Anchor, J.R and Aldehayyat, Jehad S.

Strategic Decision Implementation in an Emerging Market: "The Nature of the Beast?"

Original Citation

Anchor, J.R and Aldehayyat, Jehad S. (2016) Strategic Decision Implementation in an Emerging Market: "The Nature of the Beast?". Management Decision, 54 (3). pp. 646-663. ISSN 0025-1747

Emerald Management Decision

Strategic Decision Implementation in an Emerging Market: "The Nature of the Beast?":

Journal:	*Management Decision*
Manuscript ID	MD-07-2015-0311.R1
Manuscript Type:	Original Article
Keywords:	Strategic decisions, Implementation, Emerging markets, Jordan

Strategic Decision Implementation in an Emerging Market: "The Nature of the Beast?"

Introduction

The bulk of strategic management research has been undertaken in developed countries (Burton, *et al.,* 2004; Lohrke and Lu, 2004; Ghemawat, 2008; Mellahi and Sminia, 2009). Earlier studies in emerging markets have provided a certain amount of information about strategic choice and strategy implementation (Brenes, *et al.,* 2008; Parnell, 2008; Glaister *et al.,* 2009; Parnell, 2009; Čater and Pučko, 2010; Aldehayyat and Anchor, 2010). Indeed strategy research in emerging markets has become an integral part of strategy research in general (Li, *et. al.,* 2011). It has also drawn attention to the context-specific nature of strategic management (Xu and Meyer, 2013). Strategic decision making in an emerging market context (Iran) has been studied (Zamani et al., 2013). However, there have been no studies of strategic decision implementation in emerging markets, apart from the partial one by Taslak (2004). The question is, however, does the emerging market context really make a difference? (De Feiss and Rahman, 2009; Tracey and Phillips, 2011; Ramamurti, 2012).

Institutional approaches have become the most popular vehicles for attempting to understand strategy in emerging economies since they focus in particular on firm level phenomena (Meyer and Peng, 2005; Peng, *et al.,* 2008; Alvi, 2012). This is true especially of domestic firms in emerging economies (He, *et al.,* 2011; Xu and Meyer, 2013; Wu, 2013). Institutional contexts may alter over time, albeit slowly in many cases and this may change the effectiveness of organizational strategies (Khanna and Palepu, 2000). Furthermore the strategic implications of competing in emerging markets may be different for multinational and local companies (Anand, *et al.,* 2006; Wu, 2013).

There are a number of institutional deficiencies of emerging markets which may create difficulties for corporate actors. These include a lack of reliable information to assess the goods and services which they purchase and the investments which they make; regulations which place political goals over economic efficiency; and inefficient or ineffective judicial systems. As a result, companies operating in emerging markets often have to perform these institutional roles themselves. This means, inter alia, that strategies which are effective in developed economies may not be appropriate in emerging markets (Khanna and Palepu, 1997; Khanna and Palepu, 1999; Makhija, 2004).

As emerging markets evolve, institutional structures tend to move from relationship based personal exchanges to those which are rule based and impersonal with third party enforcement. Therefore a fundamental difference between emerging and developed market economies is the existence in the latter of market supporting formal institutions (Alvi, 2012). This is not an exact dichotomy however and a particular economy may display both emerging and developed market characteristics. Moreover emerging markets are themselves not homogeneous and may display a variety of institutional contexts (Child and Lu, 1996; Choi, *et. al.,* 1999; Hosskisson, *et. al.,* 2000; Djankov and Murrell, 2002; Peng, 2003; Wright, *et. al.,* 2005; Hosskisson, *et. al.,* 2013; Wu, 2013). Institutional contexts may alter over time, albeit slowly in many cases and this may change the effectiveness of organizational strategies (Khanna and Palepu, 2000). Furthermore the strategic implications of competing in emerging markets may be different for multinational and local companies (Anand, *et. al.,* 2006; Wu, 2013).

This paper reports on the extent to which the political and economic institutional context impacts on strategic decision implementation in the emerging market of Jordan. The research was conducted within Jordanian industrial firms in order to facilitate the exploration of the strategic decision implementation problems faced by companies which are based in the emerging markets of the Middle East. Al-Shaikh and Hamami (1994), Al-Shammari and Hussein (2008) and Aldehayyat and Anchor (2008) have identified that Jordanian companies make considerable efforts to formulate their strategic decisions. However, they and other studies of strategic decision making in emerging markets have not investigated what happens when these companies try to implement them (Elbanna and Child 2007 a and b). A study of the Turkish textiles industry provided some partial insights (Taslak, 2004), but the issue has become of much greater importance since the millenium given changes in the world economy.

