THE EFFECT OF COMMUNICATION STRATEGY ON THE RELATIONSHIP BETWEEN STRATEGY EXECUTION AND ORGANIZATIONAL PERFORMANCE: A MIDDLE LEVEL MANAGERS PERSPECTIVE AT HIGHER EDUCATION INSTITUTIONS IN PALESTINE

By

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CERTIFICATION OF THESIS WORK

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ABSTRACT

Today's environment has become increasingly competitive for higher education institutions which results from successful execution of strategies which are critical for organizations. This study aims to analyze the effect of communication strategy on the relationship between strategy execution and organizational performance of universities in Palestine. The framework explores the dimensions of some constructs and their effects on organizational performance. The proposed constructs of independent variables are organizational level of analysis (organizational size, organizational structure, organizational culture, and reward system), execution plan (execution objectives, execution tasks, and execution responsibility) and communication strategy. Specifically, communication strategy was tested as a moderator. In other words, the effects of these three constructs were measured against organizational performance. The study was developed based on general system theory and contingency theory. The total respondents were 236 and all of them work in higher education institutions in Palestine- Gaza strip. Based on partial least squares SEM-PLS which was used to analyze the data, the study found that a specific strategy of execution with a specific communication strategy produced better organizational performance. However, communication strategy has no effect as moderator in the relationship between strategy execution plan and organizational performance. Finally the findings provide invaluable implications for theory and practice on execution of strategy of service-based institutions like universities.

Keywords: strategy execution, organizational structure, organizational culture, strategy communication, organizational performance, higher education

ABSTRAK

Persekitaran hari ini menjadi semakin berdaya saing untuk institusi pengajian tinggi berikutan hasil kejayaan pelaksanaan strategi yang kritis untuk sesebuah organisasi. Justeru, kajian ini adalah bertujuan untuk menganalisis kesan hubungan strategi komunikasi antara pelaksanaan strategi dan prestasi organisasi universiti di Palestin. Kerangka kerja yang digunakan dalam kajian ini meneroka dimensi beberapa gagasan dan kesannya ke atas prestasi organisasi. Cadangan gagasan pemboleh ubah bebas adalah di peringkat analisis organisasi (saiz organisasi, struktur organisasi, budaya organisasi dan sistem imbuhan), pelan pelaksanaan (pelaksanaan objektif, pelaksanaan tugas dan pelaksanaan tanggung jawab), dan strategi komunikasi. Secara khususnya, strategi komunikasi telah diuji sebagai penyederhana. Dalam erti kata lain, kesan ketiga-tiga gagasan diukur bersandarkan prestasi organisasi. Kajian ini dibina berdasarkan teori sistem umum dan teori kontingensi. Jumlah keseluruhan responden adalah sebanyak 236 dan kesemuanya bekerja di institusi pengajian tinggi di jalur Palestin-Gaza. Berdasarkan kuasa dua terkecil separa SEM-PLS yang telah digunakan untuk menganalisis data, kajian ini mendapati bahawa strategi pelaksanaan dengan strategi komunikasi yang spesifik akan menghasilkan prestasi organisasi yang lebih baik. Walau bagaimanapun, strategi komunikasi tidak mempunyai kesan sebagai penyederhana dalam hubungan antara strategi pelan pelaksanaan dan prestasi organisasi. Akhir sekali, dapatan kajian ini memberikan implikasi yang tidak ternilai kepada teori dan amalan pelaksanaan strategi dalam institusi berasaskan perkhidmatan seperti universiti.

Kata Kunci: pelaksanaan strategi, struktur organisasi, budaya organisasi, strategi komunikasi, prestasi organisasi, pengajian tinggi

TABLE OF CONTENTS **Page**

CHAPTER THREE: METHODOLOGY

LIST OF TABLES

LIST OF FIGURES

CHAPTER ONE

INTRODUCTION

1.1 Background

Universities are organizations that are exceptional in their structures and purposes; therefore, activities that have been developed for productive, industrial or service establishments are unsuitable to be run in universities. Higher educational institutions are not unitary institutions; faculties, colleges and schools have varied tasks in preparing students for admission into specific professions, in introducing them into the intellectual backgrounds and methods of separate academic disciplines. Professions and disciplines have external reference groups. Thus, universities staff's loyalty and identification can be much strongly devoted to a professional institution or to the interactional disciplinary network than for the apparently less relevant university that happens to employ them (Paton & Wagner, 2014).

Today, the environment has increasingly become competitive in matters related to public and private universities. Hence, the leaders of these institutions must learn, think, and act strategically (Shah & Nair, 2014; Bryson, 2004). In order to adapt and control the environmental changes, clear approach with long-range planning techniques of strategic management should be used (Shah & Nair, 2014; Rahimnia, Polychronakis, & Sharp, 2009).

It has been found that the strategic management process is comprised of three main stages. The first stage is strategy formulation. The second stage is strategy execution or

execution and final stage is evaluation and control (Kohtamaki, Kraus, Makela, & Ronkko, 2012; Hilman, 2010; Wheelen & Hunger, 2010).

In order to investigate the relationship of strategic planning on quality of organizational performance in higher educational institutions in Palestine - Gaza strip, Eldajani (2013) conducted an interview with deans, deputy deans, and directors of strategic planning units in Gaza universities. He found that Islamic university of Gaza has been first university that formulates its master plan for 5 years from 2010-2015, then others follow it. Another main finding in his study is that some universities have a fund to draw the plans, but there are many reasons for this plan to fail; one of these obstacles is strategy execution.

In another study, Rosttom (2004) summarized the impediments facing the practices of strategic management in higher educational institutions in Palestine - Gaza strip. These impediments include: a) top management is not paying the full attention to the strategic management in general and strategy execution in particular. b) The tendency of top management in HEI is consider the strategic management during problems and crises after neglecting it. c) The responsibilities and missions related to top management are vague and ambiguous as well as the mistaken belief in which strategic planning is the task of a particular committee or special team and it is not under the responsibility of higher management or separate unit in HEI at different levels. d) There is no information system helps provide data and required information needed to draw the strategy of university and colleges. e) The engagement of managerial body and scarcity of time prevents them to pursue the daily activities (Rosttom, 2004).

Obviously, the noteworthy statement ……. great strategy, shame about strategy execution… (Hakonsson, Burton, Obel, & Lantidsen, 2012; Lin & Hsieh, 2010) captures the essence of the problem experienced by the strategy execution, which is implied in the general lack of academic attention (Bell, *et al.* 2010; Aaltonen & Ikavalko, 2002; Noble, 1999; Alexander, 1985). Indeed, Okumas and Roper (1998) went on to observe that despite the importance of strategic execution process, far more research has been carried out into strategy formulation rather than into strategy implementation (Huy, 2011). Additionally, Alexander (1991) concluded that literature is dominated by a focus on long range planning and strategy "content" rather than the actual implementation of strategies, on which little is written or researched (Algamdi, 2006, 1998).

A study conducted by Allouh (2007) indicated that 67% of respondents confirm that the requirements of strategy execution are available but need to develop. He mentioned that the organizational structure of the higher education institutions is inefficient, and need to provide the organizational culture of strategy execution.

Besides strategy formulation, strategy execution is very important and vital for any organization, both for the profit and non-profit organizations (Noble, 1999). This means without proper execution through appropriate methods and mechanisms, organizations would not be able to achieve their objectives, mission and vision (Kohtamaki *et al*., 2012; Rahimnia, Polychronakis, & Sharp, 2009).

Eldajani (2013) pointed out in his study that more than seventy five 75.9 % of higher educational institutions in Gaza Strip are practicing the strategic planning activities, but

not in the scientific and proper way used in the organizations. He added that there is not only the top management in the higher educational institutions convinces the strategy execution role, but also paid a lot for the formulation of a master plan.

In his study, Kallakh (2009) mentioned about the strategy execution in the public university in the Palestine - Gaza Strip in which the importance of strategy execution guide the higher educational institutions to get the required quality assurance and academic accreditation. Moreover, he found that there is a significant relationship between the strategy execution and organizational performance.

Ironically, such a scenario does not make most firms take a comprehensive measure in their strategy execution process. Sedlmayer (2008) studied Western communities and found out 90 percent of the strategies are not executed on time and ended-up far from the anticipated results. In another study, Al-Gamdi (2006) stated that the majority of organizations take longer time to implement their strategies. The main success factor in converting plans (strategies) into action depends upon how the employees' capability of respective organizations (Ranjbar, Shirazi, & Blooki, 2014; Speculand, 2014; Mieso, 2010 Bossidy & Charan, 2002). Furthermore, the execution process needs a considerable attention to make it work. Most of CEOs and middle managers failed in their attempt to execute strategies were due to inability in order to find quick wins and competitive strategies as well as the execution plan (Bhatti, 2011; Baker, Tufail, Yusof, & Virgiyanti, 2011; Hrebiniak, 2006).

It should be noted that middle managers play a key role in organizational strategic activities and outcomes (Rouleau & Balogun, 2011; Teulier & Rouleau, 2013) and in strategy execution in particular (Huy, 2011).

Wooldridge, Schmid, and Floyd (2008) conducted an extensive review of the research on strategic management and found that literature in the strategy process evolved to support a middle management perspective. Within their strategic roles, middle managers use a range of ways in which they contribute to organizational strategy. The work in this area has concentrated on techniques and practices used by middle managers to influence strategy (Salih & Doll, 2013; Wooldridge *et al.,* 2008). In particular, researchers have conceptualized the various strategic roles of middle managers (Floyd & Wooldridge, 1992) and examined the influence of middle managers in strategy development and implementation (Hutzschenreuter & Kleindienst, 2006; Mair & Thurner, 2008). Further, middle management strategic role expectations (Mantere, 2008) and role conflict, caused by different interpretations of environmental conditions, were explored (Herzig & Jimmieson, 2006; Mair & Thurner, 2008). In addition, researchers have shown that middle managers use their internal and external network relationships to contribute to strategic activities (Salih & Doll, 2013; Pappas & Wooldridge, 2007; Shi, Markoczy & Dess, 2009).

Further, middle managers hold unique positions within organizations providing them with the opportunity to influence an organization's strategic activity (Rouleau & Balogun, 2011). Seen as key strategic actors, middle managers play several strategic roles within organizations. The role of middle managers as change agents would grow

as organizations continue to become global and more complex (Rouleau & Balogun, 2011). In order for middle managers to become proactively involved in strategies, it is essential for them to believe they are owners of the outcome of strategic initiatives (Mair & Thurner, 2008). Hope (2010) examined middle management's political actions during the execution of planned change and found that middle managers were in a position to use different types of political powers in order to influence strategic sense making of others in their organizations. This manipulation of political power enabled middle managers to mobilize various sources of power to influence meaning construction to promote or suppress the implementation of new strategies (Salih & Doll, 2013; Guth & MacMillan, 1986).

Based on many reports, less than 50 % of the strategic plan was executed successfully (Ranjbar *et al.*, 2014; Morgan, Levittt, & Malek, 2007). Furthermore, 95 % of staff in most institutions do not even know their organization has a strategic plan on participating in the execution of the plan (Kaplan, 2012; Kaplan & Norton, 2005). Eventually, factors caused the failure were poor execution and poor control (Nutt & Wilson, 2010).

Studies on strategy execution (including organizational size, organizational structure, organizational culture, and reward system as well as the dimensions of the execution plan) and performance are presumed to be abundant. Many authors who have significantly contributed in this area include (Ranjbar *et al*., 2014; Shah& Nair, 2014; Wilden, *et al.*, 2013; Alamsjah, 2011; Pucko & Cater, 2010; Mieso, 2010; Rahimnia, *et al*, 2009; Li, Guohui, & Eppler, 2008; Hrebiniak, 2008; Neilson, Martin, & Power,

2008; Malik, 2007; Higgins, 2006; Okumas, 2003). Those authors (e.g. Rahiminia, Polychronakis, & Sharp, 2009; Brenes, Mena, & Molina, 2008; Delisi, 2006; Hrebiniak, 2006; Alashloo,Castka, Sharp, & 2005; Raps, 2004; Okumas, 2003, 2001; Alton & Ikavako, 2002; Al-Mishari & Zairi, 1999; Al-Gamdi, 1998) who examined organizational size, organizational structure, organizational culture, and reward system as well as the dimensions of the execution plan noted that these dimensions of strategy execution are very important in determining the success or failure of organizational performance. However, one major weakness of these studies is the inability to integrate all of these factors (organizational size, organizational structure, organizational culture, and reward system as well as the dimensions of the execution plan) into a single framework that affects organizational performance.

In his study, Altallaa (2005) indicated that the critical success of implementing the strategy will drive higher educational institutions to get the required and targeted quality assurance.

In relation to the mentioned above, this study investigated execution practices among higher learning institutions in Palestine (Gaza Strip). Their achievement will determine whether education can become a contributing factor to the development process of the country. The Palestinian's leadership has clearly indicated that their education will be one of the critical factors in developing the nation's economy. Furthermore, this study intends to strengthen the way forward of Palestine's future in all aspects.

1.2 Higher Education in Palestine

Palestine is located in the center of the Middle East. It was part of Al- Sham region which later were divided into four countries, Palestine, Syria, Jordan and Lebanon, in the Sykes – Picot Agreement 1915-1916 between the United Kingdom and France (Al Subu', 2009).

At present, 78% of the Palestinian's land is taken over by (Israel), a country that was created in 1947. The occupation was supported by the United States of America, Great Britain and Russia. In May 1994, as a result of the Oslo Agreement between Israel and the Palestine Liberation Organization (PLO), the Palestinian Authority was established in the West Bank and Gaza (Al Subu', 2009; Alsubu' & Omran, 2008). Then, in the same year in August, the Palestinian Ministry of Education was created and in September 2012, 148 countries around the world finally acknowledged the State of Palestine.

Currently, the population of West Bank (covering an area of 6,257 Km^2) and Gaza Strip (378 Km^2) estimate about 5.15 million. About one-third of the population is students at all levels of education. Like other parts of the world, the government of Palestine perceives education as an important factor to develop better Palestine. This fact is based on government commitment to ensure that every child must attend at least primary and secondary schools (The Palestinian Central Bureau of Statistics PCBS, 2013).

However, the rate of illiteracy in Palestine is still low if compared to other Arab countries. The Palestinian Central Bureau of Statistics (PCBS) reported in 2009, only 6

percent of Palestinians are illiterate. However, the government never neglects education sector despite difficult circumstances. This is supported by (PCBS) report in 2012 which indicated that the country has been for the last three decades. With 81 percent of enrollment in basic education (grades one to ten) in 1994/5 has increased to 98.2 percent in 2008/9. The percentage of children proceed to grow the secondary level grow steadily from 65 percent to 91 percent in 2008/9. Meanwhile, the students' enrollment in universities, specifically those between the ages of 18 and 24, was 33 percent. Alternatively, female students dominated 57 percent of enrollment in university in 2012/13. The country has also exemplified their value toward knowledge as 23.5 percent of the national income was channeled for education (PCBS, 2013; Al Subu', 2009).

In Palestine, the educational structure is made for a ten-year period free compulsory basic education, starting at the age of five years and eight months, followed by a two-year program of secondary academic or vocational education. At the end of the two years, students will take the secondary school examination called Tawjihi (Al Subu', 2009; Alsubu' & Omran, 2008).

Since the 1990s, the Palestinian Higher Education Institutions (HEIs) have recorded steady growth of enrollments. For example, enrollments in 2012 / 2013 exceeded 270,000 while only 4 0,000 students in 1993/1994. This is clearly indicated about of twenty years, the number of enrollments has grown by 6.7 times when compared with the beginning (Ministry of Higher Education MOHE, 2013).

Increasing students in HEIs have certainly increased the number of graduates in different fields of HE sectors with variations between the subsections. It is the highest in the universities, where the number of graduates has increased 7 times from 1994 - 1995 to 2012 - 2013 (2,500 to 31000). In colleges, the number of graduates has changed (1,500 in 1994 - 1995 compared with 3,700 in 2012 - 2013) (MOHE, 2013).

This study focuses on the Gaza Strip, which is one part of Palestine and the respondents were the senior management of all higher educational institutions in the Palestine- Gaza Strip. The following table shows the numbers of enrolled students, academicians, administrative staff, the programs offered and the number of colleges of each institution of higher education provided in Gaza.

Table 1.1
State of Higher Education in Palestine

Institution's name	Student		Academicians		Administrative staff		Credit offered courses	Colleges
	Male	Female	Male	Female	Male	Female		
The Islamic University	7760	12155	374	39	300	43	98	11
Al-Azhar University	7019	7263	266	25	158	16	67	12
Al- Aqsa University	7819	17109	349	49	79	52	66	7
Al-Quds Open University	6576	6473	74	7	43	0	16	4
University of Palestine	2208	569	76	31	27	16	28	9
Gaza University	280	320	69	11	20	8	15	5
Al-Umah University	2132	708	10	0	30	2	9	4
University College of Applied Science	4127	3923	399	171	80	21	44	0
College of Science & Technology-Khanyounis	1321	1094	84	10	26	7	29	5
Palestine Technical College Deir Al- Balah	565	392	47	10	18	14	18	6
College for Science & Technology	191	104	59	17	11	3	26	6
College of Intermediate Studies – Al- Azhar University	1920	546	1	0	14	1	13	0
Management & Policies Academy of Postgraduate Studies	237	40	25	0	10	0	3	1
Total = 13 institutions	*42155*	*50696*	*1833*	*370*	*816*	*183*		

Source: Ministry of Higher Education (MOHE, 2013)

1.3 Execution

Execution is a process that involves a full attention in order to make it work. While the balance between planning and flawless execution strategy as execution reinforces this idea instead of designing brilliant strategies, today's leaders and managers must increasingly use their energy to fulfill the punishing demands of execution (Kumar & Sushil, 2013; Bailey, 2008). The research found that planning and execution are interdependent (Bhatti, 2011; Hrebiniak, 2006). In addition, Kaplan and Norton (2001) stated the ability to execute strategy can be more significant than the strategy itself (Kaplan, 2012).

Zagotta and Robinson (2002) point out that the real value of strategy can only be gained through implementation. . . . It doesn't matter how well the program is if you can't make it happen. Although the rational place for execution after the planning process, but the arrangement for implementation should be part of the formulation stage. This idea is supported in the following summary of the various thoughts on strategy execution. These views cast light on the various positions of implementation and may provide a clue as to why implementation often does not receive the attention needed (Zagotta & Robinson, 2002).

In another study, Noble (1999) provided several definitions of execution. These definitions are: (1) a sequence of intercession relating to key personnel procedures, organizational structures, and the control systems counted to control the performance for best outcomes; (2) a stage involving joined strategic alternatives into a plan to use;

(3) process that turns marketing plans into action assignments and ensures that such assignments are implemented in a manner that fulfills the plans stated; (4) the managerial interventions that rank organizational action with strategic intention; (5) turning planned board strategy into market place certainty; (6) involving organizational issues with the development of specific marketing programs and with the marketing executed programs; and (7) a policy decision that must be spelled out in operation detail and resources allocated among programs (Salas & Huxley, 2014; Ranjbar *et al.*, 2014). Herebniak (2006) highlighted what's more critical: strategy formulation or strategy implementation? He found both are essential for achieving superior organizational performance (Salas & Huxley, 2014; Ranjbar *et al.*, 2014).

Grittenden and Grittenden (2008) summarized that the most effective factors for strategy execution include: (a) effective elements to execute strategic plan; (b) enhancement of clearance and measureable goals; (c) integrating strategic planning to official master plan; (d) including execution in planning progression; (e) follow up and follow through; (f) integrating plans/activities across different initiatives; (g) clear process; (h) recommending person(s) for co-ordination; (i) alignment of funding to strategy and timely distribution of funding; (j) clear vision; (k) effective communication; (l) people engagement at all levels; (m) establishing reasonable time frame; and (n) enlargement of sustainability plan. Failure to do so may lead organizations to failure.

1.3.1 Common Obstacles of Strategy Execution Process

Ahearne, Lam, and Kraus (2014) claimed that the majority of the literature on strategic management focuses more on formulation process and only lip service has been given

to the other side of the coin, namely strategy implementation. Although the number of organizations that did well in execution is increasing, it is still far less than strategy formulation (Atkinson, 2006). However, this has caused problems associated with implementation continuing unabated. Obviously, it signals the need for balancing strategic planning with implementation based strategies and studies (Speculand, 2014; Al-Gamdi, 2006).

In their study of about 12 companies consisting of 150 units, Beer and Eisenstat (2000) identified six "silent killers" of strategy execution. These six "silent killers" are: (a) management style is top-down for senior managers, (b) uncertain strategy and disagreeing priorities, (c) unproductive senior management team, (d) poor upright communication (e) weak coordination across functions, practices or borders and (f) poor down-the-line leadership skills and development (Jiang & Carpenter, 2013).

Salas and Huxley (2014) listed what Nickols (2000) discussed in four cases of strategy execution, which are considered as follows: (a) flawed strategy and flawed execution, (b) sound strategy and flawed execution, (c) flawed strategy and sound execution, and finally (d) sound strategy and sound execution. The organization will have a good chance for success only when the strategy and the execution are exemplary, setting aside environmental and competitive influences. Furthermore, Nickols (2000) contended that executing the wrong strategy is one of the main problems leading to unsuccessful implementation of strategies. Such failure includes: (a) insufficient understanding of the strategy process, (b) not committed to the plan, and (c) strategies or plans are unsuccessfully communicated. The management must be committed and

focus on the agreed upon plans and should only make significant alterations to the plan after careful consideration of the overall implications of the change (Hilman, 2010). Moreover, the governing body should maintain a balance between ongoing business activities, work on new strategic initiatives and/or act as inhibitors because people are driven by short-term results (Parmigiani & Holloway, 2011).

Brannen's (2005) survey based-study concluded that improving execution requires certain issues to be tackled strategically. These issues involve: (a) inadequate or unavailable resources, (b) poor communication of the strategy by the organization, ill-defined action plans, ill-defined accountabilities and (c) organizational-cultural barriers. Welbourne's (2005) observations of items on "what's got organized way of execution" point to "habit and past experience reflects on new strategy" could affect strategy execution. However, the literature on strategy execution is sparse in general. Strategy execution includes, inter alia, organization structure, task orientation, human resources, reward systems, information and decision processes, objectives, culture, management processes, and control mismanagement (Shah & Nair, 2014; Salas & Huxley, 2014; Ranjbar *et al*., 2014; Kumar & Sushil, 2013; Kohtamaki *et al*., 2012; Micheli, Mura, & Agliati, 2011; Alexander, 1991).

Ultimately, a number of researchers merged context, content and process into strategy execution for three dimensions, and then they divided the three dimensions to levels (Bailey, 2008; Okumas, 2003, 2001; Noble, 1999). For example, the context is divided into three sub-levels (environmental, organizational and individual levels), the content is divided into vision of the strategy, and execution plan, and the process for factors

related to activities like the execution leadership, management style, strategy communication.

Regarding the effect of organizational level factors, this research investigates the effect of these factors which are found in studies conducted by Ranjbar *et al*. (2014), Maas (2008) and Okumas (2003, 2001) concerning organizational performance. The dominant organizational level factors in strategy execution context are organizational size, organizational structure, and organizational culture and reward system. The strategy execution content factors are execution objectives, execution tasks and execution responsibilities (Salas & Huxley, 2014; Mieso, 2010; Malik, 2007; Delisi, 2006; Alashloo *et al.,* 2005; Johnson, 2002; Al-Gamdi, 1998). Alashloo, Castska, & Sharp (2005) pointed out communication is considered as a related factor for organizational level in strategy execution which will be used in this study as a moderating variable (Salas & Huxley, 2014; Andrew, Boyne, Law & Walker, 2011; Slater, Olson, & Hult, 2010; Rahimnia, Polychronakis & Sharp, 2009; Fernandez & Rainey, 2006; Alashloo *et al.,* 2005).

Several studies referred to the above mentioned factors as the dominant factors in strategy execution, and clearly indicated their significant effect on the organizational performance (Ranjbar *et al.*, 2014; Huy, 2011; Bell, Dean, & Gottshak, 2010; Mieso, 2010; Pucko & Cater, 2010; Rahimnia *et al.,* 2009; Li, Guohui1, & Eppler 2008; Malik, 2007).

Harrington (2006) pointed out that factors for organizational level should be studied together to get better results for strategy execution and such alignment will affect the

organizational performance positively. He also added that organizational size (small and large) affects the organizational performance (Bell, *et al*. 2010; Slater *et al*. 2010).

Ultimately, success of strategy execution means success of the organization (Hussy, 1996). This means that strategy execution is critical success factor for any organization (Ahearne, *et al.* 2014; Homburg, Krohmer & Workman, 2004). Therefore, this study investigates the relationship between strategy execution, organizational performance and effect of strategic communication among universities in Palestine.

1.3.2 Organizational Level Factors

1.3.2.1 Organizational Size

Saunders (2005) described organizational size as a number of staff in one organization (El-Banna, Child, & Dayan, 2013). Small organizations often have more problems when compared with larger ones (Cater & Pucko, 2010). Some researchers concluded that lack of required and sufficient competent human resources to execute strategy will make small organizations suffer larger effects (Parnell, 2008; Saunders, 2005).

1.3.2.2 Organizational Structure

Tippmann, Scott and Mangematin (2013) pointed to the Noble's (1999) observation that many studies have been carried out to investigate the associations between structure and strategy formulation (Tippmann, *et al.* 2013; Wilden, Gudergan, Nielsen, & Lings, 2013; Grogaard, 2012). However, few studies were conducted to examine the relationship between structure and execution strategy. Noble (1999) further explained

that structure seems to have an effect on how strategy is executed. This is buttressed by his claim that a proper strategy-structure alignment is a necessary precursor to the successful execution of new business strategies (Ranjbar *et al.*, 2014).

Skivington and Daft (1991) analyzed the structural aspect of execution from the angle of modality framework which consists of structure and system. Its concept is described as the framework aspect of organizational structure, including rules, prescriptions of authority, division of labor and a hierarchy of authority. Dimensions of organizational structure, which are decentralized and formalized, can have a significant influence on organizational performance (Shah & Nair, 2014; Slater *et al.*, 2010; Olson, *et al.* 2005).

1.3.2.3 Organizational Culture

Organizational culture is very essential in the execution process (Shah & Nair, 2014; Ranjbar *et al.*, 2014; Cater & Pucko, 2010; Jiang & Carpenter, 2013; Yeh, Lee, & Pai, 2011; Tolleson, 2009; Higgins & McAllaster, 2004). Irrespective of organizational types of structures and control system in place, interpersonal process is an important part in strategy execution. Obviously, the organizational culture pattern of shared values and norms is what distinguishes one organization from another (Jiang & Carpenter, 2013). These shared values and norms indicate what makes an organization believed to be important. They also indicate how things are done in such an organization. If the leader understands culture well, he/she possesses powerful tools to establish a culture of execution (Jiang & Carpenter, 2013). In the context of a group, culture has to do with people's interaction, interaction between ideas, and behaviors. To be specific, Dobni

(2003) defined culture as the collective thoughts and actions of employees that manifest strategic orientation of an organization.

1.3.2.4 Reward System

In the field of strategy execution, many scholars associate reward system as an important factor in strategy execution (Shah & Nair, 2014; Micheli, Mura, Agliati, 2011; Bailey, 2008; Neilson, Martin, & Powers, 2007; Hrebiniak, 2008; Higgins, 2006), where organizations used a reward system as one of the main tools to monitor progress of strategy execution (Hrebiniak, 2005). These rewards or incentive systems are essential to motivate staff (Hrebiniak, 2008). Furthermore, a commitment to a strategy can be enhanced by realigning rewards with intended strategy (Jiang & Carpenter, 2013; Li *et al*., 2008; Chimhanzi, 2004). The importance of an empowering people has been acknowledged as a mean of achieving success in strategy execution (Slater *et al.*, 2010). The performance based-reward will make people know what is important in an organization, and this will serve as a motivation for people to engage in the process (Shah & Nair, 2014; Bossidy & Charan, 2002).

1.3.3 Execution Plan

Execution is a stage which converges a strategic plan into a useable plan (Almsajah, 2011; Noble, 1999) since this strategic plan cannot be executed if it is not translated into operational terms (Kaplan, 2012). However, the strategy of the strategic plan must be converted into a single coherent document that is known as a game plan (Salas &

Huxley, 2014; Allio, 2005). Clearly, an organization with a comprehensive plan has a better chance to successfully execute strategy (Maas, 2008).

In the following, the researcher has divided the execution plan into three dimensions, which are execution objectives, execution task and responsibilities.

1.3.3.1 Execution Objectives

Ranjbar *et al*. (2014) and Almsjah (2011) pointed out that the execution effort should be easier if goals are set properly and accurately, whereas an inadequate objective specification could have a negative effect on execution process (Maas, 2008).

Execution objectives need to be clear and concrete, and all the staff need to understand strategic goals of an organization because when they are without appropriate knowledge of strategic goals, they will only lead to the failure of executing strategy effectively (Salas & Huxley, 2014; Parmigiani & Holloway, 2011).

1.3.3.2 Execution Tasks and Responsibilities

Organizations should have clear execution tasks and responsibilities (Al-Gamdi, 1998, Alexander, 1985). The most critical factor in strategy execution requires detailed specification of staff participation. When execution tasks are not well specified, they may then mislead in execution. On the other hand, the execution has a better chance to succeed when there is a clear understanding of who does what, when, and at what cost (Allio, 2005).

1.4 Communication Strategy

Another essential factor in the execution process is to effectively communicate strategy which has been examined in depth by authors, such as Hrebiniak (2006) and Manderscheid and Kusy (2005). Moreover, Kouzes and Posner (2002) discussed the importance of effective communication and acknowledged that leaders, who communicate effectively, have a better chance of adverse vision clearer and at the same time motivate and enhance loyalty, commitment, productivity and pride among their employees (Mieso, 2010; Balzarova, Bamber, Mcbridge & Sharp, 2004). Leaders who communicate effectively clarify not only vision, mission and values clearly, but they also ensure that the execution process can be easier towards realizing the objectives (Manderscheid, & Kusy, 2005; Kotter, 1996).

Further, common execution format and templates are important as they ease the process to streamline communication, ensure consistency, improve collaboration among parties involved and efficiently achieve objectives. It seems that regular and structured meetings improve communication since they give room for the organization to review the plan, reconfirm priorities, and keep everyone involved in the execution (Chimanzi, 2004; Allio, 2005).

1.5 Organizational Performance

The literature of management shows how the organizational performance has been defined differently by many researchers. For the purpose of this study, it was found appropriate to follow the definition provided by Antony and Bhattacharyya (2010). They defined the organizational performance as the measure that is used to evaluate and

assess the success of an organization to create and deliver value to its external and internal customers. Therefore, organizational performance in many studies can be defined as operational performance. Kumar and Sushil (2013) illustrated a number of criteria of operational performance measures have been identified in recent years by a number of scholars. For instance, Skinner (1974) stressed short and dependable delivery, superior quality, fast new product development, volume flexibility and low cost, whereas Wheelwright (1978) emphasized efficiency dependability, quality and flexibility.

Lee, Lee, and Wu (2010) pointed out to studies which introduce the organizational performance. For instance, Wheelwright and Hayes (1984) had changed efficiency factor into the cost. In addition, Schmenner (1982) and Hill (1989) indicated various dimensions of operational performance measures such as cost, quality, delivery and flexibility. Leong, Snyder and Ward (1990) used cost, quality, delivery, flexibility and responsiveness, whereas Vickery, Droge and Markland (1997) highlighted rate or speed of new product launching.

Many organizations try to develop and adopt a variety of organizational performance measurement systems to monitor and drive their improvement of specified results and communicate their vision, goals, objectives, measures, aims, and outcomes to human resources and component in a coherent fashion. Such a system is called the Balance Score Card (BSC) (Micheli, *et al.* 2011; Brown, 2010).

The Balance Score card (BSC), which has been developed by Kaplan and Norton (2012, 1996, and 1992), is such a tool that provides a mix of financial and non-financial

performance measures. Further, it has emerged as one of the most widely accepted methods to explicate organizational performance since it focuses on four perspectives which are financial, internal, customer, and learning and growth (Pieneno & Boxx, 2011).

The financial perspective provides a combination of both traditional accounting measures and identification of leading financial indicators of future performance. The internal perspective focuses on metrics that reveal internal operating performance. The customer measures often focus on satisfaction, loyalty and profitability to ensure that the right customers are receiving the right response. The learning and growth perspective focuses on how the well-learning and knowledge are managed and cultivated to support strategic goals (Kumar & Sushil, 2013; Fuentes, 2008).

These four perspectives are used together to assess organizational performance. Kaplan and Norton (1996) advised that the balance in the BSC comes from the intentional use of both leading indicators and lagging measures of performance in all four performance areas. However, no single perspective should be overemphasized at the expense of the other three. Additionally, the focus on results should be long term rather than quarterly as many Wall Street analysts prefer (Fuentes, 2008).

1.6 Problem Statement

Bossidy and Charan (2002) argued that execution is still in the state of poorly addressed subjects in today's business world. Its absence is identified as the single biggest obstacle to success.

Many studies mentioned that there is a noticeable absence of a deep and coherent body of literature in the field of strategy execution is still being witnessed. Indeed, this has consequences for business practice (Jiang & Carpenter, 2013; Poton & Wagner, 2012; Gottschalk, 2006).

In his study, Eldajani (2013) pointed out that more than seventy five 75.9 % of higher educational institutions in Palestine - Gaza Strip are practicing the strategic planning activities, but they are not practiced them in a professional and proper way to use in the organizations. He added that top management in the higher educational institutions is not convinced of strategy execution significance and role, but it pays a lot to formulate a strategic plan.

In other studies, researchers stated that why strategic plans fail in higher educational institutions in Palestine – Gaza strip (Abou-Dagga, & Eldajani, 2011; Kallakh, 2009). This failure is attributed to strategy execution obstacles such as absence of well-educated faculty, experts and even the academic staff due to wars, closure, and hard economic situation in Palestine – Gaza strip. In addition, the respondents attributed that most of the staff does not understand the strategy as well as the strategy reaches them in a vague and ambiguous way due to the communication strategy in the institutions (Eldajani, 2013). Besides, there is no special department to pursue the strategy execution process and there is no particular execution plan in every department (Kallakh, 2009). Further, the top management does not follow up the implementation activities in the higher educational institutions and justify that most of the educational institutions are public institutions. On the other hand, the top management gives only

priority to the formulation of strategy and pays a large amount to get it (Aldajani, 2013, Allouh, 2007).

A number of scholars referred to the necessity of the organizational requirements for fostering the success of the strategy execution (Ranjbar, Shirazi, & Blooki, 2014; Almsjah, 2011; Waweru, 2011). Moreover, in his study, Blal (2011) recommended concentrating on the organizational level as a structural view. He also emphasized his recommendations by showing a need for more studies on strategy execution at the organizational level factors, and keeping the individuals' level aside.

Further, it has been found that communication barriers are reported more frequently than any other type of barriers such as organizational structure barriers, management barriers, or cultural barriers. Heide, Grønhaug and Johannessen (2002), for example, indicated that there are various types of communication problems (without specifying what they are). These communication issues may be influenced to some extent by the organizational structure. According to Heide, Grønhaug and Johannessen (2002), they constituted the key barrier to the implementation of planned strategic activities. Rapert, Velliquette and Garretson (2002) stated that communication and shared understandings play an important role in the implementation process. In particular, when vertical communication is frequent, strategic consensus (shared understanding about strategic priorities) is enhanced and an organization's performance improves. They explored vertical communication linkages as a means by which strategic consensus and performance can be enhanced (Li, *et al.* 2008; Rapert, Velliquette & Garretson, 2002; Peng & Litteljohn, 2001; Rapert & Wren, 1998).

A study conducted by Fernandez and Rainey (2006) noted that related factors such as the organizational structure, organizational culture, reward system, and organizational size are the most effective strategy execution factors that affect organizational performance (Ranjbar *et al*., 2014; Almsjah, 2011). They suggested that further studies in this area of study should moderate the relationship between organizational structure, organizational culture, reward system, and organizational size, and organizational performance with communication strategy. Accordingly, the study of Andrew, Boyne, Law, and Walker (2011) equally recommended that communication strategy should be utilized as a moderator testing for the influence of strategy execution on organizational performance. In view of this, the present study intends to examine the moderating role of communication strategy on the influence of strategy execution factors on organizational performance with particular focus on the Higher Education Institutions in Palestine.

In his study, Dajani (2013) pointed out that all respondents acknowledge that there is no organizational culture, especially the culture of participating and culture of responsibility. In addition, the respondents in Alaqsa University mentioned that there is no organizational culture in university since the organization is a public university committed to plans of the public sector. Allouh (2007) mentioned that one of the obstacles during the implementation process is the inefficiency of organizational structure and added that the scarcity of financial resources prevents the institutions to reward their staff for the extra work. Abou-Dagga, & Eldajani, (2011) mentioned that institutions which have a large number of employees can overcome the problem of the

absence of well-educated staff to execute the strategy by replacing them with job rotation process, but the small size cannot be replaced.

To what extent do the structure of the organization, type of culture, reward system, and execution plan installed account for the variance in the performance of higher education institutions in Palestine. Is the effect of strategy execution factors on performance moderated by communication strategy?

1.7 Research Questions

Based on the problem statement, the main questions in this research concern on the effect of those factors on organizational performance. Specifically, the current study addressed the following research questions:

1. Is there a relationship between strategy execution and organizational performance from a middle level manager's perspective in higher education institutions in Palestine – Gaza Strip?
2. Is there a relationship between execution plan and organizational performance from a middle level manager's perspective in higher education institutions in Palestine – Gaza Strip?
3. Is there any moderating effect on communication strategy on the relationship between organizational level factors and organizational performance from a middle level manager's perspective in higher education institutions in Palestine – Gaza Strip?
4. Is there any moderating effect of level of communication on the relationship between execution plan dimensions and organizational performance from a middle

level manager's perspective in higher education institutions in Palestine – Gaza Strip?

1.8 Research Objectives

The main objectives of the study are to examine the effect of strategy execution, on organizational performance from a middle level manager's perspective. The specific objectives are:

1. To investigate the relationship between strategy execution and organizational performance from a middle level manager's perspective in higher education institutions in Palestine – Gaza Strip.
2. To investigate the relationship between strategy execution plan and organizational performance from a middle level manager's perspective in higher education institutions in Palestine – Gaza Strip.
3. To investigate the effect of communication strategy as a moderating variable on the relationship between strategy execution at the organizational level and Organizational performance from a middle level manager's perspective in higher education institutions in Palestine – Gaza Strip.
4. To investigate the effect of communication strategy as a moderating variable on the relationship between strategy execution plan and Organizational performance from a middle level manager's perspective in higher education institutions in Palestine – Gaza Strip.

1.9 Significance of Study

The value of this comes from expanding the existing literature related to the contingency theory and general system theory by examining the relationship among strategy execution organizational level, execution plan, and organizational performance in the presence of communication strategy. Therefore, the value of this study is for researchers, scholars, practitioners, and higher education institutions (Deans, Directors, Head of departments, and staff). In general, this interdisciplinary study is able to contribute significantly to the existing boundary of the knowledge related to the effect of communication strategy on the relation between strategy execution and organizational performance. The originality, theoretical and practical value of this study is discussed in the succeeding paragraphs.

Despite the extensive research work that has been conducted in the literature of strategy execution in the light of the contingency theory and general system theory, the performance implications of these strategies were not always positive. In other words, these results call for further investigations to resolve this inconsistency. Moreover, in the view of absence of empirical studies investigating the performance implications of the interaction between strategy execution organizational level and execution plan, this study represented an attempt to fill this theoretical gap in the literature. In order to resolve the inconsistent findings in the literature regarding the performance implications of strategy execution organizational level and execution plan, this study aimed to examine the effect of communication strategy to confirm the premises of contingency theory and strategically assumptions for successful organization as emphasized by the general system theory.

Apart from examining the effect of communication strategy as the foundation of any successful strategy execution, this study tried to examine the postulated relationship in the context of higher education institutions. Moreover, it has been emphasized that the most studies conducted in strategy execution were in the developed countries and there has been a scanty studies conducted in the developing countries, including the Middle East (Al-Gamdi, 2006, 1998). Moreover, Grøgaard (2012) in their review of the literature revealed that only 1.7 % of the studies reviewed were conducted in the including Saudi Arabia, UAE, Egypt, Jordan, and Qatar. Thus, this study provided basic data for future research on how strategy execution factors and practices stimulates the organizational performance in the developing countries' setting.

