

Singapore Management University

Institutional Knowledge at Singapore Management University

Asian Management Insights

Centre for Management Practice

11-2018

Accidental captains: How to sink strategy even before it is executed

Zafar Momin

Nanyang Technological University

Follow this and additional works at: <https://ink.library.smu.edu.sg/ami>



Part of the [Leadership Studies Commons](#), and the [Personality and Social Contexts Commons](#)

Citation

Momin, Zafar. Accidental captains: How to sink strategy even before it is executed. (2018). *Asian Management Insights (Singapore Management University)*. 5, (2), 12-17.

Available at: <https://ink.library.smu.edu.sg/ami/101>

This Magazine Article is brought to you for free and open access by the Centre for Management Practice at Institutional Knowledge at Singapore Management University. It has been accepted for inclusion in Asian Management Insights by an authorized administrator of Institutional Knowledge at Singapore Management University. For more information, please email cherylds@smu.edu.sg.



How to sink strategy even before it is executed.

By Zafar A. Momin

Wouldn't it be scary if captains of ships were hired at random, instead of through a careful selection process? Selecting leaders for critical roles requires an understanding of the competencies needed to succeed in the role, as well as identifying and assessing candidates who are well matched for the role. If the required competencies are not understood at a holistic level and the assessment process is either faulty or non-existent, the selection of leaders becomes almost accidental—a recipe for failure.

Why are we discussing the topic of accidental leadership? Because it happens more frequently than we think—including in critical business situations such as strategy execution. A core aspect of successful execution is selecting the right leaders to lead the conversion of strategic intent into action. In fact, 80 percent of the time, the selection process for those leading implementation initiatives is not treated with the rigour required for such a critical role.¹

Literature has affirmed the importance of middle managers' influence on the positive or negative outcome of strategy implementation, and the various roles that middle managers play in influencing outcomes has been well analysed and understood. In a nutshell, research concludes that while top management indeed has a key role to play, it is the middle managers who bear the brunt of the execution burden and most influence the outcome. Hence middle managers can be viewed as the 'captains' of strategy implementation.

Proper selection is derailed by a number of corporate mechanisms: personal biases of senior leaders, delegation of decision-making to people far removed from the context, letting hierarchy drive selection, relying on past performance, or allowing ad hoc factors such as availability and popularity determine who within the organisation 'captains' the implementation of strategy. In short, it is effectively left to chance, drastically reducing the possibility of a successful implementation before it even begins.

80 percent of the time, the selection process for those leading implementation initiatives is not treated with the rigour required for such a critical role.

Typically, corporate leaders over-index on devising strategies and under-index on managerial efforts to execute them. Traditional and dated management paradigms, many still practised by companies, treat strategy and execution as sequential, with top management believing their key role diminished after the strategy phase. Unfortunately, the irony is that these same leaders acknowledge that without effective execution, formulating a great strategy will create little value for their organisations. Research also suggests that many of these leaders are aware that disappointing outcomes result more often from ‘hiccups’ in execution rather than flawed strategies.

Strategy and execution, by their very nature, are intertwined. Top managers have an equally prominent role in leading execution, ensuring they create the right organisational design, and enabling a supportive environment to effectively realise outcomes.

Successful strategy implementation remains elusive

It is well accepted that implementing strategy is challenging due to the complexity of the process and context of its execution. Over several decades, academics and practitioners have clawed away at most macro organisational dimensions to reveal their relevance and relationship to effective strategy execution. As a result of their diligence, corporate leaders in charge of strategy implementation have been inundated with prescriptions of what to do and what to avoid. Despite considerable effort and progress made in understanding the challenges of implementing strategy, successful outcomes have remained elusive for most organisations. The failure rate of strategy implementation remains alarmingly high—about 70-90 percent of strategies never get fully implemented—and on an average, firms realise less than a third of the financial outcomes their strategies promise.^{2,3}

My research analysed inputs from 180 corporate leaders and middle managers across a range of industries and geographies in Asia. The findings indicated similarly dismal success rates across the breadth of strategy execution projects, from classic post-merger integrations and greenfield investments, to digital transformations and business turnarounds. Respondents reported similar organisational issues that impede strategy implementation efforts, such as lack of effective leadership, non-conducive culture, frequent changes in direction and management, inconsistent rewards and incentives, poorly communicated strategy, and inadequate technical support.