The 2000s have seen a large increase in internationalisation by emerging market multinationals via outward foreign direct investment (OFDI) (Cavugil, 1980; Hoskisson et al., 2000; Jormanainen and Koveshnikov, 2012). In 2013, investment from emerging economies increased to 39% of global OFDI, compared with only 12% in 2000 (UNCTAD, 2014). This trend is consistent across different emerging market sub-regions, including those in the Middle East and North Africa (Goldstein and Bonaglia, 2007; Gammeltoft et al., 2010) although its absolute magnitude varies from case to case.

Strategy context, content and process

It has been asserted that strategy in its broadest sense is predicated on elements of context, content and process (Pettigrew, 1985). The context element refers to the surrounding environment which serves as the catalyst for a strategy, the content element concerns the substance of the strategy or strategic decision which an organisation intends to implement and the process element relates to how the strategy or strategic decision can be introduced, implemented and managed. Different elements of this approach have been employed to underpin a considerable amount of empirical research in the field of strategy (Wit and Meyer, 2010). The approach has also been used conceptually (Al-Tabbaa *et al*., 2014).

Pettigrew (1987) divides context into outer and inner elements. The outer context refers to the social, economic and competitive conditions within which organisations operate. The inner context relates to elements such as corporate culture, structure and organizational policies. There has been a paucity of research into the role of context in strategic decision making (Elbanna, 2006). More recent studies have attempted to fill that gap but they have not investigated strategic decision implementation (Shepherd and Rudd, 2014). The strategic content of decisions deals for example with the strategic options contained within the Ansoff matrix (Ansoff, 1965), as well as issues such as vertical integration and strategic alliances. Strategic decisions and strategic decision implementation are examples of content. Process research includes an analysis of factors such as rationality (Dean and Sharfman, 1993; 1996; Butler, 2002); political behaviour (Nutt, 1993; Eisenhardt *et. al.,* 1997; Miller *et al*., 2004); and, less commonly, intuition (Khatri and Ng, 2000; Miller *et. al.*, 2004).

The Jordan context

Jordan is a small (population 6 million), landlocked, country with few natural resources. It also depends on external sources for the majority of its energy requirements, unlike some of its neighbours. The country is potentially highly vulnerable to external shocks, given its size and natural resource endowment. Jordan is part of the Arab world. Therefore, its culture, management systems, and business environment need to be seen within an Arab context (Al Khattab, et al., 2008). Its politics, economy, and culture are all based on tribalism, Islam, and a lack of democratic political systems (Al-Rasheed, 2001; Dadfar, 1993). Jordan is characterised by high power distance, high collectivism and high uncertainly avoidance (Hofstede et al., 2010).

98% of all businesses in Jordan are classified as SMEs with the bulk of those being family owned (JEDCO, 2011). Family businesses are those organizations in which a family or extended families possess at least 51% of the shares, and in which family members hold senior management roles, as well as being responsible for the most critical daily operations. Family owned businesses in Jordan consist of a number of SMEs and larger organizations which contribute greatly to the country's economy (Jordan Directions, 2010). Many of these family owned businesses are registered on the Amman Stock Exchange and are involved in a diverse range of activities, such as shipping; travel and tourism; energy and mining; healthcare; trade and project development (Karen, 2009). Jordanian firms tend to operate mainly in Middle Eastern markets. Privatisation programmes, which commenced in the 1990s, have provided opportunities for increased foreign direct investment in Jordan. They have also provided opportunities for the diffusion of ideas and management practices from developed economies; a trend enhanced by the stable geo political alignment of the country's government (El-Said and Becker, 2001; Business Monitor International, 2015).

Strategic decisions and strategic decision implementation

Strategic decision making and strategic decision implementation overlap. Aspects of implementation may begin before the strategic decision processes have been finalized. Nevertheless they are usually distinguished analytically. For instance, Hickson *et al*. (1986) used the point at which a decision was officially sanctioned (by the Board or Chief Executive) as the boundary between the authorization stage and decision implementation, although they did not investigate the latter. Strategic decision implementation therefore is defined here as the post authorization phase of a strategic decision.