This study is also significant to the practitioners as it emphasizes the role of strategy execution towards higher organizational performance. By exploring the significant role of communication strategy, this study is able to scientifically convince the Palestinian higher education institutions executives, that introducing strategy execution factors are essential but not sufficient step to gain the desired level of performance unless supported and pay caring of appropriate and supportive communication strategy inside their institution. Therefore, managers of the HEI should establish the decisive communication strategy and also encourage the sophisticated communication channels within their institutions, in prior to intend to implement master paln. Meaning that the communication strategy should match the intended strategy and all the staff should be informed and trained to conscious and show the commitment during strategy execution.

This study, moreover, is of a significant value to the policy-makers due its clear emphasis on the crucial role of communication strategy in successful strategy execution. Being aware of the importance of communication strategy for strategy execution, policy-makers can enhance the knowledge of all the tertiary graduates by institutionalization of strategy execution principles and their necessity for the future business excellence. In addition to that, policy-makers can help HEI to achieve a high level of performance by offering the required consultation and training. In other words, as the involvement of all staff in such strategies requires a good level of strategy execution factors-related knowledge. Therefore, policy-makers should consider these requirements to be incorporated in the curriculum of the tertiary education. This is very important so as to provide the market with knowledgeable graduates that understand the strategy execution principles and have the capabilities to create innovative ideas during the crafting and implementation of strategy to achieve high performance levels.

1.10 Study Contribution

This research contributes to the strategic management literature, contingency theory, general system theory, and practice in higher education institutions in Palestine – Gaza Strip. Although there is recognition that strategy execution can play a key role in making organizations more successful in developing economies, there is a lack of research that provides a meaningful explanation and assistance to those organizations. Therefore, it is not clear to date how higher education institutions can implement their strategy and master plan to improve their sustainability. This research contributed to knowledge:

- This is the first study conducted in Palestine, talking specifically about strategy execution in higher education institutions in Palestine. The researches were studied there were talking about overall stragic planning.
- This study for the first time integrated the variables of this study in one framework.
- The first contribution of this study is studying the execution plan and its dimensions over the world and no research study it, but there are more than 19 articles recommended to study it.
- The first study to investigate the relationship and use the communication strategy (moderating) on the relationship between strategy execution dimensions and organizational performance.
- Using the general system theory and contingency theory in the study. This is the first time used these theories in strategy execution field, the idea before this study was saying that strategy execution was lacking a theory and still Prescriptive but this study show that the organizational level dimensions should be integrated to be in a significant relationship with the successful organizational performance.

Contribution of general system theory in the study

In strategy execution literature, little attention has been given to the organizational level factors and their effects on organizational performance (Ranjbar*, et al., 2014;* Bhati, 2011; Almsjah, 2011; Hauc & Kovac, 2002). However, some researchers have studied the organizational level factors, both in different ways. Some researchers pointed out

that these factors through the context of the strategy execution, environmental, organizational, and individual (Baily, 2008; Maas, 2008; Okumas, 2001, 2003).

Similarly, other researchers say that organizational level factors should be divided into parts; the first part is the success factors and the second part is the obstacles. Most of these researchers investigate the range of these factors that influence organizational performance (Lin & Hsieh, 2010; Delisi, 2006, Hrebiniak, 2006; Alashloo, *et.al*, 2005; Raps, 2004; Aaltonen & Ikavako, 2002; Al-Mishari and Zairi, 1999; Al-Gamdi, 1998). The findings of this study indicate the strong association among the strategy execution organizational level's dimensions (organizational size, organizational structure, organizational culture, and reward system). Moreover, these findings align with the literature indicating that strategy execution levels of analysis' factors positively influences the organizational performance.

This study finding concludes that the four essential dimensions of the strategy execution organizational level together will give the organization a strong position in implementing their own strategy successfully. The findings indicate that the four dimensions should be combined to get the best results during the execution of strategy. But, if the studied dimensions are enacted separately, no effective improvement of organizational performance will occur, such as what happened in this study when the researchers combined the four dimensions of strategy execution (organizational size, organizational structure, organizational culture, and reward system); the factors affected the organizational performance positively. These findings add a new contribution to knowledge because they are contrary to some previous research. Ultimately, the results

of this study are consistent with the theory of this study, the general system theory which advocates the factors should be applied together as one part to provide the best results (Bertalanffy, 1968).

With respect to general system theory, Bertalanffy (1968) postulated that each element in the system would be interrelated to each other and that changing one element would cause other elements to change as well. In this case, the organizational levels of analysis factors (organizational size, organizational structure, organizational culture, and reward system) combined with each other and create a strong interaction among them under the strategy execution organizational level in the organization. Hong *et al.* (2005) outlined an overall system theory as it incorporates organizational paradigms. Through the relationships of organizational structure like kind and performance, structure and infrastructure, and style and resources, an open system becomes a powerful structure for the organizational application of the strategy execution process. Seng (1990) mentioned in his study that the systems-thinking approach is helpful in uncovering new aspects of things. So, the dimensions of the strategy execution level can be postulated under the general system theory and contingency theory (Slater, *et al.,* 2010).

Contingency Theory

In the literature of contingency theory, it has been widely argued that organizational performance could be improved if there is an effective alignment of the key organizational variables (Naman & Slevin, 1993). According to the contingency theory, the relationship between two variables is contingent or depends on the level of a third variable. Therefore, it was highly suggested that introducing a moderator variable into

the relationship between two variables may permits more specific understanding and prevent misleading conclusions regarding the contingency relationships. To better understand the inconsistent findings regarding the relationships between organizational strategies and organizational performance, contingency theory had a primary contribution to the development of management sciences (Venkatraman, 1989).

In an attempt to better explain and understand the relationship between strategy execution organizational level, execution plan and the organizational performance, the literature suggested potential moderating variable (Andrew, *et al.* 2011 ; Fernandez & Rainey, 2006) One of the most important organizational variables with potential moderating power between strategy execution and organizational performance is the communication strategy (Ranjbar, *et al.* 2014; Almsjah, 2011; Fernandez & Rainey, 2006; Li, Guohui, & Eppler, 2008; Rapert, Velliquette & Garretson, 2002; Peng & Litteljohn, 2001; Rapert & Wren, 1998). Thus, this study can be underpinned by the contingency theory. Moreover, this study is line with the strategy implementation school following Venkatraman and Camillus's (1984) classification. Moreover, the contribution of this study to the literature is by examining the contingency theory through investigating the moderating role of communication strategy on the strategy execution organizational level, execution plan and organizational performance relationship.

1.11 Terms of Definitions

University: an independent scientific institution with a specific organizational structure, systems, customs and traditions of academic particular, and primary functions of

teaching, scientific research, community service, consisting of A group of colleges and departments of the specialized scientific nature. It offers programs of study in a variety of different disciplines, including what is on the undergraduate level, what is on the level of high studies, and giving degrees to students.

Organizational Performance: The literature of management shows how the organizational performance has been defined differently by many researchers. For the purpose of this study, it was found appropriate to follow the definition provided by Antony and Bhattacharyya (2010). They defined the organizational performance as the measure that is used to evaluate and assess the success of an organization to create and deliver the value to its external and internal customers.

Strategy Execution: This term refers to the discipline of getting things done or systematic way of exposing reality and acting on it (Bossidy & Charan, 2002).

Organizational Size: This term refers to the number of staff in one organization (Saunders, 2005).

Organization Structure: the way in which tasks are allocated, who reports to whom, and the formal coordinating mechanisms and interaction patterns that will be followed (Shah & Nair, 2014)

Organizational Culture: the tie in which patterns of meaning are held through the organization (Cater & Pucko, 2010).

Reward system: This term is defined as the related set of processes through which behaviors are directed and motivated to achieve individual and collaborative performances (Shaap, Stedham, & Yamamura, 2008).

Execution Plan: This term can be defined as a comprehensive plan that clearly outlines the objectives of an execution, the activities which are needed to achieve these objectives and who are responsible for these activities (Poter & Smith, 2005).

Communication Strategy: It can be defined as the method and manner of the strategy that is transferred to the organizational members (Forman & Argenti, 2005).

1.12 Organization of Thesis

The major insights gained over the course of this research and reported within this thesis are presented in five chapters.

Chapter one presents the background of the study, the problem statement, objectives and contribution of the research.

Chapter two explains the related literature reviews, which discuss the various strategic issues of planning and strategy execution dimension (organizational level) and strategy execution plan. This chapter presents and defines many of the major concepts, frameworks and terms associated with the two issues.

Chapter three presents the sampling procedure, location and the analytical tools to be used in the present research.

Chapter four presents the findings of the research.

The thesis concludes with chapter five which includes a summary and conclusion of the findings and suggestions for future research.

1.13 Summary

The purpose of this chapter is to give an overall view of the importance of the strategy execution, effective communication on organizational performance. In conclusion, this chapter talks about the problem statement, significance of study, objectives, and the framework of this study. It is an introductory chapter in for literature review chapter.

CHAPTER TWO

LITERATURE REVIEW

2.1 The Underpinning theory

This research proposes examining the strategy execution of organization (universities) from the perspective of two theories of organization, system theory and contingency theory.

2.1.1 Contingency Theory

Contingency theory holds that there aren't any universally valid rules of organization and management (Burrell & Morgan, 1979; Lawrence & Lorch, 1967; Saunders, 2005), and (Morgan, 2007) means that the contingency theory may be outlined as a leader-match theory. The speculation tries to match leaders to accept things. It's named contingency theory as a result of it suggests that a leader's effectiveness depends on how well the leader's vogue fits the context of a specific scenario (Morgan, 2007). Eucukuysal and Beyhan (2011) add that the contingency theory is seen within the strategic various generation part, where alternatives are developed to enhance the organization's match with its surroundings.

The situational or contingency theory asserts that when managers create a choice, they need to take into consideration all aspects of the present scenario and action those aspects are the key to things at hand. Basically, it's the approach that "it depends". As an example, if one is leading troops in Iraq, an autocratic vogue is perhaps best. If one is

leading a hospital or University, an additional participative and facilitative leadership vogue are perhaps best (Zott, Amil, & mass, 2010).

From the first days, the data-processing read of organizations linked dynamic and sophisticated surroundings to the rise within the information processing load on the organization (Olum, 2004). The students (Lawrence & amp; Lorch, 1967) who introduce the term the contingency theory observed that such dynamic and unsure environments need additional "organic" organizational structures with less formalized communications and additional decentralized decision-making (Eucukuysal and Beyhan, 2011). Extra organizational responses to complexity and dynamism proposed within the early literature embrace the increasing call support from data systems and decentralization of knowledge processing through lateral information flows (Demeester, Grahvac, 2005).

Contingency Theory could be a read that states that the profit organizations are doubtless to be those that develop the simplest match with their surroundings. Per contingency theory, the profit organizations are doubtless to be those who develop a useful match with their surroundings. In different words, a method is possible to achieve success when it's per the organization's mission, its competitive surroundings, and its resources (Eucukuysal & Beyhan, 2011)

Contingency theory represents a middle ground perspective that views organizational performance because the joint outcome of environmental forces and also the organization's strategic actions. Organizations will become proactive by selecting to work in environments where the opportunities and threats match their strengths and

weaknesses. And will the trade surroundings modification in an exceedingly means that's unfavorable to the organization, its high managers ought to think about leaving that trade and reallocating its resources to different, additional favored industries (Zott, *et al*,. 2010).

Saunders, (2005) means that how the contingency theory utilized in the strategy execution, he added that a contingency approach to researching strategy execution has been suggested notably when the organizational surroundings is unsure or dynamic. This enables the analyzers to regulate continuously the research processes to accommodate the new rising issue (Saunders, 2005).

2.1.2 General System Theory

The systems theory majorly impacted the field of management science and in the process of understanding organizations. A system could be an assortment of half theories unified to accomplish an overall goal (Mele, PELs, & Polese, 2010). The character of the system would be modified if one part of the system is removed. A system consists of inputs such as resources like raw materials, money, technologies, and people; processes such as planning, organizing, motivating, and controlling; outputs such as products or services; and outcomes such as enhanced quality of life or productivity for customers/clients, productivity. The systems share feedbacks among every of these four aspects of the system; resources, processes, outputs, and outcomes (Olum, 2004).

The Systems Theory could seem quite basic. Yet, it is still not practiced within decades of management coaching and practices. At present, with tremendous changes faced by organizations in the way they operate; have resulted to educators and managers to return to the system. The systems theory has impacted the management by helping managers to have a varied and additional way of looking at the management practice in the organization. Moreover, the system has enabled the managers to construe the patterns and events of the workplace, which consequently allow them to adapt and relate in order to manage the assorted elements within the organization (Saunders, 2005).

Bertalanffy, (1969) introduced the General systems theory which has a holistic orientation. The main target of the systems theory is holistic as opposition reductionism (Glassman, Zell, & Duron, 2005). Systems theorists conceive to build the leading comprehensive read of a scenario (Checkland, 1999). The key principle of a systems theory includes the risk of uncovering the true workings of various phenomena by examining the whole aspects rather than the elements (Mele, *et.al,*. 2010).

Instead of closed systems, Human systems are open systems and are specifically relevant to the leaders' roles in strategy execution. Bertalanffy, (1969) said that a stress on the inventive facet and also the importance of individual variations provide an outline of a phenomenon as a whole (Tolleson, 2009). Consistently, Hong, Al-Khatib, Magagna, McLoughlin, and Coe (2005), agree that the Systems theory is concerned with issues of relationships, of structures, and of interdependence, instead of with the constant attributes of an object. Hong *et al.* (2005) outline the overall systems theory as incorporating organizational paradigms through the relationships of organizational

structure such as type and performance, structure and infrastructure, styles and resources; and open systems become powerful structures for the organizational application of strategy execution processes.

In the social-technical systems approach, the organization is regarded as an open system, and technology is a bonus, as the members are emotionally interconnected. Checkland (1999) described that in systems thinking approaches, particularly the soft systems methodology, is employed to solve problems that occur within human activities that may well be explored and highly understood. The soft systems methodologies have been confirmed to be flexible enough in accomplishing success in organizing and discussing concerns and challenges that leaders face daily within the context of strategic management.

Essential viewing of patterns of interrelationships should be uncovered so as to know a phenomenon. Senge (1990) adopted a read of dynamic complexity as a vital part of systems thinking and implemented an inclusive method within which interrelated factors linked to create a full consistent, nature is formed from wholes at intervals. All boundaries, national boundaries included, are essentially high-handed. We are inclined to style them and then, ironically, we discover ourselves surrounding at interval them (Seng, 1999). The systems thinking approach is helpful to uncover new aspects of things. Senge (1990) engineered upon systems thinking by emphasizing personal awareness and also the integration of individuals' thoughts, behaviors, and feelings into all aspects of organizational life (Tolleson, 2009).

Schein (1997) when discussing systems thinking, sustained a research for patterns among the assumptions of the cluster was insufficient to assert an understanding of the culture of the group. They conceive to determine the paradigm by that the members of the cluster (perceive, trust, feel about, worry of and choose things and relationships) is inadequate to affirm a full understanding of the culture of the cluster. Subsequent section is an introduction to the link between a systems theory thinking approaches and strategy execution.

2.1.2.1 Strategy Execution and General Systems Theory

Given the presence of teleological behavior (from purpose to style for a final outcome) evident in strategy creation, the elements of (a) the inter-connectivity of implementation activities and therefore the complexity of organizational environments, (b) general systems theory, (c) systems thinking, and (d) approach relationships support the strategy execution method. At intervals the systems theory attributes, a systems approach as a philosophy ends up in the concept of enterprise as a group of objects with a given set of associations between the objects and their attributes, connected, or associated with one another and to their surroundings in such some way to type an entire (Johnson, Tsiros, & Lancioni, 1995). Porter (1996) described seeing strategy in terms of activity systems solely makes it clearer why organizational structure, systems, and processes have to be compelled to be strategy specific. Creating organization to strategy, in turn, makes complementarities additional achievable and contributes to sustainability (Saunders, 2005).

Johnson *et al.* (1995) indicated that the systems approach, therefore, implies these varieties of departure from the standard analytical methodology so successfully used with easier issues. The increasing complexities of assorted modern-day come create it not possible to seem for isolated solutions to issues. As organizational environments still modification dramatically, and sometimes unpredictable, and organizational leaders still ask for solutions to strategy execution issues, they acknowledge the worth of systems thinking approaches. Solutions to complicated strategy problems are found across industries in an exceedingly type of processes, designs, approaches, and organizational entities (Tolleson, 2009).

If organizational leaders expand their thinking within the context of a systems perspective to incorporate ideas once unfamiliar, they access a broader set of answer resources with that to style approaches for increased success in strategy execution. At leaders 'understanding of systems thinking transcends their restricted views of a fragmented organization, leaders see a broadening of what they thought-about the boundaries of assorted systems. The organization's members look beyond themselves (their system) to a department, organization-wide, industry-wide, communal, national, and international systems for the foremost effective approaches to strategy execution (Tolleson, 2009).

2.2 Organizational Performance

The literature of management shows how the organizational performance has been defined differently by many researchers. For the purpose of this study, it was found

appropriate to follow the definition provided by Antony and Bhattacharyya (2010). They defined the organizational performance as the measure that is used to evaluate and assess the success of an organization to create and deliver the value to its external and internal customers.

Four dimensions were prompted by Youndt, Snell, & Lepak (1996) and this includes value, quality, delivery, delivery flexibility and scope flexibility. According to Jayaram, Droge and Vickery (1999), delivery flexibility is the timing of the introduction of recent merchandise and on-time delivery, whereas the scope of flexibility is regarding the variety of things: adjusting product combine, handling non-standard orders and manufacturing merchandise in tiny quantities (Micheli, Mura, Agliati, 2011; Lee, Lee, & Wu, 2010).

Hill and Jones (2004) and Kotler (2003) have identified four dimensions of operational performance, that are commonly set within the tutorial field. These are: product quality, production value, product delivery, and production flexibility. Product quality includes many dimensions like product specifications (standard product), product performance (product functions), product reliability, product serviceability (reparability of service), product durability (product life) (Kumar & Sushil, 2013).

Vickery, Drog, and Markland (1997) posited that low-cost production is the ability to decrease prices through economical operations, technology methods and/or scale of economies. For product delivery, (Kotler 2003) asserted that service organizations will distinguish from others by coming up with a quick delivery network (Li & Tan, 2013). Meyer, Nakane, Miller and Ferdows (1989) described production flexibility as been

regarding the reduction of production lead times and set-up times, the event of the recent processes for brand spanking new merchandise, and providing staffs a spread of tasks. In profit organizations and non-profit they have to adopt policies to reach the success and rise the efficiency in organizational performance (Li & Tan, 2013).

Nonprofit organizations ought to develop long term strategies to help in achieving successful organizational performance. Some organizations have either chosen to use traditional approach or innovative approach. The standard approach could embrace styles of strategies that are more basic and just like nonprofit business operations. On the opposite hand, the entrepreneurial approach could embrace strategies that establish a for-profit business operation to earn revenue for the operating expenses of the nonprofit.

Even supposing the non-profit sector is exclusive, the lessons learned from strategy formulation that for-profits use to achieve in performance can be useful, and as a result of the two different sectors have similar dilemmas in term of performance and results. The dilemmas between the two sectors still revolve around approaches to attract resources to attain their goals, demands of the general public, doable problem in making an attempt to satisfy customers, competition, and management of the organization (Shoham, Ruvio, Vigado-Gadot, & Schwabsky, 2006).

The utilization of strategy by the organization should be in compliance with the amount of complexity and elegance that the organization can use for its business operations. Since organizations growing several stages, the main concerns will be started to serve the general public once the organization's strategic plans should focus major long-term

strategies that may secure organizational success (Drucker, 2005). Then any organizational performance should be measured.

Lee *et al.* (2010) in their study identified four dimensions of the organizational performance, which are acceptable academically. The dimensions are production cost, product quality, product delivery, and production flexibility. According to Kaplan (2012), researchers used the balanced scorecard to measure the organizational performance in their studies (Franklin, 2011; Kaplan & Norton, 2006).

2.2.1 Balance Scorecard

Kaplan and Norton introduced the Balance scorecard (BSC) in 1992, as a performance measurement instrument. It was then modified into a comprehensive performance management tool. The main component of performance management and an essential element of improving performance is performance measurement. In order to search ways to progress, organizations require frameworks for performance accountability. The role given to performance measurement by the organization to play in organizational learning will absolutely influence enhancement that cause desired outcomes (Kaplan, 2012; Benjamin & Misra, 2006; Kaplan & Norton, 2000).

The utilization of the BSC is of utmost significance and may be used as a guideline for organizational leaders in communicating their business strategy to individuals within the organization. The outcome of using the BSC is that the staff will coordinate and cooperate to accomplish the goals of the organization. The map can ease staff to envision the objectives and required relations among the objectives through visual

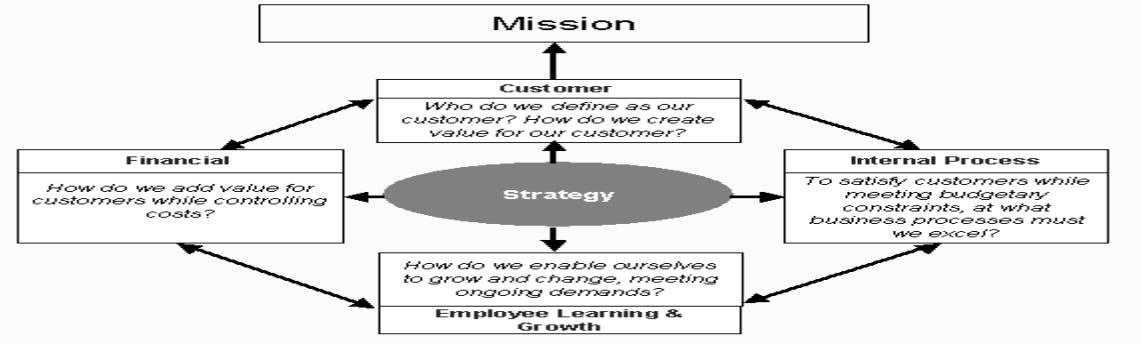
presentation, which may consequently drive organizational performance. In order to achieve successful execution of a strategy, everyone has to grasp it clearly. Mapping the strategy out may be a great way to assist the staff to perceive even the finest details that are necessary for successful execution (Kaplan, 2012; Kaplan & Norton, 2000).

Kaplan encourages the usage of the BSC in non-profit strategic management and planning. The BSC will thus focus on alternative measures apart from financial measures; such as customer processes, internal business processes, employee growth and learning processes. Many have realized the importance of BSC in the business environment. More organizations increasingly implicated the system to the extent that it is turning into a necessary business observe as a result of its flexibility to attach mission with strategy and operations. Strategic planning has additionally become a useful observe due to the pressure on non-profits to act and be business-like as done by for-profits, as it has proven to boost their performance. As mentioned by Kaplan (2001), "The BSC system has been found to be even applicable for non-profits".

The BSC may be utilized to connect non-profit goals and objectives to organizational outcomes, as indicated in fFigure (2.1) below. The results can be linked to business operations and long term strategic goals of non-profits. When the linkages are created, the core of the BSC is vision and strategy. It measures the organization's performance that is related to knowledge within the processes of non-profit organizations, in order to demonstrate causal relations between strategic planning and organizational performance (Kaplan & Norton, 2000). In non-profit organizations, the mission is that goal and strategy is in the center of the BSC framework (Niven, 2008).

Figure 2.1

Balanced Scorecard in the Public and Nonprofit Sectors



Balanced Scorecard for the public and nonprofit sectors (Franklin, Pamela, W "relationship between strategic planning and non –profit organizational performance", Dissertation, ProQuest, 2011).

In the personal sector, the BSC framework has been successfully utilized to measure performance. The system will work equally as well as in the non-profit and public organizations. The non-profit and public sector's success in the application of the system is attributed to the quality that it holds, which provides answers to questions like; Is the work being done, done effectively to fulfill the requirement of the public? Additional measures that determine the organizations' progress in achieving their mission are required in the non-profit and public sectors; instead of relying on a system that measures solely on inputs and outputs (Niven, 2008).

In the nonprofit and public sectors, the 'mission' is at the height of the BSC model. Whereas, within a profit-based organizations, all the measures would result in improving their bottom line performance. For-profits are accountable to their shareholders to extend the worth of their shares and accountable to their monetary stakeholders. In contrast, profit is not the first goal in non-profits and public organizations. Their primary goal is instead, to achieve the mission of the organization.

However, measurement is still required in order to measure and detect progress in serving others.

The very fact that the mission cannot be achieved at some unspecified time in the future makes the opposite views of the BSC to be a lot necessary. Monitoring and learning from the performance and leads to the opposite views can offer non-profits and public agencies with faster information required to assist and guide them nearer to achieve their mission (Niven, 2008).

The BSC method puts strategy is the center of its system. Non-profit and public organizations would normally have a more durable time creating a short and clear strategy. It should have these characteristics; specific to the business environments, work in coordination with one another, able to assist the organizations in adapting to challenges and opportunities in an ever changing surroundings. When the strategy is developed, this system becomes the means by which successful transformation and performance is easier created (Niven, 2008).

In nonprofit and government organizations, the customer perspective is greatly necessary because it emerges from the mission. Customers are the first goal of non-profit and government agencies. As customers are being served, therefore the satisfaction of their wants is the most efficient method implies that the mission is achievable. Determining who the clients for non-profit and public organizations will create challenges as a result of various teams' style the services; buy the services, and

like the services. Therefore, the customer perspective is at the discretion of the organization (Niven, 2008).

Financial methods within the organizations can either be seen as enablers or constraints to success with customers and operations. It is not mutually exclusive of quality of service or mission accomplishment. Thus, when the cost of services is less or is done with higher potency, the program becomes a win-win state of affairs for all concerned by obtaining a lot of attention and has a higher funding potential from sponsors (Niven, 2008).

The internal business method perspective deals with objectives and measuring processes that improve business outcomes for clients. In order to achieve the mission of the organization, the chosen method can emerge from the objectives and measures taken from the customers' perspectives instead (Niven, 2008).

A well-developed BSC comes from the employees' learning and growth perspective. The nonprofit and public sectors depend upon the abilities, dedication, and positioning of employees to attain their mission. The staff and infrastructure of the organization are very important to the BSC system. Working with financial resources suggests that the staffs are crucial to the success of process improvement and so is satisfying the wants of customers (Niven, 2008).

2.3 Execution

Strategic management was recognized in the late 20th century as a result of increasing concern towards the execution of strategy in organizations. Strategic planning is

indisputably important. However, the formulated strategies must also be carried out, otherwise the whole planning phase becomes insignificant. The planning-implementation relationship is well described by one of the most prominent authors in the field of strategy execution (Hrebiniak, 2005). The process of formulating strategies has been often less complicated than putting it into practice. Organizations are challenged in formulating a strategy that actually works. The management committee sometimes overlooks the implementation aspect of a good strategy. Hrebiniak (2005) stated that The execution of strategy is not merely as clear and understood as the formulation of strategy. Much more is known about planning than doing, about strategy making than making the strategy work.

Hrebiniak (2008, 2006) also argued that not only formulating a strategy is hard, but also making it work; i.e. executing or implementing it throughout the organization is even harder. However, less than 10% of well-formulated strategies are also effectively executed (Speculand, 2014).

Likewise, a study by the Times (Farsight Leadership Organization 2007: cited in Bulloch, 2011) showed that 80% of companies have the correct strategies; nonetheless, only 14% of the companies achieve sound implementation. A survey in 2003 by the Economist Intelligence Unit and Makaron Associates (Bulloch, 2011) reported slightly better but with disappointing achievements. Therefore, it is evident that a well-planned strategy does not guarantee a well-executed operation and organizations would have to perform more than planning to achieve a successful operation.

It is also found that on the average, companies deliver a mere 63% of the potential financial performance based on their strategies. Raps (2004) concluded that the real success rate of strategy execution lies between (ten) 10 % and (thirty) 30 %. Therefore, most companies have strategies, but only a few actually realize them. These low success rates are discouraging, especially when many companies have invested huge sums of money to improve their strategic planning (Raps, 2004).

More than USD 10 billion is spent by companies annually in analyzing their industries, markets and competitors, and formulating their strategic plans at the end of the 20th century (Candido & Santos, 2008). In addition to the enormous loss of money involved, the low success rates of strategy execution processes are also problematic because poor strategy execution weakens the subsequent planning cycle (Crittenden & Crittenden, 2008). Thus, this deficiency in strategy execution hinders future strategy formulation by creating a deadly spiral of two mutually enforcing factors – poor planning and poor execution (Crittenden & Crittenden, 2008).

Noble (1999) identified execution as follows: a) a sequence of intercession relating to the organizational structures, key personal actions, and control systems calculated to control performance for best results, b) a stage involving converging strategic alternatives into a usable plan, c) managerial intervention that ranks organizational action with strategic intention, d) a process that turns marketing plans into action assignment and ensures that such assignments are executed in a manner that achieves the stated plans, e) turning planned board strategy into market place certainty, f) tackling the organizational issues with the development of specific marketing programs

and with the marketing executed programs, and, g) a policy decision that must be spelled out in operational detail and allocation of resources for the programs. Besides these general dimensions, the three distinct aspects or elements of strategy execution are the process, content, and process (Candido & Santos, 2008; Raps, 2004; Aaltonen, 2002; Noble, 1999).

2.3.1 The Importance of Strategy Execution

Strategy execution is very important in strategic management and in organization science. It has been shown by both practical experience and academic research that strategy implementation has a substantial influence on organizational performance (Hrebiniak & Joyce, 1984). Okumas (2002) considered it to be crucial to the effectiveness of organizations and noted that it is critical to the organization to function (Schilit, 1987). Noble (1999) pointed out that it is an essential factor in the formula for any business or organization to succeed. According to Giles (1991), the successful implementation of strong and robust strategies will give any organization a significant competitive edge. In addition, Noble (1999) confirmed this to be true, especially in industries where unique strategies are difficult to achieve.

At the time when there is any turbulence, the strategy execution is even more important. This is because the environment in which public organizations operate is increasingly dynamic or even turbulent (Kazmi, 2008). Changes in term of developments such as the globalization of markets, rapid technological change, deregulation of industries, a shift of organizations from the public to the private sector, and the increasing aggressiveness

of the competition have radically altered the competitive rules during the 1990s and beyond (Chimhanzi, 2004). The long and stable periods in which organizations could achieve a sustainable competitive advantage in the past have been replaced by short periods of competitive advantage characterized by frequent disruption (Kazmi, 2008).

These environmental developments have resulted in strong pressures for frequent strategic change to be able to withstand these changing environments. In such disruptive environments, the ability to execute new strategies effectively at the right time may imply the distinction between success and failure for an organization (Kazmi, 2008). In highly competitive and dynamic environments any degree of delay could be so vital (Hauc & Kovac, 2000; Li *et al.*, 2008).

2.3.2 Strategy Execution Failure

Research in the past had shown that many strategy executions fail (Quadri, 2011). Literature on execution has indicated that strategy execution failure is 'commonplace, non-random, and patterned' (Quadri, 2011). Few intended strategies are successfully realized (Mintzberg, 2011, 1994). It has long been documented that most of strategies fail at the execution phase (Noble, 1999). An important part of these failures can clearly be traced to poor execution (Nutt, 1999; Nutt & Wilson, 2010).

Nutt (1999) in his study indicated that execution failure generally comes from elements, which are controlled by the management, such as the poor formulation of the comprehensive strategy, but these problems appear only on the execution process (Nutt

& Wilson, 2010; Alexander, 1985). Consequently, there is widely shared experience that plans do not often work out as intended (Al-Gamdi, 2006, 1998).

Hrebiniak (2006) pointed out that most managers know about strategy development more than they do about its execution. Consequently, a lot of time are spent on strategy formulation, but often discovers ultimately that almost nothing changes in their companies. The original momentum somehow disappears before the company can realize the expected benefits (Pellegrinelli & Bowman, 1994). To overcome these huge problems, concentration to emphasis on the practical problems of strategy execution is required (Connor, 2001).

It has been noted that several organizations do not have a fundamental connection between the formulation of their strategy and its execution into useful action (Kaplan, 1995). There is an implementation problem where there is frequent failure to create change after seemingly viable plans have been developed (Nutt, 1983). Therefore, execution constitutes an enigma, and a source of frustration in many companies (Noble, 1999). Thus, it has become a challenge for managers to reach success (Cravens, 1998).

2.3.3 Strategy Execution Research is Fragmented

The literature indicates that strategy execution is not only limited, but rather fragmented. There is a lack of clear models on which to build on and the research on strategy execution remains rather fragmented (Noble, 1999; Klein & Sorra, 1996). Few studies have looked into execution as a whole by linking the numerous concepts that may be helpful (Hussey, 2002, 1996). Klein and Sorra (1996) pointed out that the

literature on execution appears to be ‘a blur, a hodge-podge lacking organization and parsimony’.

According to some researchers, there is no overarching or integrating framework for the sources of strategy execution, but most of these frames talk about failure or success factors (Hrebiniak & Joyce, 1984; Reed & Buckley, 1988). Research has shown the reasons for the fragmentation of the literature on strategy execution. It is becoming the literature on execution is dominated by qualitative single-site studies and each states a different set of execution policies and practices. A body of literature comprises several collections of success factors without integration whatsoever because different researchers have carried out different study on different organization. Thus, researchers will discover different factors affecting execution success and failure. Furthermore, these success factors are always exposed in a limited set of case studies, which hinders generalization (Klein & Sorra, 1996).

Another reason noted by Walker and Ruekert (1987) is that the contingent factors found by many studies have been drawn from a variety of organizational levels. Further, Reed and Buckley (1988) added that the execution literature has generally reflected an aspect-oriented method to the subject emphasizing topics. These reasons are summarized by Noble (1999) when he stated that the fragmentation of execution research results from the diversity of perspectives taken in defining the concept of strategy implementation. These perspectives include: a) the structural view which is focused on the effects of the formal organization structure and control mechanisms on execution; and b) the

interpersonal or behavioral view which is focused on the effect of interpersonal processes and issues on strategy execution (Noble, 1999).

2.3.4 The Essence of Strategy Execution

Managers are often faced with a straightforward task of simply getting things done irrespective of the level and kind of strategy (Hrebiniak, 2005). This is because the strategy execution has to do with putting strategy into practice or execution of tactics as to ensure a company follows its desired direction (Giles, 1991). Since strategy execution is a relatively straightforward, operation articulated strategic plan (Noble, 1999) or the summation of activities or choices needed for the execution of a strategic plan (Kazimi, 2008). Strategy execution is thus understood to be as a systematic process that enables a company strategy work.

Noble (1999) described the roots of the strategy execution research "eclectic". In the traditional approach, strategy execution is treated as activities that follow formulation and the concept is also treated as a question of organization design (Lorange, 1982). The systems and structures have to be aligned with strategic targets (Bourgeois & Brodwin, 1984).

Skivington and Daft (1991) in their studies appeared to be more structured and focused on two distinctive but closely related views of strategy execution. These are the structural view, and the interpersonal process view (Noble, 1999). The structural view hypothesizes that managers adjust to formal and structural elements of the organization to enact strategic decisions, while the interpersonal process deals with a range of

interpersonal and cognitive factors that managers must solve to interpret and respond to a strategic initiative (Noble 1999). Furthermore, some researchers propose specific divisions of the major areas of strategy execution, such as: organization, people, culture and control systems, and instruments (Cater & Pucko, 2010; Kazmi, 2008; Li *et al.*, 2008).

2.3.5 Activities for Strategy Execution

Many authors propose distinctive models to structure the execution process which guide companies for better implementation of their strategies. Hrebiniak and Joyce (1984) provided one such model with the argument that the first critical ingredient of the implementation process is a good-articulated strategy. According to the authors, the design of a primary organizational structure, the establishments of operational-level objectives, the design of operating structures, and the creation of proper incentives with control mechanisms which support the execution come after this provision. Organizations thus regularly take care of planning and organizational design the top level and executing strategies from the top levels of the organization down to the bottom levels of hierarchy (Cater & Pucko, 2010).

Most of the concepts included in Hrebiniak and Joyce's (1984) model are also included in the recently proposed models. Higgins (2005) proposed a revision of McKinsey's original "7S" model with the proposition of "8S" model which comprises strategy, structure, systems and processes, leadership style, staff, resources, shared values, and strategic performance to enable managers have better focus on strategy execution (Higgins, 2006).

2.3.6 Challenges in Strategy Execution and Impediments

Strategy execution is a hard work (Hrebiniak, 2006; Morgan, *et al.* 2007). In general, below half and below of the strategies planned by organizations are actually executed (Mintzberg, 1994). Morgan, *et al.* (2007) found only ten percent of well-planned strategies being translated into execution. Raps (2004) reported that the success rate of strategy execution is around ten (10) to thirty (30)%.

Many challenges have been pointed out to be associated with overcoming resistance to change as well as making people to be committed to process of change (Speculand, 2006). These challenges are as follows: a) gaining support and action; b) communicating the change; c) overcoming resistance from staff; d) support of senior management; e) aligning processes; f) tracking the success of execution; g) changing rewards and recognition; h) acquiring customer feedback; i) executing new technology; j) acquiring budget (Speculand, 2006).

Raps (2004) noted that the problem associated with most traditional strategy execution efforts is that they over stressed the structure over other important elements such as culture, organization, people, control systems and instruments. Hrebiniak (2006) also claimed that poor execution is due to too much emphasis on planning and lack of adequate knowledge on how to execute strategy. He considered the factors affecting strategy execution to be as follows: a) Managers are trained to plan, not execute; b) the belief by some top-level managers that strategy execution is meant for lower-level employees; c) planning and execution are interdependent; d) execution is a process that

takes longer time than formulation; e) execution involves more people than strategy formulation (Bhatti, 2011; Hrebiniak, 2006).

Hrebiniak (2008) added another five obstacles to the strategy execution. These obstacles include: a) inability to effectively manage change and overcome resistance to change; b) poor or vague strategy; c) absence of guidelines or a model to guide strategy execution efforts; d) poor or inadequate information sharing among individuals/units responsible for strategy execution; e) working against the power structure (Hrebiniak 2006). Furthermore, Hansen, Boyd and Kryder (1998) pointed other execution problems as thus: a) failure to change the plan periodically or adapt it to changes in the business environment; b) deviation from original objectives; and c) lack of confidence about success.

According to Rutan (1999), during the planning phase, all the aspects of implementation are essential for execution because the time to do that will not be available during execution. Everyone on the team should understand and agree on the detail plan. Management must be committed to remain focused on the plans agreed upon and make the necessary changes to the plan after careful consideration of the overall implications and consequences of the change. Nickols (2000) asserted that "strategy is the implementation". The author has mentioned four cases of strategy execution as follows: flawed strategy and flawed execution, sound strategy and flawed execution, flawed strategy and sound execution, and finally sound strategy and sound execution.

The organization has a brighter chance to succeed only with sound strategy and execution, excluding environmental and competitive influences. Delisi (2001)

investigated “the six strategy killers” of strategy execution. He found that out of these six factors, four of them actually hinder strategy implementation. These are a) ineffective senior management; b) top-down or laissez-faire senior management style; c) unclear strategies and conflicting priorities; and d) poor coordination across functional boundaries (Delisi, 2006).

Johnson (2002) found five top reasons for strategic plan's failure to be related to motivation and personal ownership, communications, no plan behind the idea, passive management, and leadership. As for Ram Charan (2003), “ignoring to anticipate future problems” inhibits strategy execution (Quadri, 2011).

Brannen’s (2005) proposed that in order to improve execution, certain issues relating to inadequate or unavailable resources, poor communication of the strategy to the organization, ill-defined action plans, ill-defined accountabilities, and organizational cultural barriers must be tackled and solved. He added that failure to empower or give people more freedom and authority to execute will constitute a significant obstacle to execute strategy effectively. Welbourne’s (2005) examination of items on what’s getting in the way of execution observed that habit and past experience reflects on new strategy and these have effects on strategy execution.

Bossidy and Charan (2002) talked about poor decision-making as another factor that can inhibit strategy implementation. They noted further that decentralized or highly fragmented decision-making can impede progress in the working relationships and thus to cause people to compete for resources and getting “bogged down in warfare over who gets what and why” (Bossidy & Charan, 2002).

In the discussion of the gap between the formulation of strategy and performance, Crittenden and Crittenden (2008) observed that performance often suffers due to programs, systems, and policies that are not compliant with the strategic planning and execution efforts. In addition, several organizations could not effectively connect planning to execution, due to an overemphasis on planning rather than execution.