Four key themes emerged in the research that characterise the identified symptoms of failed execution. The first captures issues that arise when the strategy itself lacks strength and

clarity, or issues that arise from the timing, magnitude, or speed of change that the strategy mandates. The second theme centres on organisational design. Frequent issues arise from not addressing structural issues such as incompatible organisational structure, ineffective redesign of business processes and systems, or lack of understanding around softer issues linked to capabilities and behaviour.

A third theme focuses on inefficiencies in ‘hard’ tactical execution considerations while operationalising the execution plan, such as allocating resources, or inadequacies in handling tactical ‘soft’ considerations such as failing to gain buy-in from employees, or unsuccessfully managing upwards or laterally to secure collaboration and support. The fourth and final theme highlights people-related issues like not having the right people or the right skills, lack of coordination, resistance to change, lack of commitment, lack of adaptability, lack of understanding of strategy, etc. Beyond these themes, some execution issues could also be underpinned by external disruptions in technology and changes in the business operating environment.

Although researchers have examined micro-level practices of key managerial pools involved in strategy execution, top management has often been the subject of discussion, rather than middle managers. While top managers may provide a facilitative environment for successful strategy implementation that guides ownership of strategy, effective communication, allocation of resources and preparation of realistic implementation plans, they often do not see themselves as key participants in implementation. Consequently, top managers may play inspirational but distant ‘figurehead’ roles and their impact on outcomes appears mixed.

Focusing on the key management pool

Within the organisational hierarchy, middle managers are typically located below top management and above first-line managers. They are the link between top managers and bottom operational workers and play a vital role in transforming strategic intent into organisational action. Their knowledge of frontline operations, customers and employees makes middle managers the key managerial resource for strategy execution. Over the years, the role of middle managers has become increasingly critical as decision-making in organisations has evolved from traditional, hierarchical and centralised to decentralised with greater empowerment along horizontal dimensions. In roles that include simultaneously influencing the overall organisational strategy and implementing strategic changes at a local

Traditional selection criteria are hygiene factors that do not include the competencies that will set middle managers apart as successful leaders of strategy execution.

departmental level, middle managers participate even more broadly in the strategy implementation process and play a crucial role in facilitating change.

Addressing the various challenges during the long, arduous execution journey requires that ‘captains’ be well-equipped with multifaceted capabilities. Middle managers will find it difficult to deliver successful outcomes if they do not possess most of the key competencies required. Those chosen for such important roles face challenges on multiple fronts such as: understanding, synthesising and communicating the strategy to subordinates, persuading and motivating subordinates to make changes, managing upwards and sideways to gain support and manage changes at organisational boundaries, and learning new things and adapting existing practices. The burden of complex and diverse tasks can be overwhelming to middle managers and they can often feel that the task is on their shoulders alone. This can be daunting as they also have to recognise their own limitations and the project’s time constraints while performing many critical tasks.

To bolster the effectiveness of middle managers, top management can

play a key role by recognising the crucial role of middle managers and supporting them in their mission. This is critical, as without sufficient directional, organisational and motivational support from top management, middle managers are less likely to back the strategy and can even undermine it. Another factor influencing success for some middle managers is congruence between their personal goals and strategic goals of the company. This consistency in goals can create higher levels of motivation and performance. Finally, proper alignment of rewards in line with the desired outcomes is important to some middle managers, although not everyone will be purely motivated by incentives.

