation process, various communication channels, such as meetings, one-on-one conversations, booklets, videos and other electronic channels, should be used diversely to reach all people in the organization, and to suit various situations. (Al-Ghamdi et al. 2007.) According to McKenna and Beech (2002, 37) the information sharing and communication should be multi-directional rather than from top down, so that also the managers could learn from their employees, receive feedback and improvement suggestions, and better understand where the problems lie.

2.3 Strategy implementation in international context

On the general level, the same main principles of strategic management, strategy implementation and human resource management practices apply also to companies operating in international business context. However, operating across different countries and cultures bring about additional challenges and factors for companies to consider. This chapter briefly presents how the strategy implementation and HRM practices differ for companies operating in international, not to mention global, context.

2.3.1 Strategy implementation factors

International business strategies are implemented, when the company is operating in different countries of the world and its operations and activities are coordinated or integrated in different countries across borders. When the strategy needs to be implemented in many areas, for example in different countries, the type and features of the implementation factors should be analyzed area- or country-specifically, and required actions planned to overcome the potential obstacles (Okumus 2003, 878).

Organizational culture is one of the key factors affecting strategy implementation, but in international field, also the national cultures, for example, of different subsidiary countries need to be considered. In the international context, organizations are, by nature, interacting largely with customers, suppliers, employees and other stakeholders that come from different cultures. (Lasserre 2003, 288, 286.) Culture affects many aspects of management, but most importantly for strategy implementation, it affects peoples' beliefs, values and how they think and behave. (Luthans & Doh 2012, 109.) Due to their different cultural backgrounds, people may interpret or perceive the message differently than it was originally planned, which is a challenge when implementing a certain strategy in another country. (Lasserre 2003, 303.)

Differences in cultural values lead to diverse management practices, which cause challenges for strategy implementation (Luthans & Doh 2009, 113). The company's international success is largely dependent on how well the company is able to manage multi-culturalism and diversity. The level of multi-culturalism, in turn, depends on the level of internationalization the company is at. (Luthans & Doh 2012, 188.) If the multi-cultural teams are managed well, they will increase the richness of information by combining various perspectives and experiences, or at worst they can lead to misunderstandings, miscommunication and loss of cohesion (Lasserre 2003, 298).

In international operations, a variety of different organizational structures are used depending on the size of the organization, level of internationalization, and the market entry mode. The companies which operate internationally should find a structure, by which they can maintain the competitive advantage across the borders, but also, to some extent, be able to adapt to the local requirements and conditions. (Lasserre 2003, 92) There are also differences in how international companies organize their operations, often however, when companies establish international subsidiaries, they implement the same organizational structures and techniques as in the mother company. (Luthans & Doh 2012, 332-333.) Differences in organizational structures, and cultures, also cause differences in

the decision-making processes and the level of decision-making power that is given to the subsidiary companies. Controlling is one of the key factors in strategy implementation, but in international context controlling and evaluating require more diverse practices. (Luthans & Doh 2012, 384.)

2.3.2 Human resource management practices

HRM plays an important role in determining the company's success or failure also in the international context, as the strategic success is mostly dependent on the quality of people who are responsible for the implementation (Lasserre 2003, 309). International experiences and competencies of HRM professionals is an important factor in implementing successful strategies, whereas poor HRM often leads to failures in international business environment. (Tayeb 2004, 7-8.)

International HRM becomes relevant for companies, when they are setting up foreign subsidiaries and start employing people in another country (Tayeb 2004, 96).

The main difference between international and domestic HRM lies in the complexity of operating in different countries and employing people from diverse cultures. The factors causing complexity, in turn, are such as, more HR activities required, need for broader perspective, as well as bigger risks and external influences. (Dowling et al. 2009, 5.) According to Morley and Collings (2004) international HRM is usually facing different kind of challenges than domestic HRM, as the nature of HRM practices depend highly on factors such as, the form of internationalization that the company is following, the general HRM practices of the target country, and cultural factors. There are also various non-cultural factors that affect international HRM operations. They can be either internal factors, such as the size of the company, skills, education and expertise of the personnel, or external factors, such as trade unions, governmental and legal systems and conventional agreements. (Morley & Collings 2004, 489.)

Cultural factors, and to some extent also political, governmental and environmental factors, set challenges for employee motivation and rewarding. According to Lasserre (2003, 324) one of the main challenges in implementing

HRM practices internationally is fitting the evaluation and rewarding practices to the cultural differences. While it would be easier for the company to implement standardized practices, which are in line with the company values and organizational culture, in all countries, the impact of those practices may not be as desired because of the cultural factors, and thus the implementation of those practices is ineffective. (Lasserre 2003, 324.) There are usually different preferences in different cultures, and what may be regarded as a reward in one culture, may be seen differently in another culture. For example, in the United States, financial rewards and bonuses are much more appreciated than in some Asian or European countries. Managers should be aware of such differences in advance. However, there are certain principles for motivation, which should generally apply to most cultures. These general principles include such as, encouraging peoples' self-direction and creativity, rewarding them for their achievements, and giving them responsibilities. Additionally, more flexible working hours, career development and learning opportunities, as well as improvements in the working environment and employment conditions are said to increase employee motivation generally. (Luthans & Doh 420-421, 446-447.)

Leadership styles and practices also vary significantly depending on the culture. Due to cultural differences, there are different leadership styles, which include separate ways of seeing other people and treating subordinates, as well as different leadership practices, such as information sharing, decision-making, participation and initiative. (Luthans & Doh 2012.) The roles and skills required from the international managers are also more diverse, and they have to possess a combination of organizational and coordination skills, strategic skills, resource allocation skills, market intelligence and understanding of local and global issues (Lasserre 2003, 326).

When recruiting people in another country, it is one challenge for the mother company to figure out which of its original HRM practices can be implemented in the subsidiary company. Some companies that have subsidiaries in various countries, might also implement different practices in different subsidiaries, depending on the country. (Tayeb 2004, 96.) There are many options for filling

open positions in international companies, and they can be useful in different occasions. For example, if a certain project needs to get started in subsidiary company, it might be useful to send someone from the mother company to begin the operations, and once the operations are running, someone from the subsidiary country can be hired to take over. Sometimes even a person from the subsidiary country (host-country) can be sent to the home-country to increase diversity and international competencies. For employees who are sent to overseas assignments, the company should develop systems for preparing and training them for the assignment, as well as for returning home and adjusting to different conditions and environments. In recruitment, there might also be differences in which kind of qualities are looked for and valued in the candidates. (Lasserre 2003, 311-313; Luthans & Doh 2012, 533.)

Multinational and cross-cultural teams are essential for the company's success and competitive advantage, however, they also set challenges for managers, who need to put extra effort on issues such as culture, communication and trust. Cross-cultural teams, especially if they are located in different countries, are usually virtual teams, in which the communication is handled mostly via other sources than face-to-face communication. The lack of face-to-face communication may lead to misinterpreted messages, and the difficulty of building trust among the team members. Building trust in such teams require efficient handling and responding to electronic messages, reliable performance and constant follow-up. (Luthans & Doh 2012, 167-168.) For managing people in different countries and for communicating in international context, managers need to understand the different communication styles of different countries, take note of possible language barriers, as well as different ways of perception and nonverbal communication. The communication barriers can be defeated and the communication effectiveness improved, for example, by providing language and cultural training for managers and employees, or by encouraging feedback and cooperation between different countries representatives. (Luthans & Doh 2012, 227.)

2.4 Summary

Strategy implementation is one of the key areas in strategic management, as there the strategic goals and plans are transmitted into practical actions. Strategy implementation should be viewed as a linear and rational process, where the company's long-term objectives need to be evaluated and divided into short-term objectives. The correct actions for reaching those objectives need to be carefully planned, timeframe and resource allocation for the plan need to be defined, and the progress of those actions and achievements need to be monitored and controlled regularly. (Hrebiniak 2006; Sterling 2003; Okumus 2003.)

Strategy implementation includes a significant amount of internal and external factors and dimensions which need to be handled through concrete actions. Ultimately, the goal is to achieve competitive advantage through the management of those numerous factors. (Brenes et al 2008, 591, 598.) There are various frameworks found in literature about the key factors affecting strategy implementation. Most of them, however, include the same internal factors such as people, culture and structure of the organization, process factors such as planning, monitoring and control, as well as external factors such as competitive environment. (Okumus 2003; Sterling 2003; Brenes et al. 2008.)

Human resource management (HRM) is closely linked to the company strategy, as the main objective of HRM is to carry out such practices, by which the company's overall strategy and vision can be achieved. HRM is responsible for assuring that the quantity and quality, i.e. the amount and skills, of human resources fill the company's needs for achieving the strategic objectives. This can be ensured by developing solid practices for recruiting and selecting new personnel, as well as for developing, training and promoting the existing personnel. It is important that those practices are developed so that they are in line with the company strategy and that they emphasize the company values. (Muscalu 2013; Dessler 2009.) HRM also has a key role in the strategy implementation, as through various HRM practices it is possible to guide the people, employees and managers, as well as their activities and behavior to the direction, which promotes the successful implementation of strategy. (Fulmer

1990; Sanz-Valle et al 1999) It is important that the employees and managers are motivated and committed to the implementation process of the new strategy. In the HRM this can be affected, for example, by efficient communication, employee participation and rewarding systems. Employees and managers should be rewarded for their efforts and performance, which promotes the strategy implementation. This requires also that the performance and achievement of strategic objectives are measured regularly. (Bagga & Srivastava 2014; Lynch 2009; Rao 2009; Viitala 2007; Fulmer 1990.)

Different HRM practices also have the possibility to shape the company's organizational culture. However, the link between HRM practices and organizational culture works two-ways, as the current state of organizational culture also affects the way in which HRM practices are executed. (McKenna & Beech 2002, 112.) Due to the strong linkage between HRM, strategy and organizational culture, if the organizational culture is not aligned with the strategy, it guides towards the wrong kind of HRM practices which in turn reinforce the misaligned organizational culture, leading to unsuccessful strategy implementation (Harrison & Bassy 2017, 1264).

For companies operating in the international field, cultural, political, governmental and geographical factors cause additional challenges to HRM practices as well as to strategy implementation. Culture, for example, affects people's attitudes, beliefs and values, by which it can be that in some subsidiary countries the strategy is not understood in the same way as it was originally intended. Culture also affects how people are motivated, how they make decisions, how they see other people and how they express themselves. This causes challenges especially to the management of multinational and cross-cultural teams. (Luthans & Doh 2012; Lasserre 2003)

3 RESEARCH METHDOLOGY

The research was conducted for the purposes of the case company, and thus, the research focus is particularly on the selected employee groups within the

case company, as well as their attitudes, experiences and operations regarding strategy implementation and certain human resource management practices.

3.1 Methodological approach

There are two main approaches to research: qualitative and quantitative, and their use depends on the object and scope of the research. Quantitative research results rely on amounts and numeric data, based on which it is possible to make statistics and draw conclusions. Quantitative research approach is suitable for researching phenomena, which can be reported and analyzed in quantities. (Kothari 2004, 3.) Qualitative research, on the other hand, is based more on the content of the research results, and assessing the behavior, attitudes and opinions of the studied group, by which it is possible to get deeper knowledge on the studied matter. (Kothari 2004, 5.)

The research approach selected for the purposes of this thesis was qualitative research. This is because the goal of the research was to gather information related to the employees' operations, experiences and attitudes towards the strategy implementation, which is a complex subject and difficult to measure only by numeric data. However, through some questions of the employee survey also a certain level of quantitative data was collected, so that it would be possible to apply the received data also the rest of the employees of the same respondent group. The research also has a case study approach as the study was conducted for the purposes of the specific case company and the empirical research material consists of the experiences and operations of the case company's employees and managers. This is also why the results of the empirical research are not directly applicable to other business environments or to the use of other companies.