In order to provide organizational support structures for strategy execution, Crittenden and Crittenden (2008) identified eight levers of implementation as shown in the table below:

Table 2.1
The Levers of Implementation

No.	The levers of implementation
1.	Actions: who, what, and when of cross-functional integration and company collaboration.
2.	Programs: instilling organizational learning and continuous improvement practices.
3.	Systems: installing strategic support systems.
4.	Policies: establishing strategy supportive policies.
5.	Interacting: the exercising of strategic leadership.
6.	Allocating: understanding when and where to allocate resources.
7.	Monitoring: tying rewards to achievement.
8.	Organizing: the strategic shaping of corporate culture.

2.3.7 Strategy Execution is Prescriptive instead of Perspective Theory

A long-time challenge of the strategy execution literature is that it tends to be normative and oriented toward the logical and normative dimensions of strategy making, as claimed by Hrebiniak (2005) and Chebat (1999). Skivington and Daft (1991) stated that most research on strategy execution is conceptual and perspective on nature-suggesting how strategy should be executed. There are very few precedents in the literature for

studying how individual strategic decisions are actually executed. Therefore, Shrivastava (1986) stated that the strategic management literature is replete with normative models of strategy formulation and execution. A reason for this is that normative research has been encouraged because of its value to practicing managers. Although the prescriptive literature has offered many useful ideas for strategy execution, these ideas are based on logic rather than on data that support the use of specific guidelines, recommendation, and assertions (Nutt & Wilson, 2010).

Not only does the execution literature tend to be prescriptive in nature, it often lacks theory as well. This lack of theory development has also been noted in the adjacent field of planned organizational change. Strategy execution frameworks are largely based on simple logical analysis supported by case studies or small sample survey data, as argued by Shrivastava (1986) and Maas (2008). Most studies on execution identify a set of successful factors or impediments to execution. However, these sets are often not very comprehensive and lack a theoretical underpinning. Strategy execution frameworks are often based on logical argumentation and are not grounded in practice. Consequently, researchers interested in strategy execution still face the challenge of a lack of conceptual models in order to build theoretical underpinning (Noble, 1999). Wernham (1985) argued that the field still lacks a comprehensive theory of execution because of a highly complex nature of the phenomenon (Li *et al.*, 2008).

Furthermore, the field of strategic management in general and strategy execution in specific often uses elaborate theoretical and normative frameworks, which are often too complex to be operationalized (Chepat, 1999). As a result, strategy execution

researchers are often faced with the dilemma to either use elaborate theoretical frameworks that cannot be verified through empirical data or observe managers without validating measurement tools. Thus, our knowledge of the strategy execution and the reasons for its success or failure remains limited (Noble & Mokwa, 1999). Therefore, Miller, Hickson, and Wilson (2004) stated that strategy execution or the interaction between organization and strategy has long been treated as something of a black box by strategist (Maas, 2008).

2.3.8 Perspectives of strategy execution

The review of literatures will focus on these perspectives that include hard versus soft aspects of strategy implementation, the dichotomy of strategy formulation and implementation, planned versus emergent strategy implementation, top-bottom versus bottom-up strategy implementation and finally external versus internal implementation control.

2.3.8.1 Hard versus Soft Aspects of Strategy execution

The literature review of the implementation and the earlier definitions of strategy execution indicate that the dominant perspective on the strategy implementation is logical in nature with its focus on the ‘hard’ aspects of implementation. Generally, it has always been observed that strategy implementation approaches are basically linear, logical, and rational (De Wit & Meyer, 2010; Guth & MacMillan, 1986; Hrebiniak & Joyce, 1984). This perspective is dominant and forms the aspect of the conventional paradigm of strategic management, which considers the development process of

strategy as a sequential and rational process. This comprises the steps like formulation of goal, analysis of environmental, formulation of strategy, implementation, and control (Li *et al.*, 2008; Maas, 2008).

The dimension of hard or analytical parts of strategy implementation comprises information, analysis, evaluation, action and project plans, and monitoring and controlling (Hussey, 2002). According to Pennings (1998), these hard parts of a strategy implementation are called its 'hardware'. In addition, this consists of organization structure, reward systems, and control and information systems. Strategy implementation research has stressed changes in tangible organizational structures and systems due to this rational and analytical focus (Hrebiniak & Joyce, 1984) with this focus less attention was given to intangible or behavioral aspects.

As against these arguments, Hussey (1996) and Pennings (1998) pointed out that behavioral and 'soft' aspects are well significant to strategy implementation. The soft or behavioral aspects form perception of information, creative thinking, structure and culture fit, power and influence fit, communication, commitment, and encouragement and support, selection and socialization, power and politics and organizational culture. Many studies refer to the importance of soft aspects to include social and political aspects of strategy execution (Miller *et al.*, 2004; Hussey, 1996).

To have a successful strategy execution, the two aspects (soft and hard) must fit together (Hussey, 1996). Both the behavioral and analytical dimensions of the process of strategic decision-making and strategy execution are important. Mostly, hard or analytical processes are influenced by hidden behavior or soft considerations. For this

reason, the focus should be on both hard and soft aspects of execution management because when ignoring anyone, this may lead to execution failure (Piercy & Morgan, 1994). This also proves that a wider perspective is required to gain insight into execution, which incorporates an understanding of the organizational context and behavioral issues (Li, Guohui, & Eppler, 2008; Noble, 1999).

2.3.8.2 The Dichotomy of Strategy Formulation and Execution

There have been debates in literature regarding the issues of strategy implementation as to whether strategy formulation and execution should be treated as separate or intertwined processes. In most cases, several researchers on strategy have treated strategy execution separately following strategy formulation (Wheelen & Hunger, 2010; Johnson & Scholes, 2001). According to Guth and MacMillan (1986) 'widely supported approaches to the general management task, divide it into strategy formulation and execution, with the implication that general management first formulates strategy, using rational procedures, then design an organization structure and a set of management processes to elicit organizational behavior required to execute it'. This separation of strategy formulation from execution is what Mintzberg (1994) refers to as the dichotomy of thinking and doing.

The idea of separating strategy formulation from implementation has been faced with criticism. For example, Finkelstein, Hambrick and Cannella (2009) considered the treatment of strategy formulation and execution as two separate phases to be at the root of many failed strategies.

Many reasons for this were adduced by researchers. For example, Mintzberg (1990) pointed out that when the formulation of a plan and the execution of the plan are separated, thinking is detached from doing, which inhibits learning. Hamel and Prahalad (1989) argued that the dichotomy of formulation and execution often 'undermines competitiveness by fostering an elitist view of management that tends to disenfranchise most of the organizations. Employees fail to identify with corporate goals or involve themselves deeply in the work of becoming more competitive'. As for authors such as Floyd and Wooldridge (1992), strategy execution failure 'is caused by middle- and operating-level managers who are either ill-informed or unsupportive of the chosen direction' the involvement of middle management in strategy formulation improves their commitment to that strategy and its execution (Wooldridge & Floyd, 1990). Therefore, if middle managers and lower-level employees involve in the process of strategy formulation, they may have committed to that strategy with positive effects in its execution. Strategy formulated without much involvement of employees is likely to have major flaws (Alexander, 1985; Algamdi, 1998).

In another study, Bonoma and Crittenden (1988) proposed that strategy formulation and execution affect one another which in turn affect implementation performance. A strategic decision or plan that is not appropriate formulated cannot be appropriate irrespective of time and effort spent on such execution (Alexander, 1985; Al-Gamdi, 1998). For this reason, execution may fail since the original plan is no more feasible (Majone & Wildavsky, 1978). Importantly, it means that execution must be taken into consideration first during the formulation process and not after. It is also important to note that the process of formulating strategy can affect execution performance. Thus, an

understanding of execution is not separated from the processes that generate policies (Crittenden & Crittenden, 2008).

Based on these flaws associated with the dichotomous approach to formulation and implementation, and based on the empirical evidence of strategy practice, many scholars argued that the formulation and implementation should not be treated separately (Mintzberg, 1990). For this reason, Noble (1999) and Miller (1997) noted that the clearly strategy formulation and implementation are intertwined processes and that success in both is an important determinant of superior firm performance.

2.3.8.3 Planned versus Emergent Strategy execution

In strategic management, the prevailing view is that top management formulates a clearly defined strategy with rational procedures and this is subsequently operationalized and implemented in a rational way (Guth & MacMillan, 1986). It is consistent with the approach of rational planning to the strategy process that is central to the conventional strategic management paradigm (Neck & Houghton, 2006). However, Mintzberg (1994) declared it obsolete.

De Wit and Meyer (2010) explained that the planning approach views strategy as 'a plan–to be fully formulated explicitly and rationally, and then implemented'. So, the planning approach focuses on deliberate strategies. This deliberate strategy is a strategy which is realized as planned and expected (De Wit & Meyer, 2010). The instrumentalist approach, on the other hand, focuses on emergent strategies which is 'patterns of consistencies realized despite, or in the absence of, intentions' (Mintzberg & Waters,

1985). The strategy is viewed by incrementalist approach as ‘a pattern in the stream of organizational activities. That strategy is formulated, implemented, tested, adapted, and sometimes influenced rationally or by non-rational behavior, but always in small steps and on a continuous basis, blurring the distinction between formulation and implementation (De Wit & Meyer, 2010).

Given this perspective, a predetermined strategy is subject to modification during implementation as a response to either changing circumstances or to new information in the feasibility or desirability of certain actions (Pellegrinelli & Bowman, 1994). Proponents of the instrumentalist view on strategy formation (formulation and implementation), James Quinn (1980) explained his logical incrementalism in the following way: ‘executives managing strategic change in large organizations should not – and do not – follow highly formalized textbook approaches in long-range planning, goal generation and strategy formulation. Instead, they artfully blend formal analysis, behavioral techniques, and power politics to bring about cohesive, step-by-step movement toward ends that initially are broadly conceived, but that they are constantly refined and reshaped as new information appears’. This implies that in the incrementalist approach to strategy execution, view strategy execution as an emergent process and there is no difference made between formulation and execution (Van Der Maas, 2008).

2.3.8.4 Top-Bottom versus Bottom-Up Strategy Execution

Another view that is dominant in the literature with respect to execution is to treat strategy execution as a rational and top-bottom process where the strategy is executed

using a diverse set of control mechanisms (Hrebiniak & Joyce, 1984; Hussey, 1996). Under this approach, respective strategies are formulated from the top management team and then delegated execution responsibilities to the rest of the lower level of the organization (Anderson, 2000; Wooldridge & Floyd, 1992).

Strategy execution is observed to be a central process, with top management team conceiving the strategic plan and imposing its execution on the rest of the organization (Andersen, 2000). Several strategy execution frameworks point to set of levers with which management can implement a strategy (Finkelstein, Hambrick, & Cannella, 2009; Hussey, 1996, 2002; Noble, 1999). These levers consist of organization structure, reward systems, staff, culture, and information and control systems. Interestingly, management can make use of these levers to impose a strategy on the organization. However, not much attention is given to the involvement of organizational members in the process (Finkelstein, Hambrick, & Cannella, 2009).

Burgelman (1983) detected strategies can well be formulated from the bottom to top, where the top management will not participate. He also found that strategy also generates from autonomous initiatives at operational and middle levels of an organization. Apart from that, there will be an involvement of the lower level of employees in an organization to execute that strategy if the top management team ends the formulating the strategy (Miller, 1997; Wooldridge & Floyd, 1992). Therefore, the basic argument of this approach is the formulation and implementation of strategy takes place at the lowest or mid-level of the organization (Barnat, 2005).

The top-bottom execution approach has faced criticism. A major criticism stems from the argument that the approach did not include organizational members in the formulation and execution processes. This has the consequence of making the low employee not to be committed to such strategy and its execution. For the success of any execution strategy or change in organization, relying on employees' support and enthusiasm for the proposed changes is essential, more than overcoming resistance. Thus, many authors emphasized the need to gain commitment from the organization to a particular strategy (Hrebiniak, 2008; Noble & Mokwa, 1999; Floyd & Wooldridge, 1992; Guth & MacMillan, 1986).

Given this criticism, many authors argued for a more participative or bottom-top implementation style, in the following ways: First, a bottom-top strategy implementation style promotes commitment from organizational members. Reid (1989) noted that commitment of those who have to execute the strategy can be improved by involving them and allow their participation. Commitment to a strategy is very important. A major common cause of failure in strategy execution is the effect of not including managers and employees from the onset of the strategy formation process (Al-Gamdi, 1998).

Second, major flaws are likely to be recorded in a strategic plan formulated without the involvement of employees because key employees and affected groups did not participate in its formulation (Alexander, 1985). A well-established organizational argument is that decisions should be taken as close to the action areas as possible (Finkelstein, Hambrick, & Canella, 2009).

Thus, there could be problem in carrying out an execution whenever the relevant people are not involved (Al- Gamdi, 1998). Effectively, execution should involve people early at both developmental and debate stage of a strategy (Hambrick & Canella, 1989). This implies that the strategic plan should invite the participation of those affected by the changes (Hrebiniak & Joyce, 1984). Furthermore, it is important that there is leadership that gears up continuous participation in the process of an individual who is able to contribute (Finkelstein, Hambrick, & Canella, 2009).

2.3.8.5 External versus Internal Execution Control

Based on the literature on the strategy execution, Noble (1999) asserted that most of points of view in the strategic management literature is the treatment of execution as synonymous with control. The traditional view in strategy execution suggested that rational and manageable control mechanisms can be used to influence employees through external means to ensure that the implementation and the organization realize their objectives. Hrebiniak and Joyce (1984) provided an example of this perspective by viewing strategy execution as an act of monitoring and control.

This view suggests that behaviors and performance that are believed to support strategic plans are to be induced (Pennings, 1998). The importance of Thorndike's (1905) law of effect was introduced here where behavior that is reinforced tends to be repeated (Hrebiniak & Joyce, 1984). Motivation such as incentive and control system are often used as an important means of making employees ensure appropriate behavior in relation to the strategy. The role played by effective incentives will be very essential if the implementation effort needed greater internal change (Hrebiniak & Joyce, 1984).

The external control perspective has been criticized. Individuals have a natural inclination to drive home his or her feelings of competence and self-determination. Based on this, it was argued that from a social psychological perspective the view of external control on strategy implementation collides with the individual's natural inclination to internal control (Deci, 1975; McClelland, 1975). Empirical evidence has clearly shown that individuals desire personal control (Greenberger & Strasser, 1986). Many researchers have also shown that people like choice and control more than not having them (Erez & Kanfer, 1983). People's feeling of self-determination and competence is considered essential to the experience of intrinsic motivation (Manz, 1986). Intrinsic motivation is derived from feelings of competence, self-control, and purpose (Maas, 2008).

In order to overcome these negative effects, Ilgen, Fisher and Taylor (1979) showed that to increase the internal locus of control in persons, external control will likely be required to be reduced in order to give room for increased self-monitoring or self-control. Internal control or empowering employees may be more effective to induce the required behaviors. The internal control concept is at the center of alternative views, and consider individual as having an internal self-control system (Audio & Locke, 2003; Bailey, 2008). 'Individuals possess self-generated personal standards, engage in self-evaluation processes, and self-administer rewards and punishments in managing their daily activities'. 'From an organizational perspective, recognizing and facilitating employee self-regulating systems pose a viable and more realistic view of control than views centered entirely on external influence'. In spite of its limitations, the view of external control of strategy execution remains dominant (Li *et al*., 2008).

2.3.9 Strategy Execution Models

The frameworks for strategy execution, which specify the 'levers' that can be used by management to successfully implement a strategy have been discussed.

Pennings (1996) have developed a diagnostic framework of strategy execution and organizational change. According to the author, the framework is a simple model for understanding the levers with which management can execute a strategy. The levers of execution have been categorized into six as follows: organization structure, control and information systems, reward systems, selection and socialization, power and politics, and organization culture. With these factors, it is argued that management can successfully implement a strategy because the factors should support the implementation effort and not inhibit it. Besides, these levers enable a firm to learn from its implementation efforts.

In a framework developed by Noble (1999) five managerial 'levers' for strategy implementation have been listed out. These are as follows: a) goals and in particular clear objectives are essential in effective implementation. b) Changes in the organizational structure. c) Leadership often plays a critical role in determining implementation performance. d) Communications is also important because the details of the implementation effort need to be communicated as early and thoroughly as possible. Finally, incentives are an important tool for inspiring organizational members to change in accordance with the new strategy.

Hussey (1996) also develops a framework for implementation and identifies eight variables needed to be investigated when implementing a strategy. Hussey builds on Leavitt's (1964) work just as Peters and Waterman's 7S framework, observe that organizations are multivariate systems and that there are interactions among all variables. These variables are tasks, people, structure, decision processes, culture, information systems, control systems, and reward systems. Each of these eight variables can potentially affect all other variables.

Many observations have been made given the review of these frameworks for strategy implementation. First, it was observed that the implementation plan itself or its objectives and tasks were in most cases excluded in the framework. The dominant view in strategy implementation remains that the implementation plan is viewed as a separate stage before strategy implementation and after strategy formulation. However, in recent times, more argument in support of execution plan is being put forward by the dominant scholars (Mieso, 2010; Malik, *et.al*, 2007; Delisi, 2006; Kaplan and Norton 2006; Hrebiniak, 2005; Alashloo, *et al*, 2005; Johnson, 2002; Al-Gamdi, 1998).

Second, the perspective that management can execute a strategy with the use of these levers can be thought to be instrumental and top-bottom in nature. It was argued that the dominant view on strategy implementation is rather top-down in nature. However, it has been shown by many researchers that subjects such as strategic communication is crucial for strategy implementation to be successful (Miler, Hickso, & Wilson, 2008; Malik, *et al*, 2007; Speculand, 2006; Brannen, 2005; Kaplan and Norton, 2005; Hrebiniak, 2005; Johnson, 2002; Rapert, Velliqutte, and Garretson, Okumas, 2001).

Third, these frameworks are viewed as being logical and rational in compliance with the dominant view on implementation which is considered logical and rational in nature. The focus on 'hard' aspects of the implementation effort is part of this logical view, such as organizational structure, reward systems and implementation plan. Furthermore, no more attention is given to 'soft' aspects or the human side of implementation with the exception of organization culture.

Fourth, it was also observed that these frameworks give little attention to the context within which a strategy is to be implemented. Only aspects of the context, such as organizational structure, culture, staff, and reward systems, are considered because they are believed to change. They do not consider contextual aspects, which may influence an implementation effort. Also, influences on an execution which may originate from outside the organization and from an individual level are not considered.

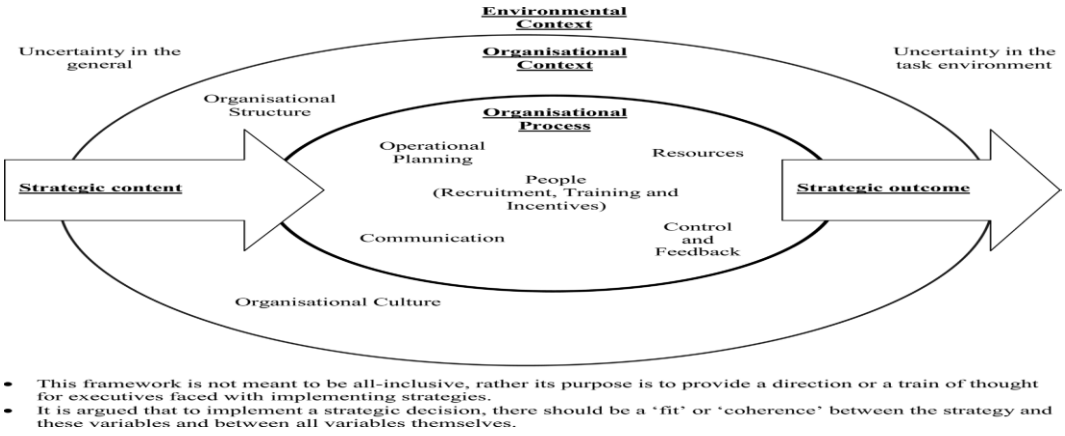


Figure 2.2
Okumas' Framework

Okumas, Fevzi; "Towards a strategy implementation framework," International Journal of Contemporary Hospitality Management, volume 13, Issue 7, 2001, p 327-338.

The study on the execution of strategy puts execution within the framework that differentiates a structural view of an interpersonal view of strategy execution. This

framework was well described in detail by Noble as thus, "The basic organizing framework for this review proposes that structural views and interpersonal process views are important general dimensions of strategy implementation" (Noble 1999). The structures and the interpersonal general dimensions are split further in such a way to give room for an integrative view of strategy implementation. Therefore, the elements of strategy execution (that is, context, content, and process) can be obtained from strategy execution general dimensions (Raps 2004; Aaltonen 2002; Okumus 2001).

2.3.10 Strategy Execution Factors

Maas (2008) framework and the factors yielded by his study related to the context, content, and process of a strategy execution may have an influence on the performance of strategy execution efforts. Hussy (1996) points out that the success of the strategy execution means the success of the organization. The factors of the strategy execution, which aside from Maas (2008) study can be divided into three groups: factors related to the context of strategy execution in which the execution takes place and refers only to the organizational level of analysis factors in this context such as (organizational size, organizational structure, organizational culture, and reward system). The other group is the content of a strategy execution and selected to study the execution plan; and the process with which the strategy is executed and will focus on communication strategy.

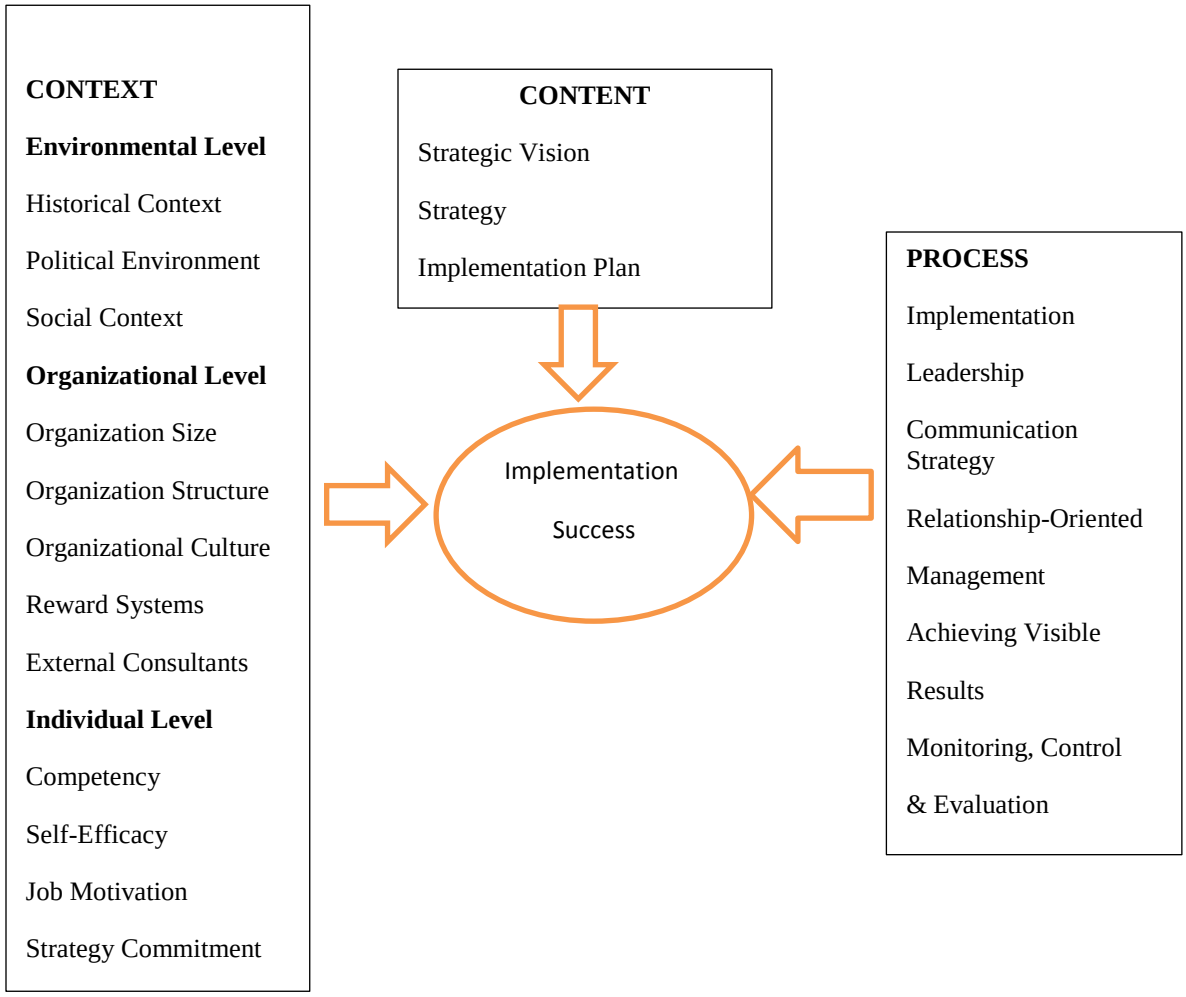


Figure 2.3
An Integrative Framework for Strategy Execution

Van Der Maas, Arnold, (2008), "Strategy Implementation in a Small Island Community". Erasmus Research Institute of Management (ERIM), Rotterdam School of Management / Erasmus School of Economics Erasmus University, Netherlands

The first part starts to discuss the strategy execution organizational's level and its factors, one of the most important factors in the context of the strategy execution mentioned by most of the researchers in the strategy execution field, and its flow:

2.4 Strategy Execution Factors

2.4.1 Organizational level factors

The organizational level context includes four factors as follows:

- Organizational size
- Organizational structure
- Organizational culture
- Reward systems

2.4.1.1 Organizational Size

The organization size can consist of all members of staff in one organization. An organization size can have consequences for strategy execution (Parnell, 2008), and Harrington (2006) mentions that the size bigger or large has a direct effect on the execution performance (Elbanna, Child & Dayan, 2013).

Maas (2008) in his study points out how organization size has consequences on the execution performance:

a) The small organization size usually lacks the required staff to execute large size execution project, and some of these organizations tackle this problem by contracting to external consultant and skilled-employees when the firm has some sufficient reserve for its project.

b) Small organizations need competent staff. They usually have to do tasks, which are performed by different people in larger organizations. For instance, in the

small size company a design drawer also has to write specifications, while big size companies may have design artist, who do not have anything else to do but sketch (Hrrington, 2006). Therefore, the staffs in small organization often have to perform tasks in which they do not have the experience. This can create a sense of insecurity because these people have not always learned these tasks enough to be confident about acting on them. Furthermore, the staffs, especially the managers or specialists, usually are hesitant to ask for advice if they have to do a difficult task or make a problematic decision, which also may raise their insecurity. Lack of confidence may have a negative impact on the execution performance of the staff (Parnell, 2008; Elbanna, Child & Dayan, 2013).

c) The mistakes which are made, by staff in the small sized organization will have a larger effect than on the large sized one. Sometimes small organizations sizes are likely to have less slack resources to compensate mistakes. So, People will become more fearful to make mistakes and become reluctant to take on initiatives or produce a new or unfamiliar execution task. As a result, this can have a bad influence on execution performance (Maas, 2008).

2.4.1.2 Organizational Structure

Organization structure is defined as the way in which tasks are allocated, who reports to whom, and the formal coordinating mechanisms and interaction patterns that will be followed (Shah & Nair, 2014; Grogaard, 2012; Robbins, 1987). However, the relationship between strategy formulation and organization structure has been widely researched, only limited attention has been paid to the relationship between strategy

execution and organization structure (Tippmann, Scott, & Mangematin, 2013; Slater, *et al.,* 2010; Hrebibiak, 2006; Higgins, 2005; Alashloo *et al* 2005; Noble, 1999). A proper alignment between strategy and organization structure is a necessary precursor to successful strategy execution. Therefore, strategy execution often requires a revised organization structure (Hrebiniak, 2006, Noble, 1999). Although there is no evidence to suggest that a particular organization structure is more or less suited for execution (Wilden, et al., 2013; Miller, Wilson, & Hickson, 2001).

Ranjbar, et al., (2014) and Maas (2008), and Olson, Slater, and Hult (2005) point out that the organizational structure consists of two dimensions, the level of centralization and the level of formalization. Maas (2008) in his study and Gupta (1987) emerged that the level of centralization and level of formalization of the organization structure of an organization can have an influence on the organizational performance (Li, *et al*, 2008, Cater & Puko, 2010).

- **Level of Centralization**

Olson, *et al*, (2005) in their study indicated to the level of centralization where the decision-making is closely seized by top managers or which the top management level is delegated to middle and lower level managers in the centralized organizations. Furthermore, the lines of responsibility and communication are comparatively clear in centralized organization, and the way to top management for support can be moved quickly. The level of centralization is defined as the level in the organization at which decisions are taken (Olson, *et al.*, 2005).

In an organization with a high level of centralization, the final decisions are almost made by exclusively at the top management and absolute acceptance of top-level decision is expected. Non-profit sector tends to be more centralized than in the profit sector, with a few distinguished exceptions. The level of centralization also differs per industry. For example, companies with educated and expert staff tend to be more decentralized. Management is more in need of these employees and therefore tends to include them more in the decision-making process. Furthermore, managers will be less willing to tell an expert or specialist what to do. In lower-skilled industries such as retailing and hotels, the organizational structure is more centralized.

A high level of centralization can have the following significance for strategy execution (Maas, 2008):

a) When the staff is not engaged in the strategy formulation process, they are not likely to be loyal and committed to the strategy. A failure to engage the staff in the strategy formulation and execution can even result in execution failure.
b) Executing the strategy with little participation of the staff is only effective when the execution tasks are routine, simple and can be predicted by management. When execution tasks are new, complex and contain substances not predictable by management, a top-down execution tactic can become challenging. During an execution efforts, unexpected circumstances may arise, which may require staff initiatives to handle the situation.
c) When the employees only do what they are told and are not allowed to take initiatives, the management has to identify everything to get tasks done. This

needs a great deal of close supervision from management, which may take up a lot of time and energy.

d) Management is not always well-informed and familiar about issues at a lower level in the organization. When lower-level staff is not engaged in the formulation and execution of a strategy their potentially valuable expertise may not be tapped into. Lower-level employees have more knowledge about day-to-day activities and are more familiar with the issues at hand (Olson, Slater, & Hult).

e) Competent staffs who want more responsibility may become frustrated and leave the organization, having a negative influence on execution efforts.

f) When only a few individuals make decisions, too few decisions tend to be made and decision makings tends to take too long. This is because staffs pass on many decisions to the senior ones in the higher level in the organization, which may waste the time, which may not always be available.

g) A centralized organization structure can be challenging because non-profit employees are likely to agree with everything, with what a head of departments says even if they do not agree. Many staff are afraid to say "no" to someone higher up in the hierarchy. Therefore, it is not always clear if they are really going to follow the instruction. In addition, staff will not go against the compulsory execution, but they will not be much moved or committed either, so the execution effort is likely to advance slowly (Maas, 2008).

- **Level of Formalization**

Olson, *et al*, (2005) refers to the formalization as the extent to which decision, regulations, working relationships, and policies are governed by formal rules and procedures (organizational activities). Mintzberg (1994) points out that the degree of formalization in the public organization can have an influence on the execution efforts.

A low level of formalization within an organization can have several consequences for strategy execution (Maas, 2008; Bhimani, Langfield-Smith, 2007):

a) When a few things that are relevant are linked to the execution are formalized, this can create vagueness and misunderstanding among employees during the execution efforts. When matters such as execution actions and activities, procedures, and responsibilities are not formalized, staffs do not know what they can do and what they cannot do. This is not difficult when tasks are clear and routine and when responsibilities are clearly known. However, in strategy execution, new tasks are usually necessary to execute the strategy without formal procedures, rules and responsibilities, uncertainty can crop up among employees. Moreover, when problems arise during an execution and responsibilities are not clearly established, staffs may blame each other (Bhimani & Langfield-Smith, 2007).

b) A low degree of formalization can result in problems when staffs leave during an execution process. When there is little written down on paper for the successor to use, this may result in confusion among employees or execution delays (Olson, Slater, & Hult).

2.4.1.3 Organizational Culture

Cater and Pucko (2010) defined organizational culture as the tie in which patterns of meaning are held through the organization (Shah & Nair, 2014; Jiang & Carpenter, 2013; Yeh, Lee, & Pai; 2010; Zheng, Yang, & McLean, 2010) added that sharing beliefs, values and expectations of members is the concern of culture through which accomplishing performance of an organization can be affected.

In fact, its impact is the most mentioned factor as was mentioned by (Speculand, 2014; Cater, Pucko, 2010; Parnell, 2008; Zheng et al, 2005; Homburg, Krohmer, Workman, 2004; Noble, 1999). Moreover, an execution performance may be affected by organizational culture (Tolleson, 2009).

a) Organizational culture stems from the interpretive context among Individuals, according to Robey and Rodriguez (1989) argument, which guides their behavior and makes sense of their environment. Thus, organizational culture has appropriated with execution (Parnell, 2008).
b) Organizational culture is not meant to be needed in one aspect, but also execution processes take into consideration the policy execution literature yet, limited research has been conducted on the influence of organizational culture execution. (Schaap, Stedham, Yamamura, 2008; Peters and Waterman, 1982; Hussey, 1996) showed that a strategy can be partly accomplished when they are viewed.

However, Maas (2008) states that it's neither easy nor fast to change the culture of an organization. Moreover, it may represent an obstruction to effective execution. Also, the

behavior and emotion of fear (culture of non-trust) which stems from it can be both important to the organizational culture as well as bring negative effect on execution performance (Higgins, 2006). He further states that members of an organization fear in their practical and career life, i.e., losing a job, taking responsibility,.. etc. are culture of fear.

- **Fear to Offend Others**

Fear to offend others is a significant concern being under focus. For example, Jaeger (1986) mentions that in an organizational culture, having high power distance accompanied by high uncertainty avoidance, the community tends to deal with interpersonal problems smoothly.

Bourgeois and Boltvinik (1981) state that conflicts are dealt with by Latin Americans in 'smoothing' or 'pleasing' others rather than dealing with the conflict. Kim and Nam (1998) find a significant influence on social behavior in the Asian societies and other collectivist cultures where it is influenced considerably by the Face (the public self-images that every member wants to claim) When face discredits in a social interaction, a person may experience negative feelings of shame, or degradation as well negative responses of pulling out and hostility. It also leads to aggression and evasive responses, in the work environment, which in turn foul up the harmonious relationship (Maas, 2008).

Avoiding open conflict is compulsory for the members to carry on their interaction, even though there is aggression within the organization and this will result in several consequences of reluctance to criticize (Henderson and Argyle, 1986, Maas, 2008):

a) It is possible that managers might have reluctance to address and modify unwanted behavior, according to the new strategy. Nevertheless, these adjustments need only be made when certain behavior does not meet the objectives of the executions.
b) In order not to cause any offense to others, indirect communication is usually used. It is understood to have a wall of friendless, which, according to Marcha and Verweel (2000) refers to the phenomenon that 'some communities tend to say what the listener wants to hear'. 'They rather say 'yes' or nothing instead of saying 'no''.
c) Employees do not have the courage to raise their opinion, particularly when such opinions are different from their manager's. They do not want to stand up against their organizational members, particularly the higher hierarchy. This could influence the level of participation negatively and might even destroy it (Maas, 2008).

- **Fear of Job Security**

Zhu, (2010) claimed that the systematic research about organizational behavior with regard to the uncertainty among organizational members regarding their job security on the occurrence of any major organizational change is less

Job security can have an effect or influence on execution success as Robey and Rodriguez (1989) assumed on information technology implementation in Latin

America. Yet, implementation of information technology was resisted and viewed as a threat to job security by Chilean workers (Maas, 2008).

Borg and Dov, (1992) indicate that job insecurity is influenced by several factors which are related to the low level of job satisfaction, organizational commitment, motivation, job involvement, trust in management accompanied by the increase in psychological withdrawal, resistance to change, and propensity to leave the organization (Zhu, 2010). Also, withdrawal cognitions and behaviors such as reduced work effort, increased absenteeism, and theft will occur more often (Maas, 2008; Davy, Kinicki, and Scheck, 1997).

From studying the attitudes and behaviors, it seems, the fact that job insecurity and execution performance are negatively related. The idea of losing one's job affects strategy implementation in several ways. For instance, members of an organization would be scared to take initiatives or to make mistakes, especially when the layoff strategy is executed in the organization, what could cause resistance to the execution effort (Maas, 2008).

- **Fear of Making Mistakes and Taking Initiatives**

With regard to the organizational behavior, Edmondson (2001) stated that the psychological safety influence the level of risk taking within an organization positively. When the members of an organization do not fear the material or reputational harm, they would be encouraged to initiate and hence to make some mistakes (Poter & Smith, 2005).

When the members of such organization have the belief that a member with a good intention will not be punished when he makes mistakes, this will encourage their learning behavior in work teams. On the other hand, when the only response of superiors is punishment of such initiatives, this will surely result in the subordinates' reluctance to involve in learning behaviors, which eventually mean not making mistakes and taking risks. Yet another result, when the management's response to such situation is punishment or losing the employee's face, is a negative effect on the employee's execution performance (Maas, 2008).

A different study conducted by (Martinko and Gardner, 1982), shows that certain properties may cause passive and maladaptive behavior among it's' members. For example, organizations with inflexible rules, formalization and centralization may make the employees to be passive and uncreative, with the unwillingness to take initiatives unless it is rewarded or encouraged (Maas, 2008).

- **Fear of Responsibility**

Several reasons could cause the organizational members to fear responsibility. These were mentioned in (Maas, 2008).

a) If something went wrong under a person's responsibility or mistake has been done, then the punishment for this person will be imposed for this person.
b) When the employees do not have the experience to deal with responsibilities, due to the hierarchical management style followed by this organization, which would result in making staff languid and thus have neither the willingness nor the ability to take

responsibility. These members tend to think in a hierarchical manner that is; decision making the responsibility of the management (Fu, Chang, & W. ,2001) cited in Chong (2007)).

Fear of carrying responsibility affects strategy execution (Langlen, Nadeem, Kataoka, & Stien 2010; Kaplan, Norton, 2005):

a) The organizational members shifting responsibility to other members of the same organization and thus shifting accountability to them in case something goes wrong. These shifts will especially be made to management, instead of organizational members. When the organizational members fear to carry responsibility, and shift their responsibilities to others, this might result in not executing certain tasks, particularly if this task is related to strategy execution context, simply because no one feels that such responsibility is directly related to him.
b) The employees' reluctance to perform their tasks is due to their fear of making mistakes.
c) Finally, they wouldn't like to make decisions during strategy formulation and execution (Langlen, *et al.,* 2010).

- **Fear of Participating**

Piano & Boxx (2011) suggest that positive influence could result from participation only with organizational members who have lower needs for authoritarianism accompanied by their independence which influence their execution performance positively. Hofstede and Hofstede (2005) also suggest that members of less education

and lower status tend to be more authoritative than the higher status colleagues (Mooij & Hofstede, 2010).

Labianca, Gray, and Brass (2000) argue inviting employee to participate in organized activities, they might need to transform all their values regarding their views towards power and the power in the organization. Henderson and Argyle (1986) describe the relationship between higher administration, i.e. supervisors and lowers staff, i.e. employees as task oriented, formal, unequal and hostile. Members of organizations should form the understanding that decision making influence should be shared between the unequal hierarchical system (Labianca *et al*., 2000).

The motivation was the focus of many studies and it was suggested to take part within other cultures. Collectivist cultures as well as cultures with high power distance influence participation negatively. Newman and Nollen (1996) proved that high power distance cultures doubt employee participation. This could cause organizational members of these cultures to be filled with fear, distrust and disrespect of participation as a result of it being unmatched with the nationwide culture. In such cultures, managers who tend to encourage participation among the organizational members are likely to be seen as weak and inefficient (Yang & Wan, 2004). Due to the weak interaction among different staff levels, participation, in high power distance cultures is of no value (Gottshalk, 1999). Individuals in collective cultures are continuously aware of the other person's status (Thomas & Au, 2002), which would result in the reluctance to suggest against the higher status people well (Pineno & Boxx, 2011).

Finally, it is believed that participation level depends on the type of culture followed. For example, participation has a positive influence on the execution performance in the U.S but Mexico (Morris and Pavett, 1992) and Russia has no such value, although the experiment in Russia did not have sufficient time to prove otherwise (Maas, 2008).

Organizational members can have a natural fear to participate, when they are given the chance to participate many will not take the opportunity. They often suggest that they don't have the opportunity, but when it comes down to them, they don't take part (Miller, Hickson, & Wilson, 2008).

