

## MANAGEMENT OF FACTORS OF STRATEGIC IMPLEMENTATION

### UPRAVLJANJE FAKTORIMA STRATEGIJSKE IMPLEMENTACIJE

Assoc. Prof. Mende Solunčevski Ph.D.<sup>2</sup>  
Ass. Prof. Lidija Stefanovska Ph.D.<sup>3</sup>

---

**Abstract:** *With the development of strategic management, the organizations nowadays have the opportunity to determine the long-term development, regardless of their activity or size. Despite the fact that the strategic management equally represents all the three stages, i.e. planning, implementation and strategic control, it appears that most practitioners put emphasis on strategic planning.*

*However, even with a well-crafted strategic plan, of great importance to the implementation process is the management of factors. Both the theory and practice confirm that the most influential factors include: organizational structure, organizational culture, strategic control and leadership.*

*In this context the main aim of this paper is to see how much the organizations recognize the importance of these factors and manage them in the direction of successful strategic implementation, thereby achieving the set goals.*

**Keywords:** *strategic management, implementation, structure, culture, leadership, control.*

---

**Rezime:** *Sa razvojem strategijskog menadžmenta, organizacije danas imaju priliku da se odluče za dugoročni razvoj, bez obzira na njihove aktivnosti ili veličinu. Uprkos činjenici da strateški menadžment podjednako predstavlja sve tri faze, odnosno planiranje, implementaciju i stratešku kontrolu, čini se da je većina praktičara stavila naglasak na strateško planiranje.*

*Međutim, čak i sa dobro utvrđenim strateškim planom, od velikog značaja za proces implementacije je upravljanje faktorima. I teorija i praksa potvrđuju da su najuticajniji faktori: organizaciona struktura, organizaciona kultura, strateška kontrola i vođstvo.*

*U tom kontekstu je glavni cilj ovog rada da istraži koliko organizacije prepoznaju značaj ovih faktora i upravljaju njima u pravcu uspešne strateške implementacije, čime se postižu postavljeni ciljevi.*

**Ključne reči:** *strateško upravljanje, implementacija, struktura, kultura, rukovođenja, kontrole.*

---

---

<sup>2</sup>Ministry of Defense, Bitola, R. Macedonia

<sup>3</sup> BAS Institute of Management Bitola, Business Academy Smilevski BAS Skopje, Dovledzik bb, Bitola, R. Macedonia

## THEORETICAL SECTION

Strategic management has always stirred great interest among researchers of managerial issues. The attention has focused on issues related to the implementation of selected strategies in organizations, questions that are still open and require immediate response, especially in dynamic and turbulent environments. The theory and practice of strategic management contain solutions for the ways of analyzing the environment where the problems are present and initiate strategic action. There is also a conceptual solution on the manner of formulating strategies, which have, so far, proved successful. The problems have been identified in the failed implementation of the selected strategies, which causes failure to accomplish organizational goals.

The fact is that strategic management is a modern management discipline, which enables efficient operation in many areas of human life and work. But to reach certain results, every organization should have clearly defined strategic goals and ways to achieve them. The successful implementation of the strategic objectives in a dynamic and changing environment in which organizations exist and work depends on a number of factors that, in fact, are the subject of research of this paper. One of the primary tasks of every leader is to manage the organization in the existing environment, to make numerous decisions and to take steps that support the strategic implementation through the creation of organizational architecture and models of leadership. If the formulation of the strategy is more a result of intellectual effort, the implementation of the organizational strategy requires more knowledge and skills for the allocation of resources and distribution of responsibilities.

The successful implementation of organizational strategy is influenced by many factors, which have organizational, leadership and control features. The implementation of the strategy is one of the hardest stages in the process of strategic management. It is the stage when managers-strategists transform strategies into action, using the structure, culture, leadership and control. After all, the strategic management is under pressure to prove its viability, mainly through the successful implementation of the chosen strategy and achievement of the organizational goals. It is in this regard the basic directions of research are set: to investigate, prove and show that key factors influencing the successful strategic implementation.