3.2 Data collection

Interviews can be considered as one of the most effective ways of collecting qualitative data, and there are numerous ways in which the interviews can be conducted. In conversations, the interviewer takes the role of an observer and

focuses on listening the conversations and story-telling within a company. This method is a good way of getting insight of issues that otherwise would not come up, and is very powerful for example in organizational research. (Lancaster 2009, 133-134.) In semi-structured interviews, the interviewees and the discussed topics are predetermined, while the schedule and the exact content of the interview may vary and change as the interview proceeds. Other means of interviews are such as depth interviews, which are less structured than semi-structured interviews, and group interviews, where it is possible to observe also the group dynamics, as well as focus groups, which are also a one form of group interview, but with different kind of techniques used to keep the focus on specific issues. (Lancaster 2009, 134-135). In some cases, it can be useful to conduct the interview as a questionnaire, where a series of open or closed questions are asked either face-to-face, via phone or electronically. Questionnaires are one of the most commonly used means for data collection, especially when the data needs to be collected from a larger group of people. There is almost unlimited range of questionnaires that can be used, as their structure, scope, content and channel can be chosen to best serve the research requirements. (Lancaster 2009, 137-138)

The research data for the purposes of this thesis was collected in two ways: face-to-face interview to managers and electronic questionnaire sent to the employees. Although it would have been interesting to include the whole company with all employee groups in the research, the number of groups had to be limited to keep the research and the data analysis manageable. Thus, there were employee groups selected from installation, sales, and production, to get insight of what the strategy implementation situation is in different tasks. Additionally, to get a perspective of how the strategy implementation has been executed in the international field, the subsidiary companies from Norway and Spain were selected. The interviews were conducted as semi-structured individual interviews, where the questions were predetermined but the discussion ran freely during the interview, and additionally some specifying questions were presented to get more insight. As presented in table 2, the interviewees were managers from the selected business units; installation, production and sales in

Finland, and the subsidiary companies from Norway and Spain. The interviews were conducted during the end of September and beginning of November 2017, either via skype or face to face. Additionally, the company CEO was briefly interviewed via phone to get more background information and insight regarding the goals for the strategy implementation.

Table 2. Manager interviews.

Interviewee	Date of the interview	Mode of interview	Language of the interview
Area sales manager	21 September 2017	Face to face	Finnish
Installation manager	29 September 2017	Skype	Finnish
Production manager	3 October 2017	Face to face	Finnish
Company CEO	4 October 2017	Phone	Finnish
Country manager, Spain	16 October 2017	Skype	English
Country manager, Norway	23 October 2017	Skype	English

All managers, apart from the company CEO, were asked the same six questions (appendix 1), to collect information about their opinions of the current level of strategy implementation in the case company, as well as the ways in which strategy has been implemented through communication, training and recruitment. As the purpose of the CEO interview was different from the rest of the interviews, the questions were also slightly different (appendix 3). The interviews were mostly conducted in Finnish, but for the country manager interviews, the questions were translated in English.

Based on the management level interviews a survey was drawn to the employee level (appendix 2). The purpose of the survey was to gather information about the employees' experiences of the issues related to strategy implementation and human resource management practices. The survey was sent to the indirect subordinates of the interviewed managers from the chosen employee group. Figure 9 illustrates the organizational structure and hierarchy in the selected employee groups, and which levels were included and excluded from the research. In the figure 9, the interviewed managers are marked with green colour,

the surveyed employees with orange, and the managers which were excluded from the research are marked with blue. The idea was that after the company CEO, the first management level is skipped, the next level is interviewed, then again, the next management level, including sales managers and installation supervisors, is skipped and finally, the employees are surveyed.

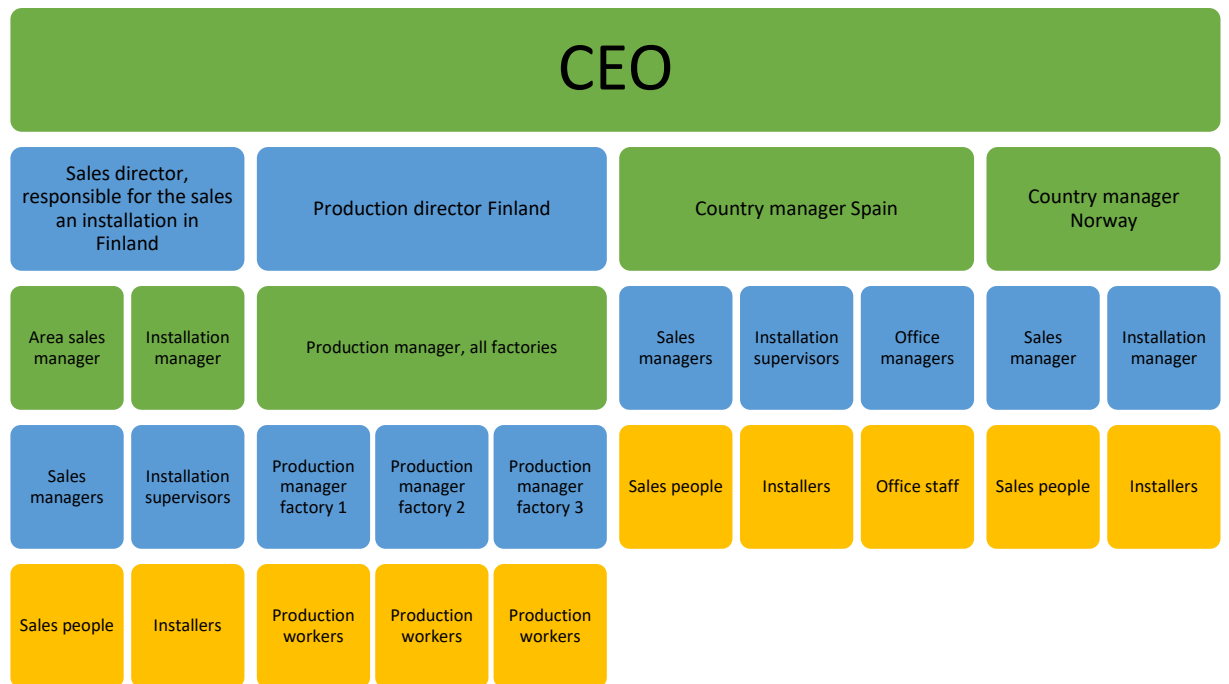


Figure 9. Organizational chart of the selected focus groups.

The purpose of excluding certain management levels from the research was to discover, how well the strategy related matters have been transmitted from top management to middle management and onwards to the employee level, and how well the perception that the top management has about the implementation situation is corresponding the real situation in the employee level. Additionally, this decision was made to keep the number of interviews manageable, as the middle management level includes numerous sales managers and supervisors, and it would have been impossible to interview all of them. As the organizations in Spain and Norway are smaller and the organizational hierarchy is flatter, the country managers were interviewed directly after the Company CEO, and after that it was proceeded as in the other selected groups.

To make the survey quick for the respondents to answer, and to ease the analysis of the results, the survey included only closed questions, which varied from nominal and cardinal background questions to ordinal scale questions measuring the level of respondents' agreement with the presented statements. The survey was divided into three different sections based on question types. First section included background questions regarding the respondents' job description, company and working years. The next section consisted of Yes/No questions, which aimed to collect unambiguous quantitative information for example regarding the respondents' participation in strategy implementation and their experiences of orientation and recruitment practices. In the third section, the respondents were asked to evaluate the presented statements with a question battery conforming the Likert scale. To get more deviation to the replies, a scale from 0 (= I totally disagree) to 10 (= I totally agree) was used instead of the traditional 1 to 5 scale.

The survey was created with a SurveyPal-tool in three language versions: Finnish, English and Spanish. For practical reasons the survey was sent via different channels to different employee groups. To sales people, survey was sent by email directly from the SurveyPal program, installers received the survey link via mobile, as they do not have own email addresses, and production workers made the survey through a link which was sent to their superiors' emails, because many of the production workers do not have a personal work mobile or computer in use. To the international subsidiary companies in Spain and Norway, the survey was sent through local HRM representatives who shared the survey with the personnel via email.

The goal was to receive at least 10-20 replies from each target group, which were sales people and installers from the Finnish sales and installation company, production workers from the Finnish production company as well as the personnel of Spanish and Norwegian subsidiaries. As the intention was to collect quantitative research data based on which it would be possible to make assumptions, the survey was sent to as many people from each group as

possible. The overall amount of received replies was 170, which was more than expected. Thus, also the response rate was better than anticipated.

3.3 Analysis of data

Once the research data has been collected, the received data is transformed into information through data analysis. The data analysis is usually started by classifying, categorizing or grouping the received results and then drafting tables or statistical charts to enable further analysis. The procedure, in which the received data is turned into tables is called tabulation, and it is often done mechanically by computer. This is useful especially if a large amount of data with many variables is to be tabulated. (Kothari 2004, 18.) The selected research approach, whether it is qualitative or quantitative, usually determines also the data analysis techniques, as some techniques are more suitable for qualitative research and vice versa. For example, quantitative data is often analyzed through percentages, ratios, frequencies and averages, whereas qualitative data is analyzed by content analysis or grounded theories. Nevertheless, the distinction between qualitative and quantitative data analysis is not so clear and they are not necessarily opposed. In some cases, it might be relevant to use both techniques to get a richer understanding of the studied matter. (Lancaster 2009, 159-164.)

In this thesis, the data received from the individual management interviews was analyzed through applied content analysis method, which is a typical method for analyzing qualitative data. In content analysis, it is important to determine in advance what is being measured and studied based on the data. The content is analyzed, for example, by counting how many times a certain word or event appears in the data. Thus, by content analysis it is possible to turn qualitative data into quantities and frequencies of the predetermined topics. Once the content has been analyzed, the received data is combined, compared and summarized to find differences and similarities (Lancaster 2009, 162.) In the context of this thesis the content analysis approach was applied by combining the interviews into one excel chart, from which it was easy to compare, how each manager had responded to the same question. After that the most commonly appeared answers or factors per each question were picked and summarized to

make conclusions. There were only five responses per each question, so it was easy to analyze the data manually without any computer assistance.

Although there are numerous ways of analyzing the quantitative data, the analysis methods especially in survey research is often categorized into descriptive analysis or statistical analysis. The descriptive analysis method was chosen for analyzing the survey results in this research, as it is often used for providing profiles of companies or groups of people. (Kothari 2004, 130.) Descriptive analysis focuses mainly on studying the distribution of one variable, which was also the case when analyzing the survey results of this study, as the results were mainly analyzed on company level. In practice, the data analysis of the employee survey results was started by first combining all responses to a report produced by the used survey program. The Surveypal program summarized the responses from each language version and combined them into a one report, which showed each question as a diagram where the answers were either presented by the percentage of each alternative or mean of responses. To analyze the interaction and correlation of two or more variables, a cross tabulation approach to data analysis can be used. The cross tabulation is useful especially in analyzing nominal data. (Kothari 2004, 138.) To get a deeper knowledge of the responses per each respondent group, a certain level of applied cross tabulation was used also in analyzing the results of this thesis. More specific reports were driven from the program, for example to see how the sales people, installers or people from the Spanish subsidiary company had responded, and if there was any correlation with the background questions and the other questions. When on a general level there was something notable in the responses, for example a surprisingly poor result to a certain question, it was further investigated and analyzed, what could have caused the poor result.

4 RESULTS

In this chapter, the results of the employee survey are presented question by question. Additionally, a summary of the main points arisen from the management interviews are presented.

4.1 Results of the management interviews

Based on the management interviews it can be stated that the managers in different departments have very similar understanding about the current situation of strategy implementation, as they all agreed that people are quite well aware of the company strategy, but most of the employees do not yet completely understand what it means in practice. According to the managers, the group work, in which the employees had to think what the company strategy means in their own work, was completed in all departments. The managers felt that the best way of increasing employees' understanding of the strategy and values is through practical actions and by measuring and rewarding strategically desired actions. Additionally, they found it important that the managers are showing good example by actively communicating the strategy, and also that various other communication channels are used for strategy talk.

When asked about the recruitment practices, they all agreed that in the job interview the candidates' positive attitude and personal qualities, such as proactivity, motivation and commitment, are what determines their compatibility with the company's culture and values. One of them stated that in job interview, it is important to clarify the candidate's personal values to see if they are in line with the company's values. Many of the managers agreed that in training practices there is still much to do, so that the strategy implementation would be included already in the first training of the new employees. Currently the company strategy and values are briefly presented in the official training material, but for new employees it is quite unlikely that they will learn them just by that. It is important that the strategy and values are included also in the practical training which is usually done by a more experienced colleague. Regarding motivational factors and inspiring, most managers believed that the support received from superior as well as team spirit are the most important factors. Some managers also said that especially sales people are motivated by their salary and bonuses. In production, on the other hand, there are many operational meters, which measure and guide employees' performance. Additionally, some said that employees' possibility of influencing their own work and participation in decision-making are motivating some employees but not everybody is interested in that. In general, the

managers felt that employees' interest towards training and learning has increased and also more trainings, including external and internal trainings, are offered nowadays. Especially in production the employees' skills are developed by increasing job rotation, which is useful for the company as well as for the employees. Some managers emphasized the importance of close co-operation with the HRD department to increase learning both on organizational and individual level.