- **Fear of Change**

Waweru, (2011), Balzarov, Bamber, McCambridge, Sharp (2004), and Swanson and Power, (2001); suggest that the change process itself might create tensions, insecurities among organizational members, which would occasionally lead to distress. (Hussy, 1999, 2002) also advocates that major organizational change, which is usually accompanied by uncertainty, engenders intense emotions such as fear and stress. This could even go beyond feelings to negatively influence the physical and mental health (Swanson and Power, 2001), which change may lead to the organization paralysis. This also could on the other hand create a readiness for action (Hussy, 2002). Furthermore, research results suggest that negative attitudes spread faster within a group compared to positive ones (Hussy, 1999). Finally, Organizational change could result due to several causes:

a) Organizational change is always accompanied by new challenges and thus the opportunities to make mistakes or fail will be higher which would create fear among the members. They are simply trying to avoid trouble.

b) Another source of fear of change is the organizational members' tendency to repeat the same routine and the fear of new challenges, especially among the older organizational members, who had practiced this particular routine for most of their vocational life, tend to fear change. Novelty to them is threatening their job's life style.

c) The fear to lose the established and achieved power, status or some of it could be another reason to fear change.

d) Another threat which accompanies organizational change is layoffs, which is a threat to all organizational members (Candido & Santos, 2008).

e) The worst performance of the previous administration could be another cause to fear change as members would not like to go through the same experience another time (Hrebiniak 2008, 2005; Higgins, 2005).

Many researchers focused on the phenomenon of resistance to change which is defined as any conduct that serves to maintain the status quo in the face of pressure to alter the status quo. Reid (1989) claims that organizational members with no exception of managers and high rank employees often feel distressed by the change and would often resist it. Kotter (2007) argues that the disturbance which accompanies organizational change usually shakes the company's stable interests and upsets the established routine (Noble, 1999).

2.4.4 Reward System

A reward system is defined as the related set of processes through which behaviors are directed and motivated to achieve individual and collaborative performances (Shah & Nair, 2014; Shaap, Stedham, & Yamamura, 2008). The set of processes comprises of goal setting, assessing performance, distributing rewards, and communicating feedback' (Ranjbar, *et al.*, 2014; Almsjah, 2011; Waweru, 2011; Slater, *et al.*, 2010; Homburg, *et al*, 2004). An effective reward system can have a positive influence on implementation success. Rewards may consist of monetary compensation such as salary and bonuses but can also include non-monetary compensation such as compliments, positive attention, praise, recognition, and good performance assessment interviews. Other non-financial rewards include when organizational participants perform well and this is communicated to the whole organization and having employees of the month and year. However, not only should well-performing individuals be rewarded, but poorly performing individuals should be addressed as well. For example, when organizational members do not perform well, they can be dealt with by having performance interviews, transferring them to another department, not giving them a raise, demoting them, or firing them (Laamanen, Skurnik, 2009).

In the field of strategy execution, many scholars have pointed to the importance of reward systems in effective strategy execution (Neilson *et al.*, 2008; Hrebiniak, 2008; Higgins, 2006; Okumas, 2003; Noble, 1999; Hussey, 1996; Floyd and Wooldridge, 1992; Hrebiniak and Joyce, 1984). Organizations need a reward system that monitors progress toward full execution and demonstrates senior management's interest and

investment in attaining the goals of the strategy (Hrebiniak, 2005). The greater the internal change required by a strategy, the more important effective incentives become (Okumas, 2001). Reward or incentive systems are essential for motivating staff and ensuring appropriate behavior in relation to the strategy (Hrebiniak, 2008; Hrebiniak and Joyce, 1984). Finally, commitment to a strategy can be enhanced by realigning rewards so that they represent the intended strategy (Li, *et al.*, 2008; Saunders, 2005; Floyd and Wooldridge, 1992).

In the public administration literature, considerable attention has been given to the role of reward systems in policy execution. For example, Crosby (1996) argues that unless compelling incentives are given, executing organizational members will probably resist the mandated policy changes. New incentives may have to be created to induce organizational members to adopt the new modes and practices required by the policy change. The arguments which are mentioned above find that the existence of an effective reward system can have a positive influence on execution performance. Without some basis for assessing performance, it is difficult to use rewards and incentives to reinforce the desired strategic management behavior (Sully de Luque and Sommer, 2000). Despite its perceived importance, the public sector has a lack of effective reward system and organizational members only reward with a fixed salary. This is because the reward structure is fixed by regulations that apply to the whole government. Performance interviews are often not held and salary scales are automatically adjusted (Andrews, *et al.* 2011).

A lack of an effective reward system can have several consequences for strategy execution: a) there is no financial incentive for organizational members to perform very well during an execution effort. b) Organizational members get little to no feedback about their performance. When organizational members lack feedback about their performance, they do not learn from their performance, making it difficult to improve upon their performance.

There were, however, a few organizations, which had experienced very successful strategy implementations, placing great emphasis on rewarding performance. These organizations had executed effective performance based reward systems as part of their execution effort (Charan, Colvin, 2002).

2.4.2 Execution Plan

The steering group- EU (2011), Bhimani & Langfiel-Smith (2007), and Poter & Smith (2005) define an execution plan as a comprehensive plan that clearly outlines the objectives of an execution, the activities which are needed to achieve these objectives and who are responsible for these activities. A strong execution plan, which has its content strategy, execution presented in a precise and detailed manner, will influence the execution performance positively (Salas & Huxley, 2014). This execution plan should clearly state the manner and methods to achieve the strategic vision. This plan should put the day to day activities and management process, as part of the strategic plan. The execution plan can consist of the following three steps (Hrebiniak, 2005; Kaplan and Norton, 2005, Piercy & Morgan, 1994); the execution objectives, the required implementation tasks and activities, and the tasks' achievement responsibilities

2.4.2.1 Strategy Execution Objective

To ensure the required positive influence of the strategy on the execution performance, the strategy should have clear, concrete, measurable, and feasible execution objectives, taking into consideration the following reasons (Ranjbar, Shirazi, & Blooki, 2014; Malik, 2007):

a) Should involve organizational members who should have a clear understanding of the general objectives and of the needs to be achieved so as to ensure the successful implementation of the strategy (Al-Gamdi, 1998). Adding to that, the organizers member's necessity to understand their personal concrete objectives which they need to achieve. When the organizational members have a concrete and achievable goal, they would have something to work towards. Also, when we transform the strategy into concrete goals, it would be easier for organizational members to digest which in turn would influence positively their strategy commitment. Without putting clear objectives, specific milestones, organizational members will have no idea what has to be achieved and the direction of the implementation effort (Malik, 2007).

b) Concrete execution objectives ease the monitoring of the execution process, control and evaluation. With the absence or unclear of the measurable objectives and milestones, it will be hard to determine that the execution is following the plan or if it needs any adjustments (Hrebiniak, 2005).

c) Concrete execution objectives give chance to reward the implementation performance of the individual organization members. This will influence their

motivation positively throughout the execution process. On the other hand, if the execution efforts lack concrete objectives, this will reduce the rewarding of the organizational members and hence decrease their motivation as well as their performance.

Finally, realistic implementation objectives may create a challenge for the organizational members, which would influence their level of motivation positively. However, if these execution objectives are unrealistic, they can affect the influence negatively among the organizational members' level of motivation.

In spite of the strategy execution perceived importance, they often lack concrete objectives. These objectives are often too general and too ambitious. When the strategy execution has vague and unclear objectives, it could be a reason of execution failure (Delisi, 2006).

2.4.4.2 Execution Tasks & Activities

Clarifying the needed concrete implementation tasks, can influence the execution performance positively due to the following reasons:

a) Clearing the specific tasks for the organizational members according to their execution responsibilities will ensure the executing the strategy. Successfully this clarifies to the organizational members about their role in the execution effort and hence it would influence their level of motivation and strategic commitment positively (Noble, 1999).

b) Organizational members will perform only those tasks that they are told about. Consequently, clear implementation tasks need to be clarified and assigned to organizational members to ensure the performance and execution of such tasks (Alexander, 1991; Al-Gamdi, 1998).

Furthermore, in order to insure the manager's commitment to the details of the strategy, it is crucial to transform the strategy into concrete execution tasks crucial. As discussed previously, managers could come up with rather unclear strategies if their tasks are not clear (Delisi, 2006).

Finally, when the organizations define the execution task concretely, it will make the strategy concrete. This will make it easier to communicate among the organizational members. In spite of that, still there is a lack of defining the strategy execution tasks, and the main reason for that is the low level of formalization and the organizational culture which is oral in nature. Consequently, a little is documented to include the execution tasks and activities. Moreover, explaining the execution tasks need (operational) knowledge managers and also take a lot of time (Maas, 2008; Hrebiniak, 2005).

2.4.4.3 Execution Responsibilities

Clarifying responsibilities to organizational members for performance of execution tasks influence strategy execution positively for the following reasons:

a) Assigning clear responsibilities necessitate the organizational member's knowledge of the situation, which in turn decreases the uncertainty among them. This in turn is

crucial to strategy execution, as it always creates uncertainty among organizational members (Gottschalk, 1999).

b) The absence of clear responsibilities could cause the organizational members to languid and shirk their responsibilities, as a foreign CEO states the importance of defining and assigning the responsibilities among organizational members. This is caused by the nature of responsibilities as these are group and not individual responsibilities. Thus, the individual would feel safe to shift the responsibility to other organizational members (Maas, 2008; Hrebiniak, 2005).

Furthermore, the reluctance to take initiatives as well as the tendency to do only what the organizational members are told and assigned to, could be an important reason to give each individual employee a very clear and specific responsibilities and tasks.

Finally, easier execution control depends on the clearance of execution responsibilities. Hence, the management can hold certain individuals accountable for not completing their own tasks. Nevertheless, organizations often lack clear established responsibilities and as seen, strategies, could be formulated unclearly, and prepared and planned weakly. Added to the organization's low level of formalization, such organization often is deficient in its clear description of execution responsibilities (Maas, 2008; Kaplan and Norton, 2006).

2.5 Effective Strategy Execution and Organizational Performance

There has not been a universally accepted meaning of 'execution' as it is with 'strategy' (Huy, 2011; Wernham, 1985). Many definitions abound for strategy execution and most

of them are rather general in nature. Most of them refer to a process by which the formulated strategy will be implemented. The common views on strategy execution are that its operation of clearly articulated strategic plan is relatively straightforward (Ahearne, Lam, & Kraus, 2014; Noble 1999).

Wheelen and Hunger (2010) define the execution as the sum total of the activities and choices required for the execution of a strategic plan, such as organizational structures, personnel actions, control systems, programs, budgets, procedures, and job requirements. Hrebiniak and Joyce (1984) referred to strategy execution as all the processes and outcomes which accrue to a strategic decision once authorization has been going ahead and decision put into practice. Noble (1999) pointed out that strategy execution is the communication, adoption, interpretation, and enactment of strategic plans. Nutt (1998) pointed out that the execution is a series of steps taken by responsible organizational agents in a planned change to elicit compliance needed to install change. Therefore, execution is a procedure directed by a manager to install planned change in an organization (Parmigiani & Holloway, 2011, Almsjah, 2011).

Several approaches have been shown in the literature to a successful execution of strategy. One of the approaches is through the McKinsey's seven contextual 7'ss: strategy and purposes; structure; systems and processes; style; staff; resources; and shared values. All these contexts must align in order to maximize output or performance (Higgins, 2005).

The strategy is likely to reflect the present CEO's vision. The strategies to achieve that vision and the organizational structure may have been incorporated in two or three

CEO's sometimes ago. This suggests that the organization's systems may be a mix of several CEO's perspectives. These kinds of misalignments typically occur in the other 7'ss. What is needed is alignment, getting the arrows to all points in the same direction as a strategy (Higgins, 2005).

For any organization to succeed in executing strategy, it must marshal additional resources such as money, information, technology, and the time. All these resources are embedded to strategic intent, vision, focus, mission, goals, and strategic objectives (Hilman, 2010). In general, all the seven 'S' can be executed via: a) define clearly, and implement appropriate strategies at corporate, business, functional, and process levels; b) best organizational structure should be identified; c) for things to be done efficiently by the organization, best systems and processes should be used; d) most appropriate leadership and management style that embrace healthy association between leaders/managers with subordinates and among subordinates should be exercised; e) enough number of staff and types of employees with individual and group competencies needed to meet an organization strategic purposes should be ensured; f) adequate resources (such as people, technology, and money are critical) should be acquired by the organization to achieve its strategy; and g) there should be a clear shared values by members of the organization which distinguishes it from other organizations. Ensuring these all the seven 'S' is capable of making an organization to secure better organizational performance than its competitors.

In the strategy execution literature little attention has been given to the organizational level factors and their effect on the organizational performance. Other researchers point

out that the organizational level factors should be divided into two parts. The first part is the success factors and the other is the impediments. Most of these researchers test the relationship or to what range these factors will influence the organizational performance (Zanjbar, *et al*, 2014; Shah & Nair, 2014; Kumar & Sushil, 2013; Jiang & Carpenter, 2013; Almsaji, 2011; Micheli, *et al.*, 2011; Cuter & Pucko, 2010; Rahiminia, *et al*, 2009; Brenez, et al., 2008; Delisi, 2006; Hrebiniak, 2006; Alashloo, *et al*, 2005; Raps, 2004; Okumas, 2001; Alton & Ikavako, 2002; Al-Mishari & Zairi, 1999; Al-Gamdi, 1998).

These factors that will be investigated in this research are organizational size, organizational culture, organizational structure, and reward system. (El-Banna, *et al.*, 2013; Cater& Puko, 2010; Harrington; 2006) recommends in their studies that it should study the organization size (small and large) and its influence on the reward system and organizational culture, as well as the organization performance. Parnell (2008) states in his study that the organization size can be a success factor in the execution progress, and he recommends the study of the organization size as a strategy execution success factor in the organization.

Organizational structure is referred to by many researchers and studies (e.g. Tippmann, *et al.*, 2013; Wilden, *et al.*, 2013; Grogaard, 2012; Cuter & Pucko, 2010; Rahimian, *et al*, 2009; Kazmi, 2008; Sedlemayer, 2008; Thorpe & Morgan, 2007; Bannen, 2002; Okumas, 2002; Zaggota and Robinson, 2002; Al-Gamdi, 1998) and this is mentioned to influence on the strategy execution success and most of them recommend to study it with the organizational level factor, just as Harrington (2006) recommends to study the

organizational structure with the organizational size (large and small) and reward system. Another study Alashloo, *et al*, (2005) recommended the study of the effect of organizational structure, organizational culture, and reward system as a success factor in the strategy execution, as well as the influence of these factors together on the organizational performance in higher education.

Li, *et al*, (2008) studied the organizational level factors by making a comparison between the hard factors (organizational level except the organizational culture) and the soft factors (individual factors), and determine these factors have an influence on the organizational performance. They conclude in their study that not all the hard factors have a positive relationship with the organizational performance. Cater and Pucko (2010) in their study agreed with the same results and recommend another research to study these factors in Slovenia.

The execution plan is vital and crucial for the strategy execution success (Kaplan and Norton, 2005, Hrebiniak, 2005). Little attention has been given for the execution plan in spite of a considerable number of researches mention it as a big obstacle to success the execution and organizational performance and success (Mieso, 2010; Rahimian, *et al*, 2009; Malik, 2007; Delisi, 2006; Alashloo, *et al*, 2005; Hrebiniak, 2005, Kaplan and Norton, 2005; Charan and Colvin, 2002; Johnson, 2002; Al-Gamdi, 2006, 1998; Alexander, 1991, 1985). Noble (1999) pointed out that the execution plan should have a clear and concrete objective and the tasks of the execution plan should be distributed to the organizational member with understanding about the role and responsibility of each member of the strategy execution plan.

Hrebiniak and Joyce (1984), and Kaplan & Norton (2005) mention the importance of the role of the execution plan in the process of successful strategy execution. Kaplan and Norton (2005) point out that without an execution plan, the organization cannot execute its strategy, and this means that the strategy execution fails. And consequently this will affect the organizational performance.

The results of the present study support Plant (2009) and Harris and Ogbonna's (2006) arguments that a relationship exists between strategic planning and the service sector success supported by an execution process that includes an adequate communication of the business plans (Saenz, 2010).

Planners from the government, and educational sectors who wish to promote the development of small enterprises might promote the development and execution of strategic planning in organizations. Because education development has an impact on the economy, suggestions for higher education development owners in Mexico are noted, which may result in growth (Saenz, 2010).

2.6 Communication Strategy

Communication strategy can be defined as the method and manner the strategy that is transferred to the organizational members. Forman and Argenti (2005) rightly note that, although an entire discipline is devoted to the study of organizational strategy, including strategy execution; little attention has been given to the links between communication and strategy. But they also note that, in the last decade, business communication researchers have become increasingly interested in the contribution of corporate

communication to an organization's ability to create and disseminate its strategy (Forman and Argenti, 2005). However, very few researchers are found to have examined the link between organizational communication and strategy, and – when they have their focus has largely been on how corporate communication affects the organization's relationship with its-various stakeholders. At least, numerous researchers have already emphasized the importance of communication in the process of strategy execution (Ranjbar, et al., 2014; Salas & Huxley, 2014; Almsjah, 2011; Li, Guohui, & Eppler, 2008; Schaap, 2006; Forman & Argenti, 2005; Heide & Grønhaug & Johannessen, 2002; Rapert & Velliquette & Garretson, 2002; Peng & Litteljohn, 2001; Rapert & Wren, 1998; Alexander, 1985).

Strategic communication can influence the implementation' performance positively if the following occurs: (Miller *et al*, 2008; Li *et al.,* 2008; Rapert, Velliquette & Garretson, 2002, Okumas, 2001).

a) The knowledge of a strategic goal and nature is very crucial to be implemented by the organizational members. Among those elements that need to be clearly explained to the organizational members is describing the strategy content, goals, the day to day work, and how this strategy differs before and after implementing it. Furthermore, it is crucial to put down clearly to the organizational members the execution activities as well as the responsibilities to achieve those activities and the results of such implementation when achieved by the organizational members.

b) The need and rational of such strategy should also be given clearly and plainly to the organizational members, which might insure their commitment to the new strategy. This particular advantage is the reason why the new strategy should be clearly and plainly explained to the organizational members, clarifying to them the benefits to the organization as well as to the individual benefit that they will achieve when executing this new strategy. This could be done by presenting to the organizational members the concrete and solid plan with figures and budgets, which is a practical way to convince the members of the new strategy. Other than that, they tend to oppose change (Hrebiniak, 2005).

Here, we are going to present some practices that might insure the success of the new communication strategy among the organizational members (Miller *et al*, 2008; Li *et al.*, 2008; Rapert, Velliquette & Garretson, 2002,).

a) The strategic communication, along with the execution responsibilities, should be direct and clear, especially to those organizational members who are directly influenced by this new strategy. Adding to the above is the need to present this strategy to every stakeholder related to this new strategy, even if they were outside the organization. These stakeholders include unions, government, or customers who have direct influence on the execution effort, and those who are influenced by it.

b) It is very crucial to present the new strategy in a very convincing way, ensuring the absence of any misunderstanding. Being sound and effective, the strategy needs to be presented in a simple manner, to ensure the understanding at every level of the organizational members.

c) Using different methods of presentation, such as: magazines, email, leaflets, and information and publicity meetings, could also insure the new strategy clarity and success. In addition to this holding two way communication meetings could be the easiest and most effective way of presenting the new strategy. These meetings should be held informally which would grant the management with a wide range of information and feedback from organizational members. In these meetings, a two way communication takes place where the management explains the strategy and the organizational members' voice out all their concerns and interests about the new strategy.

d) It is very crucial while explaining the strategy to take immediate responses to the provided feedback. When any practical and successful suggestions arise from the organizational members, these should be taken into consideration and should be implemented to show those members that their opinions are really important. This is important when the organizational members are used to the management ignoring their efforts and suggestions. Though this extensive listening to the organizational member's suggestions could consume a lot of time, it results in building up a commitment to the strategy, therefore the management should listen to the views and suggestions before the management presents their views and this will insure effectiveness.

e) The final crucial point is related to the need to be very open in nature, meaning that the management should give the organizational members as much information as possible to ensure their understanding and commitment, unless

this information is strategically sensitive. We also can add crucial point here, which is the management's need to be honest with the organizational members.

2.7 Strategy Execution and Communication Strategy

Alexander (1985) emphasizes that in promoting the successful strategy execution, communication is much commonly mentioned than any other single item. The content of such communications comprises evidently explaining what new responsibilities, tasks, and duties that needs to be performed by the affected employees. It also includes the why behind changed job activities, and more fundamentally, the reasons why the new strategic-decision was made in the first place (Kumar & Sushil, 2013).

Rapert & Wren (1998) discover that employees who have easy access to management through open and supportive communication atmosphere tend to outperform those with more restrictive communication environments (Rapert, Velliquette and Garretson, 2002).

Noble (1999) point out that communication strategy has two main mechanisms: (1) it refers to the method of performance of the formulated strategy which has a direct influence on particular members. (2) It also refers to communicating the strategy to the members, simultaneously distributing responsibilities to the organizational members (Vertical and lateral) (Noble, 1999).

Forman and Argenti (2002) also note that strategy communication researchers have become increasingly interested in the contribution of communication to an organization's ability to create and disseminate its strategy in the last decade. However,

very few authors have investigated the link between communication and strategy execution, and when they have – their focus has primarily been on how corporate communication affects the business relationship with its various stakeholders. At least, numerous researchers have already emphasized the importance of communication in the process of strategy execution (Alexander, 1985; Rapert & Wren, 1998; Peng & Litteljohn, 2001; Heide & Grønhaug & Johannessen, 2002; Tourish, 2005; Schaap, 2006, Li, *et al*., 2008). The study by Alashloo, *et al*., (2005) on the higher educational institutions in Iran also found "incompatible organisational culture" and "lack of adequate communication" as the most important organisational impeders as mentioned by the respondents. A similar findings were also reported by (Alexander, 1991; Al-Ghamdi, 1998; Noble, 1999; Aaltonen and Ikavaiko, 2002; Okumus, 2001; Dobni, 2003) which noted that "incompatible organisational culture" and "lack of adequate communication" are also organisational impeders. The findings by Peng and Litteljohn (2001) show that effective communication is a key requirement for effective strategy execution. Strategy communication plays an important role in training, knowledge dissemination and learning during the process of strategy execution. In fact, communication is pervasive in every aspect of strategy execution, as it relates in a complex way to organize processes, organizational context and implementation objectives which, in turn, have an effect on the process of implementation.

Strategy communication hindrances account for more regularly than the other type kind of obstructions, for example, organizational structure' boundaries, administration difficulties, or share values (culture) barriers. Heide, Grønhaug and Johannessen"s (2002), for instance, demonstrate that there are different types of strategy

communication issues (without pointing out what they are). These communication issues may be impacted to some degree by the organizational (hierarchical) structure. As stated by Heide, Grønhaug and Johannessen (2002), they constitute the key boundary to the execution of planned strategic events. Rapert, Velliquette & Garretson (2002) state that communication and organizational culture play a paramount part in the execution process. Specifically, when vertical communication is regular and frequent, strategic consensus (shared understanding about strategic necessities) is upgraded and the organizational performance will improve. They investigate vertical communication linkages as a means by which key agreement and execution could be improved (Li, *et al*. 2008).

2.7 Summary

The purpose of this chapter was to review and integrate current theories of previous studies on the issues of strategy execution and its organizational level factors, and the execution plan, strategic communication, and the organizational performance together. In conclusion, it was found that very little study has been done on the researched subject. The dissertation will support the design of an identified model that has to be examined. This study will offer new perspectives to universities for their strategic decision-making. This finding will be further discussed in chapter three, which will support the design of a model directly responding to the need to examine the identified.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

Generally, the purpose of this study is to examine and determine the effect of strategic issues on organizational performance. Specifically, the objectives are to 1) investigate the relationship between strategy execution organizational' level and organizational performance, 2) investigate the relationship between strategy execution plan and organizational performance, 3) investigate the influence of communication as a moderating variable in the relationship between the strategy execution organizational level and organizational performance, and 4) investigate the influence of communication as a moderating variable in the relationship between the strategy execution plan and the organizational performance.

3.2 The Relationship between Strategy Execution Factors and the Organizational Performance

Obviously, this study investigated the relationship between the strategy execution organizational level factors, such as organizational size, organizational structure, organizational culture as well as reward system, and the second part in the execution factors are the execution plan and its dimensions, such as execution objectives, execution tasks, and execution responsibilities. The strategic communication was used to moderate between the strategy execution factors and the organizational performance. However, the organizational performance in this study is measured by the balance scorecard four dimensions.

To discuss in more detail, the following subtopics will shed light on the relationship between the independent variables (strategy execution, organizational level (SEOL) dimensions and execution plan (SEP), dependent variable (organizational performance), and the moderate variety (communication strategy).

3.2.1 The Relationship between the Strategy Execution Factors and the Organizational Performance

In the literature on strategy execution, it seems that little attention has been given to the organizational level factors and their effect on the organizational performance. However, some researchers have studied the organizational level factors, both in different ways. Some of them pointed out to these factors through the context of the strategy execution (Noble, 1999; Okumas, 2001; Bailey, 2008, Maas, 2008), whereas other researchers pointed out that the organizational level factors should be divided into parts; the first part is the success factors while the other one is the impediments. Most of these researchers test the relationship to determine the range of these factors that influence the organizational performance (Cater & Pucko, 2010; Rahiminia *et al.*, 2009; Delisi, 2006; Hrebiniak, 2006; Alashloo *et al.*, 2005; Raps, 2004; Okumas, 2001; Aaltonen & Ikavako, 2002; Al-Mishari & Zairi, 1999; Al-Gamdi, 1998).

3.2.1.1 The Organizational Size and Organizational Performance

Based on studies about strategy execution, several studies focused on organizational size. These studies investigated the role of organizational size on the strategy execution and its effect on the organizational performance (Elbanna *et al.,* 2013; Maas,

2008; Parnell, 2008; Harington, 2006; Saunders, 2005). Parnell (2008) found that the organizational size is a success factor in the strategy execution process, recommending studying the organizational size as a critical success factor in the organization. In another study, Maas (2008) found that the organizational size is one of the factors that were recurrent by giving the respondents as a success factor in improving the strategy execution and affecting positively the organizational performance. Additionally, Harrington (2006) recommended in his study to investigate the relationship between organizational size (small and large) with organizational culture and reward system and their influence on the organizational performance.

3.2.1.2 The Organizational Structure and Organizational Performance

Organizational structure has been indicated by many studies, which are accompanied currently by execution research that demands extra investigation about the role of organizational structure in the strategy execution process. Cater and Pucko (2010) found a relationship between the good organizational structure and organizational performance in Slovenia as well as recommending for further studies about it in other sectors, such as the education sector. Alashloo *et al.* (2005) in their study on the higher education sector link between the organizational structure, organizational culture, and reward system, considering them as success factors, which have a positive impact on the organizational performance.

3.2.1.3 The Relationship between Organizational Culture and Organizational Performance

Up till now, the strategy execution literature has been studying the organizational culture and its effect on performance. Many studies have investigated the role of organizational culture in the organization, and most of these studies indicate that there is a significant role in the organization. These studies recommended more studies to be done on strategy execution and culture in many sectors, especially in the education sector (Cater & Pucko, 2010; Rahimnia *et al.*, 2009; Tolleson, 2009; Hrebiniak & Macllaster, 2004).

Maas (2008) in his study found different dimensions of the organizational culture. In other word, Maas (2008) talked widely about the culture of fear and how it affects the performance in the organizations. Delisi (2006) pointed out that the organizational culture is one of the reinforces that can sabotage the strategy execution process and affect the performance if it is not considered.

3.2.1.4 The Relationship between the Reward System and Organizational Performance

Delisi (2006) stated that the most difficult thing in an organization is when the management neglect rewarding people, or measure them when the management asks for executing the plan. However, it is rare to find a study that discusses a success in strategy execution doesn't mention or consider reward system (Waweru, 2011; Schaap *et al.*, 2008; Sedlemayer, 2008). Rahimnia *et al.* (2009) mentioned that if the reward system is

not considered during the execution of the plan, it will be an impediment that hinders the development of the organization, especially at the universities. Hrebiniak (2006) mentioned in his study that there will be no success if the staff is not rewarded during executing the strategy, and this will impact the organizational performance.

3.2.2 The Relationship between the Execution Plan and Organizational Performance

Delisi's (2006) findings indicated several other potential reasons for strategy execution failure. These include no commitment to the plan, ineffective communication of the plan, too abstract plan, people's inability to relate it to their work, and no attention given by the senior management to the plan.

The execution plan is vital and crucial for the strategy execution success (Kaplan & Norton, 2005; Hrebiniak, 2005). However, little attention goes to the execution plan in spite of a considerable number of researchers mentioned it as a big obstacle to the success of the execution and organizational performance (Mieso, 2010; Rahimian *et al.*, 2009; Malik, 2007; Delisi, 2006; Alashloo *et al.*, 2005; Hrebiniak, 2005, Kaplan & Norton, 2005; Charan & Colvin, 2002; Johnson, 2002; Al-Gamdi, 2006, 1998; Alexander, 1991, 1985).

It seems that Noble (1999) pointed out that the execution plan should have a clear and concrete objective and the tasks of the execution plan should be distributed to the staff with understanding the role and responsibility of each member of the strategy execution plan. Hrebiniak and Joyce (1984) and Kaplan and Norton (2005) mentioned the

importance of the role of the execution plan in the process of strategy execution success. Kaplan and Norton (2005) pointed out that without an execution plan, the organization cannot execute its strategy, and this means that the strategy execution will fail, and this, of course, will affect the organizational performance.

3.2.3 The Relationship between the Strategy Execution Dimensions and the Communication Strategy

Research has examined the importance of effective communication at all levels of the strategy execution process (Hrebiniak, 2006; Bossidy & Charan, 2002; Allio, 2005; Manderscheid & Kusy, 2005). Furthermore, Kouzes and Posner (2002) discussed the importance of effective communication and acknowledged that effective communication by leaders has a powerful influence in making the vision clear and promoting higher motivation, commitment, loyalty, pride and productivity (Mieso, 2010). This acknowledgement was backed up by Manderscheid and Kusy (2005) and Kotter (1996) and in their findings, they stated that when leaders communicate effectively, they not only clarify vision, mission, and values but also make the imitation of action easy toward realizing the stated objectives.

Research recommended studying the relationship between the strategy execution dimensions and organizational performance (Andrews *et al.*, 2011; Fernandez & Rainey, 2006).

Figure 3.1
Study Framework

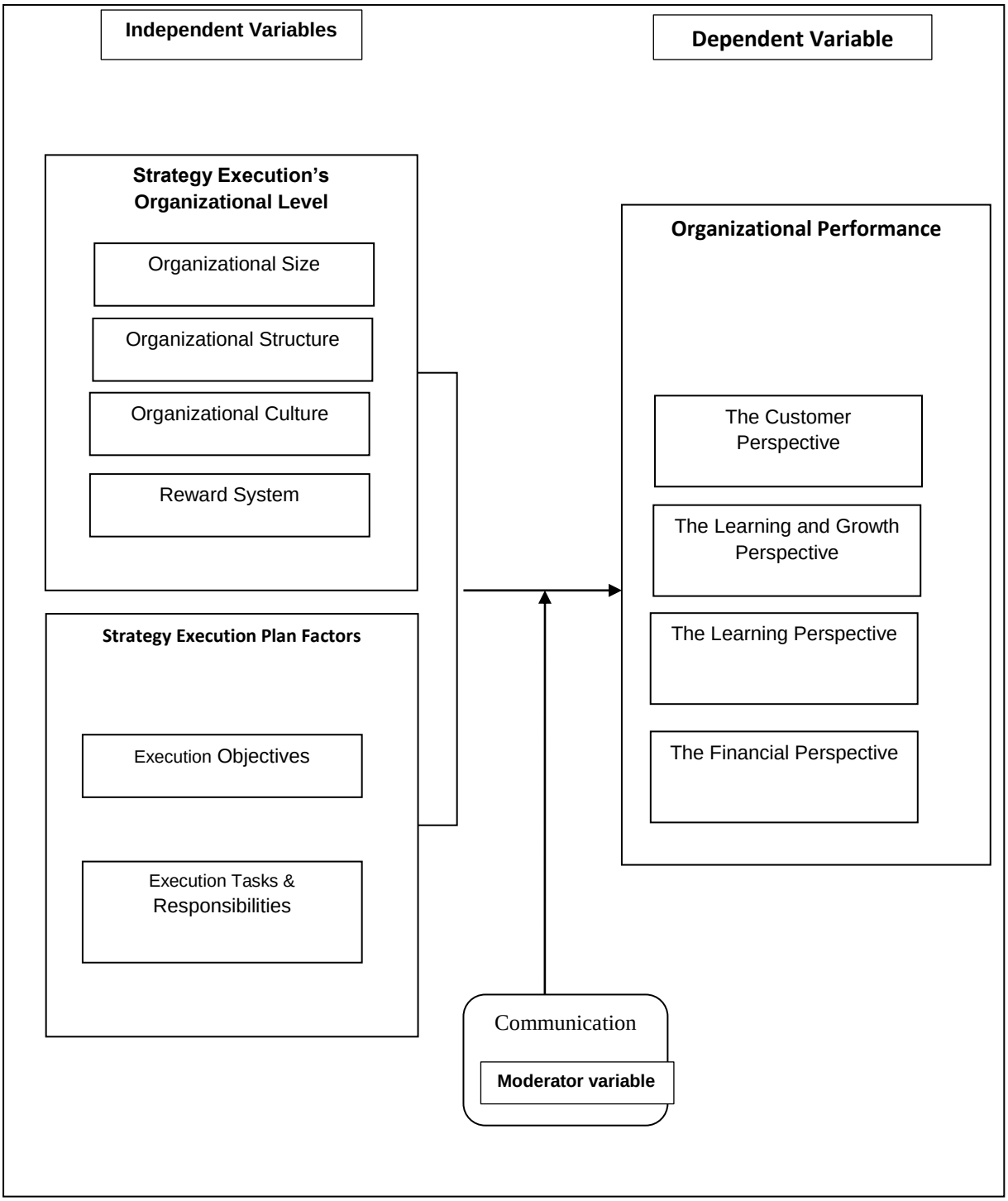
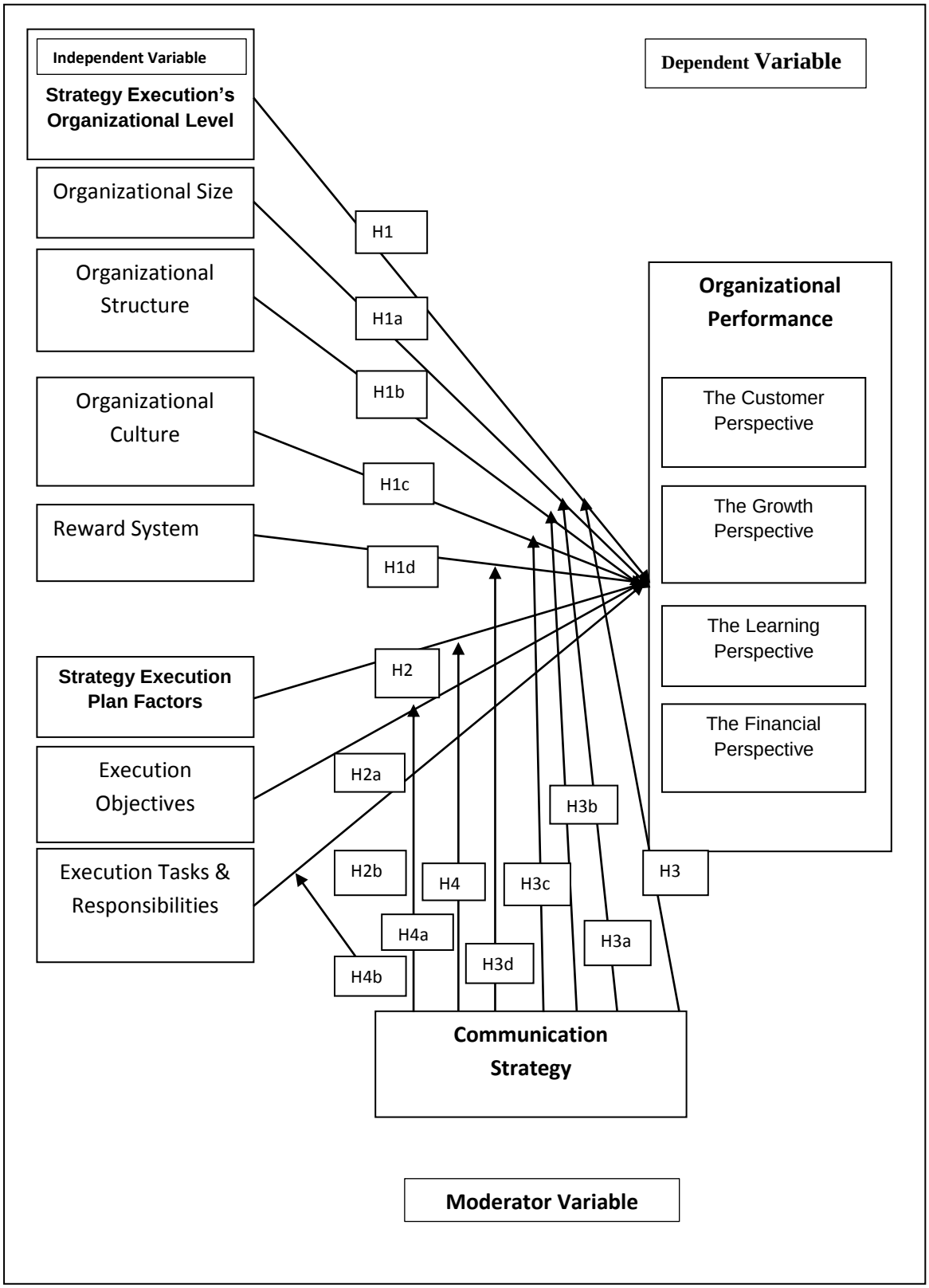


Figure 3.2

Hypothesized Framework



3.3 Development of Hypothesis

It is clear that this study focuses on strategy execution (organizational level dimensions and execution plan dimensions) as independent variable and strategic communication as a moderating variable and their effect on organizational performance on service-based universities in Palestine. Obviously, based on several reports, several organizations nowadays have failed to execute the strategic plan and this affects the organizational performance and the success of the universities. A study reported that less than 50% of the strategy planned by organizations really get implemented (Mintzberg, 1994), but only a few strategies are translated into action (Morgan *et al.,* 2007) and 95% of people in organizations do not even understand the strategy of the organization (Kaplan & Norton, 2005). However, several things cause the failure of the strategy, such as poor execution (Nutt & Wilson, 2010). It is clear that organizations must determine their strategy execution factors which enables the organization to improve performance, such as the organizational level (organizational size, organizational structure, organizational culture, and reward system (Cater& Pucko, 2010; Delisi, 2006; Harrington, 2006), execution plan (Hrebinik & Joyce, 1984), and communication strategy (Andrews *et al.*, 2011; Fernandez & Rainey, 2006).

In relation to what has been mentioned, the objectives of this study are to investigate the relationship between these strategy execution factors and their effect on organizational performance either as an independent variable or a moderating variable. As mentioned earlier, the factors used in this study are: (1) organizational level of strategy execution, (2) execution plan, and (3) communication strategy.

H_1) There is a Relationship between Strategy Execution Level (SEOL) and Organizational Performance (OP).

H_{1a}) There is a relationship between organizational size and the organizational performance.

H_{1b}) There is a relationship between organizational structure and the organizational performance.

H_{1c}) There is a relationship between organizational culture and the organizational performance.

H_{1d}) There is a relationship between reward system and the organizational performance.

H_2) There is A Relationship between Execution Plan (SEP) and Organizational Performance (OP).

H_{2a}) There is a relationship between execution objectives and the organizational performance.

H_{2b}) There is a relationship between execution tasks & responsibilities and the organizational performance.

H_3) Communication Strategy Moderates The Relationship Between Strategy Execution Organizational Level (SEOL) And Organizational Performance (OP).

H_{3a}) Communication moderates the relationship between organizational size and organizational performance.

H_{3b}) Communication moderates the relationship between organizational structure and organizational performance.

H_{3c}) Communication moderates the relationship between organizational culture and organizational performance.

H_{3d}) Communication moderates the relationship between reward system and organizational performance.

H_4) Communication Strategy Moderates the Relationship Between Execution Plan and Organizational Performance.

H_{4a}) Communication moderates the relationship between strategy execution objectives and organizational performance.

H_{4b}) Communication moderates the relationship between strategy execution tasks & responsibilities and organizational performance.

This chapter describes the research method employed in this study. It is organized into five sections: (1) positivist paradigm, (2) Design of study, (3) Population and sampling, (4) Instrumentation, (5) Reliability and validity of survey instruments. Specifically, this study analyzes the relationship between strategic execution at organizational level's dimensions and strategy execution plan's dimensions, strategic communication, and their effect on organizational performance among higher learning institutions in Palestine- Gaza strip. The independent variable and the mediating variable selected in this study are based on the thorough review of the effect variables on organizational performance.