*PhD Mende Solunchevski is an associate professor at the International Slavic University, Sveti Nikole and Bitola, the Business Academy Smilevski Skopje-Bitola and the Military Academy in Skopje.*

*He is author of more than 50 scientific papers in the field of management, defense and protection in magazines and collections in the country and abroad, including 2 works with impact factor.*

*He participated in many international conferences and symposiums. He is the author of 7 books. Member of several NGOs and associations. A member of the Macedonian Scientific Society Bitola. He is employed at the Ministry of Defence.*

One of the major headings for the functioning and development of any organization is its organizational structure, which determines its effectiveness in the use of available human and material resources and the efficiency in customer satisfaction. Each organization has its own particular structure or composition of internal relationships. The structure is a relatively stable framework of duties of organizational units which influence the behavior of individuals and groups related to the organization's goals (Muratović, Softić, 2005). It is an integral part of every organism, every organization (Babić, Stavrić, 2003) and also its most important part, with its own internal system of relationships. The structure which allows a creation of values in the organization is a component of its strategic capabilities and contributes to its successful existence in a long-term. Making the wrong choice of a model of organizational structure, in start represents a generator of costs and problems in implementing the chosen strategy. Given the turbulent environment, the once established organizational structure cannot be satisfactory in the long term, particularly not permanently. The constant changes impose imperative on the management to continually improve the organizational structure, which would acquire, preserve or enhance the position of the organization.

On the other hand, organizational culture is a complex set of ideologies, norms of behavior, attitudes, opinions, symbols and core values shared across the organization. The organizational culture affects how the organization meets its objectives and helps in the regulation and control of the behavior of employees. Therefore, it can be a source of competitive advantage. Forming the frames within which the organization formulates and implements its strategies, the organizational culture is often a central task of organizational leaders (Govindarajan, Gupta, 2001).

The organizational culture today, in the modern strategic management, is in the spotlight. Given the fact that the organizational culture influences the thinking and behavior of employees, it is obvious that its effect is felt in all aspects of strategic implementation. If we jointly consider the first two factors for successful strategic implementation we can safely say that many world studies show that changes in the organizational structure have significantly lower scores, if the organizational culture is not changed (Kopric, 2004). It was shown that the change in the organizational structure is not sufficient for a successful strategic implementation and delivers positive effects in the short term. The analysis in most such cases indicates the need for interference of organizational structure with organizational



*Ass. Prof. **Lidija Stefanovska** is a head of BAS Institute of management Bitola and a professor at Business Academy Smilevski in the field of Strategic management. Also she is a consultant at DETRA Center whereby she realized numerous trainings, projects and workshops.*

*She is a member at Macedonian Science Society Bitola, member of the program committee of numerous International Scientific Conferences. She is the author of over 40 scientific papers, some of them published in journals with impact factor, the author of two books, brochures, compendia, also reviewer of books and winner of various certifications.*

*She was awarded two important recognitions. Recognition for teacher of the year for 2013 at the Business Academy BAS Skopje and recognition for achieve specific results in the educational process, from the Association of Teachers in Bitola, 2010 .*

culture.

As a third factor listed as important in the process of strategic implementation is strategic control. The control is an activity that involves monitoring, evaluation, measurement and improvement of various activities in the organization in order to identify problems and make corrections, if necessary, in terms of set goals and objectives, i.e. the established norms or standards in the operation and development of the organization. In fact, the strategic control is woven into the strategic process, starting from establishing the global direction of organization development, the strategy formulation and setting the goals, up to their conversion into daily operations.

The strategic, tactical and operational management, along with the control are two sides of the single system of organization management. The implementation or realization of the strategy involves continuous monitoring and control of this process, which would track the results, so that, in case of negative deviations, the reasons for them are determined and the appropriate corrective measures are taken. The control acts as a feedback which allows to determine whether all stages of the implementation process are performed in an adequate manner. Namely, it is a continuous process that begins immediately after the definition of the strategy in order to determine to what extent it meets the established mission, i.e. the opportunities and threats from the environment, strengths and weaknesses of the organization, continuing on with the process of its implementation in order to determine the extent to which the planned has been carried out and finally, to be used as a basis for creating a new organizational strategy.