4.2 Results of the employee survey

The distribution of responses between different respondent groups are more specifically presented in this section. The responses and the key findings are analyzed question by question, firstly on the whole company level, and secondly on business unit and employee group level.

4.2.1 Background questions

What is your job description?

The first background question related to the respondents' job description. As can be seen from figure 10, 32.4% (55 respondents) were sales people and equal number of respondents were installers. The considerable number of responses from sales people and installers can be explained, as those employee groups are represented in all target countries of the survey; Finland, Spain and Norway. The production workers' share of the responses was 18.8% (32 responses), which was surprisingly much considering that they only work in the Finnish production company. The responses in the "other" group (16.5%, 28 responses) consisted mainly of the responses from the office personnel in Spain and Norway. In the foreign subsidiaries the survey was sent to the whole personnel to get a better image of the prevailing situation in the country. Additionally, the individual employee groups are much smaller in Spain and Norway than in Finland.

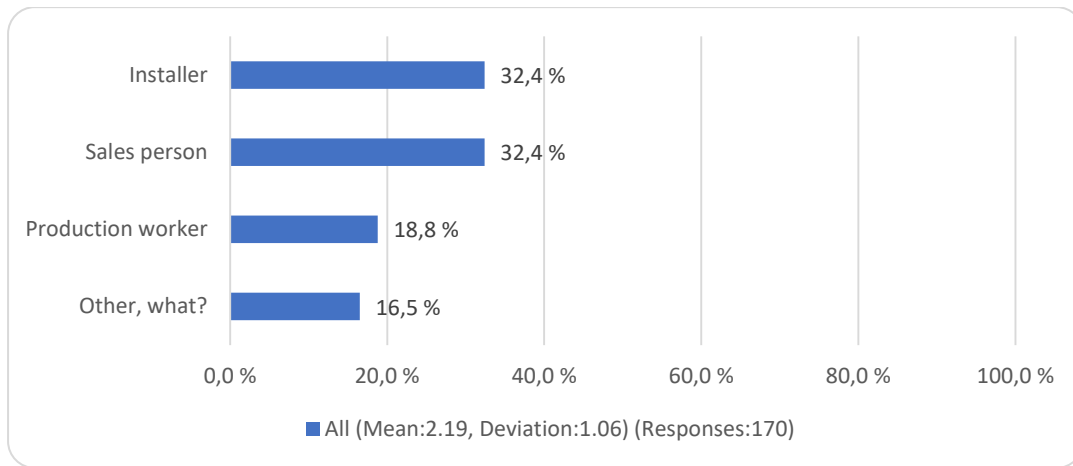


Figure 10. Job description.

In which company do you work?

In the second background question, the respondents were asked to name the company they work for. Figure 11 illustrates that most respondents, i.e. 42.9% (73 respondents) work for the Spanish subsidiary, which was anticipated as in Spain the survey was sent nearly to the entire personnel. The Finnish subsidiary's share of responses was 30.6% (52 responses), which consisted mainly of installers' and sales people's replies. The Finnish production company's share, on the other hand, was 18.8% (32 responses) and it consisted merely of the production workers' replies. The smallest share (7.6%, 13 responses), as expected, belonged to the Norwegian subsidiary, which is notably smaller company than the other target companies of the survey. From there most of the responses came from installers.

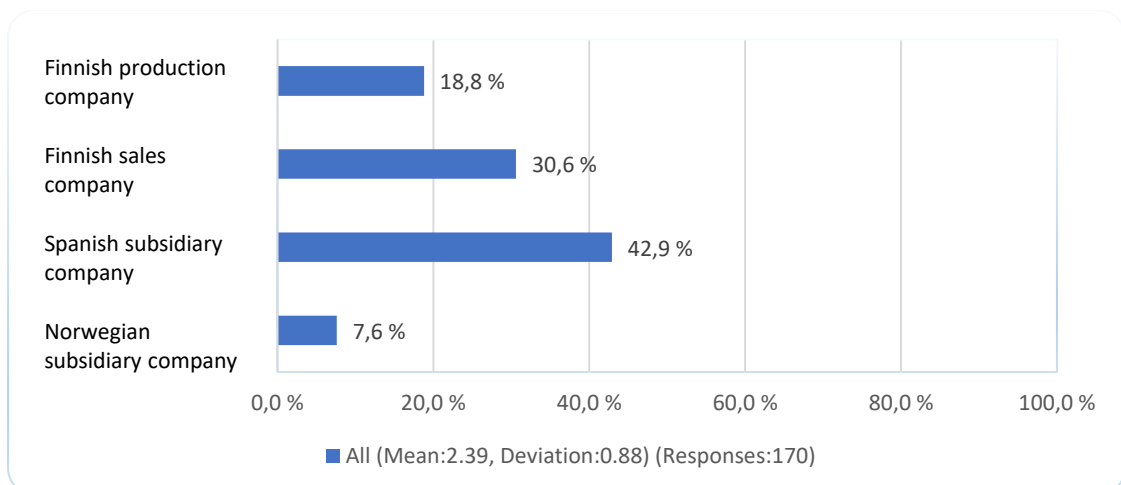


Figure 11. Company.

How long have you worked for the case company?

In third background question, the respondents were asked how long they had been working for the case company. As figure 12 shows, the majority of respondents, i.e. 34.1% (58 respondents) had worked for the company for 1-5 years. The second largest group (29.1%, 50 respondents) based on working years had been working there for under one year. This may be because the case company has recently recruited many new installers and sales people, which were the two largest respondent groups. On the other hand, the newer employees might have been more eager to take part in the survey than the more experienced workers. However, as much as 21.8% (37 respondents) of the respondents had been working for the company over 10 years.

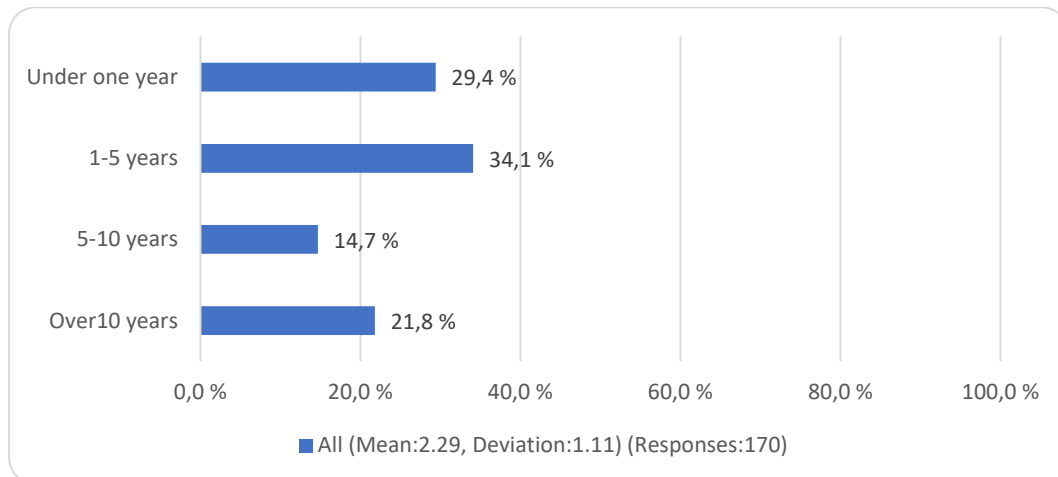


Figure 12. Work experience in years.

4.2.2 Yes or no questions

After the background questions the survey focused the actual strategy implementation related issues firstly through yes/no -questions, which aimed to clarify the respondents' experiences on strategy implementation through HRM practices.

I know what the basic strategy of the company is

The aim of this question was to discover how well the employees feel they know the basic strategy. As figure 13 shows, the personnel's awareness of the company's basic strategy is on a good level, as even 96.5% of the respondents

(164 respondents) told they know what the basic strategy is. Only 3.5%, i.e. 6 respondents, did not know the basic strategy. This group consisted mostly of installers and production workers.

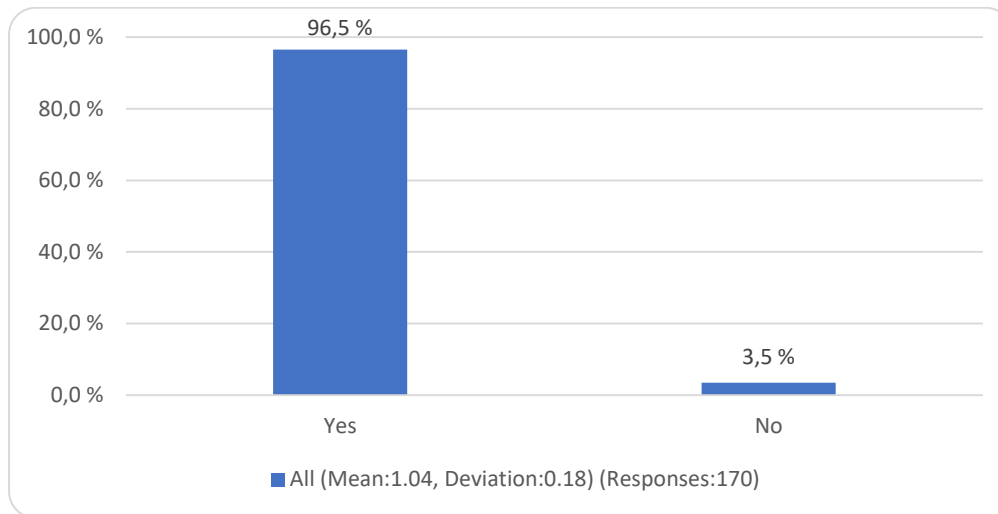


Figure 13. I know what the basic strategy is.

On a company-specific level, 100 % of the employees in the Norwegian subsidiary, 97.3 % in the Spanish subsidiary, 96.2 % in the Finnish sales company and 93.8 % of the employees at the Finnish production company felt they knew the basic strategy of the company.

I understand the importance of strategy implementation

In the next question the respondents were asked if they generally understand why strategy implementation is important. Figure 14 indicates that 93.5 % (159) of the respondents understand the importance of strategy implementation. Most of the 11 people (6.5 % of the respondents) who responded that they do not see why strategy implementation is important, were installers working for the Finnish sales company and Spanish subsidiary company, although the answers were

quite evenly distributed between all respondent groups

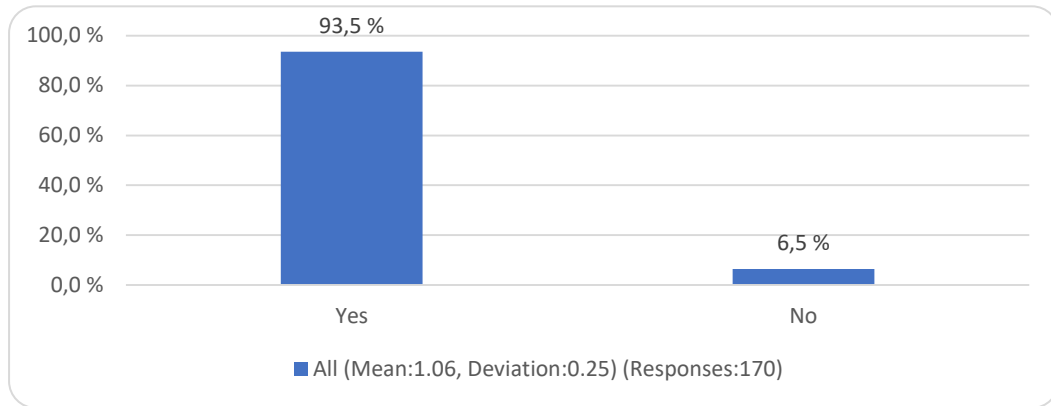


Figure 14. I understand the importance of strategy implementation.

Viewing the results company by company, the share of respondents who understood the importance was 94.5 % in the Spanish subsidiary, 92.3 % in the Norwegian subsidiary, 92.3 % in the Finnish sales company and 93.8 % in the Finnish production company.

I have been following the videos and other information related to strategy and values from the company intranet

The company intranet is one of the main channels for communicating the strategy and values of the company, and therefore, it is important that as many employees as possible have access to the material published in the intranet. However, as illustrated in figure 15, only a little over half of the respondents, i.e. 51.8 % (88 respondents), said they are following the strategy-related material in the intranet. In a way this is understandable as installers and most of the production workers do not have personal computers and access to the intranet. As expected, most of the 82 respondents, who had not been following publications in the intranet, were installers, however, also 16 sales people replied “no” to this question.