3.4 Theoretical Paradigm

The consideration was given to the theoretical paradigm which underlying the research design, prior to deciding on methodology and methods. Myers (1994) states that research should move from the underlying theoretical assumption to research design

and data collection. A theoretical paradigm defined as the basic belief systems or worldview that guides the investigation (Gupa & Linciolin, 1994). Gupa and Linciolin (1994) also added that the theoretical paradigm used in management research includes positivism, realism, constructivism, and critical theory.

This research will concentrate primarily on the design of the research, which is based on the positivistic model with quantitative methodology in the collection and analysis of the data, followed by data collection and methods. These comprise of survey questionnaires, accuracy and strength and the reliability of measures.

In order to find the real and accurate answers of the research questions, the concept of paradigm in the social science domain was used. According to Hart (2003) paradigm is considered to be the development or growth of scientific practice in order to define and explain how scientists or researchers work within accepted ways of describing, classifying, hypothesizing, conceiving, and formulating methods within the different disciplines. Different research paradigms need different research methods and methodology for data collection and find a solution to problems and giving an explanation for different events. Conceptually, several paradigms are found in the field of social science, which have been subjected to severe critical analysis.

3.4.1 Justification to use Positivistic Paradigm

The selection of the right and appropriate paradigm for a research is a difficult task and it depends on the ontological assumption. On the basis of this research, it is rational and logical to use positivistic paradigm with a quantitative approach in order to collect and

analyze data. The reasons for making this selection are discussed as follows: Positivistic paradigm is a concept, which based on the principle, that the study of strategic management (organizational level of analysis) and should be conducted in the same manner as the studies are conducted in the field of natural sciences. The view or outlook of pessimism is that the social reality is considered to be objective in nature, is independent and is independent from the mind, which is independent and autonomous from individuals and continues to exist regardless of the fact that we are aware of it or not. The epistemological assumption is laid on the foundations that a phenomena which can be observed and measured (May, 1998). Therefore, it concentrates on giving data, which is quantities and has a large sample size (May, 1998; Hussey & Hussey, 1997).

This research concentrated on measuring the organizational performance when implementing the strategy in the higher learning institutions in Palestine- Gaza strip by means of the model by instituting informal links between the research variables. In this case, the ontological assumption has been determined and it is objective in nature and it can be observed and measured. Hussey and Hussey (1997) indicated that, under a positivistic paradigm, the approach concentrates on reviewing the literature as it assists in establishing the appropriate theory and formulates the hypothesis. The theory, model, and hypothesis of this study have been derived from the literatures that can be investigated and evaluated by employing statistical analysis.

In essence, the present framework of this study is a new one. However, the relationships between organizational variables and organizational performance have originated from earlier researchers in their respective field areas (Andrew, *et al.* 2011; Aponte, 2011,

Franklin, 2011; Alashloo, *et al.* 2005). Even though previous studies strongly supported the relationship between each independent variable (strategy execution dimensions and strategic communication) individually with organizational performance (Andrew, *et al*, 2011, Mieso, 2010; Bailey, 2008; Maas, 2008; Speculand, 2008; Hrebiniak, 2006; Higgins, 2005; Okumas, 2003; Bossidy & Charan, 2002; Noble, 1999; Charan& Colvin, 1999) few studies have been done to investigate the relationship of all these variables simultaneously in the same framework.

Based on the literature review, the explanation on the strategic management concept includes that the strategy execution and also the discussion of strategic communication within service organizations in the earlier chapter, it can be deduced that there is a certain amount of direct and positive causal relationships or logical linkages between dimensions of these variables. It is also apparent that the independent variable in this study, comprising two dimensions (organizational level and execution plan) and moderating variable strategy communication influence the dependent variable, the organizational performance.

3.5 Design of Study

A research design can be defined as an action plan for getting from here to there, where here may be the initial set of questions to be answered, and "there" is the set of answers or conclusions about these questions (Babbie, 2004). The present study employs a quantitative survey method to gather data. A quantitative study is defined as an inquiry into a social or humanitarian issue based on testing a theory composed of variables,

measured with numbers and analyzed with statistical procedures, in order to determine whether the predictive generalizations of the theory hold true (Creswell, 2003).

A survey design can also offer a quantitative or a numeric description of a sample of the population through the data collection process of inquiring chosen individuals. In turn, this data collection will allow the researcher to generalize the findings from a sample of responses to population (Fowler, 1988). Supported by these suggestions, the survey method is considered stable and is therefore used in this research.

The study involved two independent variables (strategy execution, organizational' level and strategy execution plan), one moderating variable (communication strategy) and on the dependent variable (organizational performance). Since the variables in the study are neither controlled nor manipulated as in the experimental designs, its main concern is more the relationships among the variables and also the ability of the independent variable and the moderating variable in explaining and predicting the value of the dependent variables based on the relationships.

3.6 Population

3.6.1 Population of Respondents

A population is defined as all members of any well-defined class of people, events or objects (Ary, Jacobs & Razavieh, 2002) the target population for this study was higher educational institutions in Palestine, (Gaza strip) which were selected from the 2013 Ministry of Higher Education MOHE' official website. Specifically, the study used all the 13 universities and community colleges listed in the MOHE website (www.mohe.gov.ps). The targeted population in this study is the current middle

managers in the higher education institutions in Palestine (Gaza Strip) due to their significant role.

Middle managers play critical roles in the implementation of organizational strategies. Yet, little is known about the views of middle managers on organizational factors influencing strategy implementation (Salih & Doll, 2013). One aspect of the organizational position of middle managers is their knowledge of external environments and internal operations. Being closer to the markets and to customers than top managers, middle managers have the knowledge to assess the viability of proposed strategies (Hutzschenreuter & Kleindienst, 2006;Rouleau & Balogun, 2011) and the influence to create an alignment between external market demands and the value of strategic initiatives. With the view that middle managers are an integral part of a control system within organizations, Floyd and Wooldridge (1994) suggested that middle managers, through the implementation of strategies, perform the following three tasks: (a) articulating tactics and allocating budgets that are necessary for achieving a strategy, (b) monitoring the performance of individuals and groups who are tasked with strategy implementation, and (c) taking corrective measures when behaviour falls below expectations (Salih & Doll, 2013).

In this study the middle managers selected as a population of study consist of (Deans, deputy Deans, Directors, Head of Departments, and the others – the others indicated to former Deans, former Deputy Dean, former Director, and finally former Head of Department), this happens because when the researcher went to collect data from the

respondents in September 2012, at this time the job rotation in the higher education institutions done at the end of August 2012.

3.6.2 Sample Size

Preferably, in order to achieve the most desirable balance between the chances of making errors, the cost of these errors and the cost of sampling; a sample size should be chosen. The idea is to find the most favorable sample size, which minimizes the total cost of sampling error. A large sample is much more likely to be representative of the population (Ary *et al.*, 2002).

The following pointers are recommended by Malhotra (2002) in considering a study sample size: (1) importance of the decision, (2) nature of the research, (3) number of variables, (4) nature of the analysis, (5) size of the sample, (6) incidence rates, (7) completion rates, and (8) resource constraints. Additionally, according to Cohen (1988), in order to decide on the necessary sample size of the research plan, one may predetermine on the significance criterion α and the desired degree of statistical power to be achieved.

In addition, the expected population is referred to as the effect size, must also be specified. According to Cohen (1988) the larger the sample size, the smaller the error and the greater the precision of the results. This will therefore strengthen the probability of detecting the phenomena under test. Additionally, he also opined that it is better to select a representative sample of the population than to have a large but biased sample leading to erroneous statements about the population.

According to Sekaran (2003), the sample size for a given population of 800 is 260. To ensure the sample is sufficient in addressing the objectives of this study, questionnaires were sent to the whole population. Out of 800 population members, there will be 236 respondents. This means the research met the recommended size which ranges from 100 to 200 ($100 \leq N \leq 200$), no matter what the original sample size was (Hoetler, 1983).

Unit of analysis: Level of aggregation of the data collected during the subsequent data analysis stage. Depend on the problem statement focuses (Sekeran, 2003). The unit of analysis for this study is an organization (higher education institutions). It includes all individual organizations in the higher education sector in Palestine, in particular those that are currently registered with the Palestine higher education authority. According to Uma Sekaran (2003) in Research Method for Business 4th Edition, Roscoe (1975) proposed the rules of thumb for determining sample size where sample size larger than 30 and less than 500 are appropriate for most research. So the researcher used 236 as the sample size for this research.

3.6.2.1 Justification of Stratified Sampling Technique

The adoption of stratified sampling instead of simple random sampling depends on the advantages derived from both. Therefore, stratified sampling was preferred rather than the simple random sampling for the following reasons. The stratified sampling guarantees the representation of the main subgroups of the population, particularly few minority groups instead of only the overall population (Schreuder, Ernst, and Ramirez-Maldanado, 2004; Cochran 1977). It seems that this way enables discussing the subgroups effectively. Various fractions of sampling within various strata to randomly

over sample, the small group may be used given that the subgroup is very small (Trochim and Donnelly, 2006; Basri, 2012).

Proportionate stratified random sampling is carried out if within strata the same sampling fraction is used, but a disproportionate stratified random sampling was carried out if different sampling fractions in the strata are used. Moreover, the statistic of stratified random sampling is in general more precise as compared to simple random sampling. However, this is realized if the strata or groups are homogeneous, and it is anticipated that the change within-groups is smaller than the change in the entire population if the strata or groups are actually homogeneous. Based on this fact and the choice of estimator, stratified sampling prevents bias in estimation (Castillo, 2009).

The proportionate stratification is used to represent all the groups equally, as well as, the sample size of each stratum is proportionate to the population size of the stratum. This means that each stratum has the same sampling fraction. Further, Proportionate stratification provides equal or better precision than a simple random sample of the same size. Gains in precision are greatest when values within strata are homogeneous. Gains in precision accrue to all survey measures (Sekeren, 2003).

3.7 Research Instrument and Construction

The primary data for the study were collected through the survey method by using standardized structured self- administrated questionnaires. Questionnaires are essential and most directly associated with survey research (Babbie, 2004). For the purpose of

this study, the researcher employs one instrument, which had also been validated, and found to be reliable and valid, and were subsequently used in many other studies.

The first part of the research instrument seeks respondents' and institutional profiles. It contains statements asking about respondent's job title, (Deans, Deputy Dean, Head of departments, and others (the "others" respondents are the former Dean, Deputy Dean, Directors, Head of Department).

The second part of research instrument measures the two strategy execution (SE) dimensions, reflected by four measured variables, namely: (1) organizational level factors (2) Execution plan. For measuring these factors, this study adapted questionnaire developed and used by (Franklin 2011; Maas, 2008). Respondents are required to determine the degree to which the items on the Likert scale are 1 = 'extremely disagree' and 7 = 'have extremely agreed' to the extent of their usage so as to be competitive in their respective higher institutions.

The strategy execution, organizational level' determinants consist of four dimensions and the execution plan consists of three dimensions. All these dimensions were adapted from Maas (2008) study. These dimensions consist of 69 questions. The strategic communication is also adopted from Maas (2008) study, and this variable consists of six questions.

The organizational performance factors consist of four dimensions. All these dimensions were adopted from Franklin (2011). These four dimensions consist of 23 questions.

The same scale measurements are used for other dimensions. The statistical test was used in measuring the relationship between strategy execution and organizational performance using structural equation models (SEM). However, Structural equation modeling (SEM) will be used to see the relationship of these variable simultaneously and their effect on organizational performance.

In order to describe relationships between variables the structural equation models (SEM) was used. SEM is a more useful way than multiple regression and factor analysis. SEM presents additional benefits which are an efficient way to deal with multicollinearity, and methods for taking into account the unreliability of response data (Fox, 1997, 2006). Since the late 1980s, researchers have relied increasingly on structural equation modeling to test hypotheses about the dimensionality of, and relationships among latent variables (Muthen, 2002).

Structural equation modeling SEM was executed in order to test the fit between the model variables and the data obtained. SEM, which has been extensively applied in previous management information MIS research to assess and determine the simultaneous models, was employed to panel data since it has one cross sectional panel (Hair, Black, Babin, Anderson, & Tatham, 2006). This method selects because it has the ability to study and investigate a series of dependent relationships concurrently, particularly the direct and indirect consequences among the constructs present contained in the model (Hair *et al.*, 2006).

The final part measures the organizational performance (OP) dimension reflected by the balance scorecard performance measurement and its dimensions, namely: (1) customer

processes, (2) financial processes, (3) internal business processes, and (4) employee growth and learning processes. For measuring theses dimensions, the researcher adopted the questionnaire developed and used by Franklin (2011), Lee and Miller (1996), and Kaplan and Norton (1996).

The questionnaires were written in bilingual (Arabic & English languages). The instrument selected for this study was shown to have substantive construct validity and reliability. Therefore, to secure the internal validity of the study, the reliabilities of all the instruments were tested during the pre- test.

As stated earlier, the scores used to signify each descriptor in the above instrument were on a Likert scale continuum from 1-7. A Likert scale is used to rate the responses from the survey. It is an efficient way to assess the judgment of the participants (Franklin, 2011). Suitable for this study, the seven- point scale is selected because, according to Allen and Rao (2000), the wider distribution of scores around the mean gives more discriminating power and furthermore, it is easier to establish covariance between two variables with greater dispersion (that is, variance) around their means. The authors also argue further that the 7- point scale measures are well received in both the academic and institutional research settings especially for the dependent measures. In other words, those concerned with model development, advocating more points. This is due to the increased variance and better chances of demonstrating covariance among the key variable.

3.8 Data Collection Procedures

The quantitative survey type research design is particularly chosen for this study because it allows for a wide scope of information to be gathered fast at one time. A physical- appearance method of data collection was used in the study. Questionnaires were sent to respective respondents in the higher learning institutions. Each set of questionnaire was accompanied by a cover letter with an introduction and explanation of the purpose of the survey.

To limit response errors arising from the respondents' part, certain precautions was taken such as an assurance of confidentiality and anonymity in the covering letter enclosed with the questionnaire. Trust and confidence were built with the organizations during the first contact requesting their kind participation in the study before sending the questionnaires to them.

3.9 Data Analysis Procedures

When the survey data collected, codes were assigned to each individual respondent before the data was entered into the computer for analysis. The data were analyzed using the PLS program. Non- respondent characteristics were studied in order to check if the lack of response is significant. The collected data was summarized, analyzed, interpreted, and presented to address the research objectives that prompted the entire research process. Structural equation model (SEM) test was used. The statistics employed was determined to a great extent by the design of the study and also by the types of measurement scale characterizing the dependent variable. To test the moderating role of execution successful, this was tested based on a (PLS-SEMs) as

suggested by Baron and Kenny (1986). All three-steps suggested were conducted accordingly.

3.10 Preliminary Examination of Data

The computing of the statistical analysis was done after the empirical data have been screened. Examining the raw data revealed critical characteristics of the data. According to Hair, *et al.* (2006), examining the data would enable researchers to attain a basic understanding of the data and the relationship between variables. Matters such as coding errors could be appropriately corrected at this stage.

3.11 Assessment of Raw Data

Several things can be done to the raw data in order to see what they can say about the hypotheses (Neuman, 2003). An inspection of the raw data can be done by using the descriptive statistics to find obvious coding errors. The minimum and maximum values for each variable must fall within the admissible range. Pairwise correlation depicts that all relationships must be in the expected direction. Meanwhile, leastwise deletion of missing values indicates that the data can be used for analysis.

An outlier is an observation that is unusually small or large. Outliers assist researchers in detecting coding errors. According to Bagozzi and Baumgartner (1994), outliers are not recommended to be routinely excluded from further analysis. The data collected was analyzed by using three approaches:

Cronbach's alpha (α) is used to test the reliability. Cronbach's alpha indicates how well the items in a set are positively correlated to one another. This is to make sure that the

scales are free of random or unstable errors and produce consistent results over time (Cooper & Schindler, 1998).

Mean, standard deviation and variance in descriptive statistics was used by the researcher to get an idea on how the respondent reacted to the items in the questionnaire. The major concern of descriptive statistics is to present information in a convenient, usable and understandable form (Runyon & Audry, 1980).

Descriptive summary, including frequency and descriptive, was used to screen the data set. Among the basic statistic to be used are mean, median, mode, sum, variance, range, minimum, maximum, skewness and kurtosis.

Inferential statistics are concerned with the generalization from a sample to make estimates and inferences about a wider population (Neuman, 2003). Inferential statistics use probability theory to test hypothesis formally, permit inferences from a sample to a population and test whether descriptive results are likely to be due to random factors or to a real relationship (Neuman, 2003). PLS- SEM was used to test the productiveness of factors on the likelihood of the dependent variable.

3.12 Assessment of Outliers

According to Keller and Warrack (1997), an outlier is an observation that is unusually small or large. Outliers assist researchers in detecting coding errors. The administration of the structural equation modeling SEM, especially the variance and covariance among

the observed variables, may be distorted by the presence of the outliers. Nevertheless, Bagozzi and Baumgartner (1994) suggest that the outliers are not recommended to be routinely excluded from further analysis. Hence, in this study, the issue of measuring the multivariate outliers was dealt with using the Mahalanobis distance test. This was resulting in using all the cases for the purpose of analysis.

3.13 Assessment of Normality

Normality refers to the shape of the data distribution of individual metric variables and its correspondence to the normal distribution (Hair *et al*., 2006). Normality consists of univariate normality and multivariate normality. Univariate normality can be tested by examining the skewness and kurtosis. The skewness and courtesies should be within the +2 and -2 range when the data are normally distributed (Chou & Bentler, 1995; Pallant, 2001).

According to the central limit theorem, regardless of the shape of a population, the distribution of sample means and proportions are normal if sample sizes are large, i.e. more than 30 (Hair *et al.,* 2006). Sekaran (2003) suggests the approximation to normality of the observed variables could be investigated by inspecting the data through histograms, stem-and-leaf displays, and probity plots and by computing univariate and multivariate measures of skewness and kurtosis. Histograms, stem-and-leaf and probity plots indicate the symmetric distribution of variables or sets of variables.

Tabahnic and Fidell (1996) suggest the value of skewness and kurtosis is equal to zero if the distribution of a variable is normal. Chou and Bentler (1995) emphases the

absolute values of univaiate Skewness indices greater than 3 can be described as extremely skewed. Meanwhile, a threshold value of Kurtosis greater than 10 can be considered problematic and value greater than 20 can be considered as having serious problems (Hoyle, 1995; Kline, 1998).

3.14 Reliability and Validity

Before exploring and describing the relationship between strategy execution, execution success and organizational performance, it will be deemed necessary to gauge the extent of reliability and validity for each of the instruments used in the study. Thus, all the necessary tests were carried out in this study.

3.14.1 Reliability

According to Ary *et al*,. (2002), reliability is concerned with our consistency in measuring what we aim to measure or the scale's internal consistency. This refers to the degree to which the items that make up the scale 'hang together' (Pallant, 2001).

Therefore, the Cronbach's alpha coefficients verify the internal consistency. The reliability of a measure shows the point to which the measure is without bias (error free) and thus offers consistent measurement across time and across the different items in the instrument (Sekaran, 2003).

The four methods that can be utilized for assessing reliability are: (1) test- retest, (2) alternate- form, (3) split- halves, and (4) internal consistency (Nunnally & Bernstein, 1994) and the most frequently used psychometric measure in assessing survey instruments and scales is, internal consistency reliability.

Reliability is also described as the degree to which variable or a set of variables is consistent in what it aims to measure. The reliable measures will all be very consistent in their values should multiple measurements be taken. Reliability is the scale to which the studied variable measures the 'true' value, and is 'error free'; therefore it is the opposite of measurement error. If the same measure is taken repeatedly, for example, more reliable measures will show greater consistency than less reliable measures (Hair *et al.,* 2006). The reliability of a measure indicates the stability and consistency with which the instrument measures the concept and helps to assess the 'goodness' of a measure (Sekaran, 2003).

Internal consistency, in other words indicates of how well the different items measure the same concept. This is important for a group of items purporting to measure one variable should indeed be clearly focused on that variable (Nunnally & Bernstein, 1994). Cronbach's, α is a reliability coefficient that indicates how well the items in a set are positively correlated to one another (Sekeran, 2003).

Ideally, the Cronbach α coefficient of a scale should at least 0.7 (Hair, Anderson & Tathan, 1995). However, it has to be noted that Cronbach α values are quite sensitive and it is quite common to find quite low Cronbach α values for the short scales. Nunally's range of Cronbach alpha is 0.7, while Briggs and Cheek (1986) recommended an optimal range for inter-item correlation of 0.2 to 0.4 Reliability of the scales of the instruments used to operationalize the variables was tested by using the SPSS software.

Pre-test and Post-Test Reliability of Instruments

Babbie (2001) and Sekaran (2003) view a pre-test questionnaire as useful because it can ensure that there are no problems with wordings or the measurements, rectify any inadequacies in time and ultimately reduce bias. It also ensures that reliability and validity of the scales used are acceptable before data collection is carried out. Cooper and Schindler (1998) also support this idea and state that pre-test conducted will detect weakness in design and instrumentation and provide proxy data for selection of a probability sample.

The pre-testing exercise took place after discussing the instrument with supervisors and experts in the area of this study. Based on their evaluations and suggestions, the pre-testing was conducted so as to ensure that the face and content validity of the instrument was maintained. The rule of thumb is to ascertain the right number of respondents for the pre-testing is based on the suggestion by Narrins (1999).

According to Narins (1999), the respondents who participate in the pre-testing was excluded from the final sample. Based on the feedback received from the respondents, the items and layout of the questionnaire were revised accordingly before the final distribution.

According to Hair *et al.* (1995), acceptable ranges of reliability of most instruments range from 0.7 to 0.9. The closer the alphas to 1, the better the instruments are. Kline (1998) suggests that α value of above 0.50 will be considered reliable. Based on the pre-testing exercise, all the items for each construct post a Cronbach α value of as low as

0.65 to as high as 0.99. As such, based on Nunally (1967) and George and Mallery (2003), the items for each construct in the questionnaire was reliable and have an internal consistency and considered very high. This means the results of the reliability tests in the pre-test and post-test modes was indicated that the instruments are highly reliable.

3.14.2 Validity and Partial Least Square PLS

Validity implies truthfulness and refers to the match between a construct. It can also be described as the way a researcher conceptualizes the idea in a conceptual definition and a measure. It is defined as the degree to which any measuring instrument measures what it is intended to measure (Hair *et al.* 2006; Sekaran, 2003; Pallant, 2001; Salkind, 2000). It refers to how well an ideal reality fits with actual reality (Neuman, 2003). Strong validity scores certify that the items used in the questionnaire to correctly measure what they are intended to measure (Hair *et al*, 2006). The three types of validity that were applied in this study are; face validity, content validity, and construct validity.

Face validity refers to the judgment of the scientific community that the indicator really measures the construct (Neuman, 2003) or the measure apparently reflects the content of the concept in question (Bryman& Bell, 2003). Face validity in this study was established by asking those with experience or expertise in the field, about whether the measure has an effect on the concept that is focussed. Therefore, the measures were amended based on the comments and suggestions from several academicians and practitioners.

Content validity is a unique form of face validity (Neuman, 2003). It is linked to the degree to which the scale items stand for the domain of the concept under study (Neuman, 2003). Content validity is a utility of how well the dimensions and elements of a concept delineate (Sekaran, 2003). In other words, it captures the entire meaning. Measures should represent all ideas or areas in the conceptual space (Neuman, 2003). Content validity is the only type of validity for which the evidence is subjective and logical rather than statistical (Bryman, 1988).

Malhotra (2002) suggests a few methods to provide evidence of validity for a multi-item scale: (1) agreement among three experts regarding all items in the scale, (2) high correlation between the scales, (3) using theory to explain, and (4) high level of reliability. To ensure validity, the researcher was consulting experts in the field of research method to evaluate the fit of the items for the purpose of the research.

Furthermore, content validity was established through the literature review and pre-testing of the questionnaires. The items and questions selected based on substantive theory and pre-testing results were showing that the measurement scale demonstrate reasonable content validity.

Apart from that and before the hypothesis was tested, Hair *et al.*, (2013) suggest the research items should go through PLS- SEM. PLS used to test a *priori* the extent cross loadings that represent the actual data. This means the measurement theories was represented by visual diagrams and only the loadings that theoretically link to measure items of corresponding latent factors was calculated.

PLS-SEM is useful in testing the validity (construct validity, discriminate validity, nomological validity, and face validity) of the items (Hair *et al.* 2012, 2013). The first step in evaluating the results is to examine the acceptable level. Wheaton, Muthen, Alwin, and Summers (1977) suggest the use of the chi- square divided by degrees of freedom (X^2\ df) that should be less than 5, which also means the P value for chi-square is significant. The next step is assessing the overall model fit in, which the indices of the model have to achieve the minimum acceptable level: Goodness of fit (GoF) – above 0.15 (Cohen, 1998).

3.15 PLS Structural Equation Modeling Approach

The Partial Least Squares or PLS modeling was proposed by Herman Wold (1982, 1985) as cited by LohmLoller (1987, 1989), in the computational aspects of the LVPLS software. It has also been attributed to Wold (1982, 1985) through theoretical developments and by Chin (1998, 2001, and 2009) and Chin and Newsted (1999) for the new graphical interface (PLS-Graph) and for enhanced validation methods. The LohmsLoller's program PLSX for units x variable data is the basis of the PLS-Graph software and eventually enables similar options.

3.15.1 The PLS Path Model

The PLS path modeling method is a commonly used method in the estimation of causal relationships in the field of path models involving latent constructs that are measured indirectly by many indicators. Previous studies by Wold (1982), Lohmoller (1989), Chin (1989), Tenenhaus, Vinzi, Chatelin, & Lauro (2005) explained the methodological

basis and methods for outcome evaluation and provided some instances of this methodology.

A PLS path model's description is provided by two models; a measurement model linking the manifest variables (MVs) to their latent variables (LVs), and a structural model that relates endogenous LVs to other LVs. The measurement model is referred to as the outer model while the structural model is referred to as the inner one.

The inner model describes the relation between unobserved or latent variables while the outer one describes the relation between a latent variable and its manifest variable, An example of a PLS path model. The general design of a PLS presents a recursive inner model that is exposed to predictor specifications. Therefore, the inner model comprises a causal chain system and includes two varying types of outer models; the reflective and the formative measurement models are represented by Mode A & B respectively. The choice of a particular outer mode is explained by theoretical rationale (Diamantopoulos & Winklhofer, 2001).

3.15.2 The PLS Path Modeling Algorithm

The PLS algorithm is primarily regression sequence based on weight vectors. The weight vectors achieved at convergence achieve fixed point equations. Lohmoller (1989) suggested that the basic PLS algorithm includes the following three phases:

Stage 1: An iterative estimate of latent variable scores comprising a four-phase iterative process that is repetitive until the achievement of convergence. The steps include:

1. The external approximation of the latent variable scores,
2. Inner weights estimation,
3. The latent variable scores internal approximation, and
4. Outer weights estimation.

Stage 2: The outer weights/loadings and path coefficient estimation

Stage 3: Location parameter estimation

3.15.3 Methodological Characteristics

Literature concerning PLS path modeling and other publications regarding causal modeling applications using the PLS path modeling method to often highlight the method's beneficial features (e.g. Fornell & Bookstein, 1982; Joreskog & Wold, 1982; Lohmoller, 1989; Schneeweifi, 1991; and Falk & Miller, 1992).

The widespread use of PLS path modeling in the circles of scientists and practitioners stem from four basic features; (1) As opposed to singularly stressing on the common reflective mode, the PLS path modeling algorithm enables the unconfined calculation of cause-and-effect relationship models employing both reflective and formative measurement models (Diamantopoulos & Winklhofer, 2001); (2) PLS can be utilized in estimation of path models in smaller sample sizes (Chin & Newsted, 1999); (3) PLS path models can turn very complex as they comprise of varying latent and manifest variables, but they never lead to issues of estimation (Wold, 1985). Moreover, the PLS path modeling is considered as methodologically beneficial compared to CB-SEM in cases when improper or non-convergent outcomes are possible (e.g. Heywood cases,

see Krijnen, Dijkstra, & Gill, 1998). More importantly, with increasing complex models, the amount of latent and manifest variables may be greater in relation to the observation numbers. Finally, PLS path modeling can be utilized in highly skewed distributions (Bagozzi, 1994), or when the observations independence is not guaranteed because according to Fornell (1982, p. 443), "there are no distributional requirements".

3.15.3.1 Reflective and Formative Measurement Models

The reflective measurement model originates from the classical test theory along with psychometric (Nunnaly & Bernstein, 1994). Construct modifications are often reflected in the indicators' changes. The latent variable is eventually defined as a weighted score throughout the representative indicator variables, with every variable representing a single dimension of its own.

On the other hand, the formative measurement model utilizes the overall index domain where the indicators represent the overall important dimensions or independent source of the latent variables. This implies that the omission of a single indicator could lead to the omission of a specific part of the formative measurement model and modify the variable's meaning (Diamantopoulos & Winklhofer, 2001).

3.15.3.2 Sample Size

In PLS path modeling, the size of the sample can be significantly smaller. This aspect of the sample is illustrated by Wold (1989) through the analysis of a path model on the basis of a data set comprising 10 observations and 27 manifest variables. Based on a rule of thumb, for a robust estimation of PLS path modeling, the sample size should be

equal to the larger of the following sizes (Barclay, Higgins & Thompson, 1995); (1) ten times the scale's number of indicators with the highest number of formative indicators or (2) ten times the highest number of structural paths concentrated on a specific construct located in the inner path model. Similarly, Chin and Newsted (1999) illustrated a Monte Carlo sample study concerning PLS with small samples. The selection of a suitable sample size hinges on the relationship magnitude or the required degree of power. Clearly, it is important for the researcher to keep the following in consideration: the distributional characteristics of the data, potential missing data, the psychometric properties of the variables examined, and the relationships magnitude prior to deciding on a suitable sample size to utilize or to guarantee that an appropriate sample size concerning the phenomenon of interest is available (Marcoulides & Saunders, 2006).

3.15.3.3 Model Complexity

With the increase of model complexity, certain CB-SEM discrepancy functions, such as GFI and AGFI, decline and they may become unsuitable for more complex models (Anderson & Gerbing, 1984). For instance, authors Boomsa & Hoogland (2001) conducted an experimental variation of model complexity by modifying the estimated parameters and the number of freedom levels and they revealed that the more parameters to be estimated, the more will be the occurrence of non-convergence and ineffective solutions. In other words, the larger the number of estimation requirements, the more will be the information required.

Hence, PLS is widely used for its suitability in explaining the complex relationships (Fornell, 1982; Fornell, Lorange & Roos, 1990). Similarly, according to Wold (1985, p. 589-590), PLS is prominent among larger models when the importance moves from individual variables and parameters to groups of variables and total parameters. Hence, in complex models having latent variables PLS is the most common choice. In addition, the PLS algorithm enables a significant increase in model complexity and a significant reduction between the distance of subject matter analysis and statistical methods within domains that are characterized by continuous access to data that is reliable.

3.15.4 Evaluation of the PLS Path Model

The PLS path modeling does not employ the condition of global goodness-of-fit. As such, Chin (1998) proposed a catalogue of criteria for the assessment of partial model structures. The criteria comprise of a two-phase process that covers (1) the outer model assessment and (2) the inner model assessment.

At the beginning of the two step process, model assessment focuses on the measurement models. A systematic evaluation of PLS estimates reveals the measurement reliability and validity according to certain criteria that are associated with formative and reflective outer model. It only makes sense to evaluate the inner path model estimates when the calculated latent variable scores show evidence of sufficient reliability and validity.

3.15.4.1 CB-SEM and VB-SEM Approaches

- The covariance structural equation modeling (CB-SEM) was proposed as a confirmatory model and it is distinct from the PLS path modeling as the latter is predicted oriented.
- CBSM has always been the common approach for the estimation of SEMs. The popularity of PLS path modeling is recent, particularly in the consumer and service research field.
- The PLS path modeling should be considered as more than a less strict replacement of CB-SEM but as an approach that complements CBSEM (Lohmoller, 1998).
- Covariance-based SEM, Components-based SEM along with PLS path modeling should be considered as methods that complement each other. The aim of the covariance-based SEM is to decrease the fit-function between the sample covariance matrix and the implied covariance one. As for the PLS path modeling, the estimates of parameters are acquired to decrease the residual variance of dependent variables, both manifest and latent. Nevertheless, conditions may exist when PLS path modeling may outperform the covariance-based SEM in its assessment of hierarchical construct models.
- Utilizing covariance-based SEM for the identification of reflective hierarchical models is a challenging task. Even in cases when the model is identified theoretically, it may take a backlash from empirical under-identification, which could lead to non-convergence and/or unsuitable solutions. As for formative hierarchical construct models or such models with a combination of formative

and reflective constructs, the challenges are multiplied. The PLS path modeling is not as vulnerable to identify issues and unsuitable solutions compared to covariance-based SEM.

- Cassell et al. (1999) managed to present the robust deviation from normality of PLS path modeling with the exception of highly skewed distributions with the help of a Monte Carol simulation.
- The PLS path modeling is more suited to complex models such as those with hierarchical constructs (with a complete disaggregation method), mediating and moderating impacts (Chin *et al.*, 2003).
- The formative constructs' analysis of covariance-based SEM is challenging and it requires the identification of rules, making its applications challenging particularly in multidimensional or hierarchical models. The PLS path modeling primarily enable for the convenient handling of formative constructs. Despite the well documented biasing impacts of incorrectly specifying formative constructs in Jarvis et al.'s (2003) IS literature review, Petter *et al.*, (2007) stated that 30% of the constructs are specified in an incorrect manner.
- The primary benefit of covariance based SEM that is superior to PLS path modeling is its use of formal testing procedures enabling for the assessment of the global model fit's validity (Bollen, 1989; Chin, 1998; Tenenhaus *et al.*, 2005). As for hierarchical construct models, the model fit is not the only thing that is assessed through formal testing procedures, but also different alternative nested models (Edwards, 2001; Marsh & Hocevar, 1985; Rindskopf & Rose,

1988). This is, however, impossible in the PLS path modeling and as a result, the model validity cannot be assessed globally.

- In Social sciences, unobserved heterogeneity and measurement errors are prominent. PLS path modeling applications are however often based on the rationale that the data analyzed stemmed from one population. This rationale of homogeneity is always unrealistic as individuals' perceptions and evaluations of latent constructs are mostly heterogeneous that can impact both the measurement part (varying latent variables means in a single segment) and the structural part (varying relations between the latent variables in a single segment) of a causal model (Williams, Temme, & Hildebrandt, 2002).
- There is a lack of a well-developed statistical instrument to extend and reinforce the PLS path modeling method.
- Monte Carlo simulations should complement the utilization of actual data sets (see Paxton *et al.,* 2001). The Monte Carlo simulations may function as an effective tool in exploring the effect of improper solutions in covariance-based SEM for hierarchical models and the possibility of the PLS path modeling to solve the problem.
- The PLS modeling has to be employed in the initial stage of the theoretical development to assess and validate exploratory models. In addition, one of its powerful features is its suitability for prediction-oriented research where the methodology helps researchers to concentrate on the explanation of endogenous constructs.

- Another feature of PLS is its vulnerability to multicollinearity. PLS determines measurement models and structural models through multiple regressions, and hence its estimates can be vulnerable to issues of multicollinearity.
- PLS produces latent variable scores which are constructs proxies measured by one or more than one indicator (manifest variables).
- PLS path modeling bypass issues of small sample size and it can hence be employed in certain situations where other methods are ineffective.
- PLS path modeling is able to estimate highly complex models having various latent and manifest variables.
- The PLS path modeling has looser assumptions regarding the variable's distribution and erroneous terms.
- The PLS path modeling can be utilized in reflective as well as formative measurement models.

3.15.5 The Prediction Quality of the Model

As vastly mentioned in the literature of multivariate data analysis, R^2 of the endogenous variable accounts for the variance of a particular variable that is explained by the predictor variables. Therefore, the magnitude of the R^2 for the endogenous variables was considered as an indicator of predictive power of the model. In addition to that, the sample reuses the technique which was developed by Stone (1974) and Geisser (1975) to confirm the predictive validity of the model. It was argued by Wold (1982) that the sample's reuse technique fit very well, the PLS modeling approach (Götz, Liehr-Gobbers, & Krafft, 2011).

More specifically, the predictive relevance of the model can be examined by the Stone–Geisser non-parametric test (Geisser, 1975; Stone, 1974; Fornell & Cha, 1994; Chin, 1998). The Stone–Geisser non-parametric test can be performed by using the blindfolding procedure embedded in the Smart-PLS 2.0 package. Blindfolding procedure could remove some of the data and utilize them as missing values to estimate the parameters. Next, the estimated parameters are used to reconstruct the raw data that are supposedly missing previously. Accordingly, the blindfolding procedure produces general cross-validating metrics Q^2.

3.15.6 The Rationale behind Choosing PLS SEM for this Study

Since this study deal with latent constructs and the purpose is to explore the relationships among these constructs, the latent analysis technique was the suitable choice. The start of the analysis of the data was with AMOS as a covariance-based SEM technique. As it is the main requirement of the maximum likelihood estimation method on which the AMOS analysis is built, the data must be multivariate normally distributed (Byrne, 2010, Hair *et al.*, 2010).

The data were first run using AMOS software version 18.0 and the univariate and multivariate normality were assessed. As illustrated in Table 4.9, the absolute value of the critical ratio for the skewness and kurtosis statistics for many variables were more than the cutoff values suggested by Kline (2011) as 3.0 and 7.0 respectively.

3.16 Summary

The purpose of this chapter is to specify the framework which is the focus of this study and to develop a research hypothesis and cover the research methodology, research design, sampling, data collection, measurement and analysis instruments. The proposed framework is an appropriate vehicle to test the effectiveness between universities' strategy execution of organizational level, execution plan, and communication strategy. Based on the literature, the hypotheses have been developed to investigate the causal relationship between organization level variables and the relationship between them and their effect on organizational performance.

CHAPTER FOUR

RESULTS AND DATA ANALYSIS

4.1 Introduction

This chapter presents the results of the data analysis procedures based on the data gathered from the Higher Educational institutions in Palestine- Gaza strip. First, this study examined how the respondents were distributed according to the demographic variables. Additionally, the study describes the main variables of the study using the descriptive statistics. Moreover, this study employed the Partial Least Squares Structural Equation Modeling (PLS-SEM) to assess the outer measurement model as a prerequisite for the inner structure model assessment and hypothesis testing.

Definitely, this study established the goodness of the outer model related to the constructs of this study, namely Strategy Execution organizational level factors (SEOL) (with Organizational Size (OS), Organizational Structure (OSS), Organizational Culture (OC), and Reward System (RS)), the Execution Plan factors (SEP) (with Strategy Execution Objectives (PO), strategy execution Tasks and Activities (SETA), and Responsibility PTR) and Organizational Performance (OP) (with Customer Perspective (CP), learning & Growth perspective (L&G), Internal perspective (IN), and financial perspective (F)). Once the construct validity was established, the process was to examine the quality of the structural model. Finally, the results of the hypothesis testing procedures were reported and the moderating effect of communication strategy on the strategy execution, organizational level SEOL, strategy execution plan SEP and organizational performance OP relationship were reported.

4.2 Demographic Distribution of the Respondents

The survey was carried out over a period that extended from September 2012 to February 2013. The final data sample included 236 participants who completed the questionnaire in the research are graphically illustrated in the following table:

Table 4.1
Number of Samples collected

Respondents' Categories	Frequencies	Percentage (%)
Dean	19	8
Deputy Dean	19	8
Director	51	21.36
Head of Department	87	36.86
Others	60	25.42
Total	236	100%

The final data sample included Dean, Deputy Dean, Director, Head of Department, and Others who were in positions such as: former Dean, Deputy Dean, Director, Head of Department represent the management at the university and handle the strategy execution to perform better. They all were highly experienced and have actively taken part during strategy execution activities to increase its performance. For more details, table 4.1 depicts information about the size of respondents. It seems, based on the results, that the majority of the respondents were heads of departments and directors.

Table 4.2

Participant's Demographic Information

Demographic Variable	**Category**	**(*N* = 236)**	**Percentage**
		Frequency	**%**
Gender	Male	194	82.2
	Female	42	17.8
Age	30 – 40 years	120	50.85
	41 – 50 years	100	42.37
	51 -60 years	16	6.78
Work Experience	1-10 years	112	43.9
	11 – 20 years	115	45.1
	More than 21 years	28	11.0
Type of Higher education Institutions	Public university	33	14
	Private university	91	38.5
	Community colleges	30	12.7
	Polytechnic college	27	11.4
	Others, (Eligibility university)	55	23.4

Based on the analysis, the study has categorized the respondents into five demographic variations in the sample. These are gender, position in the organization, age, work experience and type of higher education institutions.