Beyond these influences, the most important factor for middle managers to be successful in their execution journey is having the right competencies for leading successful strategy implementation. Middle managers are basically organisational lynchpins in strategy implementation, and to be successful, they need to be carefully chosen and supported. Leaving their selection effectively to chance and creating ‘accidental captains’ is a crucial lapse in management practice and may well be a key contributor to many well-intentioned but failed strategy execution efforts.

Tactical considerations to avoid creating accidental captains

Organisations need to prioritise developing and institutionalising robust procedures for the selection of middle managers leading strategy execution. It is imperative for them to look beyond traditional selection criteria for middle managers (such as position in the organisational hierarchy, on-paper credentials, availability, past performance, and personal preferences of top managers) and begin using competency-based criteria. Such traditional criteria, together with communication capabilities, a show of commitment to the company and consensus with the strategy, are typically deemed important for selecting a manager to helm implementation. Sometimes, even though corporate leaders have second thoughts about their choices, they still resort to using such criteria because it has been used before and for the lack of any better alternative to guide their selection.

Traditional selection criteria are hygiene factors that are nice for middle managers to possess, but do not include the competencies that will set them apart as successful leaders of strategy execution. A good place for organisations to start is to assess which competencies would enable their middle managers to lead a particular successful strategy execution. Next, they can take stock of the competencies currently residing in their key managerial pool. To take it further, they would require procedures and tools that enable competency assessments for selecting the right middle managers.

Typically, every organisation has various profiles or personas of middle managers in its ranks. These personas may include managers who have evolved mainly due to their technical expertise and are good ‘technical managers’ who can only perform functional roles well. Other manager profiles include ‘career managers’ who are dependable and experienced in routine job functions but would be risk-averse and may prioritise executing strategy to the letter over deviating from the plan to ensure positive outcomes. There are also manager profiles that are strong communicators and collaborate well with external stakeholders but are driven mostly by incentives and perks. Such managers often exhibit ‘free radical’ behaviour and may succeed in certain roles, such as sales, but lack



FIGURE 1

most competencies needed to implement strategy (refer to Figure 1). Of course, manager pools also consist of 'near-ideal' managers equipped with many of the required competencies. However, my research suggests that these managers may be in the significant minority. Thus without an understanding of the incumbent manager pool and required competencies, leaders are more likely to select the wrong candidates and set a course for failure from the start.

Within the broad and complicated context of strategy implementation, there are competencies that distinguish effective middle managers who are

more likely to be successful from others who would be more likely to fail. These competencies enable middle managers to effectively deal with the multi-level contextual requirements, as well as the ambiguities and dynamics that are encountered during strategy implementation. Such distinguishing competencies are above and beyond the typical hygiene requirements sought for middle managers.

My research effort has identified five key competencies of middle managers that are more likely to lead to successful strategy implementation and relate to the abilities of middle managers.

These include:

- Strategic and systems thinking
- Action orientation
- Networking ability
- Learning and adaptability
- Leading and developing people

Applying these competency guidelines could create a more holistic roadmap for middle manager development, as well as enable matching competencies within teams. Conversely, the absence of these competencies in the execution team could potentially result in dysfunctional responses from middle managers when they encounter the