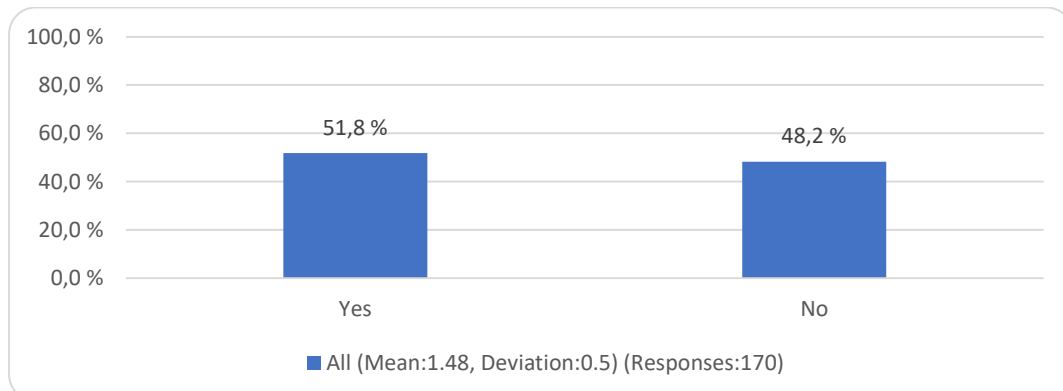


Figure 15. I have been following the strategy communication in the intranet.

Company specifically reviewed the biggest share of the respondents following publications in the intranet was working for the Finnish production company with 59.4 %. In Spain the figure was 54.8 %, in the Finnish sales company 48.1 % and in Norway 30.8 %.

I have participated in a group work, where we discussed what the strategy means for our own department

During the year 2017 a group work related to strategy should have been conducted in all business units of the case company. The purpose of the group work was, that each department would analyze the company strategy from their own point of view and discuss how the strategy relates to their own operations in practice. This question clarifies how many of the respondents had actually participated in the group work. As the figure 16 illustrates, only 58.8 %, i.e. 100 respondents, had participated in the group work. The remaining 70 responses were quite evenly distributed between the job descriptions, companies and working years. However, it can be stated based on the responses that there were more installers than other employee groups among those who had not attended the group work

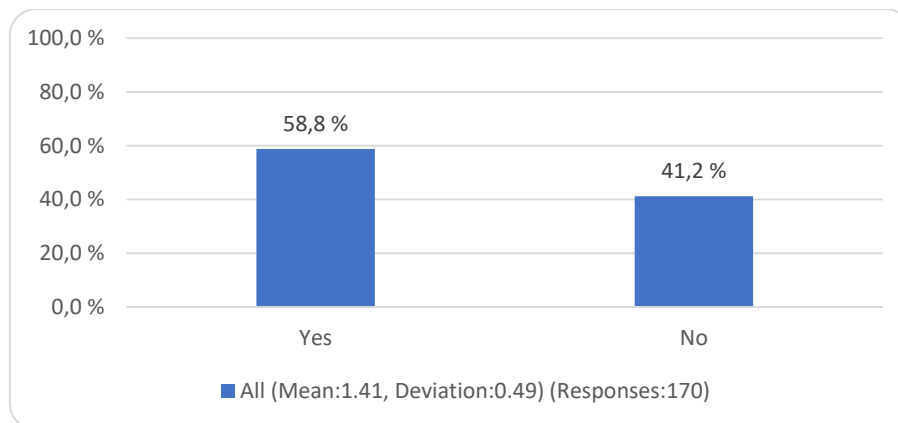


Figure 16. I have participated in the group work.

In Spain, 74 % of the respondents had participated the group work. In Norway the figure was 69.2 %, in Finnish sales company 46.2 % and in Finnish production company only 40.6 % of the respondents.

Already in job interview, I was informed about the company strategy, values and culture and asked to evaluate my own compatibility with it.

The next question explored how many of the respondents were introduced to the company's strategy and values already at the recruitment phase. In addition to the "yes and no" options, it was possible to choose also a third alternative if the respondent no longer remembered the details of the job interview. As figure 17 shows, 47.6 % of the respondents, i.e. 81 people, replied that they were told about the values and strategy, and asked to evaluate their own compatibility with them. This group of respondents consisted mainly of new employees, whose work experience varied between less than one year and 1-5 years. This indicates that recruitment procedures and job interview models may have changed and developed over the past years.

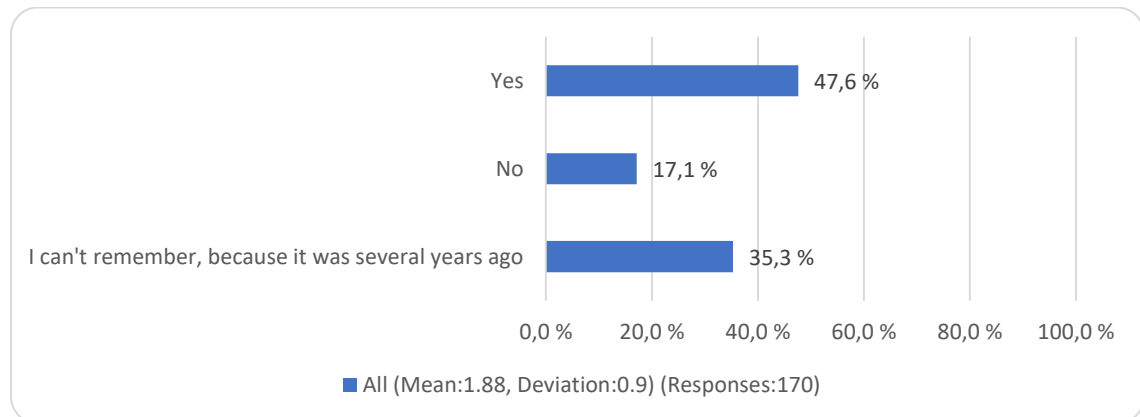


Figure 17. Strategy and values were introduced in the job interview.

In Spain 65.8 %, in Norway 46.2 %, in Finnish sales company 40.4 % and in Finnish production company 18.8 % of the respondents reported that they were introduced to the company's strategy and values already in the job interview. In the Finnish production company, most of the respondents i.e. 56.3 % answered, that the job interview was so many years ago that they couldn't remember.

I have been trained for my current job with the official training material

In this question, the respondents were asked to answer whether they had been inducted to their new position based on the official training material. Also in this question it was possible to choose the option "I can't remember", which was chosen by 14.1% of the respondents. According to figure 18, 57.6 % (98 respondents) had received official training to their job. Majority of the respondents

(55.1%) who had received training with the official training material worked at the Spanish subsidiary company, which indicates that at least there the training material has been taken into use effectively. Additionally, the results show that 75 respondents out of the 98 who replied "yes" to this question, have worked for the case company either less than a year or 1-5 years, which indicates that the use of training material has been developed and intensified during the recent years.

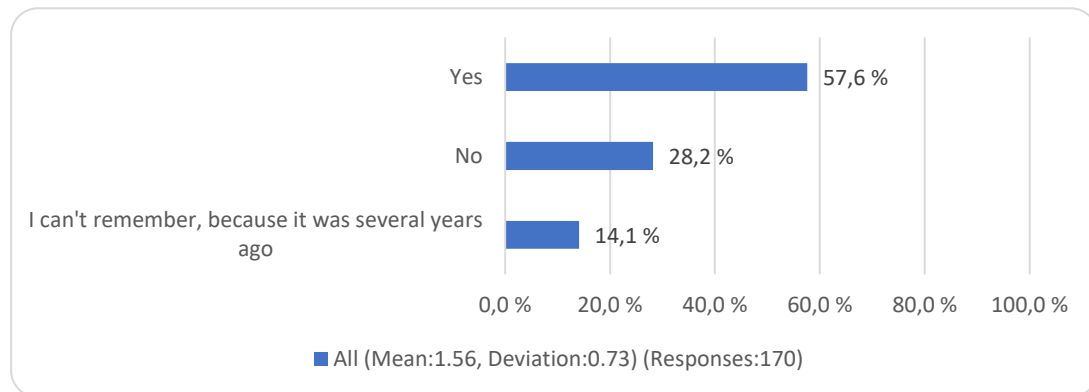


Figure 18. I have been trained with the official training material.

When examining the use of official training material company-specifically, the results showed that in Spain the training material has been implemented most effectively, as there 74 % of the respondents had received the official training. In Norway the share of respondents, who had been trained using the official training material was 61.5 %, in the Finnish production company 43.8 % and in Finnish sales company only 42.3 %.

I was introduced to the strategy and values in the first training.

The next question studied if the company strategy and values were introduced already in the first training period. As figure 19 illustrates, 54 % (92) of the respondents were introduced to the company strategy and values along with the overall training. Most of them had been working for the company either under one year or 1-5 years, which is in line with the results of the previous question.

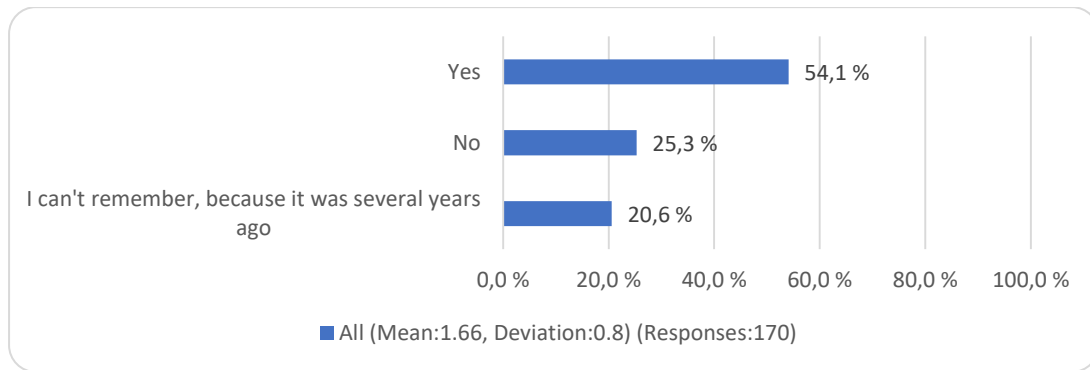


Figure 19. I was introduced to the strategy and values in the first training.

In Spain, 70 % of the respondents answered that the strategy and values were presented in the initial training, whereas only 28.1 % of the Finnish production company employees replied the same. In Norway, the share of respondents who received introduction to strategy and values was 53.9 % and in the Finnish sales company 48.1 %.

I also received a practical training from a more experienced colleague.

The official training model of the case company also includes a practical training, which is conducted by an experienced colleague who is qualified for training. The purpose of this question was to examine how many employees have received a practical training in addition to the other training material. As figure 20 illustrates, the majority of the respondents (66.5 %, 113 respondents) have received a practical training. The results show also that particularly in production and installation nearly all respondents had received a practical training. Most of the respondents who had not received the practical training were working for the Spanish subsidiary company either as a sales person or office worker, which was

surprising as there the training material had been implemented most efficiently.

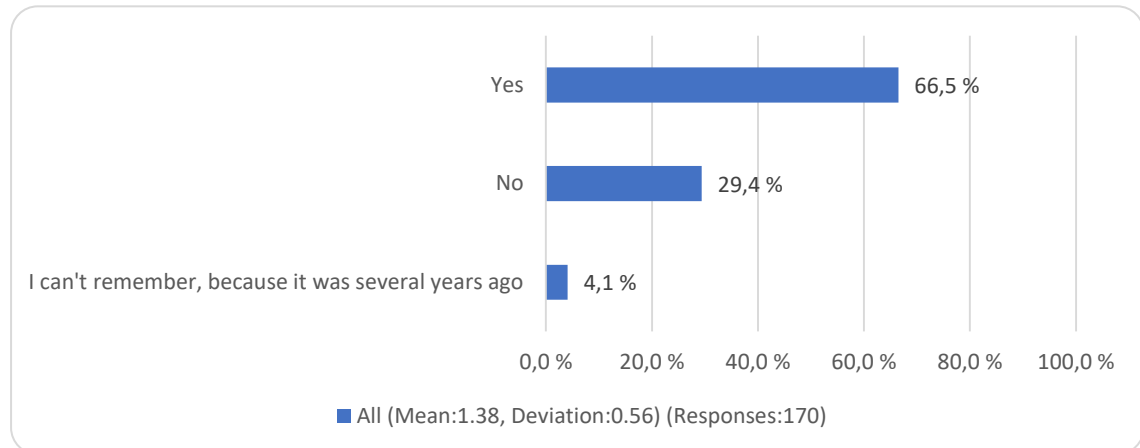


Figure 20. I received a practical training from a more experienced colleague.

