

The Black Box of Implementing Strategic Decisions

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ABSTRACT

In trying to strike the necessary balance between the two main processes of strategic decision (i.e., between making and implementing decisions), many researchers have moved their focus toward strategic implementation, which has become a growing trend in the strategic decision literature. Nonetheless, the strategic decision implementation process remains a mysterious black box, and researchers are still looking for an answer to the challenging question of “What are the core activities in implementing strategic decisions?” Therefore, the purpose of this paper is to plug this gap in the literature by conducting an extensive review of the literature on strategic decision implementation to understand this process better. The present research revealed three phases for conducting the SD implementation process and identified a number of factors inside each phase. Moreover, the paper proposed several future research avenues and implications for both researchers and managers.

KEYWORDS

Strategic Decision, Strategic Decision Implementation, Strategic Management

INTRODUCTION

Strategic decisions are those of utmost significance, determining the overall direction and, thus, the potential for a company’s future success. Senior executives typically make such choices and are few in number yet critical in nature (Eisenhardt & Zbaracki, 1992; Mintzberg et al., 1976). Strategic management involves three main processes: the strategy’s formation, implementation, and control or strategic decision. The present paper emphasizes the implementation phase of strategic decisions (SDs), which is still under-studied, despite its highly important influence on organizational performance (Al-Hashimi et al., 2022; Andrews et al., 2011; Lampaki & Papadakis, 2018; Nutt & Wilson, 2010).

Despite the increasing interest in implementing strategic decisions during the last decade (e.g., Elbanna & Fadol, 2016; Elbanna et al., 2014; Lampaki & Papadakis, 2018), few researchers have explored the activities of the implementation process itself. The greater part of the literature has focused on examining the antecedents of strategic implementation (Ali & Miller, 2017; Beer & Eisenstat, 2000; Cooke-Davies, 2002; Heide et al., 2002; Neilson et al., 2008; Umble et al., 2003), while a smaller fraction focuses on how the implementation is carried out (de Oliveira et al., 2019). This dearth of research has created a mysterious “black box” in the strategy literature called strategic decision implementation. “What is strategic decision implementation?” and “How does it work?” are questions still waiting for answers.

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This being the case, this paper aims to answer these questions by examining in depth the process of implementing strategic decisions. First, the paper reviews the literature to identify the concept of strategic decision implementation. Second, it aims to analyze how firms implement an SD.

We structure the remainder of this paper as follows: the review approach is described first, followed by an analysis of the strategic implementation research, which covers two aspects of strategic decision implementation: its concept and structure. Finally, the research limitations, future research directions, and practical implications are discussed in a concluding section.

THE REVIEW APPROACH

This review follows Noble's approach (1999) and Tawse and Tabesh's (2021) broad approach, which includes both implementation and implementation-related research to overcome the low number of papers explicitly examining SD implementation topics. Because the strategy implementation research has been fragmented across several management disciplines (e.g., marketing literature, organizational behavior, and project management) (Amoo et al., 2019), it was necessary to adopt this wide scope in the investigation.

To recognize the effective practices of SD implementation, the researcher conducted a literature search in two stages. First, we used several databases like ScienceDirect, ProQuest ABI, and EBSCOhost to search for papers. The search words were 'strategic decision' and their equivalents (e.g., project, initiative, choice of suppliers, information system selection, and new product development), and 'implementation' and its synonyms (e.g., execution, application, accomplishment, achievement, and realization). Second, cross-referencing was carried out to identify further articles. This way, the analysis included articles that considered strategic decision implementation despite not including it in their abstracts or keywords.

The shortlisted papers must be from peer-reviewed journals with an AJG rating of "2" or above or were at least B in the 2019 ABDC list (Fatima & Elbanna, 2022). The researcher had to use the two lists with this low rating to compensate for the scarcity of papers on this topic. This yielded 33 peer-reviewed papers, of which nearly 64.7% had an AJG rating of 3 or higher and 70.5% were rated A or higher on the ADC list. A summary of the empirical strategic decision implementation-related documents can be found in Table 2 in the appendix section.

ANALYSIS OF THE STRATEGIC IMPLEMENTATION RESEARCH

The researcher analyzed the collected papers using the thematic analysis method, a systematic method of identifying the commonalities or themes across a data set concerning the research topic (Victoria et al., 2017). This section discusses the two dominant themes revealed: first, the conceptualization of strategic decision implementation and, second, establishing the structure for strategic decision implementation processes.

Conceptualization of Strategic Decision Implementation

The inherent variation in strategic decisions (e.g., organizational restructuring, supplier selection, acquisitions, joint ventures, internationalization, and designing product or service portfolios) makes it hard to find a unified and precise definition for implementing SD. Thus, some researchers have so far been satisfied with a generic and straightforward definition of 'strategic decision' along the lines of "translating strategic thought into organizational action" (Pearce & Robinson, 1985, p. 297) and "transfer[ring] a strategic decision into reality" (Harrison, 1996, p. 49). Others tailor it to the specific nature of a given decision, using a suitable synonym such as 'application' when it is an IT system, 'execution' for projects, and 'achievement' for strategic initiatives.

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