Strategic decision implementation is one of the most difficult and potentially most important parts of strategic decision making. Indeed failures in organizational decision making are believed to take place predominantly during decision implementation rather than during decision making (Nutt, 1999). For example a successful strategic decision may depend on a range of factors such as appropriate organizational structures, well-designed compensation programs, effective resource allocation, efficient information systems and a supportive corporate culture (Kargar and Blumenthal, 1994).

Although strategic decision implementation is a key element of the strategic decision making process, the vast majority of the literature has focused on the choice of strategic decisions and relatively little attention has been given to strategic decision implementation (Alexander, 1985; Al-Ghamdi, 1998). Alexander (1991) suggests four reasons for strategy implementation not having been the focus of extensive study. First, implementation is seen as not glamorous. Second, people overlook implementation because of a belief that anyone can do it. Third, people are not exactly sure what implementation includes and where it begins and ends. Finally, there are only a limited number of conceptual models of implementation. These reasons also apply to strategic decision implementation. Nevertheless the paucity of research on strategic decision implementation, especially in emerging markets, is unfortunate, both for managers and scholars, given the potential impact of the domain upon organizational performance.

Strategic decision implementation problems

Strategic decision implementation problems refer to operational obstacles to goal achievement which either existed before implementation begins and are not recognized or which arise as a systemic reaction to conditions of the implementation effort due to poor preparation or systemic failure.

Alexander (1985) was the first to investigate the problems of strategic decision implementation - in medium and large US firms - to determine the problems which occurred most frequently when a strategic decision was implemented. The most commonly occurring strategic decision implementation problems were: implementation took more time than originally planned; major problems which surfaced had not been identified earlier; crises distracted attention from implementing the decision; uncontrollable external factors impacted on implementation; inadequate leadership and direction by departmental managers; insufficient definition of key implementation tasks and activities; inadequate information systems used to monitor implementation activities; co-ordination of implementation not effective enough; insufficient capabilities of employees involved with implementation; inadequate training and instruction given to lower level employees.

Most of the subsequent studies which have been undertaken in developed economies have used the same framework as Alexander (1985) for the identification and analysis of the problems of strategic decision implementation. It could be argued that this has placed a methodological straight jacket on subsequent studies. However, it does have the virtue of providing a suitable vehicle for the comparison of the results of those studies. Alexander’s (1985) approach is used as one of the bases for the data collection and analysis in this research in view of its extensive use as a framework in subsequent studies undertaken in developed economies.

Strategic decision implementation and organizational success

Alexander (1985) divided his sample into high success and low success companies depending on the degree of success in implementing the strategic decision. He found that high success companies experienced 11 problems (the first six of the 15 problems listed in the previous section, along with five new problems) to a lesser extent than low success companies. The five new problems were: top management's inadequate communication; the inactive role of formulators of the strategic decision in implementation; unclear defined changes in roles and responsibilities of key employees; overall goals of strategic decisions not well enough understood by employees; supporters of the strategic decision having left the company during implementation.

Al-Ghamdi (1998) replicated and extended Alexander’s (1985) research to identify the strategic decision implementation problems in companies located in Bradford, UK. He found that six of the implementation problems occurred for at least 70 per cent of these companies. Kargar and Blumenthal (1994) found that the ten problems that were identified by Alexander (1985), and which occurred frequently during the strategic decision implementation process in large companies, were also experienced by small North Carolina banks, but to a minor or moderate extent. Al- Ghamdi (1998) found also that high success companies experienced all the potential problems to a lesser extent than low success companies. Kargar and Blumenthal (1994) found that high success companies experienced four problems to a lesser extent than low success companies.

Taslak (2004) discovered that six strategic decision implementation problems occurred frequently in the mainly small and medium-sized companies in the Turkish textile industry. Five of these were internally orientated and one was externally focused. Taslak (2004) also found that low-success companies experienced all the suggested problems more than high- success companies during the strategic decision implementation process.

The literature on strategic decision implementation in developed economies has identified that the degree of success associated with strategic decisions will depend on both the quality of the decisions concerned and the way in which they are implemented. Dean and Sharfman (1996) studied 52 decisions in 24 companies to determine if procedural rationality and political behaviour influence decision success while controlling for the favourability of the environment and the quality of decision implementation. The latter was defined as the competence with which the steps are taken to execute the strategic decision, in relation to workforce communication, corporate financiers, customers, suppliers or partners. The successful implementation of some strategic decisions may even require changes in organizational structure and culture. Indeed the changes which are required by a strategic decision may include many new practices and may give rise to resistance by key stakeholders. As a consequence the leverage which managers have with key stakeholders and the implementation approaches which they adopt will impact critically on decision success (Nutt, 1998).