Of the different company groups, the practical training had been most efficiently implemented in the Finnish production company, where 84.4 % of the respondents had received practical training from an experienced colleague. The second largest share were the employees of the Finnish sales company with 82.7 %, then subsidiaries from Norway with 53.9 % and Spain with 49.3 %.

4.2.3 Evaluate the following statements on a scale of 0-10

In the next section of the survey, the respondents were asked to share their opinion and experience by evaluating the statements presented in the survey on a scale from 0 to 10 (0=I completely disagree, 10=I completely agree). The statements were related to the different factors affecting strategy implementation, such as leadership practices, recruitment, training and motivation sources, as well as employees' understanding of the company values and learning organization. The first part of the statements and their average scores are presented in figure 21.



Figure 21. Evaluate the following statements.

The best average scores were received by the statements related to the company values: "we keep our promises" (average 9.1) and "close to the customer" (average 9), in which over 50 % of all respondents completely agreed, that they understand what the values mean in their own work. The sales and installation people are closely operating in the customer interface, which has presumably affected this and made it easier for them to reflect the values to their own work in practice. Especially in the subsidiary companies in Norway and Spain these statements received very good scores. In the Finnish production company, the comprehension of company values was not on equally good level as in other units. They are operating far from the customer interface so it might be difficult for them to understand how they can be "close to the customer" for example.

The best average score of the leadership related statements was given to the superiors' commitment to, and operation in accordance with, the company strategy and values. For this statement 45.9 % of the respondents completely agreed, resulting in the average score of 8.6 (Figure 21).

As the figure 21 presents, the other statements related to leadership practices, such as superior's strategy communication, superior's contribution to team spirit and superior's presence in daily operations also received good results with average scores from 8.1 to 8.3. The deviation of responses of the other leadership-related statements indicate that many of the respondents completely agreed with them, but some respondents gave really poor results. When reviewed company specifically, it seems that in Spain and in the Finnish production company the employees were most satisfied with the operation of their superiors, whereas in Norway the leadership related statements received the poorest scores with the range of 6.3 to 7.2.

The respondents were also asked to evaluate how well the group work related to strategy implementation had helped them to understand the company strategy. The average score of the responses was only 6.6 (figure 21), which might have been affected by the fact that some of the respondents had not participated in the group work. When those responses were excluded from the results, the average score was 7.5. The lowest scores to this statement were given by the employees of the Finnish production company with the score 5.7 and the Finnish sales and installation company with the same score.

Motivated and inspired personnel is more likely to commit to the strategy, and therefore, it was examined also, which factors motivate the employees the most. According to the figure 21, the biggest motivational factor was team support and good team spirit, which received the average score 8.2. The other motivational factors, which the respondents found important, were superior support and presence, as well as the employees' possibility of influencing their own work, both of which received the average score 7.7 (figure 22).

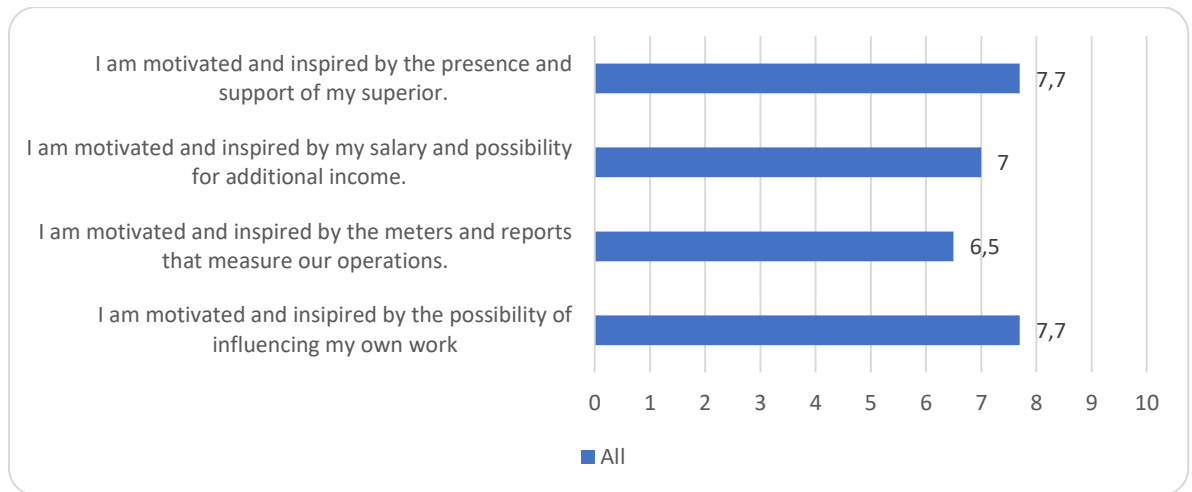


Figure 22. Motivational factors.

Company-specifically reviewed, it can be stated that in Finnish companies the respondents were mostly motivated by the team support, in Norway the biggest motivational factor was the possibility of influencing their own work, and in Spain it was the presence and support of their superior.

The purpose of the next statements was to discover how well the elements related to learning organization are currently realized in practice, and if the recruitment and training had supported the company values. As can be stated based on figure 23, the average scores of these statements are only on a satisfactory level. The lowest scores were given to the statements “I feel that our company offers education possibilities” with score 6.1, and “I feel that I’m encouraged to develop my skills and competencies” with 6.5.

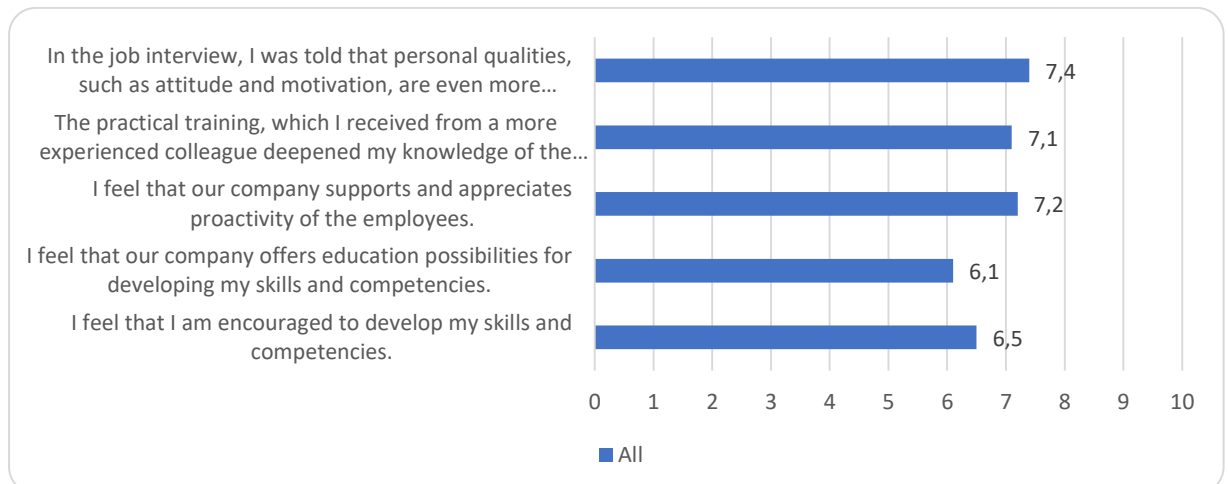


Figure 23. Learning organization.

Figure 24 illustrates, that there has been fairly large deviation in the respondents' opinions on, whether or not, company offers education for employees: only 14.7 % of the respondents completely agreed with the statements and 5.3 % completely disagreed.

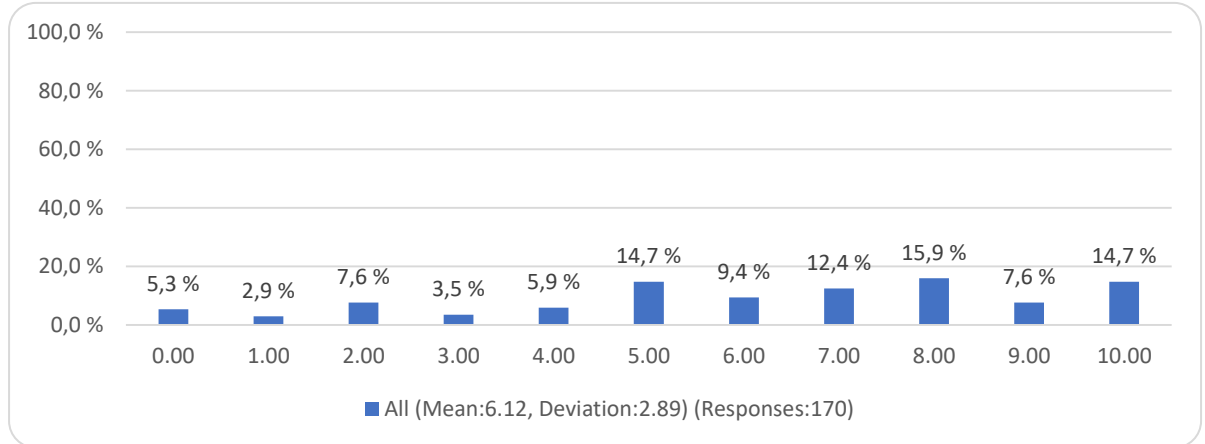


Figure 24. I feel that company offers education possibilities.

Figure 25 illustrates, if the respondents feel that they are encouraged to develop their competencies. The deviation between responses of this statement was also fairly large, however, most of the respondents gave either 8 or 10.

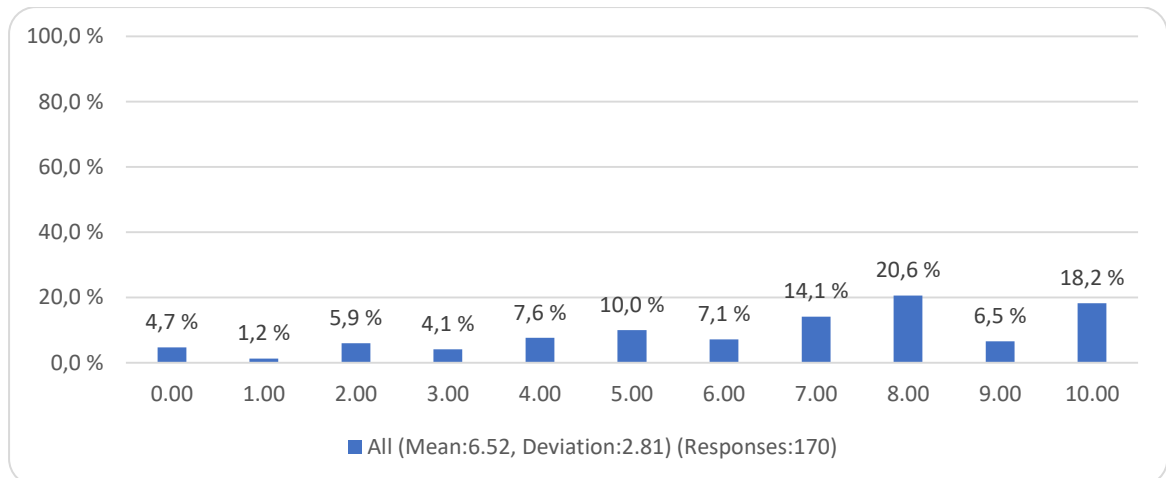


Figure 25. I feel that I'm encouraged to develop my competencies.

As can be stated based on figure 26, the employees are not entirely sure, what kind of job opportunities they have inside the company and how they are able to reach those opportunities. This statement was also only on a satisfactory level, the average score being 6.8.

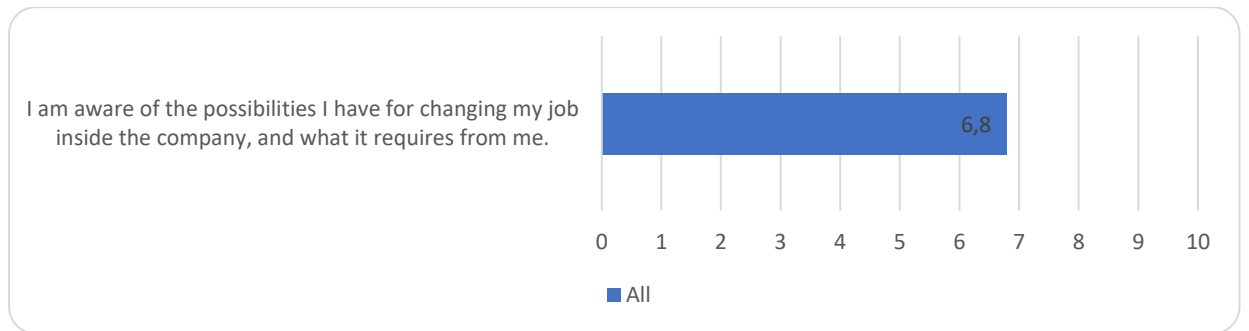


Figure 26. I'm aware of the possibilities I have for changing my job inside the company and what it requires from me.