The fourth factor discussed in the paper is the strategic leadership. Namely, strategic leaders are people who occupy different roles in the organization and use the strategic management process, in order to help the organization achieve its vision and mission (Hanson, Dowling, Hitt, Ireland, Hoskisson, 2008). Regardless of their position in the organization, the successful strategic leaders are determined and committed to encourage growth all around them (Brady, Kiley, 2005), i.e. they are committed to help the organization to create value for customers, profit for shareholders and other interested entities (Prince, 2005). The leadership capacity comes from the ability and knowledge to identify key issues and problems, to formulate, articulate and state the adaptive vision, to mobilize and motivate other members of the management team and the staff as a whole in order to achieve the defined vision. The leader is the one to motivate and mobilize the creative force of the organization, and to direct it towards constant changes with the intention of finding the most successful response to the challenges of the environment.

## **RESEARCH SECTION**

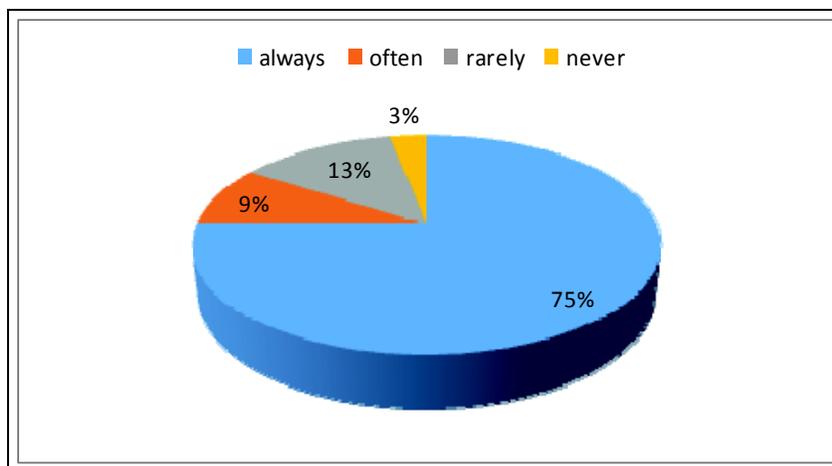
The survey which was conducted for the purpose of this paper is within the frames of the research performed by the academic researchers at BAS Institute of Management Bitola. In this context, the research has been conducted in organizations in the Pelagonia region of the Republic of Macedonia. As a sample of respondents 32 organizations have been taken, which, according to their size, belong to MSMEs.

As a research instrument a questionnaire has been used, which contains several blocks of questions relating to the four factors that are processed in this paper, referring to the successful strategic implementation. It is a descriptive research in order to acquire a picture of managing important factors in strategic implementation. This descriptive analysis will enable

us, with further research, to propose certain models and to undertake activities in MSMEs, in order to successfully practice the strategic management.

## RESULTS AND DISCUSSION

Part of the questions in the questionnaire relate to the link between the strategic plan and objectives and the organizational structure. In fact, one of the questions concerns whether the strategists, during the creation of the strategic plan and setting the goals of the organization, take action to adjust the organizational structure. The results of the responses to this question are shown in the graph below.



**Figure 1.** Relationship between the strategic plan and the organizational structure

From the examination of the graph it can be seen that 24 (75%) of the respondents said that they always do, 3 (9%) that they often do adjustments of the structure based on the defined strategy, 4 (13%) rarely do and 1 (3%) responded negatively.

### *Chi – Square Test* VAR00002

	Observed N	Expected N	Residual
always	24	8,0	16,0
often	3	8,0	(5,0)
rarely	4	8,0	(4,0)
never	1	8,0	(7,0)
Total	32		