Obviously, table 4.2 shows that most of the respondents who responded to this study were 194 male respondents for the gender classification with a percentage of (82.2%), while the females were only 42 respondents with a percentage of (17.8%).

Further, the results in table 4.2 show that most of the respondents who responded to this study are of middle aged, including 30-40 and 41-50, who were 220 respondents with a percentage of (93.1%), 16 respondents with a percentage of (6.78%) were high aged, and there were no respondents from highly aged. Furthermore, it was explained that most of the middle aged respondents are responsible for the management of strategy execution activities.

In terms of work experience of the respondents, the majority of them were having 11 to 20 years of experience, constituting a percentage of (48.72%), and 1-10 years of experience, constituting a percentage of (47.45%), whereas the rest was having less experience of more than 21 years (3.83%).

In terms of type of higher educational institutions HEI, the majority of respondents work at Private University (38.5%), Eligibility University was (23.4%) the public university was (14%), whereas the rest of HEI, 61 respondents (24.1%) were in the other types of HEI, such as the community colleges and polytechnic ones.

4.3 Testing Non-Response Bias

As indicated earlier, this study employed the survey questionnaire research design for which the questionnaire was the tool of data collection. The questionnaires were administered in all locations. However, it was necessary to conduct the non-response bias for the following two reasons. First, there were many respondents who responded only after many reminders and repeated visits. Second, the data collection was carried out over the period of six months, extending from September 2012 to February 2013.

In order to assess the non-response bias, the T-test was conducted to compare the responses of the early and late respondents regarding the variables of the study. Following the suggestions of Armstrong and Overton (1977) and Kannan *et al*. (1999), if the differences between late and early respondent were found to be significant, they may indicate the underlying differences between respondents and non-respondents.

The T-test was carried out between the 200 early respondents and the 50 late respondents, taking into account all the variables of the study. However, the results in Table 4.3 showed that there were no significant differences between late and early respondents across all the variables since the equality of the mean responses of the two groups were supported at the 0.01 level of significance.

Table 4.3
T-test results for Non-Response Bias

	Levene's Test for Equality of Variances		**T-test for Equality of Means**		
Variables	**F Value**	**Significance**	**T-Value**	**DF**	**Significance**
Organizational Size	4.098	0.044	2.177	300	0.030
Organizational Structure	0.224	0.636	1.092	300	0.276
Organizational Culture	1.052	0.306	-2.109	300	0.036
Reward System	2.64	0.105	-2.059	300	0.040
Execution Objectives	1.269	0.261	0.041	300	0.968
Execution Tasks & Responsibilities	0.014	0.906	0.030	300	0.976
Organizational Performance	0.113	0.737	-0.653	300	0.514

4.4 Descriptive Statistics

To get a summary of the data, a descriptive analysis was conducted to describe the general situation of Strategy Execution Organizational Level (SEOL), Execution Plan (SEP), Communication Strategy (CS) and Organizational Performance (OP) from the respondent's perspective. As can be seen in Table 4.5, the mean, standard deviation, maximum and minimum of the constructs were reported. These results reflected the level of all the constructs investigated.

All the constructs have the Mean just above the average ranged from 3.176 to 3.858 and the standard deviation ranged from 0.704 to 0.924. The minimum and maximum responses on the constructs are also reported in Table 4.4.

Table 4.4:
Descriptive Statistics of Constructs

Variables	Mean	Std. Deviation	Minimum	Maximum
Organizational Size	3.406	0.924	1.2	7
Organizational Structure	3.176	0.896	1.3	7
Organizational Culture	3.179	0.869	1.3	7
Reward System	3.515	0.742	1.5	7
Execution Plan Objectives	3.605	0.810	1.0	7
Strategy Execution Task & Responsibilities	3.858	0.704	1.3	7
Organizational Performance	3.591	0.761	1.0	7

4.5 Testing Goodness of Measurements

The goodness of the measures of the study was tested by employing the Factor Analysis (EFA) using IBM SPSS version 20 to identify the factors underlying the

variables of the study and the study utilized the Partial Least Squares Structural Equation Modeling using Smart PLS 2.0 to establish the construct validity of the measures used the results are discussed in the following sections.

4.5.1 Factor Analysis

To identify the factor underlying the variables measuring each construct in the study, factor analysis (FA) technique was utilized. Specifically, factor analysis was used to extract the dimensions of the Strategy Execution organizational level (SEOL), Strategic Execution Plan (SEP), Strategic Communication (CS) and the Organizational Performance (OP) constructs.

Prior to undertaking the factor analysis, the factorability of the data was checked. Factorability of the data was checked employing the measure of sampling adequacy, Kaiser-Meyer-Olkin (KMO), and the Bartlett's test of Sphericity. These two measures are based on the examination of the correlation among the items. While KMO measures the relative common covariance among the items to that with the errors, Bartlet's test, tests the hypothesis that the correlation matrix of the items is different from the identity matrix (Hair *et al.,* 2010). For the data to have an adequate level of multicolinearity, KMO should be at least 0.5 and the Bartlett's test of sphericity had to be significant (sig. <0.05) (Hair *et al.,* 2010). Another assessment of KMO has been provided by Field (2000) where he considered KMO value in the range 0.5 – 0.7 as mediocre, 0.7-0.8 as well and 0.8-0.9 as superb. For this study, KMO values ranged between for all the constructs ranged between 0.670 and 0.882 indicating an adequate level of factorability among the items. The reports of factor analysis for the constructs

of this study are discussed in the following subsections.

4.5.1.1 Factor Analysis of Strategy Execution Organizational Level (SEOL) Construct

This study started to capture the dimensions of the Strategy Execution Organizational Level (SEOL) Construct by employing the Principle Component Analysis (PCA) with Promax with Kaiser Normalization with Kappa 4. Therefore, the 49 items used to measure the Strategy Execution Organizational Level (SEOL) through its four dimensions, namely; organizational size (OS), organizational structure (OSS), organizational culture (OC) and reward system (RS) were sent to the factor analysis. The set of items showed an acceptable level of factorability since KMO was 0.854 and Bartlet's test was significant, indicating an adequate level of multicolinearity among the items. Based on the obtained results, the same four variables were extracted with eigenvalues greater than 1 and cumulative variance explained (CVE) of about 59 %, as illustrated in Table 4.5.

Table 4.5
Factor Analysis of Strategy Execution Organizational Level SEOL

Item Code	Factors			
	OS	OSS	OC	RS
q 1	**0.605**			
q 2	**0.609**			
q 3	**0.826**			
q 4	**0.713**			
A10		**0.515**		
A3		**0.519**		

Table 4.5 (continued)

A5	**0.657**	
A6	**0.677**	
A7	**0.724**	
A8	**0.540**	
A9	**0.591**	
b10		**0.551**
b11		**0.561**
b12		**0.604**
b13		**0.531**
b14		**0.531**
b15		**0.595**
b16		**0.641**
b17		**0.643**
b18		**0.675**
b19		**0.563**
b2		**0.450**
b20		**0.486**
b21		**0.539**
b22		**0.574**
b23		**0.419**
b24		**0.483**
b25		**0.538**
b26		**0.584**
b27		**0.568**
b28		**0.562**
b4		**0.327**

Table 4.5 (continued)

b5			**0.519**		
b7			**0.601**		
b8			**0.586**		
b9			**0.606**		
c2				**0.628**	
c3				**0.766**	
c4				**0.710**	
c5				**0.708**	
c6				**0.713**	
Eigenvalue	2.753	4.223	13.738	3.525	
VE %	68.8	60.3	55.0	70.5	
KMO					0.854
Overall VE%					58.8
Chi square					2218.21
Significance					0.000

	Component
OS	organizational size
OSS	Organizational structure
OC	Organizational culture
RS	Reward System

4.5.1.2 Factor Analysis of the Strategy Execution Plan (SEP) Construct

Similarly, to capture the underlying structure of the Strategy Execution Plan (SEP) variables, factor analysis was performed. All the items meant to measure the SEP construct were sent to factor analysis. The results showed that the items can be factor analyzed since the KMO was found to be 0.928 and Bartlet's test was significant at the

0.001 level of significance. The two factors extracted collectively explained 76.4 % of the overall variance in the construct. Therefore, the underlying factors of SEP construct were as resulted from the factor analysis as Execution Objective (PO), Execution Tasks & Responsibilities (PTR) as illustrated in Table 4.6.

Table 4.6:
Factor Analysis of SEP

Item Code	Factors	
	PO	**PTR**
ex1	**0.741**	
ex2	**0.826**	
ex3	**0.846**	
ex4	**0.807**	
ex5	**0.720**	
f1		**0.773**
f2		**0.825**
f3		**0.860**
f4		**0.833**
f5		**0.562**
f6		**0.697**
f7		**0.680**
Eigenvalue	**3.940**	**5.230**
VE %	**78.8**	**74.7**
KMO		**0.928**

Table 4.6 (continued)

Overall VE%	**76.4**
Chi square	**1989.224**
Significance	**0.000**

PO	Strategy Execution objectives
PTR	Execution Task & Responsibility

4.5.1.3 Factor Analysis of the Communication Strategy (CS) Construct

Similarly, to capture the underlying structure of the communication strategy (CS) variable, factor analysis was performed. All the items meant to measure the CS construct were sent to factor analysis. The results showed that the items can be factor analyzed since the KMO was found to be 0.835 and Bartlet's test was significant at the 0.001 level of significance. The one factor extracted collectively explained 76.4 % of the overall variance in the construct. Therefore, the underlying factors of CS as illustrated in Table (4.7).

Table 4.7
Factor Analysis of CS

Item Code	Factor
	CS
g1	**0.737**
g2	**0.796**
g3	**0.835**
g4	**0.806**
g5	**0.742**
g6	**0.669**

Table 4.7 (continued)

Eigenvalue	4.585	
VE %	76.4	
KMO		0.835
Overall VE%		76.4
Chi square		699.585
Significance		0.000
CS	Communication Strategy	

4.5.1.4 Factor Analysis of Organizational Performance (OP) Constructs

The items measuring the Organizational Performance (OP) construct were examined through the factor analysis techniques. The KMO was found to be 0.917% above the recommended cutoff value as 0.5 and the Bartlet's test was significant at the 0.001 level of significance, indicating an acceptable level of multicollinearity among the items (Hair *et al*., 2010). The results also revealed that there were four factors extracted explaining 76.5% of the variance in the construct as illustrated in table (4.8). These factors were named as Customer perspective (CP), Learning & Growth Perspective (LG), Internal Process (IN) and Financial Perspective (F).

Table 4.8:
Factor Analysis of Organizational Performance (OP)

Item Code	**Factors**			
	CP	**LG**	**IN**	**F**
h1	**0.806**			
h2	**0.807**			

Table 4.8 (continued)

h3	**0.838**			
h4	**0.839**			
h5	**0.742**			
h6	**0.648**			
i1		**0.739**		
i2		**0.764**		
i3		**0.852**		
i4		**0.817**		
i5		**0.812**		
i6		**0.747**		
k1			**0.759**	
k2			**0.739**	
k3			**0.672**	
k4			**0.806**	
k5			**0.726**	
k6			**0.675**	
l1				**0.858**
l2				**0.773**
l3				**0.835**
l4				**0.571**
Eigenvalue	4.679	4.731	4.377	3.038
VE %	78	78.9	75.9	75.9
KMO				0.917
Overall VE%				76.5
Chi square				2522.758

Table 4.8 (continued)

Significance		0.000
CP	Customer perspective	
IN	Internal Process	
LG	Learning & Growth	
F	Financial Perspective	

4.5.2 Restatement of the Hypotheses

Based on the performed factor analysis results, the hypotheses of the study are restated as illustrated in the Figure 4.1 As in the following:

H_1: There is a relationship effect of Strategy execution Organizational level (SEOL) on the Organizational Performance (OP).

- H_{1a}: There is a relationship effect of Organizational Size (OS) on the Organizational Performance (OP).
- H_{1b}: There is a relationship effect of Organizational Structure (OSS) on the organizational Performance (OP).
- H_{1c}: There is a relationship effect of Organizational Culture (OC) on the Organizational Performance (OP).
- $H1d$: There is a relationship effect of the Reward System (RS) on the Organizational Performance (OP).

H_2: There is a relationship effect of the Execution Plan (SEP) on the Organizational Performance (OP).

- H_{2a}: There is a relationship effect of Execution Plan Objectives (PO) on the Organizational Performance (OP).
- H_{2b}: There is a relationship effect of Execution Tasks & Responsibilities (PTR) on the Organizational Performance (OP).

H_3: The Communication Strategy (CS) moderates the relationship between Strategy Execution Organizational Level (SEOL) on the Organizational Performance (OP).

- H_{3a}: The Communication Strategy (CS) moderates the relationship between Organizational Size (OS) and the Organizational Performance (OP).

- H_{3b}: The Communication Strategy (CS) moderates the relationship between Organizational Structure (OSS) and the Organizational Performance (OP).

- H_{3c}: The Communication Strategy (CS) moderates the relationship between Organizational Culture (OC) and the Organizational Performance (OP).

- H_{3d}: The Communication Strategy (CS) moderates the relationship between a Reward System (RS) and the Organizational Performance (OP).

H_4: The Communication Strategy (CS) moderates the relationship between Strategy Execution Plan (SEP) on the Organizational Performance (OP).

H_{4a}: The Communication Strategy (CS) moderates the relationship between Execution Plan Objectives (PO) and the Organizational Performance (OP).

H_{4b}: The Communication Strategy (CS) moderates the relationship between Execution Tasks & Responsibilities (PTR) and the Organizational Performance (OP).

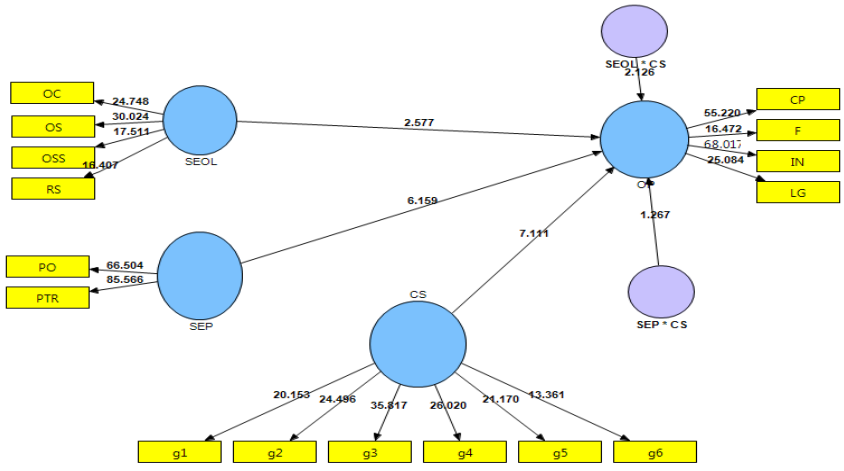


Figure 4.1
Research Framework and Hypotheses

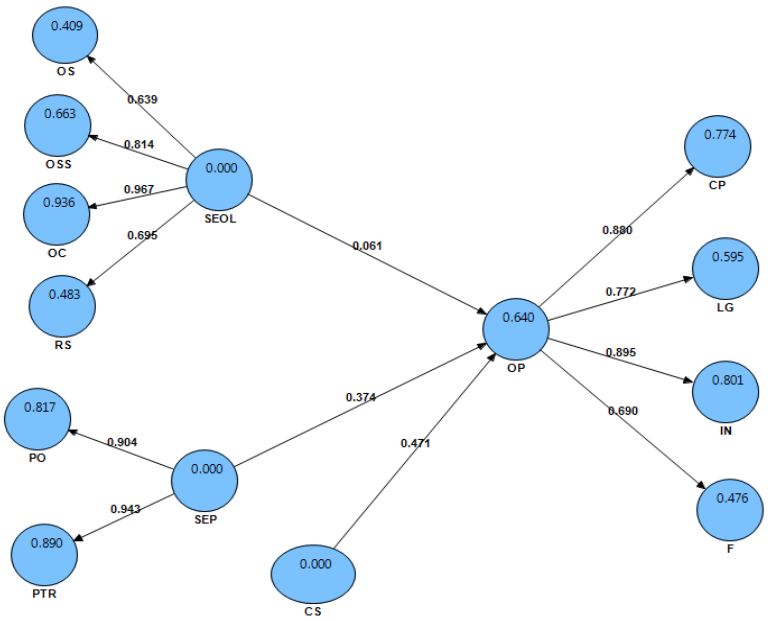


Figure 4.2
Dimensional module

4.5.3 PLS Structural Equation Modeling Approach

The Partial Least Squares or PLS modeling was proposed by Herman Wold (1982, 1985) as cited by LohmLoller (1987, 1989), in the computational aspects of the LVPLS software. It has also been attributed to Wold (1982, 1985) through theoretical developments and by Chin (1998, 2001, & 2009) and Chin and Newsted (1999) for the new graphical interface (PLS-Graph) and for enhanced validation methods. The LohmsLoller's program PLSX for units x variable data is the basis of the PLS-Graph software and eventually enables similar options.

These results indicate that these variables deviate substantially from being normally distributed. In addition to that, the multivariate normality of the data was not supported as indicated by the Mardia's test of the multivariate normality. As illustrated in Table (4.9), the Mardia's critical ratio for the multivariate kurtosis was 96.152 more than the

cutoff value suggested by Bentler (2005). These results revealed that the data deviate significantly from being multivariate normally distributed which is the assumption on which CB-SEM and Maximum Likelihood Estimation (MLE) technique was set up.

To be able to handle the nor-normal data and test for the hypothesized relationships, this study employed the PLS Structural Equation modeling PLS-SEM which is the distribution free statistical modeling technique (Chin, 1998).

Table 4.9:
Assessment of Univariate and Multivariate Normality

Variable	**Min**	**Max**	**Skew**	**c.r.**	**Kurtosis**	**c.r.**
Organizational Size	3.000	39.000	-.427	-3.179	-.792	-.267
Financia_Perspective	3.000	21.000	-.320	-2.084	-.111	-.363
Employee_Learning_Growth	5.000	35.000	-.533	-3.474	.219	.714
Internal_Processes_Perspective	6.000	42.000	-.494	-3.218	-.049	-.159
Customer_Perspective	5.000	35.000	-.368	-2.400	-.167	-.543
Execution_Plan	4.000	28.000	-.477	-3.111	.102	.334
Execution_Objectives	4.000	28.000	-.684	-4.461	.337	1.098
Execution_Tasks_Responsibility	6.000	42.000	-.477	-3.107	-.061	-.200
Organizational_Structure	8.000	39.000	-.174	-1.132	-.375	-1.221
Organizational_Culture4	32.000	105.000	-.219	-1.426	-.235	-.765
Reward_System	3.000	21.000	-.059	-.382	-.491	-1.602
Multivariate					28.817	14.852

4.5.4 Testing the Measurement Model Outer Model Using PLS Approach

Before testing the hypotheses of the study, the measurement model, outer model, was assessed through the Partial Least Squares Structural Equation Modeling (PLS-SEM) technicals. In doing that, this study followed the two steps approach suggested by Anderson and Gerbing (1988). Figure 4.3 shows the model of the study with structural dimensions.

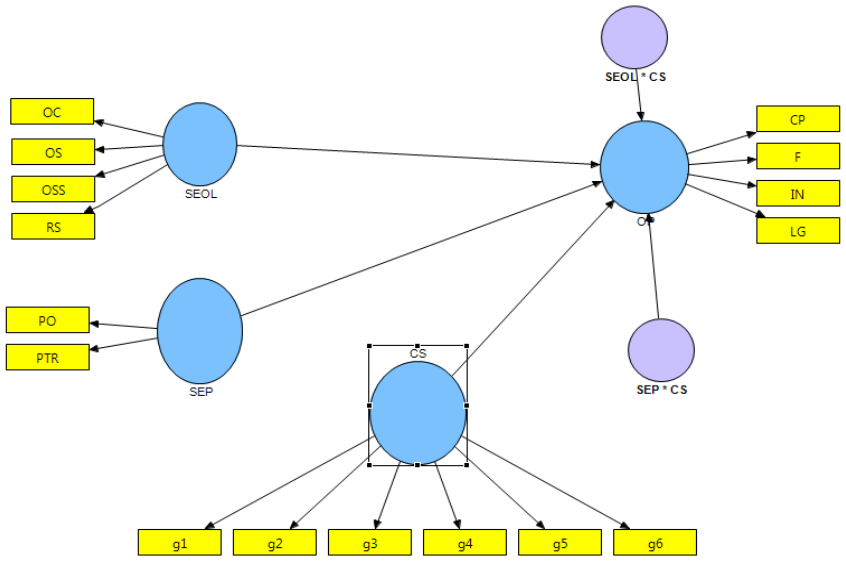


Figure 4.3
Research Model

4.5.4.1 The Construct Validity

The construct validity can be established by the content validity, convergent validity and discriminant validity (Hair *et al.*, 2010).

4.5.4.1.1 The Content Validity

The content validity of the measure refers to the degree to which the items generated to measure a construct can appropriately measure the concept they were designed to measure (Hair *et al.* 2010). More specifically, all the items designed to measure a construct *should load higher on their respective construct than their loadings* on other constructs. This was ensured by the comprehensive review of the literature to generate the items that already have been established and tested in previous studies. Based on the analysis conducted in factor analysis, items were correctly assigned to their constructs. Clearly, the results in Table 4.10 indicated, the content validity of the measures used as illustrated in two ways.

Firstly, the items shows high loading on their respective constructs when compared to other constructs.

Secondly, the item loadings were significantly loading on their respective constructs confirming the content validity of the measures used in the study as depicted in Table 4.10 and Table 4.11 (Chow & Chan, 2008).

Table 4.10
Cross Loadings of Items

Items	OSS	OC	RS	PO	PTR	CS	CP	IN	LG	F	OS
a10	**0.515**	0.305	0.125	0.129	0.032	0.006	0.039	0.034	0.104	-0.016	0.214
a3	**0.519**	0.360	0.267	0.296	0.411	0.395	0.380	0.352	0.310	0.285	0.411
a5	**0.657**	0.400	0.384	0.010	0.037	0.075	0.037	0.015	0.051	0.052	0.238
a6	**0.677**	0.440	0.406	-0.037	0.054	0.067	0.033	0.037	0.071	0.071	0.215
a7	**0.724**	0.456	0.439	-0.013	-0.085	-0.082	-0.097	-0.064	0.013	-0.084	0.197
a8	**0.540**	0.372	0.316	0.309	0.238	0.223	0.173	0.192	0.168	0.165	0.208
a9	**0.591**	0.270	0.204	0.013	0.002	-0.071	-0.055	-0.075	-0.004	0.013	0.254
b10	0.347	**0.551**	0.421	0.190	0.155	0.181	0.113	0.139	0.116	0.125	0.254
b11	0.276	**0.561**	0.397	0.078	0.057	0.117	0.034	0.043	0.059	0.117	0.286
b12	0.358	**0.604**	0.404	0.085	0.059	0.153	0.088	0.116	0.111	0.138	0.297
b13	0.359	**0.531**	0.356	0.158	0.119	0.126	0.186	0.154	0.135	0.167	0.337
b14	0.398	**0.531**	0.344	0.141	0.127	0.175	0.170	0.132	0.157	0.164	0.315
b15	0.400	**0.595**	0.358	0.142	0.076	0.130	0.108	0.061	0.039	0.063	0.248
b16	0.417	**0.641**	0.396	0.104	0.096	0.171	0.097	0.087	0.054	0.125	0.249
b17	0.419	**0.643**	0.429	0.068	0.117	0.225	0.104	0.113	0.090	0.187	0.367
b18	0.422	**0.675**	0.444	0.065	0.142	0.149	0.046	0.021	0.123	0.187	0.261

Table 4.10 (Continued)

b19	0.318	**0.563**	0.337	0.126	0.115	0.222	0.063	0.062	0.068	0.168	0.291
b2	0.322	**0.450**	0.370	0.061	0.046	0.094	0.074	0.047	0.127	0.165	0.270
b20	0.329	**0.486**	0.289	0.070	0.103	0.131	0.109	0.057	0.070	0.095	0.246
b21	0.276	**0.539**	0.250	0.215	0.253	0.317	0.192	0.205	0.155	0.240	0.262
b22	0.395	**0.574**	0.365	-0.058	-0.020	0.094	0.103	0.096	0.044	0.081	0.284
b23	0.270	**0.419**	0.298	0.216	0.249	0.334	0.265	0.291	0.198	0.297	0.324
b24	0.272	**0.483**	0.334	0.116	0.143	0.266	0.177	0.218	0.193	0.274	0.271
b25	0.313	**0.538**	0.295	0.115	0.063	0.134	0.081	0.073	0.117	0.181	0.233
b26	0.324	**0.584**	0.409	-0.016	-0.009	0.067	-0.016	-0.012	0.046	0.178	0.184
b27	0.308	**0.568**	0.459	0.036	0.044	0.154	0.038	0.029	0.040	0.179	0.245
b28	0.376	**0.562**	0.432	0.049	0.061	0.093	0.037	0.035	0.034	0.187	0.245
b4	0.231	**0.327**	0.198	0.254	0.318	0.244	0.253	0.261	0.208	0.318	0.205
b5	0.300	**0.519**	0.331	0.202	0.239	0.251	0.215	0.261	0.216	0.260	0.335
b7	0.333	**0.601**	0.355	0.057	0.042	0.122	0.088	0.122	0.120	0.205	0.368
b8	0.358	**0.586**	0.399	0.189	0.156	0.174	0.117	0.145	0.215	0.269	0.296
b9	0.481	**0.606**	0.450	0.136	0.024	0.127	0.115	0.110	0.144	0.104	0.328

Table 4.10 (Continued)

Items	OSS	OC	RS	PO	PTR	CS	CP	IN	LG	F	OS
c2	0.267	0.437	**0.628**	0.117	0.206	0.191	0.156	0.080	0.080	0.112	0.240
c3	0.366	0.535	**0.766**	0.026	0.038	0.123	0.058	0.057	0.085	0.116	0.332
c4	0.390	0.418	**0.710**	0.065	0.045	0.078	0.060	0.053	0.076	0.138	0.185
c5	0.362	0.414	**0.708**	0.072	0.119	0.169	0.118	0.082	0.181	0.142	0.235
c6	0.454	0.504	**0.713**	0.089	0.115	0.239	0.152	0.182	0.178	0.169	0.326
ex1	0.146	0.258	0.130	**0.741**	0.541	0.589	0.497	0.521	0.409	0.415	0.320
ex2	0.058	0.076	0.008	**0.826**	0.568	0.490	0.487	0.500	0.447	0.373	0.228
ex3	0.098	0.198	0.091	**0.846**	0.611	0.536	0.498	0.542	0.465	0.382	0.332
ex4	0.144	0.154	0.051	**0.807**	0.542	0.385	0.346	0.407	0.342	0.267	0.221
ex5	0.167	0.154	0.131	**0.720**	0.542	0.373	0.312	0.401	0.312	0.224	0.215
f1	0.096	0.085	-0.011	0.608	**0.773**	0.525	0.498	0.538	0.440	0.317	0.278
f2	0.076	0.086	0.029	0.608	**0.825**	0.560	0.504	0.474	0.447	0.387	0.240
f3	0.097	0.144	0.108	0.593	**0.860**	0.566	0.542	0.550	0.415	0.377	0.297
f4	0.125	0.168	0.162	0.614	**0.833**	0.515	0.536	0.504	0.359	0.357	0.264
f5	0.270	0.301	0.228	0.314	**0.562**	0.318	0.274	0.279	0.247	0.212	0.288

Table 4.10 (Continued)

Items	OSS	OC	RS	PO	PTR	CS	CP	IN	LG	F	OS
f6	0.118	0.165	0.136	0.487	**0.697**	0.379	0.392	0.424	0.333	0.248	0.235
f7	0.113	0.224	0.170	0.458	**0.680**	0.468	0.347	0.421	0.370	0.334	0.258
g1	0.044	0.143	0.083	0.405	0.471	**0.737**	0.405	0.571	0.402	0.320	0.299
g2	0.053	0.129	0.091	0.481	0.512	**0.796**	0.477	0.594	0.428	0.331	0.369
g3	0.119	0.240	0.152	0.551	0.544	**0.835**	0.516	0.610	0.450	0.381	0.396
g4	0.156	0.400	0.275	0.426	0.472	**0.806**	0.490	0.565	0.367	0.343	0.422
g5	0.146	0.259	0.179	0.472	0.506	**0.742**	0.554	0.519	0.400	0.335	0.333
g6	0.146	0.277	0.261	0.419	0.431	**0.669**	0.569	0.505	0.385	0.356	0.266
h1	0.113	0.192	0.137	0.414	0.458	0.538	**0.806**	0.525	0.447	0.365	0.294
h2	0.038	0.024	0.025	0.377	0.454	0.553	**0.807**	0.580	0.429	0.373	0.298
h3	0.053	0.136	0.060	0.453	0.560	0.575	**0.838**	0.662	0.484	0.396	0.328
h4	0.068	0.204	0.164	0.463	0.481	0.588	**0.839**	0.622	0.437	0.382	0.351
h5	0.088	0.180	0.159	0.433	0.429	0.413	**0.742**	0.540	0.412	0.350	0.279
h6	0.213	0.254	0.189	0.419	0.421	0.394	**0.648**	0.555	0.314	0.334	0.338
i1	0.002	0.050	-0.018	0.418	0.490	0.569	0.507	**0.739**	0.342	0.344	0.344

Table 4.10 (Continued)

Items	OSS	OC	RS	PO	PTR	CS	CP	IN	LG	F	OS
i3	0.108	0.209	0.155	0.476	0.505	0.626	0.669	**0.852**	0.447	0.412	0.436
i4	0.108	0.213	0.199	0.459	0.432	0.618	0.646	**0.817**	0.457	0.432	0.320
i5	0.122	0.203	0.071	0.503	0.528	0.563	0.568	**0.812**	0.440	0.440	0.337
i6	0.123	0.224	0.136	0.584	0.537	0.541	0.545	**0.747**	0.512	0.409	0.360
k1	0.092	0.093	0.068	0.365	0.365	0.419	0.379	0.463	**0.759**	0.309	0.263
k2	0.147	0.131	0.136	0.336	0.305	0.367	0.373	0.362	**0.739**	0.281	0.246
k3	0.065	0.130	0.121	0.226	0.281	0.349	0.300	0.314	**0.672**	0.391	0.338
k4	0.136	0.138	0.111	0.423	0.387	0.441	0.474	0.445	**0.806**	0.383	0.358
k5	0.134	0.201	0.142	0.407	0.420	0.350	0.380	0.326	**0.726**	0.393	0.186
k6	0.143	0.226	0.176	0.423	0.423	0.388	0.441	0.455	**0.675**	0.388	0.248
l1	0.122	0.233	0.140	0.343	0.352	0.290	0.373	0.408	0.437	**0.858**	0.224
l2	0.036	0.166	0.104	0.289	0.317	0.345	0.336	0.413	0.360	**0.773**	0.230
l3	-0.026	0.229	0.106	0.402	0.414	0.507	0.461	0.481	0.431	**0.835**	0.263
l4	0.316	0.444	0.311	0.243	0.194	0.190	0.234	0.252	0.238	**0.571**	0.300
q1	0.216	0.164	0.139	0.139	0.178	0.270	0.183	0.283	0.268	0.248	**0.605**
q2	0.338	0.414	0.294	0.169	0.090	0.102	0.075	0.131	0.079	0.110	**0.609**

Table 4.10 (Continued)

Items	OSS	OC	RS	PO	PTR	CS	CP	IN	LG	F	OS
q4	0.272	0.345	0.233	0.310	0.420	0.502	0.477	0.447	0.383	0.294	**0.713**

OS	Organizational Size	CP	Customer Perspectives	PO	Execution Plan Objectives
OSS	Organizational Structure	LG	Learning & Growth Perspective	PTR	Plan Tasks & Responsi.
OC	Organizational Culture	IN	Internal Process	CS	Communication Strategy
RS	Reward system	F	Financial Perspective		

Table 4.11:
Significance of Factor Loadings

Construct	Items	Loadings	STDERR	T Value	P Value
OSS	**a10**	**0.515**	0.070	7.383	0.000
	a3	**0.519**	0.065	8.010	0.000
	a5	**0.657**	0.047	13.987	0.000
	a6	**0.677**	0.040	16.818	0.000
	a7	**0.724**	0.035	20.728	0.000
	a8	**0.540**	0.073	7.415	0.000
	a9	**0.591**	0.060	9.921	0.000
OC	**b10**	**0.551**	0.054	10.287	0.000
	b11	**0.561**	0.049	11.473	0.000
	b12	**0.604**	0.040	14.908	0.000
	b13	**0.531**	0.050	10.720	0.000
	b14	**0.531**	0.052	10.274	0.000
	b15	**0.595**	0.044	13.436	0.000
	b16	**0.641**	0.042	15.104	0.000
	b17	**0.643**	0.042	15.487	0.000
	b18	**0.675**	0.041	16.408	0.000
	b19	**0.563**	0.053	10.690	0.000
	b2	**0.450**	0.059	8.195	0.000
	b20	**0.486**	0.050	10.896	0.000
	b21	**0.539**	0.045	12.703	0.000
	b22	**0.574**	0.061	6.886	0.000
	b23	**0.419**	0.056	8.570	0.000
	b24	**0.483**	0.053	10.196	0.000
	b25	**0.538**	0.050	11.726	0.000
	b26	**0.584**	0.046	12.352	0.000
	b27	**0.568**	0.048	11.671	0.000

Table 4.11 (continued)

Construct	Items	Loadings	STDERR	T Value	P Value
	b28	**0.562**	0.075	4.621	0.000
	b4	**0.327**	0.071	4.572	0.000
	b5	**0.519**	0.054	9.690	0.000
	b7	**0.601**	0.045	13.419	0.000
	b8	**0.586**	0.055	10.739	0.000
	b9	**0.606**	0.042	14.320	0.000
RS	**c2**	**0.628**	0.055	11.433	0.000
	c3	**0.766**	0.028	27.044	0.000
	c4	**0.710**	0.039	17.994	0.000
	c5	**0.708**	0.038	18.775	0.000
	c6	**0.713**	0.033	21.347	0.000
PO	**ex1**	**0.741**	0.040	18.419	0.000
	ex2	**0.826**	0.021	40.133	0.000
	ex3	**0.846**	0.019	43.734	0.000
	ex4	**0.807**	0.025	31.832	0.000
	ex5	**0.720**	0.041	17.691	0.000
PTR	**f1**	**0.773**	0.031	25.143	0.000
	f2	**0.825**	0.023	35.517	0.000
	f3	**0.860**	0.015	55.614	0.000
	f4	**0.833**	0.020	41.909	0.000
	f5	**0.562**	0.066	8.513	0.000
	f6	**0.697**	0.042	16.514	0.000
	f7	**0.680**	0.045	15.259	0.000
CS	**g1**	**0.737**	0.037	19.993	0.000
	g2	**0.796**	0.029	27.024	0.000
	g3	**0.835**	0.023	36.172	0.000
	g4	**0.806**	0.032	25.143	0.000

Table 4.11 (continued)

	g5	**0.742**	0.035	21.226	0.000
	g6	**0.669**	0.048	14.022	0.000
CP	**h1**	**0.806**	0.041	16.762	0.000
	h2	**0.807**	0.022	35.951	0.000
	h3	**0.838**	0.018	45.535	0.000
	h4	**0.839**	0.027	28.668	0.000
	h5	**0.742**	0.034	21.703	0.000
	h6	**0.648**	0.045	14.574	0.000
IN	**i1**	**0.739**	0.041	15.650	0.000
	i2	**0.764**	0.037	20.194	0.000
	i3	**0.852**	0.031	24.847	0.000
	i4	**0.817**	0.019	43.721	0.000
	i5	**0.812**	0.029	28.602	0.000
	i6	**0.747**	0.027	30.550	0.000
LG	**k1**	**0.759**	0.029	25.542	0.000
	k2	**0.739**	0.035	21.944	0.000
	k3	**0.672**	0.039	18.747	0.000
	k4	**0.806**	0.051	13.081	0.000
	k5	**0.726**	0.027	29.929	0.000
	k6	**0.675**	0.041	17.621	0.000
F	**l1**	**0.858**	0.044	15.450	0.000
	l2	**0.773**	0.020	42.661	0.000
	l3	**0.835**	0.037	20.951	0.000
	l4	**0.571**	0.021	40.320	0.000
OS	**q1**	**0.605**	0.064	8.919	0.000
	q2	**0.609**	0.065	9.280	0.000
	q3	**0.826**	0.063	9.639	0.000
	q4	**0.713**	0.025	32.539	0.000

4.5.4.1.2 The Convergent Validity of Measures

The convergent validity is defined as the degree to which a set of variables converges in measuring a particular concept (Hair *et al.* 2010). To establish the convergent validity, many criteria, namely the factor loadings, composite reliability (CR) and average variance extracted (AVE) were used simultaneously as suggested by Hair *et al.* (2010). In doing that, the items' loadings were examined and all the items have loadings more than 0.5 which is the acceptable level suggested in the multivariate analysis literature (Hair *et al.,* 2010). In addition to that, Table 4.11 indicates that all the factors' loadings were significant at the 0.01 level of significance.

The second aspect of the convergent validity is the composite reliability, which indicates the degree to which a set of items consistently indicate the latent construct (Hair et al., 2010). The process was then to examine the composite reliability values as depicted in Table 4.12. It can be noticed that the composite reliability values ranged from 0.75 to 0.91 which exceeds the recommended value of 0.7 (Fornell & Larcker, 1981; Hair *et al.* 2010). These results confirm the convergent validity of the outer model.

To confirm the convergent validity of the outer model, the values of the average variance extracted (AVE) was examined. The average variance extracted (AVE) reflects the average of the variance extracted among a set of items relative to the variance shared with the measurement errors. More specifically, AVE measures the variance captured by the indicators in relative to the variance assignable to the measurement errors. If the AVE values are at least 0.5, this suggests these sets of items has an adequate convergence in measuring the concern construct (Barclay *et*

al., 1995). For this study, the average variances extracted (AVE) values ranged between 0.5 and 0.7 indicating a good level of construct validity of the measures used (Barclay *et al.*, 1995).