When looking at the company-specific figures related to the learning organization statements, they were on worst level in Norway, where they gave only the average score of 4 to the statement "I feel that the company offers education possibilities" and 4.5 to "I'm aware of the possibilities I have for changing my job inside the company". Also in other companies the same statements received the poorest scores, but in Spain the scores were on much better level compared to the other companies. They gave the score 7 to "I feel that the company offers education possibilities", in Finnish production company the score was 5.5 and in the Finnish sales and installation company it was 5.8.

5 CONCLUSIONS

This chapter takes into consideration the aim and objectives of the study, and concludes the key findings from the theory and the empirical research results to answer the research questions. Additionally, this chapter includes managerial implications for the case company and suggestions of how the strategy implementation could be developed and further studied in the future.

The aim of this study was to provide knowledge for the internationalizing SME companies regarding human resource management practices as a means for strategy implementation. For this purpose, the concepts of strategy implementation and strategic human resource management, as well as different HRM practices and their role in strategy implementation were presented. The aim is also fulfilled by answering the research questions of the study.

5.1 Key elements and critical factors affecting strategy implementation

The first research question was: What are the key elements and critical factors affecting strategy implementation. Based on theory it can be stated, that strategy implementation should be considered as a long-term process, in which all relevant implementation activities are well planned based on the overall strategic objectives. It is also important that execution of the activities is monitored and controlled continuously, so that it is possible to analyse how the implementation has succeeded. A successful implementation requires participation from the entire staff of the company, including the top management and all levels of employees. For the employees to better understand what the strategy means in practice, it needs to be divided into smaller objectives, based on which everybody knows what they need to do and what is expected of them. Executing the implementation activities as a step-by-step process with a longer time frame, makes it easier to engage and motivate people to participate in the process. This is because the gradual progression allows people to celebrate the success of the previous step and learn from the mistakes. If the implementation needs to be done quickly it is much more confusing for people as then all relevant implementation activities need to be done at the same time. However, companies

which are advanced in their strategic management can also manage changes in a rapidly changing environment and implement complex or postmodern perspectives to their strategic management.

A successful implementation requires that the company's organizational culture and structure are aligned with the strategy, so that they support the implementation. Organizational culture is an essential element to consider and evaluate, as it affects all operations and aspects of the company.

5.2 How to support strategy implementation through human resource management practices

Second research question was: How can the strategy implementation be supported and reinforced through human resource management practices? Based on prior literature it can be stated, that HRM practices are most useful for the strategy implementation process, if they are aligned with the overall strategy and planned according to the strategic goals. If the company is implementing strategic human resource management, it means that the company's strategy is working as a starting point for planning suitable HRM practices for the company. In strategic HRM, there can be separate HRM vision and strategy created to better support the overall strategy. In HRM vision and strategy, it should be defined what kind of human resources the company needs for achieving the overall vision, and what are the suitable policies for recruiting, training, rewarding and leading.

Leadership is one of the key factors and main channels for affecting strategy implementation, and in turn, strategy implementation is one of the key tasks of leadership. Successful implementation requires an appropriate style of leadership, which is in line with the company's objectives and values. Leaders are also in key role in shaping the company and its culture to a more change-friendly direction and more welcoming for the implementation of new strategy. As previously emphasized, successful implementation requires involvement from the whole organization and people in it, and therefore, the leadership style should promote a culture where people are allowed to participate in the process. The

leaders can affect the implementation for example by providing a vision, direction and sense of purpose to their employees; by motivating their subordinates to strategic thinking and actions; and by communicating the company values and making sure that people act upon them. Additionally, leaders are responsible for allocating resources in different areas and assigning responsibilities to their team members.

It is important that the leaders are showing example and paying attention to the right things. If the leaders are not consistent and systematic with what they reward, measure and pay attention to, it sends mixed messages to the employees and leads to confusion. If the employees are confused, they do not know what kind of behavior is expected of them and what actions they need to take for the implementation. Sometimes the leaders are not able to control what kind of signals they send with their behavior, as some actions may be highly unconscious and unintended. This leads to sending controversial and inconsistent messages to the subordinates. To minimize misunderstandings and speculation on the employees' side, it is highly important that the communication between the superior and subordinates is working fluently and efficiently. The efficient communication also increases the employee satisfaction and motivation as well as their commitment and trust towards the whole organization, which in turn affects their willingness to engage themselves with the company's strategy and goals.

As stated before, in strategic human resource management, the training, recruiting and rewarding policies are planned according to the overall strategic objectives of the company. To support the strategy implementation, recruitment systems must ensure that the people who are hired, are able to commit to the shared goals and values of the company and capable of carrying out the strategy implementation activities. However, it is also essential to retain and develop the existing employees, and for motivational purposes it might be better to first seek if the new position could be filled by someone from inside the company. For the employee development, the company needs to decide what kind of training activities are required and suitable for their strategy; what type of trainings and

how much should be invested in them. It is important that personnel trainings and development programs are reinforcing the desired values and skills through symbols and rituals, as well as emphasizing the values which are important for the strategy implementation. To reinforce the strategy implementation, companies should provide a performance appraisal system, which include formal procedures and programs for employee training and development. The companies should also keep in mind that instable employment situations, where people are laid off permanently or temporarily, affect negatively to the passing on of shared values and traditions, and it may have an impact also to the strategy implementation as people are not willing to commit.

Aligning salaries and rewards with the business strategy is important, because rewards guide people to working in certain way. Therefore, people should be rewarded for actions which are hoped for the selected strategy and essential for achieving the strategic goals. Employee motivation is one of the key success factors for strategy implementation, and therefore, a critical task for the managers. However, individuals are motivated by diverse reasons, which brings challenges for the managers. Employee motivation is also dependent on the way people are treated; are they fairly treated and are their jobs and efforts systematically acknowledged.

Effective communication is a key success factor in strategy implementation situation and highly important in all change situations. With adequate communication, the management can prevent the culture of suspicion and mistrust from developing, and reduce uncertainty, anxiety and resistance to change. With the help of efficient communication, the company's objectives become clearer to the employees, and thus increase commitment and trust in the working place. When communicating the strategy to the employees, it is important that the sent messages are clear and consistent, so that people can understand, adopt and commit to the strategic goals. The strategic elements and goals should be clearly communicated and presented as a simplified "big picture", so that it is easy get people focused on the key elements. However, the communication alone is not enough, and it is not enough that the people merely

understand the strategy; they also need to know exactly what they need to do differently, and what actions to take to participate in the implementation process. This means that strategy needs to be broken down into concrete action steps for each staff member.

5.3 The level of strategy implementation and HRM practices in the case company XYZ

The objective of the thesis was to examine the current level of strategy implementation in the case company, and the extent to which the different human resource management practices have been taken into use in strategy implementation process in different business units of the case company.

Based on theory it became evident that strategy implementation is a significant part of the strategic management process, as without a successful implementation the strategy is likely to fail. In recent years, this has been noted also in the case company, where the strategy implementation work has been started effectively. The big picture of the company strategy has been created and is visible in all offices and departments as a poster, and it is also visible in the screens located in different parts of the factory. Most of the managers have taken the strategy picture as part of their meeting procedures and included the picture in their presentations. Additionally, various ways of communication have been used for the strategy implementation, for example videos and articles have been published in the intranet, managers have been talking about the strategy in meetings, and also a group work has been conducted in all departments. The purpose of the group work was that each department would analyze the company strategy from their own point of view and discuss how the strategy relates to their own operations in practice. The group work also gave the employees the opportunity to participate in the strategy discussion. The big picture of strategy has also been divided into smaller entities, which are discussed in monthly meetings in each department and the group work practice is continued to cover each entity on a more deeper level. Thanks to various implementation activities, most of the employees in the case company know what the company strategy is. However, the management level feels that most of the employees do not yet

completely understand what the strategy means in practice, or how they can operate according to the strategy.

The survey research showed that the company intranet, through which majority of the strategy talk takes place is not available for all employee groups in the company. Especially the employees working in the installation and production need to have better availability of the information related to the strategic issues. The managers stated that during the year 2017 a group work related to strategy was conducted in all business units of the case company, however the survey results showed that only a little over half of the employees had actually participated in the group work, and that many of the employees did not think that the group work helped them in understanding the company strategy.

According to the theory it is important to clarify already at the recruitment stage and job interview, if the candidate's own values are in line with the company's values. This was also emphasized by the company management, as they stated that especially the candidates' personal characteristics, such as eagerness, commitment, willingness to learn, motivation and attitude are key factors in the recruitment. According to the company management, the values and strategy are presented already in the job interview, and based on interview it is evaluated if the person fits the company's strategy and value base. However, according to the employee survey less than half of the employees were told about the strategy and values, or asked to evaluate their own compatibility with them, in the job interview.

Some of the managers stated that the company strategy and values are always included in the training when a new person is hired, although they are only presented quickly and on general level. All of the interviewed managers believed that it is best to train the strategy and values through practice. Some of them, on the other hand admitted, that there is still work to do with the training of strategy and values. In some departments the strategy statements and values are presented and then more closely trained through practice. The employee survey also indicated that there is still work to do with the official training when starting a

new job, as only a little over half of the employees had received the official training for their job, and approximately the same number of employees had been introduced to the strategy and values in the training. Especially the older workers were lacking the official training, and thus, were not trained about the strategy and values. This indicates that the training practices have improved over the last few years. The official training model of the case company also includes a practical training conducted by an experienced colleague, who is qualified for the training. The survey results showed that particularly in production and installation, nearly all respondents had received a practical training, but in some units for example in the Spanish subsidiary, the practical training had not been efficiently implemented.

Motivated and inspired personnel is more likely to commit to the strategy, which is why the motivational factors of the employees were studied in the survey research. The theory as well as the case company managers emphasized the significance of leadership practices in the strategy implementation and employee motivation. The managers agreed that superior's presence, showing interest and example, as well as open communication are key factors in the employee motivation. According to the survey, the employees in general found that the biggest motivator for them was good team spirit, but also the superior support and their ability to influence their own work were important factors. There were country-specific differences in which factor the employees found most motivating, which can be a coincidence or then have something to do with the cultural differences.

The survey results showed that the case company superiors are committed to the company values, showing example and actively communicating the strategy. The employees also perceived that the superiors are present in the team's daily operations, investing in building the team spirit, and showing interest to their subordinates. This shows that in the researched employee groups the leadership practices are supporting the strategy implementation, and it can be stated that at least those superiors are heading to the right direction. However, in the

Norwegian subsidiary company the questions related to superior operations, received notably poorer results than in other units.

In all business units the employees perceived that the company is not so much supporting or encouraging individual's personal development, or offering education possibilities for developing. The survey also indicated that employees do not know what kind of job opportunities they have inside the company. This is not directly linked to the strategy implementation but it may indicate that the organizational culture and the leadership culture are not yet completely in line with the learning organization statement, which has been included in the big picture of the case company. This can also indicate that the training and development activities of the employee level are not tied to the strategic objectives, and that there are no personalized learning paths or training plans designed for employees.

Figure 27 summarizes and illustrates the current level of strategy implementation in the Case company XYZ based on the strategy implementation framework from chapter 2.1.4 presented by Okumus (2003, 875).