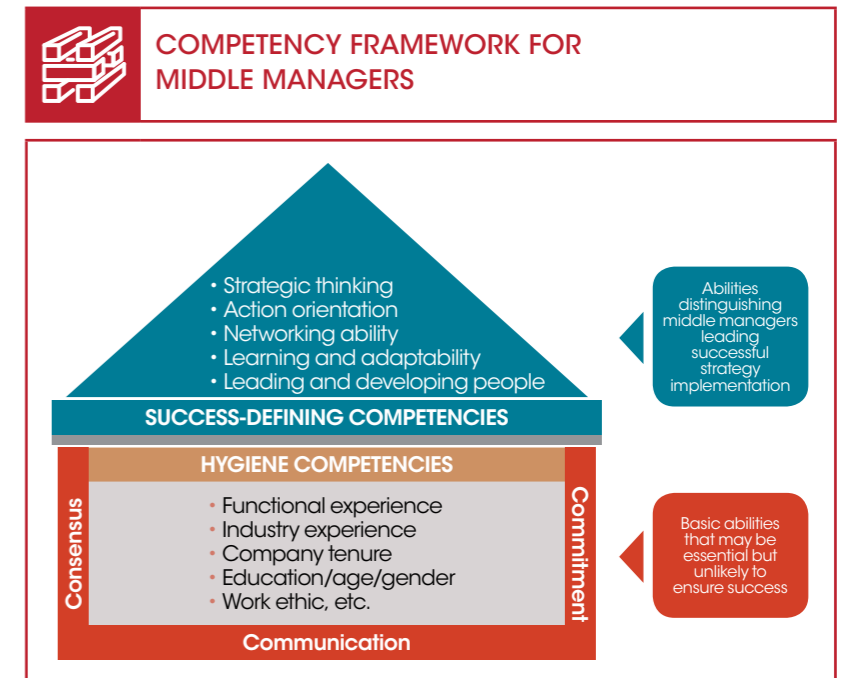
typical barriers, obstacles and challenges of strategy implementation.

Organisational leaders need to secure a critical mass of middle managers with capabilities to lead successful strategy execution and build bench strength in anticipation of the need for execution capacity. By creating organisational programmes for training, development and performance measurement of such competencies, they will mitigate the risks of leaving execution outcomes to chance. Given that strategic changes are inevitable and constant, leaders need to strive to create opportunities for middle managers to build competencies in action orientation, networking and leading people. Additionally, they need to ensure sufficient coaching and development of promising middle managers in strategic thinking and adaptability.

Also, leaders should be wary of middle managers who look and sound good, but lack the necessary skills. Many middle managers have piecemeal competencies, speak the jargon, but lack the fundamental capabilities. Furthermore, past track record on unrelated projects may be noteworthy but quite unimportant in the context of the imminent strategy implementation. Finally, leaders should learn to value the many intangible contributions of their 'near-ideal' middle managers that would typically go unnoticed. Promising middle managers are driven by achieving intended outcomes rather than simply placating or impressing the top manager who selected them for the task. By understanding and recognising the core competencies needed for execution, leaders can better identify and reward promising middle managers.

Finding the right roadmap

Today, organisational leaders face the challenge of increasing the likelihood of



success in the execution of their organisation's strategic initiatives. The task is undoubtedly complex, with many variables and cascading interactions. To complicate things further, these leaders are inundated with prescriptions from decades of research on the topic. Additionally, these prescriptions are often procrustean applications of senior level research being adapted to this group that performs the bulk of strategic implementation. They have a plethora of apparently effective roadmaps and management models to create the right leadership, culture and tactical toolkits for successful execution. Paradoxically, few of these roadmaps are able to provide significant confidence in achieving the desired outcome of strategy execution.

Without deprioritising the importance of other remedial actions, this article highlights the fundamental importance of selecting the right managers that execute strategy. It also suggests that the competencies required for execution should underscore the selection process. Management lapses in selecting the right 'captains' may well be the determining factor in sinking strategy before it sails. On the other hand, competency-based assessments can provide a platform to ensure the selection of the right 'captains' to successfully navigate a perilous journey and bring the strategic ships to port.

Dr. Zafar A. Momin

is an Adjunct Associate Professor at the Nanyang Business School, NTU and an Independent Non-Executive Director at Petronas Chemical Group; Formerly, he was a Senior Partner & Managing Director at L.E.K. Consulting, The Boston Consulting Group and A.T. Kearney

References

- ¹ Zafar Momin, "Identifying the Competencies of Middle Managers Leading Successful Strategy Implementation," Singapore Management University, 2018.
- ² Andreas Raps, "Strategy Implementation: An Insurmountable Obstacle?" Handbook of Business Strategy, 2005.
- ³ Michael Mankins & Richard Steele, "Turning Great Strategy into Great Performance," Harvard Business Review, 2005.