Table 4.12:
Convergent Validity Analysis

Construct	Items	Loadings	Cronbach's Alpha	CR	AVE
OSS	**a10**	**0.515**	0.713	0.802	0.500
	a3	**0.519**			
	a5	**0.657**			
	a6	**0.677**			
	a7	**0.724**			
	a8	**0.540**			
	a9	**0.591**			
OC	**b10**	**0.551**	0.902	0.914	0.500
	b11	**0.561**			
	b12	**0.604**			
	b13	**0.531**			
	b14	**0.531**			
	b15	**0.595**			
	b16	**0.641**			
	b17	**0.643**			
	b18	**0.675**			
	b19	**0.563**			
	b2	**0.450**			
	b20	**0.486**			
	b21	**0.539**			
	b22	**0.574**			
	b23	**0.419**			
	b24	**0.483**			

Table 4.12 (Continued)

Construct	Items	Loadings	Cronbach's Alpha	CR	AVE
	b25	**0.538**			
	b26	**0.584**			
	b27	**0.568**			
	b28	**0.562**			
	b4	**0.327**			
	b5	**0.519**			
	b7	**0.601**			
	b8	**0.586**			
	b9	**0.606**			
RS	**c2**	**0.628**	0.748	0.832	0.500
	c3	**0.766**			
	c4	**0.710**			
	c5	**0.708**			
	c6	**0.713**			
PO	**ex1**	**0.741**	0.848	0.892	0.623
	ex2	**0.826**			
	ex3	**0.846**			
	ex4	**0.807**			
	ex5	**0.720**			
PTR	**f1**	**0.773**	0.870	0.900	0.568
	f2	**0.825**			
	f3	**0.860**			
	f4	**0.833**			
	f5	**0.562**			
	f6	**0.697**			
	f7	**0.680**			
CS	**g1**	**0.737**	0.858	0.895	0.587

Table 4.12 (Continued)

Construct	Items	Loadings	Cronbach's Alpha	CR	AVE
	g2	**0.796**			
	g3	**0.835**			
	g4	**0.806**			
	g5	**0.742**			
	g6	**0.669**			
CP	**h1**	**0.806**	0.872	0.904	0.613
	h2	**0.807**			
	h3	**0.838**			
	h4	**0.839**			
	h5	**0.742**			
	h6	**0.648**			
IN	**i1**	**0.739**	0.879	0.908	0.623
	i2	**0.764**			
	i3	**0.852**			
	i4	**0.817**			
	i5	**0.812**			
	i6	**0.747**			
LG	**k1**	**0.759**	0.825	0.873	0.534
	k2	**0.739**			
	k3	**0.672**			
	k4	**0.806**			
	k5	**0.726**			
	k6	**0.675**			
F	**l1**	**0.858**	0.761	0.849	0.590
		0.773			
	l2				

Table 4.12 (Continued)

Construct	Items	Loadings	Cronbach's Alpha	CR	AVE
	l3	**0.835**			
	l4	**0.571**			
OS	**q1**	**0.605**	0.641	0.785	0.500
	q2	**0.609**			
	q3	**0.826**			
	q4	**0.713**			

a: CR = $(\Sigma \text{ factor loading})^2 / \{(\Sigma \text{ factor loading})^2) + \Sigma \text{ (variance of error)}\}$

b: AVE = $\Sigma \text{ (factor loading)}^2 / (\Sigma \text{ (factor loading)}^2 + \Sigma \text{ (variance of error)}\}$

4.5.4.1.3 The Discriminant Validity of Measures

To confirm the construct validity of the outer model, it was necessary to establish the discriminant validity. This step was mandatory prior to testing the hypotheses through the path analysis. The discriminant validity of the measures shows the degree to which items differentiate among constructs. Simply put, it shows that the items used different constructs do not overlap. Therefore, constructs, although correlated, yet measure distinct concepts. This meaning was clearly explained by Compeau *et al.* (1999) where he concluded that if the discriminant validity of the measures was established, it means that the shared variance between each construct and its measures should be greater than the variance shared among distinct constructs. For this study, the discriminant validity of the measures was confirmed employing the method of Fornell and Larcker (1981). As illustrated in Table 4.13, the square root of average variance extracted (AVE) for all the constructs were

placed on the diagonal elements of the correlation matrix. As the diagonal elements were higher than the other element of the row and column in which they are located, this confirms the discriminant validity of the outer model. Having established the construct validity of the outer model, it is assumed that the obtained results pertaining to the hypothesis testing should be valid and reliable.

Table 4.13:
Discriminant Validity Analysis

Construct	CP	CS	F	IN	LG	OC	OS	OSS	PO	PTR	RS
CP	**0.783**										
CS	0.657	**0.766**									
F	0.469	0.451	**0.768**								
IN	0.744	0.733	**0.518**	**0.790**							
LG	0.540	0.531	**0.489**	0.545	**0.731**						
OC	0.207	0.316	**0.321**	0.214	0.210	**0.707**					
OS	0.402	0.455	**0.321**	0.445	0.375	0.506	**0.707**				
OSS	0.117	0.146	**0.113**	0.114	0.165	0.622	0.404	**0.707**			
PO	0.545	0.602	**0.423**	0.602	0.503	0.212	0.335	0.153	**0.790**		
PTR	0.599	0.641	**0.429**	0.614	0.501	0.207	0.348	0.157	0.711	**0.754**	
RS	0.152	0.227	**0.192**	0.131	0.171	0.658	0.380	0.525	0.102	0.143	**0.707**

4.5.5 The First-Order and Second-Order Constructs

Before moving to examine the theoretical and conceptual aspect of the second order constructs in the model, more explanation has been provided on the differences between the first and the second order measurement models as discussed in the following paragraphs.

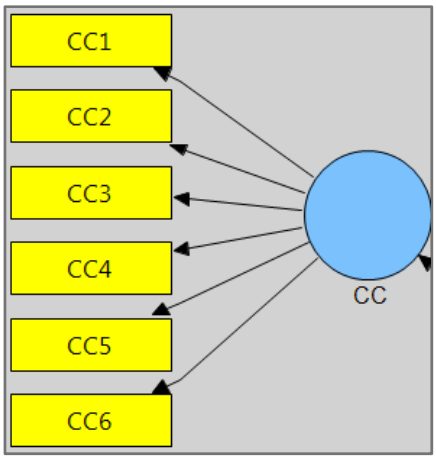


Figure 4.4:
First order measurement model of one of variables (CC)

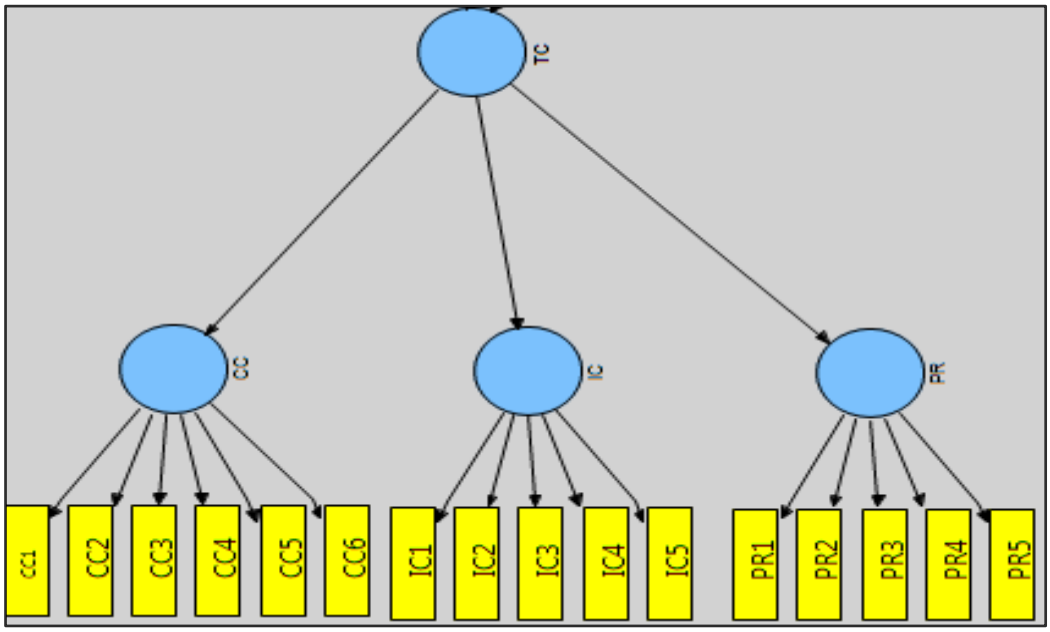


Figure 4.5:
Second order measurement model of other variables (TC)

As illustrated in Figure 4.4, organizational performance (CC) as a latent construct was measured by a set of measured variables namely (CC1) through (CC6). As illustrated in Figure 4.5, it showed that variable (TC) construct was measured indirectly by 16 items through another layer of latent constructs, TC is called a

second-order measurement model, and Therefore, TC is called a second-order measurement model. As it is the case of this example, the second-order factor structure has three layers of latent variables. In this study the strategy execution organizational level (SEOL) construct was measured indirectly by 37 items through another layer of latent constructs. Therefore, SEOL is called a second-order measurement model. As it is the case of this study, the second-order factor structure has two layers of latent variables. For instance, Strategy Execution Organizational Level (SEOL), Strategy Execution Plan (SEP) and Organizational Performance (OP) are called second-order constructs as they caused multiple first order latent factors (Hair *et al*., 2010), and the Communication Strategy is called first-order contrast as it does not multiply more than one order in the framework. However, the following sub-section was devoted to justifying the use of SEOL, SEP and OP as second-order factor models.

4.5.5.1 The Establishment of Second Order Constructs

In this study, we have three second-order latent constructs namely, Strategy execution organizational level (SEOL), strategy execution plan (SEP) and Organizational Performance (OP), and one is the first order in the model is Communication Strategy (CS). Before proceeding to test the research model, the procedures were to examine whether the first order constructs were qualified to be conceptually explained by the respective second-order construct.

For the first-order constructs to be conceptually explained by a second-order construct, they have to be explained well by the hypothesized second-order constructs and they have to be distinct (Byrne, 2010).

For the Organizational Performance (OP) construct, the four first-order constructs namely Customer Perspective (CP), Learning & Growth Perspective (LG), The Internal Process (IN) and Finance Perspective (F) are explained well by the OP construct since the R square ranged from 0.47 to 0.774 as illustrated in Table 4.14. In addition to that, as illustrated in Table 4.13, these constructs were confirmed to be distinct using the Fornell and Larcker (1981) criteria. Thus, these constructs are conceptually explained by the second-order construct as named as the Organizational Performance (OP).

Table 4.14:
Establishment of Second-Order Constructs

Second Order Construct	First Order Construct	Loading	Std Error	T value	P Value	R square
Organizational Performance	**CP**	0.880***	0.017	51.279	0.000	0.774
	F	0.690***	0.048	14.528	0.000	0.476
	IN	0.895***	0.014	61.828	0.000	0.801
	LG	0.772***	0.031	25.091	0.000	0.595
SEOL	**OC**	0.966***	0.006	164.752	0.000	0.933
	OS	0.637***	0.045	14.086	0.000	0.406
	OSS	0.788***	0.030	26.552	0.000	0.620
	RS	0.696***	0.031	22.320	0.000	0.484
SEP	**PO**	0.904***	0.016	57.770	0.000	0.817
	PTR	0.943***	0.009	110.466	0.000	0.890

*:p<0.1; **:p<0.05; ***:p<0.01

Similarly, the Strategy Execution Organizational Level (SEOL) construct was hypothesized to be measured through the four first-order constructs namely, Organizational Size (OS), Organizational Structure (OSS), Organizational Culture (OC) and Rward System (RS). These constructs were explained well by the Strategy Execution Organizational Level (SEOL) construct as shown by the R square that were 0.933, 0.406, 0.620, and 0.484 respectively. Additionally, Table 4.13 pertaining to the results of the discriminant analysis confirmed that these constructs although correlated, yet distinct. Thus, Strategy Execution Organizational Level (SEOL) as a second-order construct is explained by the four hypothesized first-order constructs.

Finally, for the Strategy Execution Plan (SEP) construct, it is hypothesized to be explained through Strategy Execution Plan Objectives (PO), Strategy Execution Task & Responsibility (PTR), Table 4.14 illustrates that these constructs were explained well by the Strategy Execution Plan (SEP) construct as the R square were 0.817, and 0.890 respectively. Having confirmed the distinction of each one of these constructs through the discriminant analysis results, the second order nature of Task Performance construct was established.

4.5.8 The Prediction Quality of the Model

As indicated by Fornell & Cha (1994), the cross-validated redundancy measure can be a trustworthy indicator of the predictive relevance of the examined model. If the test criterion and redundant communality was found to be larger than 0 for all the endogenous variables, the model is considered to have predictive validity, otherwise, the predictive relevance of the model cannot be concluded (Fornell & Cha, 1994). The result of the study, in relation to the prediction quality of the model, indicates that the cross-validated redundancy for the Organizational Performance (OP) is

0.640, as illustrated in Table 4.15. The value of more than zero indicates an adequate predictive validity of the model based on the criteria suggested by Fornell & Cha (1994).

Table 4.15
Predictive Quality Indicators of Model

Variable	R square	Cross-Validated Communality	Cross-Validated Redundancy
Organizational Performance	**0.403**	**0.256**	**0.640**

As indicated by Fornell and Cha (1994), the cross-validated redundancy measure can be a reliable indicator of the predictive relevance of the examined model. If the test criterion, redundant communality was found to be larger than 0 for all the endogenous variables, the model is considered to have predictive validity, otherwise, the predictive relevance of the model cannot be concluded (Fornell & Cha, 1994). The results of the study, related to the prediction quality of the model, as illustrated in Table 4.15 indicate that the cross-validated redundancy for the Organizational Performance (OP) was 0.640. This value is more than zero, indicating an adequate predictive validity of the model based on the criteria suggested by Fornell and Cha (1994).

4.5.7 Goodness of Fit of Whole Model

The PLS Structural Equation Modeling, in contrast to the CB-SEM approach; has only one measure of goodness of fit. According to Tenenhaus et al. (2005), a global fit measure (GoF) for PLS path modeling is defined as the geometric mean of the average communality and average R^2 for the endogenous constructs. Hence, the

goodness of fit measure accounts for the variance extracted by both outer and inner models. In order to support the validity of the PLS model, GoF value was estimated according to the guidelines set up by Wetzels et al. (2009) as given in the following formula:

The comparison was made with the baseline values of GoF (small =0. 1, medium =0. 25, large =0. 36) as suggested by Wetzels Odekerken, & Oppen (2009). The results showed that the model goodness of fit measure is more towards Large indicating an adequate of global PLS model validity.

$$Gof = \sqrt{(\overline{R^2} \times \overline{AVE})}$$

In this study, the obtained GoF value was 0.616 as calculated by the formula.

$$Gof = \sqrt{(0.680 \times 0.558} = 0.616$$

The comparison was made with the baseline values of GoF (small =0. 1, medium =0. 25, large =0. 36) as suggested by Wetzels et al. (2009). The results showed that the model goodness of fit measure is more towards Large indicating an adequate of global PLS model validity.

4.5.8 Assessment of Inner Model and Hypotheses Testing Procedures

After the goodness of the outer model has been confirmed, the next step was to test the hypothesized relationships among the constructs. Using the Smart PLS 2.0, the hypothesized model was tested by running the PLS Algorithm. The path coefficients were then generated as illustrated in the Figure 4.5 and Figure 4.6.

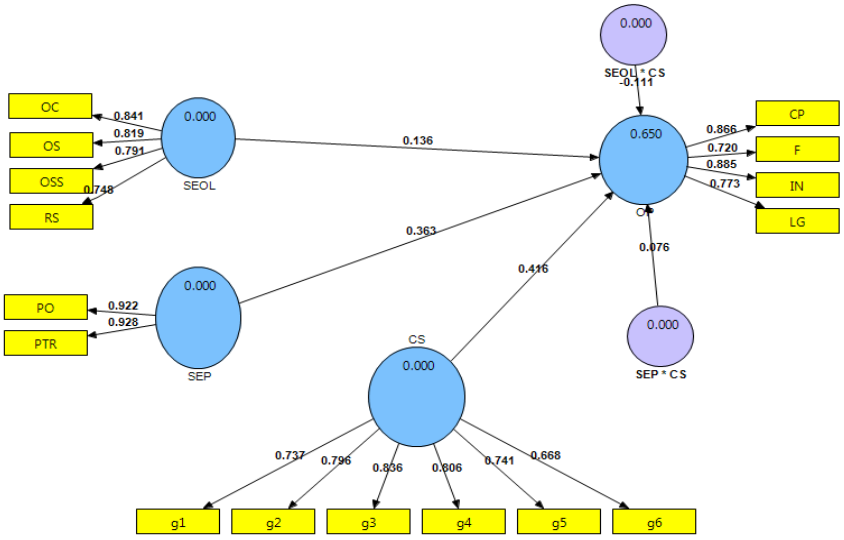


Figure 4.6:
Path Model Results

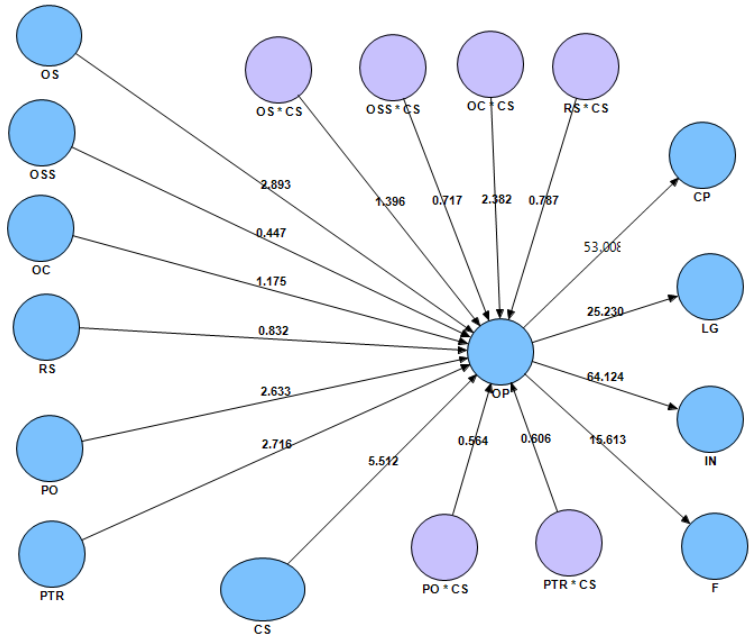


Figure 4.7
Path Model Significance Results

To be able to conclude whether the path coefficients are statistically significant or not, this study employed the bootstrapping techniques embedded with Smart PLS 2.0. More specifically, the T values accompanying each path coefficient were generated using the bootstrapping technique and subsequently the P values were generated as reported in Table 4.16. The results showed that the Strategy Execution Organizational level (SEOL) has a positive significant impact on the Organizational Performance at the 0.01 level of significance (β= 0.111, t=2. 577, p<0.01). This result, however, supported the hypothesized relationship as postulated in H_a.

On the other hand, the Organizational Size (OS) on the Organizational Performance (OP) was examined through the dimensions of Organizational Performance construct. More specifically, it was found that Organizational Size (OS) has an effect on (β=0. 841, t=0. 159) OP Organizational Performance. Therefore, the results of the study do support the hypotheses of the study as postulated in $H_{1a.}$

The second hypothesis the Organizational Structure (OSS) on the Organizational Performance (OP) was examined through the dimensions of Organizational Performance construct. More specifically, it was found that Organizational Structure (OSS) has no effect on (β=0.819, t=0.447) (OP) Organizational Performance. Therefore, the results of the study do not support the hypotheses of the study as postulated in $H_{1b.}$

The third hypothesis the Organizational culture (OC) on the Organizational Performance (OP) was examined through the dimensions of Organizational Performance construct. More specifically, it was found that Organizational culture (OC) has no effect on (β=0.791, t=1.175) (OP) Organizational Performance.

Therefore, the results of the study do not support the hypotheses of the study as postulated in $H_{1c.}$

The fourth hypothesis the Reward System (RS) on the Organizational Performance (OP) was examined through the dimensions of Organizational Performance construct. More specifically, it was found that Reward System (RS***)*** has no effect on (β=0. 748, t=0. 832) (OP) Organizational Performance Therefore, the results of the study do not support the hypotheses of the study as postulated in $H_{1d.}$

This means that an overall the Strategy Execution Organizational Level (SEOL) has a positive significant effect on the Organizational Performance (OP), and support the general hypothesis $H_{1.}$ Then the only one dimension of the (SEOL) is the organizational size (OS) has a significant positive effect on the Organizational performance (OP), but the other dimensions have a significant effect such as (Organizational Structure (OSS), Organizational Culture (OC), and Reward System (RS)) on the Organizational Performance (OP), and this means that the H_{1b} to H_{1d} are not supported. However, the positive sign of the beta regarding the effect on the dimensions of the Strategy Execution Organizational Level indicates the higher is the Organizational Performance (OP), the higher the effective dimensions of the SEOL. Further discussions regarding these findings are provided in the discussion chapter.

In case of the Strategy Execution Plan (SEP) the results showed that it has a positive significant impact on the Organizational Performance at the 0.01 level of significance (β= 0.363, t=6. 159, $p<0.01$). This result, however, supported the hypothesized relationship as postulated in H_2.

On the other hand, the Plan Objectives (PO) on the Organizational Performance (OP) was examined through the dimensions of Organizational Performance construct. More specifically, it was found that Plan Objectives (PO) have an effect on (β=0. 922, t=2. 633) OP Organizational Performance. Therefore, the results of the study do support the hypotheses of the study as postulated in $H_{2a.}$

The second hypothesis the Strategy Execution Plan Tasks & Responsibilities (PTR) on the Organizational Performance (OP) was examined through the dimensions of Organizational Performance construct. More specifically, it was found that Plan Tasks & Responsibilities (PTR) has no effect on (β=0.928, t=2.716) (OP) Organizational Performance. Therefore, the results of the study do support the hypotheses of the study as postulated in $H_{2b.}$

This means that an overall the Strategy Execution plan (SEP) has a positive significant effect on the Organizational Performance (OP), and support the general hypothesis $H_{2.}$ The all dimensions of the (SEP) is the Strategy Execution Plan Objectives (PO) and Strategy Execution Plan Tasks & Responsibilities (PTR) have a significant positive effect on the Organizational performance (OP). And this means that the H_{1a} and H_{1b} are supported. However, the positive sign of the beta regarding the effect on the dimensions of the Strategy Execution Organizational Level indicates the higher is the Organizational Performance (OP), the higher the effective dimensions of the SEP. Further discussions regarding these findings are provided in the discussion chapter.

Table 4.16
Results of Inner Structural Model

Hypothesis	Hypothesized Path	Path Coefficient	Standard Error	T value	P value	Decision
H_1	**SEOL -> OP**	0.136**	0.053	2.577	0.005	**Supported**
H_{1a}	**OS -> OP**	0.152**	0.053	2.893	0.002	**Supported**
H_{1b}	**OSS -> OP**	0.024	0.054	0.447	0.327	Not Supported
H_{1c}	**OC -> OP**	0.066	0.056	1.175	0.120	Not Supported
H_{1d}	**RS -> OP**	0.043	0.051	0.832	0.203	Not Supported
H_2	**SEP -> OP**	0.363***	0.059	6.159	0.000	**Supported**
H_{2a}	**PO -> OP**	0.170**	0.064	2.633	0.004	**Supported**
H_{2b}	**PTR -> OP**	0.156**	0.057	2.716	0.003	**Supported**
$Ho_{verall\ e}$	**CS -> OP**	**0.416*** **	**0.059**	**7.111**	**0.000**	**Supported**
$Hd_{imensional\ e}$	**CS -> OP**	**0.370*** **	**0.067**	**5.512**	**0.000**	**Supported**
H_3	**SEOL * CS -> OP**	(-)0.110*	0.052	2.126	0.017	**Supported**
H_{3c}	**OC * CS -> OP**	(-)0.160**	0.067	2.382	0.009	**Supported**

Table 4.16 (Continued)

Hypothesis	Hypothesized Path	Path Coefficient	Standard Error	T value	P value	Decision
H_{3a}	**OS * CS -> OP**	0.093	0.066	1.396	0.081	Not Supported
H_{3b}	**OSS * CS -> OP**	-0.050	0.070	0.717	0.237	Not Supported
H_{3d}	**RS * CS -> OP**	-0.048	0.060	0.787	0.215	Not Supported
H_{4}	**SEP * CS -> OP**	0.076	0.060	1.267	0.103	Not Supported
H_{4a}	**PO * CS -> OP**	0.049	0.086	0.564	0.286	Not Supported
H_{4b}	**PTR * CS -> OP**	0.051	0.083	0.606	0.272	Not Supported

*: p<0.1; **: p<0.05; ***: p<0.01

4.5.9 Testing Moderating Effect of Communication Strategy

This study also aimed to examine the moderating effect of Communication Strategy (CS) on the relationship between Strategy Execution Organizational Level Dimensions (SEOL), Strategy Execution Plan (SEP) and Organizational Performance (OP). In doing that, the Smart PLS 2.0 was employed to examine the interaction effect between CS and SEOL, SEP dimensions on the OP. As illustrated in Figure 4.7 and Figure 4.8, Smart PLS 2.0 used the centered variables of CS and SEOL, and SEP to form the interaction variables by multiplying all the Items of CS with those of SEOL, SEP then the effect of interaction variables was examined.

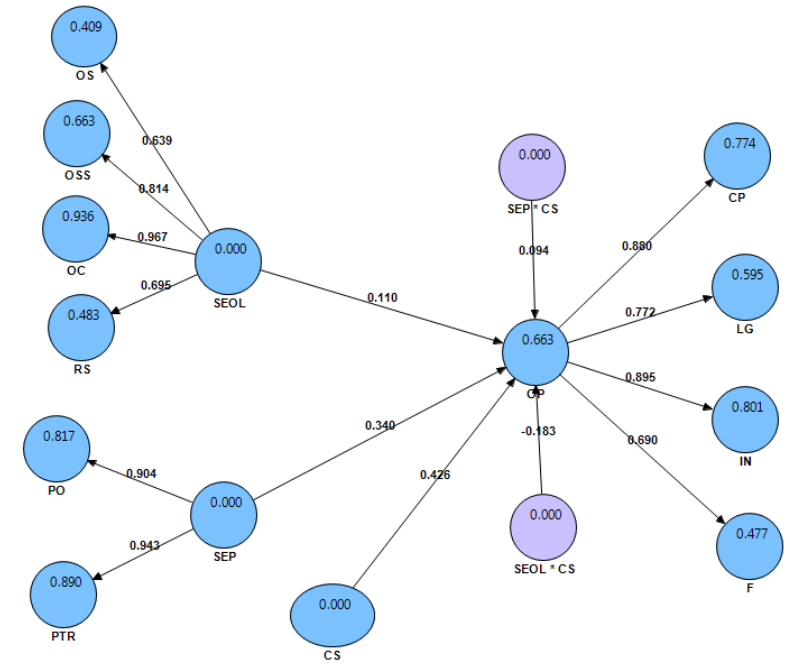


Figure 4.8
Moderating effect results

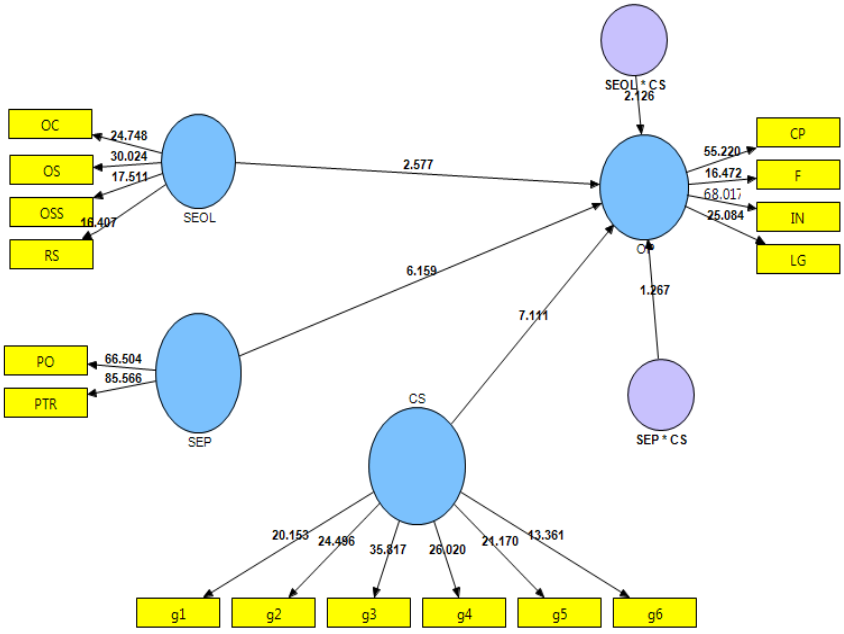


Figure 4.9
Overall Moderating Module

As illustrated in Table 4.17, the moderating effect of Communication Strategy (CS) on the relationship between Strategy Execution Organizational Level (SEOL) and its dimensions (organizational Size (OS), Organizational Structure (OSS), Organizational Culture (OC), and Reward System (RS)) and Organizational Performance (OP) were examined using the PLS algorithm. The results revealed that while the Communication Strategy was found to be a significant moderator on the relationship between Strategy Execution Organizational Level (SEOL) and Organizational Level (β= -0.110, t=2.126, p<0.01), it was found not to moderate the relationships between Organizational Size (OS, Organizational Structure (OSS), and Reward System(RS) and Organizational Performance (OP) (β= 0.093, t=1.396, p>0.1; β= 0.050, t=0.717, p>0.1; β= -0.048, t=0.787, p>0.1). This result, while there is a significant moderating of Communication Strategy on the relationship between the Organizational Culture (OC) (β= -0.160, t=2.382, p>0.1) and Organizational Performance (OP).

The moderating effect of Communication Strategy (CS) on the relationship between Strategy Execution plan (SEP) and its dimensions (Execution Plan Objectives (PO) and Strategy Execution Plan Tasks & Responsibilities (PTR) and Organizational Performance (OP) were examined using the PLS algorithm. The results revealed that while the Communication Strategy was found to be a non-significant moderator effect on the relationship between Strategy Execution Plan (SEP) ((β= 0.076, t= 1.267, p<0.01), and its dimensions the Strategy Execution Plan Objectives (PO) and Strategy Execution Plan Tasks & Responsibilities (PTR) on the Organizational Performance (PO) (β= 0.049, t= 0.564, p<0.01; β= 0.051, t=0.606, p<0.01).

The negative sign of the path coefficient indicates that the relationship between the Strategy Execution Organizational Level (SEOL) and each dimension of the Organizational Performance (OP) has different form of high and low of Communication Strategy (CS) variable as illustrated in the graphs in Figure 4.9 through Figure 4.12.

Table 4.17:
Results of Moderating Variable

Hypothesis	Hypothesized Path	Path Coefficient	Standard Error	T value	P value	Decision
H_3	Communication Strategy (CS) moderates the relationship between SEOL and Organizational Performance (OP).	(-)0.110*	0.052	2.126	0.017	**Supported**
H_d	Communication Strategy (CS) moderates the relationship between SEP and Organizational Performance (OP).	0.076	0.060	1.267	0.103	**Not Supported**

*:p<0.1; **:p<0.05; ***:p<0.01

As illustrated in Table 4.18, the effect size of Communication Strategy (CS), SEOL, and SEP), and the interaction term is calculated by the following formula

$$\underline{\boldsymbol{Effect\ size(f)} = \frac{\boldsymbol{R^2_{incl} - R^2_{excl}}}{\boldsymbol{1 - R^2_{incl}}}}$$

Table 4.18:
Effect Size of CS, SEOL, SEP, and interaction Term

Variable	SEOL	SEP
Communication Strategy CS	0.042	0.067
CS*SEOL	0.050	0.032
CS*SEP	0.044	0.033

However, the effect size of the CS, SEOL, and the interaction terms as illustrated in Table 4.18 are all less than 0.1 and therefore can described as small according to Cohen's (1988) criterion.

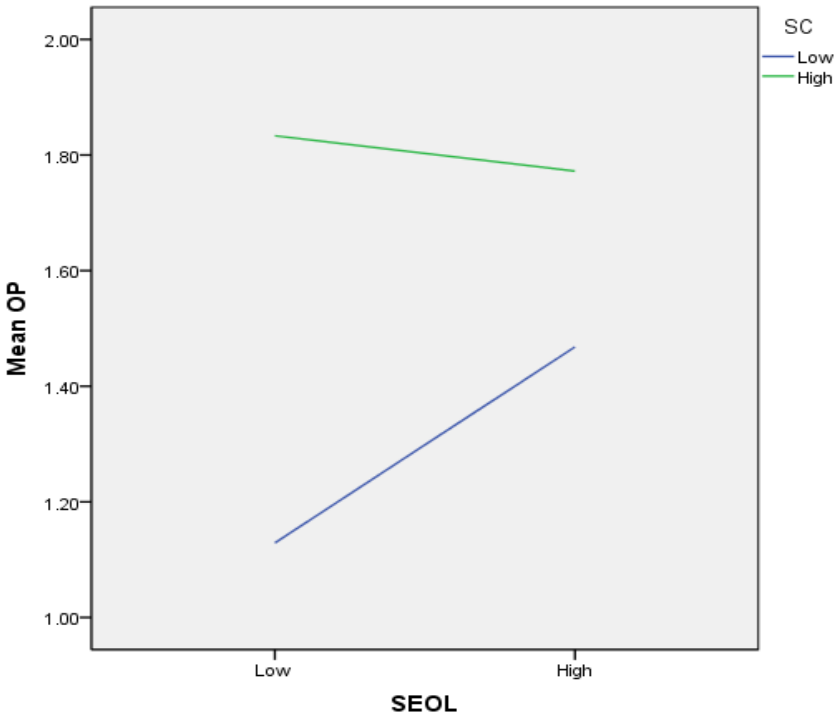


Figure 4.10:
Moderating Effect of CS on SEOL and OP relationship

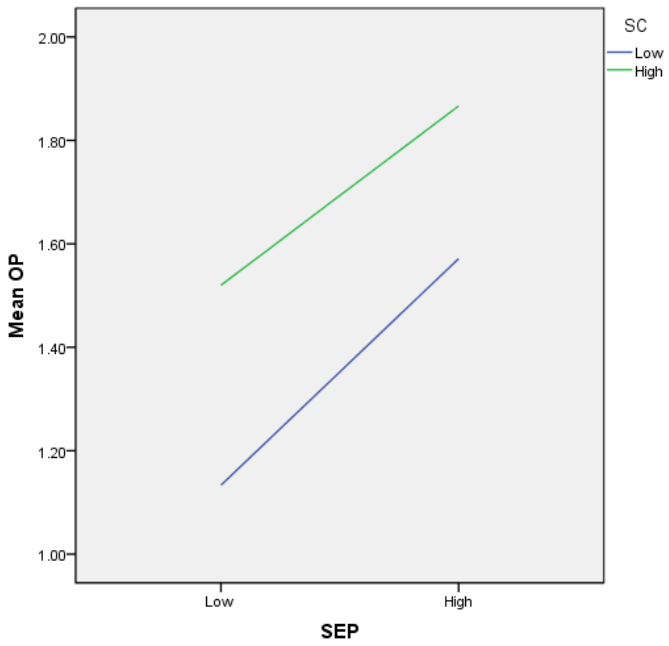


Figure 4.11:
Moderating Effect of CS on SEP and OP Relationship

As illustrated in the graph in Figure 4.10, it indicated to the impact of the strategy execution organizational level (SEOL) on the organizational performance (OP) moderates by the communication strategy (CS) showed that the low moderation of communication strategy is going up and lower case is better than the high moderation case in case of interaction between the strategy execution organizational level (SEOL). It concluded that the impact of SEOL on organizational performance (OP) would be greater when the communication strategy moderation in low case.

As illustrated in the graph in Figure 4.11, it indicated to the impact of the strategy execution plan (SEP) on the organizational performance (OP) moderates by the communication strategy (CS) showed that the effect of the strategy execution plan (SEP) on organizational performance (OP) would be higher when the communication strategy moderation effect slightly lower rather than when the effect of communication strategy moderation is higher.

4.6 Summary of the Findings

This research employs Partial Least Squares Structural equation modeling (PLS SEM) as the major analysis technique since the assumption of multivariate normality of the data was not fulfilled. Since PLS SEM is a relatively new analytical technique in construction, an elaborate treatment of the mechanics of the PLS SEM analysis technique was given in this chapter.

Prior to testing the model of study, rigorous procedures to establish the validity and reliability of the outer model were followed as it is the standard of SEM data analysis reporting. Once the measurement model has been proven to be valid and reliable, the next step was to test the hypothesized relationships. Before examining the hypothesized relationships, the predictive power of the model was investigated and reported and the goodness of the overall model was confirmed. After that, the structural model was examined and the results were reported in details. As shown in Table 4.19, the hypotheses $H_{1,}$ $H_{1a,}$ $H_{2,}$ $H_{2a,}$ H_{2b}, and H_3 and H_{3c} were statistically supported by the findings of the study, whereas the other hypotheses were not.

In the next chapter further discussion and explanations of the findings were provided in the light of the underpinning theories and the context of the study undertaken.

CHAPTER FIVE

DISCUSSION, SUMMARY AND RECOMMENDATION

5.1 Introduction `

This chapter summarizes the results of the study based on the research objectives, including recommendation for practice in the context of a strategy execution. This chapter also seeks to identify relevance of the research findings to the literature in the discussion of theoretical contribution. Further, recommendations for future research are suggested to explore the research model in other types of organizations, sectors or services. The following section presents an overview of the study.

5.2 Overview of Study

Clearly, the study aimed to analyze the effect of strategy execution organization level, strategy execution plan and communication strategy on organizational performance of a service-based university. The framework explored the dimensions of each construct and its effect on organizational performance. The proposed constructs where strategy execution level of analysis (organizational size, organizational structure, organizational culture, and reward system), execution plan (execution objectives, execution tasks, and execution responsibility) and communication strategy. Specifically, the communication strategy was tested as a moderator, and the effect of these three constructs on organizational performance were gathered. Apart from that, the effects of gender, age, experience, higher education backgrounds, and types of higher educational institution in the Gaza strip-Palestine on the organizational performance were tested as well.

This study was conducted among a specific group of respondents, i.e., the top management level of the higher educational institutions in the Gaza strip-Palestine. The total amount of middle managers in the higher educational institutions listed in the Ministry of Higher Education 2013 was 800, and the total respondents in this survey were 236. For the research instrument and data collection, the researcher personally distributed the questionnaires. Prior to the study, the instrument was pre-tested for reliability of the 7-point Likert scale continuum, where the details were discussed earlier in Chapter Three. After the collection of the data, partial least squares PLS were used to analyze the collected data. However, this chapter focuses on the results, and their implications on organizational performance as well as strategic recommendations for the higher educational institutions and universities and future research.

5.3 Discussion

Today's environment has become increasingly uncertain and unpredictable towards public and private education institutions; it seems that successful execution strategies are critical for organizations in both the for-profit or non-profit sectors. It appears that the success or failure of higher education institutions is much dependent on their ability to understand and act accordingly with respect to internal and external forces. However, the following subsection draws detailed discussion for each of the factors and dimensions of the study. The results clearly indicate that the specific strategy execution organizational level with a specific communication strategy produced better organizational performance if the dimensions of the strategy execution organizational level were combined together. Nonetheless, the results of the specific strategy execution plan with the specific communication strategy indicated clearly

that there is no moderation effect between those factors and the enhancement of the organizational performance. However, the strategy execution plan dimensions had a strong relationship with the organizational performance without the moderating effect of the communication strategy.

5.3.1 Discussion on Distribution of Respondents

The research was limited to the higher education institutions listed in the MOHE-Palestine- Gaza strip 2013directory. In particular, these educational institutions were from five major sectors: (1) Public university, (2) Private university, (3) Eligibility university, (4) Community college, and (5) Polytechnic college. The biggest respondent groups were Heads of Department (36.6%), followed by Directors and Others (25.4%). Because the majority of the responses were from middle managers, the feedback given was considered more complete because the top managers have full knowledge of the institutional strategy execution, organizational' level, strategy execution plan, communication strategy, and organizational performance.

Out of 236 usable returned questionnaires, Islamic University-Gaza contributed with the largest respondents with a percentage of (32%) followed by Al-Quds Open University with a percentage of (29%). However, the majority of the higher learning institutions were private university (37.6%), followed by polytechnic college (23.1%).

5.3.2 Discussion on Strategy Execution Organizational Level Dimensions

As mentioned earlier in Chapter Two, the dimensions of the strategy execution level were taken from Maas (2008) Hrebiniak (2006), Higgins (2004), and Noble (1999). Maas's (2008) study was a qualitative study in Netherlands. He noted that the most

frequent variables in the context of strategy execution were the organizational level of analysis variables, which were (organizational size, organizational structure, organizational culture, and reward system) (Shah & Nair, 2014; Ranjbar, *et al.*, 2014; Bhatti, 2011; Blal, 2011). In this current study, the researcher used these variables as the first group of independent variables and examined the impact of these variables on organizational performance with moderating of the communication strategy variable. The study found a strong relationship between these contrasts of these variables. Furthermore, this study found a significant relationship between the strategy execution organizational level and the organizational performance. The findings in this study are consistent with the study of Maas (2008), which mentioned that these dimensions are significance and vital to the execution of the strategy in higher learning institutions in Palestine. Many studies in the field of the strategy execution supported such outcomes (Wilden, *et al.*, 2013; Wilden, 2012; Micheli, *et al.*, 2011; Almsjah, 2011; Al-Gamdi, 1998; Alexander, 1985).

5.3.3 Discussion on Execution Plan Dimensions

The execution plan dimensions are mentioned in the qualitative study by (Maas 2008).

The Strategy Execution Plan dimensions are vital and crucial in higher learning institutions for achieving success. The study found a high correlation between the dimensions each other. From the findings of this study, the role strategy execution plays in universities achieving success and high performance was clear. Unfortunately, the strategy execution plan has been given less attention than other variables of strategy execution (Salas & Huxley, 2014; Ranjbar *et al*., 2014; Kaplan

& Nortan, 2005). Despite this, a considerable number of researchers have mentioned strategy execution plan as one of the biggest obstacles that organizations face in achieving high performance (Mieso, 2010; Malik, 2007; Delisi, 2006).

This study's finding addressed the positive relationship between these dimensions and organizational performance. Furthermore, this study had findings to those of (Almsajah, 2011; Rahimian, *et al.*, 2009; Brenez, 2008; Maas, 2008) who endorsed the notion that the execution plan positively enhances organizational performance. This study adds a new contribution to knowledge by studying these dimensions and has shown a positive relationship with organizational performance in a quantitative study, and confirms the results Maas's (2008) study about these factors.