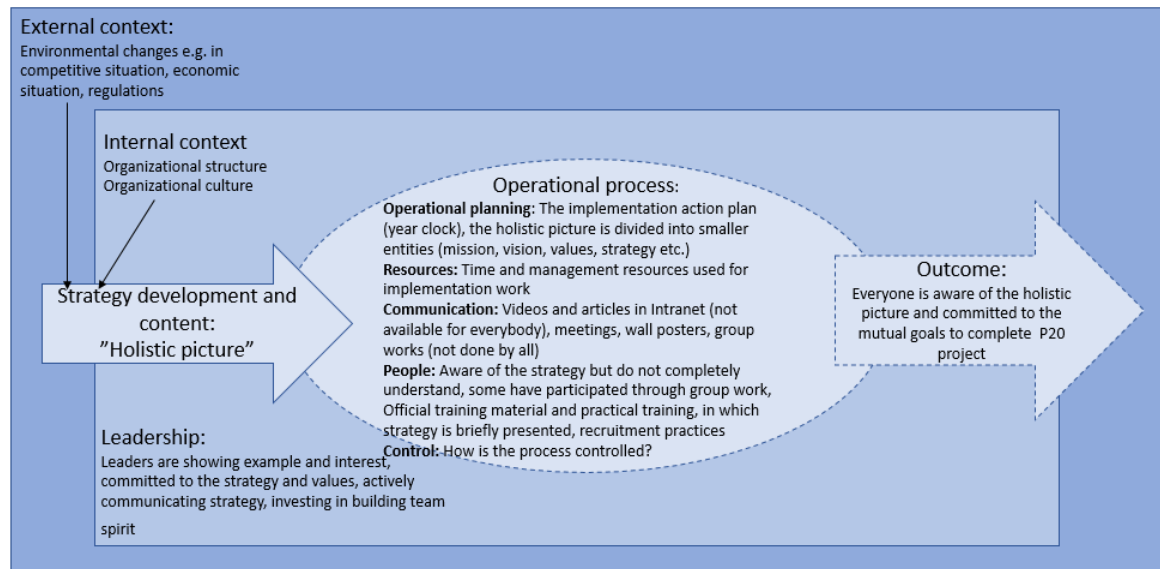


Figure 27. The framework of strategy implementation in the case company XYZ. (modified from Okumus 2003, 875.)

As the figure shows, the internal and external context have affected the formulation of the case company's "holistic picture", in which all important strategic elements are presented. With suitable leadership activities and efficient

management of the operational process factors the company should be able to reach the desired outcome, which according to the Case company CEO is that all employees in different departments and different levels are aware of the company strategy and committed to the mutual goals, so that it is possible to reach the goals of the project P20. In the figure, the operational process factors and the desired outcome are outlined with dashes, which illustrates that the current level of operational processes is not completely adequate for achieving the desired outcome. Some suggestions for improving the operational process factors to reach the desired outcomes are presented in the next section.

5.4 Managerial implications and suggestions for further research

The development aspect of the study was related to providing important data for the case company management and human resource management professionals about the current situation of strategy implementation in the case company. Based on the received data, the purpose was to plan development actions and corrective measures to improve the means of strategy implementation, which have not reached the employee level as desired.

The company has clearly defined its strategic objectives and planned actions for implementing them. People have become aware of the strategy as it has been communicated through various different channels, however there were some employee groups who did not have access to the company intranet, where most of the strategy talk takes place. The company should make sure that all employees have access to the intranet, that everybody knows how to use it, and where to find relevant information. To ensure this, a brief training for example in the e-learning module could be organized about the intranet use. Managers could also more actively remind people about the importance of following the intranet news. Even if people have access there, they necessarily do not have time to read the news, especially if they are not sitting in the office all the time, like the sales people.

The group work, where the employees had to think what the strategy and different elements of the “big picture” mean in their own work has not been done

by all employees, and even though the group work has increased employees' awareness of the strategy, the research showed that it has not necessarily helped employees in understanding the strategy in practice. The company should think how to make the most out of the group work situations, so that everybody would understand the strategy better. Enough time should be reserved for the group works, so that there is time also for discussion, and not just doing them because they need to be done. Discussion needs to be open and allow employees to present also differing opinions and perspectives and ask questions, if they do not understand something. By that the individuals could also learn something from each other. Managers should clearly explain the reasons behind doing the group works, so that employees would understand the importance of doing them, and maybe change their attitudes to a more positive direction. To introduce a more practical approach to the strategy and values, sometimes the group work could be conducted for example in a form of a game, in which different real-life situations would be simulated and employees in teams would solve and handle the situations in ways that best meet the strategy and values. The game could be tailored for different departments, so that for example installers would face and solve another kind of situations than the people in production. This way the employees could better understand that the strategy can, in fact, be seen in the daily situations, and that it is not something distant that only managers can understand. A small competitive situation of the game could also motivate and inspire people to give their contribution, and even make it fun and improve the team spirit.

Once the employees have become aware of the strategy and started to understand the practical implications of it, the next step would be to connect the employees' individual goals and incentives to the strategic objectives. This requires defining both team- and employee-specific goals to support the achievement of strategic goals. The team leader or superior needs to pay attention and show interest to the strategically important matters, and make sure that the goals of each team and employee are regularly followed and monitored. The achievement of the goals could be monitored for example in development discussions or one-to-one conversations. It is important that the defined goals are

practical enough and that the employees can affect them by their own behaviour and actions. If the goals are presented only on company level, the individuals may feel that they do not have any possibilities in affecting the results, no matter what they do. The company could also consider suitable incentives and ways of rewarding employees for achieving the strategic goals, keeping in mind that a reward does not always have to be money, but it can also be in a form of appreciation, recognition or new opportunities.

The next step would be adapting the training and personnel development systems to the strategy to ensure that people possess the required skills and competencies for implementing strategies. The case company management, especially in the HR department, should review how well the current training systems and materials are in line with the strategy. It is important to pay attention especially to the training of management level, as they are the ones in charge of motivating, committing and inspiring the employees to work according to the strategy. The leadership training should also emphasize a leadership culture, which allows and promotes the open communication between superior and subordinate, as it highly affects the employee satisfaction, commitment and performance level. It can also increase employees' willingness to participate in the strategy process, which was seen as one of the key factors in successful implementation. For improving the use of the official training material and practical trainings, it would be good to have specifically appointed and trained "tutors", to take care of the official training for the new employees and to be in charge of supporting them in their first months. This could also motivate older employees and increase their feeling of being appreciated, if they knew that they have a chance of training other people, and there could even be a small compensation for that. The chosen tutors should be officially and equally trained so that they were able to ensure the adequate quality of training to the new employees. To assure the same level of leadership skills in all business units, the same training model should be implemented also in international subsidiaries.

The employee level could benefit from individual learning paths, in which the different learning steps would be defined and connected with the strategy. The

starting point would be to clarify the current competence level of each employee, based on which it would be defined, what kind of skills or competencies the employees need to learn for carrying out their jobs according to the strategy. The follow-up of the learning path could be taken as part of the development discussions. As many of the employees were not familiar with the career opportunities they have inside the company, those opportunities could be included in the personal learning paths, with clear descriptions of what kind of skills, actions or behavior are required of them to get forward. Employees need to know exactly what is expected of them, so that they can do their best to fulfill those expectations. It would be good to define also the training needs of the employees who have been working for the company for several years, not only for the new employees. As the research showed, it was the old employees who had not received training for the company strategy and values. Especially when employees are changing jobs inside the company, it should be ensured that they receive an official training for the job.

In the recruitment it would be good for the case company to take the big picture of the company strategy a standard part of the job interviews, so that people would learn about it already at an early stage. Also, according to the candidates' reactions towards the big picture, the interviewers could make some assumptions about the compatibility with the company strategy and values.

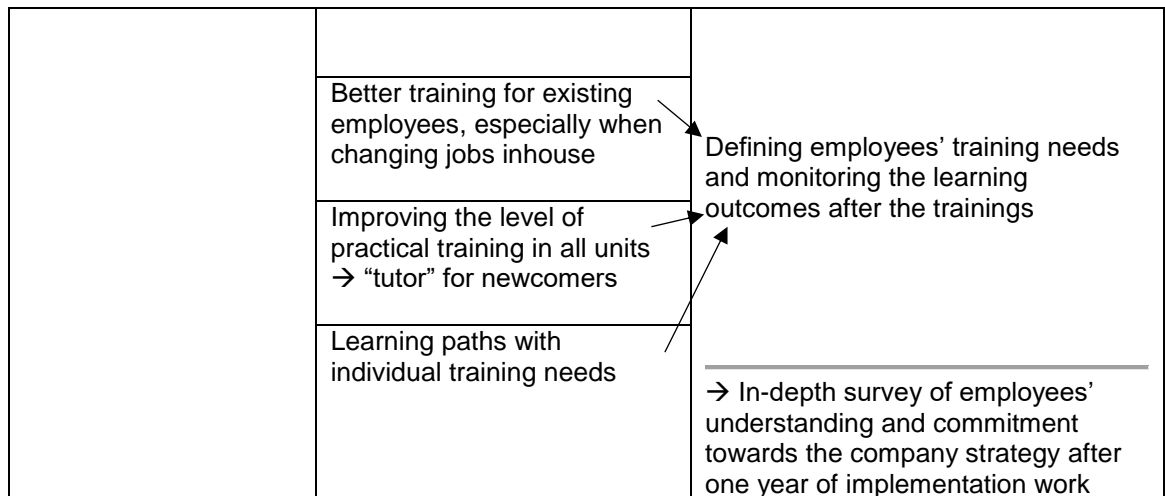
The case company is operating in several countries with the same strategy, thus it would be good to make sure that there are no information gaps, and that people in all countries, regardless of the cultural differences, understand the strategy-related messages in the same way. To eliminate possible misunderstandings, it is important that employees in subsidiaries receive the messages in their own language. As the mother company is not able to provide the information in all languages, local HR-professionals can ensure that the messages are translated. To some extent it is possible to centralize functions and operational models, however, the cultural differences and localized specialties need to be considered. Especially in teams which operate across country borders, the members should

learn about different cultures, so that it would be easier to understand the differences, for example, in communication and decision-making.

The managerial implications for better supporting strategy implementation through HRM practices, as well as the suggestions for further research are summarized in the table 3. The first column of the table includes the HRM practices, which were presented in chapter 2.2. The next column includes the actions for developing the specific HRM process to better support the strategy implementation. The third column, in turn, presents the suggestions for further research related to each HRM-process and development action.

Table 3. Managerial implications and suggestions for further research.

HRM practice	Managerial implications	Suggestions for further research
Leadership	Defining team-/ employee specific goals relevant for the strategy	Monitoring and follow-up of the defined goals
	General leadership training model for all countries and business units	
Recruitment	Including the “big picture” to the interviews or recruitment ads	
Rewarding/motivating	Connecting incentives to the defined team and employee specific strategic goals	Monitoring and follow-up of the defined goals
	Suitable rewards need to be planned to best serve the strategy and fit the company culture	
Communication	Intranet available for everybody (mobile and computer versions)	Employee survey about the use and usefulness of the company intranet Studying different types of strategy games, and finding or designing a best option for the case company purposes
	More time for discussion in group works	
	Strategy game to increase the understanding and practical angle of strategy	
	Engaging local HR-specialists to support the strategy communication in countries	
Training	Aligning training systems with the strategic objectives	Employee survey about the use and usefulness of the company intranet
	Training of the intranet use (e.g. e-learning)	



Even though the strategy implementation seemed to be going correctly by the book, and all the suggested development actions were taken, the company should still be prepared for the so called silent killers of strategy, which are not clearly identifiable but may exist and make the implementation process more difficult or even prevent it. Such obstacles may turn up for example if the company management thinks that the strategy can be implemented just by communicating it to the employees. To avoid silent killers, the management level should learn to read and interpret employees' behavior and attitudes towards the strategy implementation and modify the plan of actions, if they clearly are not working. To evaluate if the implementation has succeeded or progressed, it would be good to make a new research for example after a year of implementation work. The new research could concern all employee groups of the company, and include more specific questions to clarify, if, and how, the employees in different departments have understood the big picture of strategic elements.

6 EVALUATION OF THE RESEARCH AND PROFESSIONAL DEVELOPMENT

This chapter evaluates the quality of the research, the progression and success of the research process, and the professional development gained personally through the process.

6.1 Evaluation of the research quality and relevance

The impulse for the research topic came from the commissioning company. As the strategy implementation work had been started efficiently, the company management wanted to know how the message had been transmitted to the employee level. In other words, it became relevant to research the strategy implementation from the employee perspective. Such research had never been done before in the Case company XYZ, but there was a clear need for that. It was important to get information about how the employees have understood the company strategy, and to plan development activities based on the received information. As the research was done primarily from the employee perspective, it was natural to add also a HRM approach to the research. As the impulse for the research came from the Case company XYZ, thus, also the relevant employee groups and topics covered in the interviews were selected in co-operation with the company's representative. Additionally, the interview results and survey questions were reviewed together. By the close co-operation with the case company, the relevance of the research was ensured. To get accurate background information to the research, as well as to understand the company goals for the implementation work, the case company CEO was interviewed.