Miller (1997) examined eleven decisions in six organizations and identified four factors which were critical for successful strategic decision implementation. These were top team backing, clear aims and planning, a supportive climate and an absence of chance events. A long term study of 55 decisions in UK firms identified that managerial planning is insufficient to guarantee successful outcomes. Rather the organizational context is crucial in this regard. Sound experience may win out in comparatively unreceptive situations and decisions may still succeed where experience is lacking but where the organization is ready for change (Miller *et al.,* 2004).

Strategic decision implementation and the formality of the strategic planning process

A formal strategic planning process is a deliberate attempt to include factors and techniques in a systemic way to achieve specified tasks. The process includes the establishment of clear objectives and the necessary mechanisms to achieve them. Formal planning aims to provide direction and ensure that appropriate resources are available at a suitable place and time for the pursuit of the organization's objectives (Armstrong, 1982).

Empirical research in developed countries indicates that formal strategic planning processes are more effective than non-formal ones. Moreover, non-formal strategic planning firms experience strategic decision implementation problems more intensively than do formal strategic planning firms. For instance, O'Regan and Ghobadian (2007) found that all the problems associated with the implementation of strategic decisions were experienced by formal and non-formal strategic planning firms. However, they found that non-formal planning firms experienced each problem to a greater extent than formal planning firms. Kargar and Blumenthal (1994) found that non-formal planners experienced two strategic decision implementation problems to a significantly greater degree than did formal planners: namely, its advocates having left the firm during implementation and responsibilities not being clearly defined.

Research aim and objectives

The context, content and process approach can be used to provide a framework for the empirical analysis of strategic decision implementation in Jordan (Figure 1).