5.3.4 Discussion on Communication Strategy as a Moderator

Communication strategy in this study was tested as a moderating variable between strategy execution organizational level's dimensions (organizational size, organizational structure, organizational culture, and reward system), and strategy execution plan's dimensions (execution objectives, execution tasks, and execution responsibility) and the dependent variable organizational performance. Doing so is another contribution to knowledge because this study is one of the few studies that has examined communication strategy as a moderator between the strategy execution level of analysis and organizational performance.

The findings indicate that communication strategy had a high moderation effect between strategy execution levels of analysis and organizational performance in the Palestinian higher learning institutions in the Gaza strip. Unexpectedly, the finding of this study also indicated no moderating effect of the strategic communication on

the relationship between the independent variable (strategy execution plan dimensions) and the dependent variable organizational performance. This is another contribution of this study, which is among the few studies testing strategic communication between the strategy execution plan and organizational performance.

Ultimately, the results clearly indicate a high level of significance between the communication strategy and organizational performance, which is another contribution that this study adds to the knowledge base.

5.3.5 Discussion on Hypothesis Findings: The Influence of Strategy Execution Factors on Organizational Performance.

Organizations must determine their strategy execution factors that enable them to improve performance, such as the organizational level factors which consists of: organizational size, organizational structure, organizational culture, and the reward system. The other factors are the execution plan' factors such as: execution objectives, execution tasks, and execution responsibilities (Salas & Huxley, 2014). This study investigated the relationship between the first groups of independent variables which are the strategy execution organizational level' factors such as organizational size, organizational structure, organizational culture, and the reward system. As well as investigating the second group of independent variables, which include the execution plan and its factors such as execution objectives, execution tasks, and execution responsibilities. The strategic communication will moderate between the strategy execution factors and the organizational performance. The organizational performance in this study was measured by the balanced scorecard's (BSC) four dimensions. The following sub-topics will conclude the findings of the relationships between the independent variables (strategy execution, organizational

level' dimensions and strategy execution plan dimensions), dependent variable (organizational performance), and the moderate variable (strategic communication).

5.3.5.1 Discussion on Hypothesis Findings: Measuring the Degree of Influence of Strategy Execution Organizational Level on Organizational Performance H_1.

In strategy execution literature, little attention has been given to the organizational level factors and their effects on organizational performance (Ranjbar, *et al., 2014;* Bhatti, 2011; Almsjah, 2011; Hauc & Kovac, 2002). However, some researchers have studied the organizational level factors, both in different ways. Some researchers pointed out that these factors through the context of the strategy execution, environmental, organizational, and individual (Bailey, 2008; Maas, 2008; Okumas, 2001, 2003).

Similarly, other researchers say that organizational level factors should be divided into parts; the first part is the success factors and the second part is the obstacles. Most of these researchers investigate the range of these factors that influence organizational performance (Lin & Hsieh, 2010; Delisi, 2006, Hrebiniak, 2006; Alashloo, *et.al*, 2005; Raps, 2004; Aaltonen & Ikavako, 2002; Al-Mishari and Zairi, 1999; Al-Gamdi, 1998). The findings of this study indicate the strong association among the strategy execution organizational level's dimensions (organizational size, organizational structure, organizational culture, and reward system). Moreover, these findings align with the literature indicating that strategy execution levels of analysis' factors positively influences the organizational performance.

These study findings conclude that the four essential dimensions of the strategy execution organizational level together will give the organization a strong position in implementing their own strategy successfully. The findings indicate that the four

dimensions should be combined to get the best results during the execution of strategy. But, if the studied dimensions are enacted separately, no effective improvement of organizational performance will occur, such as what happened in this study when the researchers combined the four dimensions of strategy execution (organizational size, organizational structure, organizational culture, and reward system); the factors affected the organizational performance positively. These findings add a new contribution to knowledge because they are contrary to some previous research. Ultimately, the results of this study are consistent with the theory of this study, the general system theory which advocates the factors should be applied together as one part to provide the best results (Bertalanffy, 1968).

With respect to general system theory, Bertalanffy (1968) postulated that each element in the system would be interrelated to each other and that changing one element would cause other elements to change as well. In this case, the organizational levels of analysis factors (organizational size, organizational structure, organizational culture, and reward system) combined with each other and create a strong interaction among them under the strategy execution organizational level in the organization. Hong *et al.* (2005) outlined overall system theory as it incorporates organizational paradigms. Through the relationships of organizational structure like kind and performance, structure and infrastructure, and style and resources, an open system becomes a powerful structure for the organizational application of the strategy execution process. Seng (1990) mentioned in his study that the systems-thinking approach is helpful in uncovering new aspects of things. So, the dimensions of the strategy execution level can be postulated under the general system theory and contingency theory. The details of each hypothesis of these variables will be discussed in the following subtopics (Slater, *et al.*, 2010).

5.3.5.1.1 Discussion on Hypothesis Findings: Measuring the Degree of Influence of the Organizational Size on the Organizational Performance

Based on the findings discussed in Chapter Four, Hypothesis H_{1a}, which stated that organizational size positively influenced the organizational performance, was supported in more than 1.96. This finding agrees with previous research findings in the literature. It agrees with Mass (2008) who showed that organizational size is one critical success factor influencing organizational success. Many studies have focused on organizational size; Elbanna, *et al.,* (2013); Parnell (2008), Harrington (2006), and Saunders (2005) investigated the role of organizational size as a success factor in executing strategy and the effect of size on organizational performance. Parnell (2008) and Harrington (2006) found that the organizational size is a determinant of success in the strategy execution process; the finding of this current study also says that organizational size is a critical success factor for the organization. In another study, Maas (2008) found that the organizational size was one reoccurring factor that the respondents cited as a factor in improving strategy execution and positively affecting the organizational performance.

Furthermore, some researchers have noted that if organizational size is small, that organization faces many problems; one of these problem in getting competent human resources to execute the strategy excellently. Sometimes, organizations do not have in the department, which has strategy execution as its mission, the staff needed to complete the mission or to replace staff that are old or ill or on emergency leave. Conversely, large organizations can find the needed staff from other departments in the organization and give them needed training. Furthermore, the organizational size and organizational performance are embedded in the same

theoretical background that exists in contingency theory (Wang, Shih, Jiang, & Klein, 2008; Saunders, 2005; Burrell & Morgan, 1979; Lawrence & Lorch, 1967).

5.3.5.1.2 Discussion on Hypothesis Findings: Measuring the degree of influence of the Organizational Structure on the Organizational Performance

The results do not support Hypothesis H_{1b}. The findings showed that organizational structure has a negative influence on organizational performance. This means that the organizational structure of the strategy execution organizational level of analysis was not influential in determining organizational performance. The findings of this study do not support the findings in the literature, which say that organizational structure with its dimensions (the level of centralization and the level of formalization) can become major determinants of the success of the strategy execution (Tippmann, *et al.* 2013; Wilden, *et al.*, 2013; Wilden, 2012; Cater & Pucko, 2010). In their article, Cater and Pucko (2010) said a relationship existed between good organizational structure and organizational performance, and they recommended further studies about this relationship in other sectors such as in the education sector. Alashloo, *et al.* (2005) in their study of links between the organizational structure, organizational culture, and reward system in the higher education sector, considered them to be success factors having a positive impact on organizational performance.

These findings conflict with some organizational structure literature, which says that organizational structure is a necessary precursor in higher levels of education sectors to make the strategy execution process successful. Some findings of this study can point out that several universities are guided by people who remain unconcerned about the structure in their institutes and who have given authority to their close

subordinates not to experts who are well-educated staff in the three levels of administration (top, medium, and low). This situation means those universities or the organizations with this unique structure need to be more centralized, and its better, in this case, to hire an external consultant to help with planning activities and even in master plan execution. Moreover, these organizations cannot use (or depend upon) their expert employees in the decision-making process. They should also be more formalized in letting the staff in lower management participate in formulating the plan and strategy of the organization.

Finally, organizational structure and organizational performance in case of strategy execution are both embedded in the same theoretical background, the general system theory (Bertalanffy, 1968), and the contingency theory (Lawrence & Lorch, 1967; Burrell & Morgan, 1979).

5.3.5.1.3 Discussion on Hypothesis Findings: Measuring the Degree of Influence of the Organizational Culture on the Organizational Performance

The findings do not support the hypothesis H_{1c} that stated that organizational culture has a negative influence on organizational performance. This study produced results, which did not replicate the findings of much previous work in this field. The findings of the current study disagree with Maas's (2008) qualitative study findings, which showed that organizational culture or a culture of fear (culture of non-trust) is a critical factor in an organization's success or failure and in improving the level of performance.

The present findings seem to be inconsistent with other research that found that organizational culture can have a significant role in higher learning institutions such that it can increase the level of performance for employees in lower management and

give them motivation for considering that the culture of fear is not found in their institutes, that means the staff in the universities do not bother or worry or have any kind of fear of being fired from the institute or receive get punished. That is because the situation in Gaza is unstable and there are some restricted procedures of the high political level undertaken so that universities should not fire any employee regarding to the worst financial situation there and even the siege of Israel around the Gaza strip (Shah & Nair, 2014; Jiang & Carpenter, 2013; Cater & Puko, 2010; Swanson & Power, 2001).

One factor upon which this study focuses is staff fear of job security or of losing their jobs and the effects of such among the organizational members of the university, and its effect on organizational performance. The fear of losing a job in the university affects strategy execution activities as well as influences organizational performance via less organizational commitment, less job involvement, and less trust in management. Moreover, this will cause psychological withdrawal, resistance to change, and a propensity to leave the organization (Zhu, 2010; Maas, 2008; Borg & Dov, 1992). Maas (2008) in his study pointed out that the idea of losing one's job affects strategy execution in several ways, when a layoff strategy is executed in an organization it means resistance to the strategy's execution effort.

Edmondson (2001) stated that psychological safety positively influences the level of risk taking within an organization. When members of an organization do not fear reputational harm, they are encouraged to initiate actions and hence to make some mistakes. This enhances and encourages their learning behavior in work teams, and this is because the staff believes that members with good intentions will not be

punished when he/she makes a mistake. On the other hand, when the only response of superiors is the punishment for such initiatives and failure, this action will surely result in subordinates' reluctance to be involved in learning behaviors, which eventually means not taking risks and making mistakes. When the management's response to such a situation is punishment or the employee losing face, this response produces a negative effect on employees' execution performance (Maas, 2008).

The strategy execution literature until now has studied organizational culture and its effect on performance. Many studies have investigated the role of organizational culture in the organization; and most of these studies have indicated a significant role in the organization. These studies have recommended that more studies be done on strategy execution and culture in many sectors, especially in the education sector (Ranjbar, *et al.*, 2014; Cater & Pucko, 2010; Rahimnia, *et al.*, 2009; Hrebiniak).

Delisi (2006) pointed out that organizational culture is a reinforcement mechanism that can sabotage the strategy execution process and affect performance, if that culture is not considered. He added that some dimensions of organizational culture, such as the fear of participating by an employee have a direct impact because some organizational members do not want to be held accountable, and they pass the responsibility on to other staff.

The study of Rahimian *et al.* (2009) about higher educational institutions in Iran examined the fear of change, especially among middle management. In this instance, middle managers felt that change always was accompanied by new challenges and thus the opportunities to make mistakes or for failure will be higher and this increase would create fear among members. They are simply trying to avoid trouble.

Many researchers have focused on the phenomenon of resistance to change (Cuter & Puko, 2010; Macllaster, 2004). Reid (1989) claimed that most organizational members, not excluding managers and high ranked employees, often feel distressed by the change and would often resist it (Tolleson, 2009). Katter (2009) argued that the disturbances, which accompany organizational change, usually shake the company's stable interests and upsets the established routine.

Finally, organizational culture is embedded with the organizational performance under the same theoretical background, that of the general system theory (Bertalanffy, 1968), and the contingency theory (Lawrence & Lorch, 1967; Burrell, & Morgan, 1979).

5.3.5.1.4 Discussion on Hypothesis Findings: Measuring the degree of influence of the Reward System on the Organizational Performance

Hypothesis H_{1d} is not supported. The results indicate that the reward system negatively influences the organizational performance. The findings of the current study are inconsistent with those of Maas (2008) who found them as further support that the reward system is important for effective strategy execution, and the organizations do not need a system of rewards such as (incentive or motivations, monetary or non-monetary, for the members who performed well or performed poorly) to get best results of improving organizational performance and for organizations to achieve success. This result is due to the financial situation and political siege on Gaza, as well as the scarcity of financial resources, so the staff has become satisfied with their current salary by adapting to the current environment.

There are no similarities between the attitudes expressed by Maas (2008) in his study and this study or those described by others (Slater, *et al.* 2010; Neilson *et al,* 2008;

Schaap, Stedham, & Yamamura, 2008; Sedlemayer, 2008; Higgins, 2006). Thus, the findings of this study add contributions to knowledge related to reward systems, which have been considered traditionally to be one of the critical factors to achieve organizational success.

Organizations need a reward system that monitors progress toward full execution and demonstrates senior management's interest (and investment) in attaining the goals of the strategy (Shaap, *et al.,* 2008). The greater the internal change required by a strategy, the more significant effective incentives become (Okumas, 2001); reward or incentive system are essential for motivating staff and ensuring appropriate behavior in relationship to the strategy (Ranjbar, *et al.*, 2014; Maas, 2008; Hrebibiak and Joyce, 1984). Finally, realigning rewards so that they present the intended strategy enhances the commitment to a strategy.

Delisi (2006) stated that the most difficult thing in an organization is when the management neglects to reward or measure people when management is asking for the execution of a plan. It is rare to find a study discussing a success in strategy execution, which does not also mention or consider the reward system. Rahimnian *et al.* (2009) mentioned that, if the reward system is not considered during the execution of the plan, this lack of consideration will be an impediment and hinder development in the organization, especially in the higher learning institutions. Shah and Nair (2014) mentioned in their study that there would be no success if the staff is not rewarded during while executing the strategy and this would impact organizational performance.

Bertalanffy (1968), when he introduced the general system theory, mentioned that each element in the system would be interrelated with each other, changing an

element would cause other elements to also change. Many researchers have studied reward systems and their roles along with organizational culture and structure to get a high level of organizational performance. So, the reward system is embedded in the general system theory (Bertalanffy, 1968). The contingency theory also embeds the reward system and has studied that system in turbulent environments such as in the Gaza strip-Palestine (Lawrence & Lorsch, 1967; Burrell & Morgan, 1979).

5.3.5.2 Discussion on Hypothesis Findings: Measuring the degree of influence of the Execution Plan Factors on the Organizational Performance H_2.

The findings of this study support hypothesis H_2. They showed that strategy execution plan factors influence organizational performance, and the results were indicative of a strong relationship between them. In strategy execution literature, little attention has been paid to the strategy execution plan and its effect on the organizational performance (Salas & Huxley, 2014; Bailey, 2008; Bhimani, *et al.,* 2007; Noble, 1999; Hrebiniak & Joyce, 1984). However, some researchers have studied the strategy execution plan factors. Some of them have pointed out, these factors as an obstacle that hinders the success of strategy execution and then organizational performance (Kmar & Sushil, 2013; Delisi, 2006, Hrebiniak, 2006; Aaltonen & Ikavako, 2002; Nicolas, 2000).

The findings of this study indicate the strong association between strategy execution plan dimensions. Moreover, this finding aligns with literature that indicates that the strategy execution plan factors positively influence organizational performance. Furthermore, the strategy execution plan is embedded in organizational performance in the same theoretical background of the contingency theory (Lawrence & Lorch, 1967; Burrell & Morgan, 1979).

5.3.5.2.1 Discussion on Hypothesis Findings: Measuring the degree of influence of the Execution Plan Objectives on the Organizational Performance

Hypothesis H_{2a} is supported. The findings stated that the strategy execution objectives positively influence organizational performance with a strong relationship between the independent variable and the dependent variable. These findings further support the idea that strategy should have clear, concrete, measurable, and feasible execution objectives to achieve successful strategy execution in organizations (Malik, 2007; Johnson, 2002).

These results match those of Maas (2008), which indicates that the higher learning institution should make the staff understand the execution objective, which they need to achieve, because organizational members should be well informed about what they are going to do. Hrebiniak (2006) pointed out that either the absence or the lack of clarity resulting from concrete and measurable strategy objectives and milestones makes it difficult to determine if implementation is following the plan or if the plan needs any corrections or adjustments.

The strategy execution plan objectives are embedded in organizational performance under the same theoretical background, which is that of contingency theory (Lawrence & Lorch, 1967; Burrell & Morgan, 1979). That is because the study was administered in a turbulent environment in the Gaza strip-Palestine.

5.3.5.2.2 Discussion on Hypothesis Findings: Measuring the Degree of Influence of the Execution Plan Tasks and Responsibilities on the Organizational Performance

Hypothesis H_{2b} is supported. The finding stated that the execution tasks and responsibilities influence organizational performance and this finding match the

results in this aspect with respect to the literature. Furthermore, the findings of this current study are consistent with those of Maas (2008).

This study produced results, which corroborate the findings of a great deal of previous work in this field. When an organization defines execution tasks concretely, then the strategy will be concrete. As a result, this will make the strategy easier to communicate among the organizational members (Maas, 2008). Moreover, explaining execution tasks needs or requires an operational knowledge by managers and also takes much time (Maas, 2008; Kaplan & Norton, 2005).

Execution control always depends on fulfillment of execution responsibilities. Hence, management can hold certain individuals accountable for not completing their assigned tasks. Nevertheless, organizations often lack clear established responsibilities, and strategies could be formulated unclearly, and prepared and planned weakly, and not formalized in the organization. Such an organization often is deficient in clear descriptions of responsibilities for execution (Maas, 2008; Kaplan & Norton, 2006).

In spite of that and the clearly significant role of the strategy execution plan and its factors (strategy execution objectives, strategy execution tasks and strategy, activities and execution responsibilities), few researchers talk about the role of execution plan factors in the case of strategy execution. The literature still lacks of research tied to the execution plan. However, some researchers have mentioned the role for the strategy execution plan and found that, without caring this role, the strategy execution will fail. One of these scholars is DeLisi, (2006, 2001). He indicated that the findings showed several other potential reasons for strategy execution failure. They were as follows: there is no commitment to the plan; the plan

was not communicated effectively; the plan was too abstract; people could not relate the plan to their work, and senior management did not pay attention to the plan.

Noble (1999) points out that the execution plan should have clear and concrete objectives and the tasks of the execution plan should be distributed to the staff so that they understand the role and responsibility of each member in the strategy execution plan. Hrebiniak and Joyce (1984) and Kaplan and Norton (2005) mention the importance of the role of the execution plan in the success of the strategy execution process. Kaplan and Norton (2005) point out that without an execution plan, the organization cannot execute its strategy, and this means that the strategy execution will fail. And this failure will affect organizational performance.

As known this research applied to the Gaza strip-Palestine, and the environment remains dynamic and turbulent, so the theoretical background of the independent variables postulated strategy execution task and responsibilities is the contingency theory (Lawrence & Lorch, 1967; Burrell & Morgan, 1979).

5.3.6 Discussion on Hypothesis Findings: Communication Strategy as a Moderator in Relationship between Strategy Execution organizational Levels Factors and Organizational Performance H_3.

The results support the Hypothesis H_3 of strategy execution, organizational level which indicates that the communication strategy moderates the relationship between the strategy execution, organizational level factors (organizational size, organizational structure, organizational culture, and reward system) and organizational performance. The findings of these hypotheses have bridged the gap that exists in the literature on this aspect. Communication strategy influences the

relationship between independent variables and a given dependent variable (Andrew, *et al.* 2011).

Even though no specific study was done in this context, these finding align with the findings of the hypotheses on the relationship between the strategy execution organizational level (organizational size, organizational structure, organizational culture, and reward system) and organizational performance. In other words, these findings have filled the gap in the literature with regards to research on the role of communication strategy as moderator in the relationship between the organizational level of analysis factors (organizational size, organizational structure, organizational culture, and reward system) and organizational performance. The gap in the dissertation's study was clear from Andrews, Boync, Law, and Walker (2011), and Fernandez and Rainey, (2006) who recommended in their studies about higher education institutions in Australia that the effect of the strategic communication between the strategy execution's factors and the organizational performance be studied.

The results of this study support Plant (2009) and Harris and Ogbonna's (2006) arguments that a relationship exists between strategic planning and the service sector's (higher education) success supported by an execution process that includes adequate communication of the business plans (Saenz, 2010).

Planners from the government and educational sectors who wish to promote the development of small enterprises might promote the development and execution of strategic planning in organizations. Because education development has an impact on the economy, suggestions for higher education development operators in many countries are noted, which may result in growth (Saenz, 2010).

These findings of the current study are concerned with the effect of the strategic communication as a moderator between the organizational levels of strategy execution factors on the organizational performance. The essential factor at all levels of the strategy execution process is to communicate effectively. Authors such as Hrebiniak (2006) and Manderscheid and Kusy (2005) examined strategic strategic communication.

Furthermore, Kouzes and Posner (2002) discussed the importance of effective communication strategy and acknowledged that, if the leaders use communication effectively, they will be influential in making the vision clearer in addition to stimulating higher motivation, loyalty commitment, productivity and pride (Balzarova, *et al.,* 2004; Mieso, 2010). Leaders who communicate effectively not only clarify vision, mission, and values, but also make implementation of action easier towards realizing the stated objectives (Manderscheid & Kusy, 2005; Kotter, 1996).

The strategy for effective communication is mentioned in the studies more than any other single factor promoting successful strategy execution. The strategy for communication content includes a clear description of the new tasks, duties, and responsibilities that need to be executed by the affected employees. Furthermore, this includes the reasons for both the change of job activities and strategic decisions that were decided in the first place (Bulloch, 2011; Alexander, 1985).

Rapert and Wren (1998) indicated that organizations having an open-door policy allowing staff to get easy entrance to management through the effective strategic communication create more outperformers than those that have restrictive communication climates for employees (Rapert, Velliquette, & Garretson, 2002).

Alexander (1985) pointed out that communication is mentioned more frequently than any other single item promoting successful strategy execution. A considerable number of researchers have already emphasized the importance of communication in the process of strategy execution (Alexander, 1985; Rapert & Wren, 1998; Peng & Litteljohn, 2001; Heide, *et al.,* 2002; Rapert, Velliquette, & Garretson, 2002; Forman & Argenti, 2005; Schaap, 2006; Li, *et al.,* 2008). However, very few studies examine communication strategy and organizational level of analysis, and this current study covers the lack of literature measuring the effect of strategic communication and creates new knowledge and new contributions to science.

5.3.7 Discussion on Hypothesis Findings: Communication Strategy as a Moderator in Relationship between Strategy Execution Plan Factors on Organizational Performance H_4.

The results reject Hypothesis H_4, which indicates that the communication strategy does not moderate the relationship between the strategy execution plan factors (execution objectives, execution tasks and activities, and execution responsibilities) and the organizational performance. Findings for hypothesis have not bridged the gap that exists in the literature with respect to this aspect. Communication strategy did not influence the relationship between the independent variable (strategy execution plan factors) and a given dependent variable- organizational performance.

Even though no specific study was done in this context, these findings go along with the findings of hypotheses on the relationship between the strategy execution plan (execution objectives, execution tasks and activities, and execution responsibilities) and organizational performance. In other words, these findings have filled the gap in the literature with no role of communication strategy as moderator in the relationship between the strategy execution plan (execution objectives, execution tasks and

activities, and execution responsibilities) and organizational performance. The gap in the dissertation's study was clear from Andrews, Boync, Law, and Walker (2011) and Fernandez and Rainey (2006) who recommended in their study about the higher education institutions in Australia to study the effect of the strategy, communication between the strategy execution's factors and organizational performance, but in case of strategy execution plan the communication strategy failed to fill the gap of the study. This is unsurprisingly because numerous researchers have mentioned in their studies that, whether strategic plan with objectives and activities, and even the distribution of responsibility will fail, in case of not communicated effectively. The researcher mentioned in literature review about this issue. This is due to the communication is very essential in the organizations, especially when managers need to reach it to everybody in the organization. The significance of communication appeared in the implementation process, and answers one question, is the success or failed to execute strategy due to misunderstanding or misleading steps during the execution process or not. But in the execution plan or departmental plan the communication not that significance comparatively with master plans of overall organization. The communication in departments easy and under-control and likely to be no role due to the size of the department, and head of department can himself control everything and supervise the progress. This situation is very clear in Gaza due to the size of the organizations there.

Little attention has been given to the execution plan in spite of the fact that a considerable number of researchers have mentioned this as a big obstacle to success of the execution and of organizational performance and ultimate success of the institutions (Mieso, 2010; Rahimian, *et al.*, 2009; Malik, 2007; Delisi, 2006; Alashloo, *et. al.*, 2005; Hrebiniak, 2005, Kaplan & Norton, 2005; Charan & Colvin,

2002; Johnson, 2002; Al-Gamdi, 2006, 1998; Alexander, 1991, 1985). Noble (1999) pointed out that the execution plan should have a clear, concrete objectives and the tasks of the execution plan should be distributed to organizational members with a similar clarity about the role and responsibility of each member in the strategy execution plan.

Hrebiniak and Joyce (1984) and Kaplan and Norton (2005) mentioned the importance of the role of the execution plan in the process of successful strategy execution. Kaplan and Norton (2005) pointed out that without an execution plan, the organization couldn't execute its strategy; this means that the strategy execution will fail. And consequently this failure will affect the organizational performance.

It is critical that everyone on the team understands and agrees upon the details of the plan. Management must be committed and stay focused on the agreed upon plans and should only make significant changes to the plan after careful consideration on the overall implications and consequences of the change (Hilman, 2006). Furthermore, the organization should maintain a balance between ongoing business activities and working on new strategic initiatives. Problems with execution often occur when companies concentrate on new strategy development and, in the process, forget the main line of business that underlies the previously formulated business strategies.

Nickols (2000) discussed four cases of strategy execution: (a) flawed strategy and flawed execution; (b) sound strategy and flawed execution; (c) flawed strategy and sound execution; and (d) sound strategy and sound execution. Only when the strategy and the execution are sound, does an organization have a good chance for success, barring environmental and competitive influences. Furthermore, he

contends that executing the wrong strategy is one major problem leading to unsuccessful implementation of strategies. Such failures include: (a) lack of knowledge of strategy and the strategy process; (b) no commitment to the plan; (c) plan is not communicated effectively; (d) people are not measured or rewarded for executing the plan; (e) plan is too abstract, people can't relate it to their work; (f) people are not held accountable for execution; (g) senior management does not pay attention to the plan; (h) reinforcements, such as culture, structure, processes, IT systems, management systems and human resource systems, are absent.

5.4 Theoretical Implications

Findings of this study can strengthen the existing theory and provide better insight on the influence and relationship between certain tested variables. This study also proposes to discover the similarities or differences with findings of previous researches.

This research shows that positive organizational performance is influenced by a specific combination of strategic factors like strategy execution organizational level, strategy execution plan, and communication strategy. This study further suggests that communication strategy plays the role of moderator in the relationship between two groups of strategies, namely, strategy execution organizational level (organizational size, organizational structure, organizational culture, and reward system) and strategy execution plan (execution objectives, execution tasks and activities, and execution responsibilities) in organizational performance. The results of the study suggest that communication strategy plays an important role and contributes positively to organisational performance in case of study the strategy

execution organizational level factors, but in the case of strategy execution plan do not play an important role and influence organizational performance negatively.

The findings of the study also support the concept that a specific combination of strategic factors will improve organizational performance. Most studies agreed that strategy execution organizational level (Wilden, 2012; Slter, Olson, & Hult, 2010; Hrebibiak, 2006; Higgins, 2005; Alashloo, *et al.*, 2005; Miller, Wilson, & Hickson, 2001, Al-Gamdi, 1998), strategy execution plan (Neilson, *et al.*, 2008; Hrebiniak, 2008; Higgins, 2006; Okumas, 2003; Noble, 1999; Hussey, 1996; Floyd & Wooldridge, 1992; Hrebiniak & Joyce, 1984), and communication strategy lead to enhanced organizational performance (Alexander, 1985; Rapert & Wren, 1998; Peng & Litteljohn, 2001; Heide, Grønhaug, & Johannessen, 2002; Rapert, Velliquette, & Garretson, 2002; Forman & Argenti, 2005; Schaap, 2006; Li, Guohui, & Eppler, 2008). Furthermore, these findings suggest that the general system theory (Bertalanffy, 1968) and contingency theory (Lawrence & Lorch, 1967; Burrell & Morgan, 1979) can be used in explaining the relationship between strategy execution organizational level, strategy execution plan, communication strategy, and organizational performance.

This study also adds new insights concerning the relationship between strategy execution organizational level, strategy execution plan, and communication strategy in organizational performance. In particular, it contributes to the understanding of the relationship between specific strategic factors like organizational size, organizational structure, organizational culture, reward system, communication strategy, and organizational performance, or between strategy execution objectives, strategy execution tasks and responsibilities, communication strategy, and

organizational performance. Furthermore, the communication strategy certainly plays an important role, which is as a moderator in the relationship between strategy execution organizational level and organizational performance, and strategic execution plan organizational performance.

This study also confirmed that communication strategy is a moderator in the context of the relationship between strategy execution organizational level, But in case of organizational performance and execution plan did not support. The findings filled the gap of previous studies, which were centred on the relationship between strategy execution organizational level and performance (Andrews, Boync, Law, & Walker (2011), and Fernandez & Rainey, (2006), or communication strategy itself and performance.

Furthermore, the findings of the present study are in line with Western theories and perspectives, describing the area here, and one could argue that Western theories are valid in a non-Western setting including the Palestinian educational sector.

5.5 Managerial Implications

The purpose of the study is to explore the factors affecting the organizational performance among the higher educational institutions in Palestine. An important contribution is made to knowledge by throwing light on organizational size, organizational structure, organizational culture, and reward system and strategy execution plan factors in the development of strategy execution's framework and spread of knowledge in Palestine in a higher learning organization. One result from this investigation is some suggestions as to the framework and the organizations.

5.5.1 Implications for Knowledge

In this research, the strategy execution factors such as the organizational level and strategy execution plan have a different influence on the organizational performance, both strategy execution organizational levels (SEOL) and strategic execution plan (SEP) have a significant positive effect on organizational performance (OP). The current study reports that the strategic communication has a positive, significant effect on the relationship between the SEOL and OP, and this due to the association between the variable of SEOL together to enhance the relationship between them. Strategic Communication (SC) has a significant negative effect on the relationship between the SEP and OP, and this might be due to less participating in drawing and the formulation of the master plan by the staff, and this due to the staffs that do not share their ideas in the formulation the organization's strategy.

Second, the research showed the association between the variables of the framework have been supported, with a high significant level of reliability and with good fit model measurements. Nevertheless, it could be observed from the analysis that organizational performance has been influenced by the relationship between variables. This has led to a call for further research to confirm the conclusion of the research results.

Third, the study expands the understanding that Maas's (2008) strategy execution framework is relevant to a non-Western nation. However, more studies are still required, particularly when the explanatory power of the model employed is not as high as that of Maas (2008). The current study tested the association between the variables of Maas (2008); the results covered a pattern similar to the Western pattern that is applicable to the Palestinian higher educational sector.

Fourth, the study outlined that strategic communication (SC) has an insignificant negative effect on the strategy execution plan, which confirms what Delisi, 2006 and Nicholas, 2000 argued, that's not all the organization members are knowledgeable about the planning department and may think that such planning procedures and activities may frustrate them in their jobs.

Fifth, as mentioned previously, many authors have noted that strategy execution organizational's level, strategy execution plan, and communication strategy influence organizational performance (OP), and this study comes to a similar conclusion and expands the understanding.

Sixth, the research uses the suggestion of Hair *et al.,* (2010, 2011, 2012, and 2013) a suggestion of the data analysis the new construct measure is "god-consciousness" which offers methodological contraption.

Finally, this study shows that strategic communication (SC) has a positive effect of moderation on the relationship between strategy execution organizational's level SEOL and organizational performance OP, but did not moderate the relationship between strategy execution plan SEP and organizational performance OP. Therefore, the study either supported or filled in the gap of Andrew *et al.,* 2011, Rahimian *et al.,* 2009, and Maas, 2008, that strategic communication relationship exists between SEOL factors and organizational performance. On the other hand, this study supported and filled in the gap of Maas (2008) that a relationship exists between strategy execution plan and organizational performance.

5.5.2 Implication for the Organization

The objectives of this investigation are to make staffs who are working in the higher learning institutions knowledgeable of the typologies of strategy execution efforts and activities in their organizations and to identify the factors behind successful or failed strategy implementation. Such knowledge will give higher learning institutions the upper hand to have success rather than failure in the future.

In this section, some understanding and findings of impediments and obstacles to strategy execution adoption in learning organization in Palestine were provided. More is needed to uncover the key obstacles to find the association and the effects of the main factors affecting a respondent's point of view and attitudes to those obstacles. The major obstacles were identified in the survey answers.

There are the primary issues to deal with before implementing a strategy in higher learning organization in Palestine. These have to do with the following questions: Are employees capable of carrying it out? Are they willing to implement it? Do they have the proper training to execute the strategy? The willingness of staffs was observed to be low in developing countries, and this is a factor that significantly affects the readiness of organizations to hire an external consultant. The community level of consciousness towards strategy execution influences the higher learning sector in Palestine

The most important issue of the higher learning staff in Palestine is that they are resistance to change, afraid to take initiatives, do not want to participate, exhibit a none-of-my-business negative attitude toward strategy implementation that experts feel are needed, and believe that they do not have any role in the process. Moreover,

staffs often do not wish to be responsible. These obstacles, which appear on the surface during the strategy execution, give a negative impact, and affect strategy implementation efforts and activities. Most of these issues hinder the success of institutions.

The second issue, understanding the master plan itself, is associated with the new communication strategy. If, or how, the staff receives full explanation about their role in strategy execution is an issue, some staff indicated that the communication strategy could be not found in this university, most staff mentioned that the strategy execution was the role of top management, and the top management did not share with them any ideas about the strategy of the organization. The communication channels between the top management in some organizations are closed or blocked, and staff cannot determine what the strategy is and who is responsible for implementing it.

Another main issue concerns the structure of higher education institutions in Palestine; this was clear in the findings of this study. Some managers delegated the authority to people they trust, and have forgotten the role of organizational structure. Some managers clearly neglected the organizational structure and give themselves the authority to select whomever they believed was capable for this mission, in spite of the fact that most staff are well educated. This demonstrates that management style has a big role in strategy execution.

The difficulties facing the financial statues of many higher learning institutions in Palestine have been caused by the siege of Israel and United States on the Gaza strip-Palestine. This economic siege has prevented organizations from motivating their staff or offering incentives for good performance or for doing tasks well. This

economic disincentive has a negative impact and increases the frustration among the staff there. Most of the higher learning institutions generally have abandoned the reward system (financial or non-financial).

Organizational size in Palestine in not too large compared with countries like Egypt , Malaysia, Europe, or the USA, even though a higher learning institution in Egypt and other big countries and developed face many similar problems caused by the lack of the competent human resources who are capable of participating in execution activities. Many competent human resources have left their small institutions to go to bigger ones to get extra rewards or to improve salary or income. For these reasons, the lack of the competent staff affects directly the activities of the staff and sometimes causes the failure of the strategy execution in the organization.

The third issue is the required level of strategic knowledge. Most surveys carried out have shown that employees with literacy in strategy execution are few in Palestine. Most experts have shown that they were delayed and complaints in carrying out the strategy caused by top management in higher education institutions in Palestine. Implementations were not made fast. Observers also noted that that absence of control during the strategy execution activities caused a deviation from the plan in many cases.

5.6 Limitation of The Study

These findings as well as this study have theoretical and practical implications and methodological and practical implications, but in spite of the care given to this study, there are several limitations:

This study is limited to the only higher education sector in Gaza strip-Palestine and does not combine the other parts (the west bank) in Palestine due to political, financial and time constraints. Furthermore, it relied upon single information sources from each institute in the belief that these individuals had the knowledge of the organization's strategy execution organizational level, strategy execution plan, strategic communication, and organizational performance. However, having multiple respondents from each firm would have been highly preferable.

Although the total response was 288 (36%) of the total 800 self- appearance questionnaires, only 236 of returned questionnaire were usable, providing an effective response rate of (31%). This number requires caution in interpreting or generalizing the results. It can be interpreted and generalized only among the 32 higher learning institutions in Palestine.

The research employs self-reports to gather the research data, which may cause the regular means variance, a condition where exact relationships between variables are overstated. Personal bias and misconceptions may influence responses. Common method variance is a potential problem whenever data are collected from a single source by sometimes using a single questionnaire and self-report at the same time (Schmitt & Klimoski, 1991). Therefore, given this scenario and the likely presence of response bias, inferences made from the results should not be considered definitive.

Due to the cultural and budget constraints the research sample mostly comprised Palestinian male staff. Gender differences associated with the strategy execution adoption, and acceptance will extend the understanding of the execution of the

master plan or strategy issue. The sample needs to be extended to take account more Palestinian female staff and may be extended to involve other service sectors.

More research designs are likely to strengthen the insight into the aggregated model. A qualitative and/or longitudinal data collection within the strategy execution in higher educational institutions usage would give more in depth of insight to the phenomena.

The findings of the current study do not consider the moderating impacts of position, work experience, type of learning institute, and age. Therefore, future research should examine of situations in which gender, language, different groups, or regions might bring a more in-depth understanding of preferable way to strategy execution. The last limitation was that by using only one instrument for data collection; it would be better if the researcher used the interviews so that more comprehensive points of view may be collected from middle management teams. This approach would give them more opportunities to understand fully the questions and thus provide more accurate answers.

5.7 Future Study and Recommendations

This study used the self-appearance questionnaire survey method. Apart from that, a wider geographical coverage, different sector background and other service mix should be conducted. Also recommended for future research is a longitudinal study that examines the hypothesized associations. The inclusion of other sets of strategy execution or mediators such as management style and management skills and giving more focus on the culture of fear (culture of non-trust) would help. These would

provide ways to get a fuller understanding about executing the strategy for the overall organization.

Future research should be carried out to examine the effect of the following moderators: gender, education, age, experience, types of organization and region on strategy execution with the performance of the organization.

Furthermore, replication of the research using a larger sample size representing the population of top management in higher learning institutions in other parts of Palestine (West Bank and Jerusalem (Al-Quds)) is the next essential measure. The replication of the research on the top management and the whole management in the higher learning institutions at different locations and states possibly will facilitate generalization of finding to management officers in Palestine.

Further study should also use a larger sample size to enhance generalizability. A larger sample size might provide increased confidence that study findings would be consistent across other similar groups. The replication will then, enable the findings to be generalized to management officers in the higher learning institute in Palestine and strengthen the validity of the instruments used in the research. Moreover, the replication of the research should consider samples of various types of management in the Ministry of Higher Education MOHE in Palestine because some departments are in control of (and responsible for) the development and evaluation of the performance of higher educational institutions for wider generalizability in studying universities.

A triangulation or mixed method employing both a qualitative and a quantitative approach also is recommended for future research. The triangulation method offers

advanced value of data quality to enhance a researcher's knowledge regarding the occurrence under study. Integrating both questionnaires and interviews in the data collection process is the most preferable approach in studying human behaviour in the social science. Advantages for using methodological triangulation are the completeness of the research in which quantitative methods can further develop findings derived from qualitative research and vice-versa. The methods complement each other, providing richness or detail that would be unavailable from one method alone. Qualitative investigation can also help organize quantitative data that has already been gathered or suggest new ways of approaching the phenomenon. Qualitative methods can clarify the results of quantitative research, such as apparently inconsistent findings. More tendentiously, qualitative and quantitative results are sometimes thought to support each other. Triangulation would thus yield a stronger result than either method alone could yield (Risjord, Molone, & Dunbar, 2002).

5.8 Summary

The results indicate that 13 of the higher educational institutions in Palestine – Gaza Strip realize the importance of execution strategy dimensions such as strategy execution organizational level, strategy execution plan, and communication strategy in their organization. Specific strategy execution organizational level with the specific strategy execution plan with communication strategy would generate better organizational performance.

In particular, the communication strategy moderates the relationship between the strategy execution organizational level and organizational performance, but the

communication strategy does not moderate the relationship between the strategy execution plan and organizational performance.

It is hoped that the findings of the study will aid top management teams of the higher learning institutions in the Gaza strip-Palestine to make strategic decisions concerning the appropriate strategy execution dimensions to enhance organizational performance in higher educational institutions. By doing so, the future of higher education in Palestine will improve and universities will make better the economy and social life of the country.

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