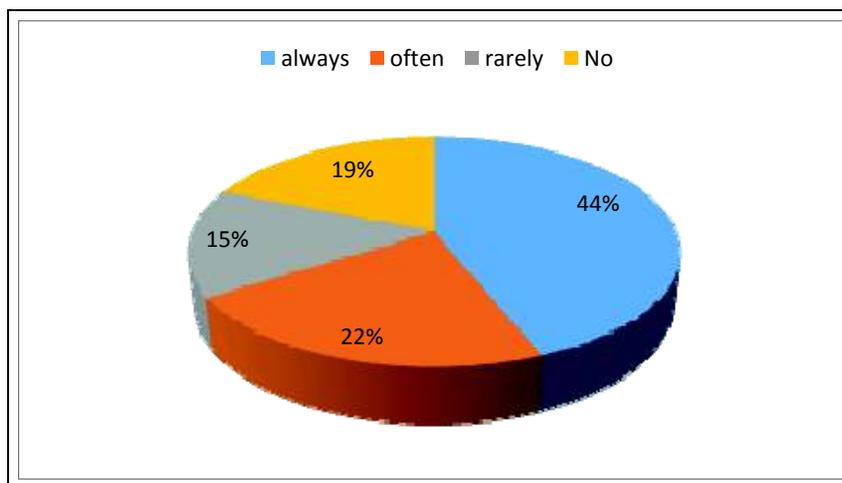
### Test Statistics

	VAR00002
Chi-Square	43,250 <sup>a</sup>
df	3
Asymp. Sig.	,000

According to the obtained values from the **Chi - square test**, it can be concluded that **there are** statistically significant differences in frequencies in the statements of the respondents,

which is highlighted by the values obtained of  $X^2$  (df = 3, n = 32) = 43,250 p = 0,000 (Sig. = .000).

Within the issue of the importance of organizational culture, of particular importance is the opinion of the strategists of the organizational culture as an invisible category, but especially important for the process of strategic implementation. In this context, the question "Do you take certain measures to improve the organizational culture, in direction of a successful strategic implementation?" has been asked. The results are shown in the graph below.



**Figure 2.** Do you take certain measures to improve the organizational culture, in direction of a successful strategic implementation?

When analyzing the graph, it can be concluded that the strategists in the surveyed organizations always or frequently undertake such activities. That is, 14 (44%) of the respondents said that they always do this, 7 (22%) often do this, 5 (15%) rarely do this, and 6 (19%) responded negatively.

**Chi – Square Test  
VAR00004**

	Observed N	Expected N	Residual
always	14	8,0	6,0
often	7	8,0	(1,0)
rarely	5	8,0	(3,0)
no	6	8,0	(2,0)
Total	32		

**Test Statistics**

	VAR00004
Chi-Square	6,250 <sup>a</sup>
df	3
Asymp. Sig.	,100

According to the obtained values of the **Chi - square** test, it can be concluded that **there are no** statistically significant differences in frequencies in the statements of the respondents,

which is highlighted by the values obtained of  $X^2(df = 2, n = 32) = 6,250$   $p = 0,100$  (Sig. = .100).

One of the questions in the questionnaire relates to the dynamics of control in the process of strategic implementation. By analyzing the responses to the question how often the operating results are controlled, it may be noted that 23 (72%) of the respondents stated that they do this almost daily, 7 (22%) of the respondents said they do this often, but only 2 (6%) said they do this as needed.

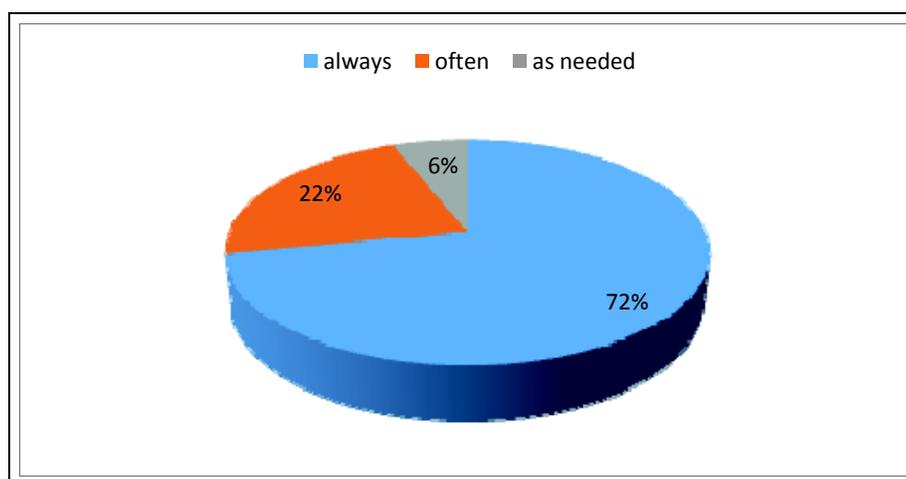


Figure 3. Frequency of the working result control

**Chi – Square Test  
VAR00006**

	Observed N	Expected N	Residual
Often	7	10,7	(3,7)
Always	23	10,7	12,3
As needed	2	10,7	(8,7)
Total	32		