When evaluating the research quality more specifically, it is relevant to evaluate the research data based on three main criteria: validity, reliability and generalizability. The validity of data is a crucial criterion, as it indicates the extent to which the chosen research method and the received data is measuring what it was supposed to measure. At its worst, if the data is not valid, the research is meaningless. The reliability of data, in turn, describes if the used research method and data collection gives the same results also in different occasion. In other words, if another researcher can make the same observations based on the received data in different occasions. The generalizability of the research indicates how well the received results can be applied also to other situations, and if the results of a sample research can be assumed to apply to a larger population. (Lancaster 2009, 71-73.)

Assessing the quality of the research is much easier in terms of the employee survey than the management interviews, as the data from the survey could be analyzed using quantitative techniques, and it was possible to produce numeric unambiguous data based on the results. The survey results indicate that the research is valid and reliable, as by the used data collection method it was possible to measure the intended elements, and it is very likely that another researcher would have come to the same conclusions based on the received data, if the survey was to be repeated. To ensure the quality of the survey results also by the generalization criteria, the survey was sent to as many people as possible from each of the respondent groups, and it was important that at least 10 responses would be received from each group. Otherwise, it would not have been possible to draw conclusions and generalizations of the entire employee group based on the results. However, the results are necessarily not generalizable to the other employee groups, subsidiary countries, not to mention other companies.

To increase the validity and reliability of the interview results, it was important that all managers were asked the same questions, and that the managers' relationship to the surveyed employees was the same in each respondent group. This means that to get an understanding of how well the strategy implementation had been transmitted from top management to the employee level, the interviewed managers were not the direct superiors of the employees, but there was one management level skipped in each respondent group, as presented in the figure 9 of chapter 3.2. For example, from the sales group, the area manager, who is the superior of the sales managers was interviewed, and then the salesmen who are subordinates of the sales managers were surveyed. However, also the direct superiors of the surveyed employees in each respondent group were informed about the research.

To get a broader understanding of the case company's strategy implementation situation, more employee groups and business units should have been included in the research. It would have been interesting to see, how the strategy implementation work has reached the employee level, for example, in different

subsidiary countries or in the supporting operations, such as IT department, finances and technical support in Finland. As the research provided useful and important data of the selected employee groups, it could be relevant to execute a similar research in the future also for other employee groups. However, some questions of the survey should be modified to give more insight and qualitative information of how the employees have understood the strategy and what their attitudes towards the implementation activities are.

6.2 Evaluation of the research process

The research process was started in September 2017 and the original plan was to finalize the thesis by the end of the year 2017. The first schedule, however, was too tight to be accomplished along with full-time job, family and still ongoing studies. Due to these time challenges, the process needed to be rescheduled. Figure 28 illustrates the new schedule of the research process, and it shows that only the management interviews and employee survey were accomplished during the year 2017.

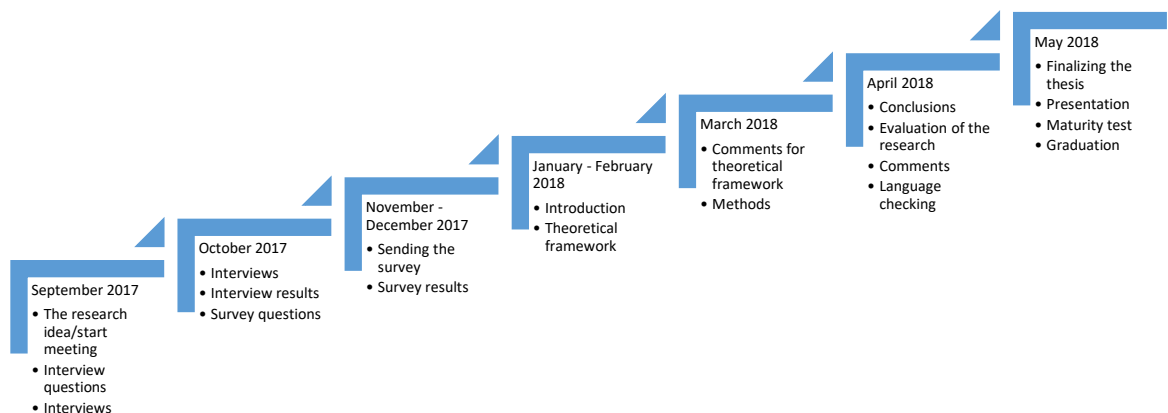


Figure 28. Research process schedule.

The research process started with the selection of research groups, and planning the management interview questions. After that, the employee survey questions were defined, and the survey was sent to the employees through different channels. Once the survey was conducted and results received, the theoretical framework started to form, and the first literature sources were gathered and reviewed. Writing the theoretical framework was started in January 2018, and

continued to the end of March. The methodology, conclusions and research evaluation was written in April, and additionally some corrections and additions were made based on the feedback received from the thesis supervisor. The ultimate goal was to finalize the thesis, keep a presentation, and complete the maturity test in May, and finally, graduate in the end of May.

The research proceeded in a slightly unusual order, as it was started with the collection of empirical data, whereas usually the process is started with reviewing the prior literature. The reason for this order was that it was clear from the beginning what kind of information wanted to be collected, and which questions asked. At first, the order felt strange but when looking back, it was quite rational for the purposes of this research.

The support received both from the thesis supervisor and the company representative helped throughout the process. Although, the process was mostly accomplished individually, there were a few meetings organized to get feedback and development ideas from both school and commissioner. The commissioner's representative was supportive and participative, and emphasized the importance of the research to the case company, which increased the motivation of writing the thesis. Additionally, all the interviewed managers and surveyed employees had a positive attitude towards the research and found the topic important, and thus, it was easy to have them participate in the process.

Overall, regardless of the time challenges, the research process progressed smoothly and according to the rescheduled plan. The interviews and survey succeeded without bigger challenges, and the theory was interesting and easily available through the school library. The case company's motives and need for the research increased the personal motivation and gave meaning to the research process. Moreover, the support and feedback received from the school and case company helped in improving the thesis.

6.3 Evaluation of the professional development

Selecting Case company XYZ as the commissioning company for the thesis was a natural choice for me, as I had been working there for years. Additionally, I hoped that I could integrate the thesis process in my daily work and use the prior knowledge I had about the company operations as much as possible in the thesis. Working in the case company helped significantly in organizing the interviews and creating the survey. However, the topic of the thesis was not directly related to my daily work, and therefore I did not have that much prior knowledge about the studied matter. I have been following the strategy implementation work of the case company as an employee and participated in the group works also myself, but while making this research I was able to deepen my understanding about the strategy also from the company perspective. Hopefully, in the future, I will be able to use my understanding and knowledge, so that it benefits also the case company, and motivates my colleagues and other employees to participate in the implementation process.

Reviewing an extensive range of literature concerning strategy implementation and human resource management, provided me a strong theoretical understanding about those topics, and by reflecting the theory to the case company operations, I learned to better understand also the practical implications. The studied literature increased my knowledge about the employee motivation, leadership practices and many other HRM related matters, by which I became really interested in the different HRM operations and especially the strategic perspective of HRM. Thesis process also taught me to view the company operations from an objective and professional perspective and think like a consultant, as my own team was not part of this research and I was not able to include my subjective experiences and opinions about strategy implementation to the thesis.

In addition, the entire thesis process taught me many skills related to self-management, which are helpful in work life in general, such as organizing and planning, networking and coping with stress and deadlines. I also learned to analyze results, read, interpret and summarize literature and to improve my academic writing skills.

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MANAGEMENT INTERVIEW QUESTIONS

Interviewee:

Department:

1. Company strategy and values

How are the company's strategy and values seen in practice? What do they mean in your own work? How would you describe the current level of implementation in your organization?

2. This is how we are

What kind of characteristics are looked for in potential employees, in addition to the skills that are needed in the actual job? How can it be ensured already at the recruitment stage, that the new employee is compatible with the case organization culture?

3. Training/introduction

How are new employees welcomed in the organization and introduced to the culture, strategy and values of the company?

4. Inspiring/Engaging

How does the organization support the creation of an inspiring work atmosphere and promote employee engagement, to avoid the "I'm just working here" -attitude?

5. Communication

How are the company strategy and values communicated throughout the organization? How can it be ensured that the message is understood?

6. Learning atmosphere

What does the learning atmosphere mean in practice? How does the organization support the competence development and personal growth of the employees?

EMPLOYEE SURVEY QUESTIONS

Survey about strategy implementation

This survey is part of my thesis project for the Degree program in International Business Management, and the purpose of the survey is to study the implementation of strategy and values from the employee perspective.

By answering this survey, you will be a great help in finalizing my thesis, and also in developing the case company human resource processes that support strategy implementation.

The respondents of the survey are randomly selected and the survey is anonymous. Responding takes only ca. 5 minutes.

Thank you very much in advance!

1. What is your job description?

- Installer
- Sales person
- Production worker
- Other, what?

2. In which company do you work?

- The Finnish production company
- The Finnish sales and installation company
- The Spanish subsidiary company
- The Norwegian subsidiary company

3. How long have you worked for the case company?

Under one year

1-5 years

5-10 years

Over10 years

4. I know what the basic strategy of the company is

Yes

No

5. I understand the importance of strategy implementation.

Yes

No

6. I have been following the videos and other information related to strategy and values from the intranet.

Yes

No

7. I have participated in a group work, where we discussed what the company strategy means for our own department.

Yes

No

8. Already in job interview, I was informed about the company strategy, values and culture and asked to evaluate my own compatibility with it.

Yes

No

I can't remember, because it was several years ago

9. I have been trained for my current job with the official training material.

Yes

No

I can't remember, because it was several years ago

10. I was introduced to the company strategy and values in the first training.

Yes

No

I can't remember, because it was several years ago

11. I also received a practical training from a more experienced colleague.

Yes

No

I can't remember, because it was several years ago

12. Evaluate the following statements on a scale of 0- 10 *0= I totally disagree, 10= I totally agree

The overall strategy of our company (including basic strategy, mission, vision and values) is explained in understandable way. (0 - 10)

The group work related to strategy helped me in understanding what the strategy means in my own work. (0 - 10)

I understand, what the value "Close to the customer" means in my own work. (0 - 10)

I understand, what the value "We keep our promises" means in my own work. (0 - 10)

I understand, what the value "We build the future" means in my own work. (0 - 10)

I feel that my superior is committed to the company strategy and values and operates according to them. (0 - 10)

I feel that my superior is actively communicating the strategy and values in our meetings. (0 - 10)

I feel that my superior is present in our daily operations and truly interested in what we do. (0 - 10)

I feel that my superior is investing in building the team spirit in our (0 - department. 10)

I am motivated and inspired by good team spirit and the support I get from my team. (0 - 10)

I am motivated and inspired by the presence and support of my superior. (0 - 10)

I am motivated and inspired by my salary and possibility for additional income. (0 - 10)

I am motivated and inspired by the meters and reports that measure our operations. (0 - 10)

I am motivated and inspired by the possibility of influencing my own work (0 - 10)

In the job interview, I was told that personal qualities, such as attitude and motivation, are even more important than work experience and education. (0 - 10)

The practical training, which I received from a more experienced colleague deepened my knowledge of the company strategy and values. (0 - 10)

I feel that our company supports and appreciates proactivity of the employees. (0 - 10)

I feel that our company offers education possibilities for developing my skills and competencies. (0 - 10)

I feel that I am encouraged to develop my skills and competencies. (0 - 10)

I am aware of the possibilities I have for changing my job inside the company, and what it requires from me. (0 - 10)

INTERVIEW QUESTIONS OF THE COMPANY CEO

Haastateltava:

Osasto:

- 1. Taustaa**
Miksi ajankohtaista, miksi strategiasta ja arvoista on alettu viestiä enemmän juuri nyt?
Miksi tärkeää?
- 2. Nykytilanne**
Millä tasolla strategian ja arvojen jalkautuminen on yrityksessämme tällä hetkellä:
tiedetään, ymmärretään, hyväksytään, osataan, sovelletaan?
- 3. Strategian jalkautusmenetelmät**
Millä metodeilla strategiaa ja arvoja jalkautetaan, ja miksi juuri nämä keinot on
valittu? Mitä haasteita?
- 4. KV-puoli**
Onko samoja metodeita käytetty myös kv-kentälle? Mitä haasteita?
- 5. Tavoitetila**
Mihin jalkautustyöllä pyritään, mikä on tavoitetila ja millä aikavälillä se tulisi
saavuttaa?