**Test Statistics**

	VAR00006
Chi-Square	22,563 <sup>a</sup>
df	2
Asymp. Sig.	,000

According to the obtained values of the **Chi - square** test it can be concluded that **there are** statistically significant differences in frequencies in the statements of the respondents which is highlighted by the values obtained of  $X^2 (df = 2, n = 32) = 22,563$   $p = 0,000$  (Sig. = .000).

In terms of how problems are solved, and which are the activities of the strategists in the process of implementation, more answers have been obtained and have been placed in specific categories. Namely, most frequently these activities are:

- Timely determining the "bottlenecks" and resolving them;
- Motivating employees and fostering organizational culture;

- Permanent support in the implementation process;
- Leading employees by practicing democratic leadership style;
- Transparency in operations;
- Personal commitment.

## CONCLUSION

Based on the research results, as well as the theoretical frameworks referring the strategic management, i.e. the implementation phase, it can be concluded that in addition to the successful strategic planning, management of factors that affect the implementation process is needed, such as: organizational structure, culture of the organization, control and leadership. Studies show that MSMEs, as organizations that are not as complex in its structure, also have increased opportunities for successful management of these factors.

Namely, it is clear that no matter how necessary it is for the strategy to be well formulated, it is as necessary to choose the way the defined strategic solutions in the final desired result are implemented. The process of strategic implementation involves making numerous decisions and undertaking certain activities. Their importance is confirmed by the opinion that a well defined strategy is neither the only, nor the sufficient condition for organizational success. The organizational success primarily depends on the activities undertaken by the leader of the organization to initiate and implement strategic changes needed to achieve the defined objectives, at the same time using all available resources in an efficient and effective way.

## REFERENCES

1. Babic M., Stavrić B., 2003, *Organization of the Company-Management of the Organizational Structure*, KIZ "Centar", Belgrade., p. 113;
2. Brady D. & Kiley D., 2005, *Short on sizzle and losing steam*, Business Week, 25<sup>th</sup> April: 44, taken from D.Hanson, P.J. Dowling, M.A. Hitt, R.D. Ireland, R.E. Hoskisson, *Strategic Management, Competitiveness & Globalization* 2008, Thomson Higher Education, p. 23;
3. Brady D. & J. Weber 2005, *Business Week*, 25th April, p. 88-96;
4. V. Govindarajan & Gupta, A. K. 2001, *Building an Effective Global Business Team*, MIT Sloan Management Review, 42(4): 63-71, taken from D.Hanson, P.J. Dowling, M.A. Hitt, R.D. Ireland, R.E. Hoskisson, *Strategic Management, Competitiveness & Globalization* 2008, Thomson Higher Education, p.398;
5. Hanson, D. Dowling P.J., M.A. Hitt, Ireland R.D., Hoskisson R.E., 2008, *Strategic Management, Competitiveness & Globalisation*, Thomson Higher Education, p.395;
6. Korpić I. 2004, *Measures for Modernization of Government in the Republic of Croatia*, Informator, Novi Informator, Zagreb, no. 5298, p. 1-3;
7. Korpić .I, Marčetić G., 2000, *The Crisis of the Welfare State, Public Administration Reform and Croatian Administrative Staff*, Croatia Public Administration, Public Administration Institute, No1. P. 25-82;
8. Muratovic S. Softic, 2005, *Management, Materials from Lectures and Tutorials*, Sarajevo, p.103;
9. Prince E.T., 2005, *The Fiscal Behaviour of CEOs*, MIT Sloan Management Review, 46 (3): 23-6.