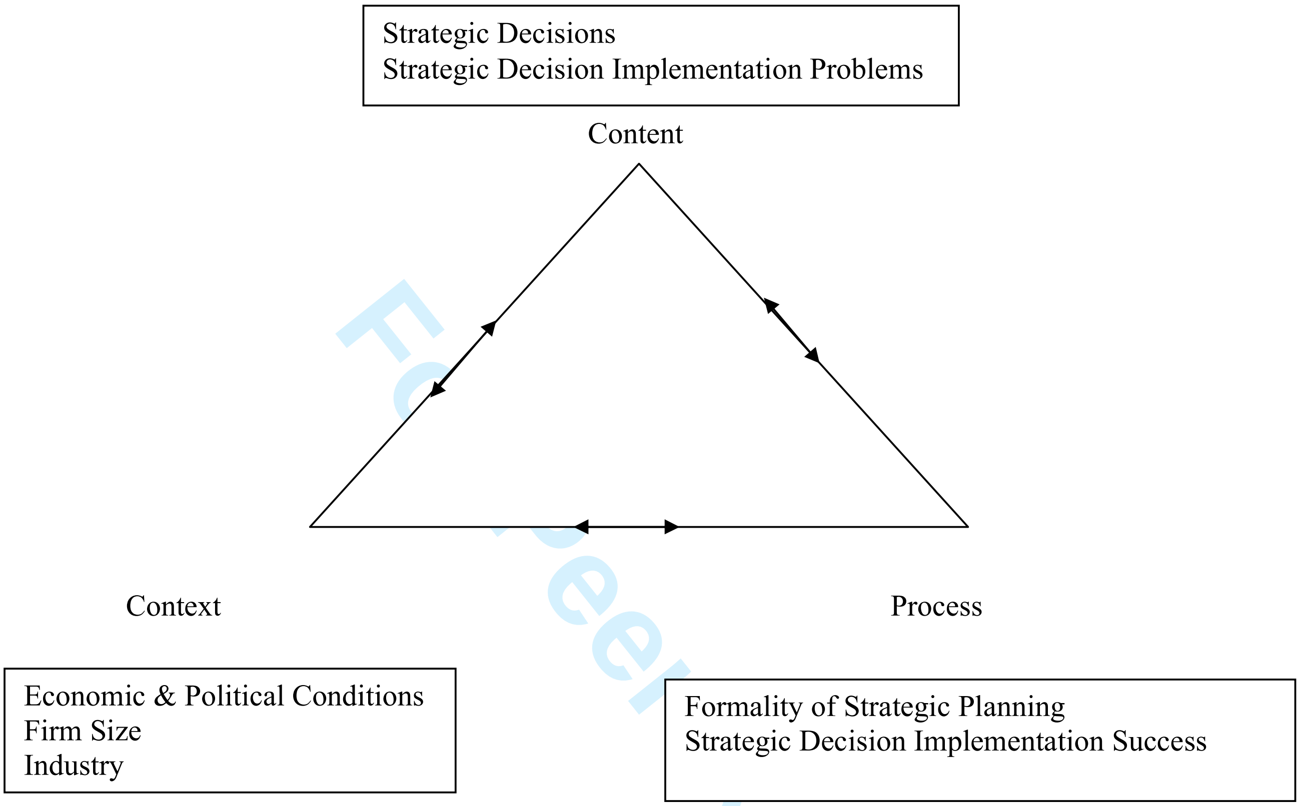

Figure 1: Strategic Decision Implementation in Jordan: Context, Content and Process

Studies of strategic decisions in emerging markets have identified significant, and institutionally related, differences in their type compared to those undertaken in developed economies (Taslak, 2004; Elbanna and Child, 2007a; Zamani *et al.,* 2013). The overarching aim of this research is to investigate the extent to which strategic decision implementation in Jordan is also influenced by these political and economic institutional differences.

The overwhelming consensus from studies in developed economies is that strategic decision implementation problems are mainly internal in origin (Alexander, 1985; Al-Ghamdi, 1998). This was also found to be the case in the Turkish textiles industry (Taslak, 2004). Therefore we hypothesise that:

The institutional factors which have been found to influence the appropriateness of a particular strategic decision in earlier studies will be less influential in the context of strategic decision implementation, as a result of the predominantly inward looking nature of implementation.

A number of complementary research objectives are identified:

1. To identify the strategic decision types undertaken by Jordanian firms.
2. To identify the most common strategic decision implementation problems experienced by Jordanian firms.
3. To investigate the relationship between strategic decision implementation problems and both firm size and type of industry in Jordan.
4. To investigate the relationship between strategic decision implementation problems and firm success in Jordan.
5. To investigate the relationship between strategic decision implementation problems and the formality of strategic planning in Jordan.

Research methods

Research population and respondents

The population of this research is defined as all the industrial firms in Jordan registered on the Amman Stock Exchange (ASE), according to its guide to Jordanian publicly quoted (shareholding) companies. The questionnaires were delivered to all 80 Jordanian firms which were classified in the "industrial" category. They were sent specifically to general managers, since a general manager is the most appropriate person to provide a valid response to questions relating to strategic decisions (Bart, *et. al.*, 2001; Hopkins and Hopkins 1999; Conant, *et. al.,* 1990). "General manager" is a recognized category within Jordanian firms.

The questionnaires were delivered by hand since this was likely to result in a higher response rate and, in any case, is the traditional way of doing business in the Middle East. 80 questionnaires were distributed and 28 valid responses were received within three weeks. After a reminder visit to those who had not responded to the main survey, 15 more valid responses were received, raising the total usable responses to 43. Therefore the response rate was 53.7%, which is considered a good one compared with other studies. The response rate when questionnaires are delivered and collected by hand is likely to be between 30% and 50% (Saunders, *et. al.,* 2012).

Since the response rate in this study is not, or near, 100%, testing for non-response bias becomes important. A Chi-square test was performed to determine whether significant differences existed between the early and late respondents. The results indicate no significant differences between early respondents and late respondents with respect to firm size (X^2 = 3.11, *p* = 539, 2-sided) and industry type (X^2 = 21.11, *p* = 174, 2-sided). Thus, the results of this test indicate that response bias does not apply to the research findings.

Characteristics of respondents

Table 1 shows that 62.9% of respondents were under 50 years of age, 83.8 % were male, 76.8 % had a university degree and above, 18.7% of them had less than five years working experience in their current position and 69.8% had total experience of more than ten years.

Table 1 here.

Table 2 classifies the characteristics of responding firms in terms of size (by number of employees) and type of industry. It shows that 39.5% of respondents represent small firms, 32.5% medium firms and 28.0% large firms. The industry types are diverse.

Table 2 here.

Measures

The questionnaire consisted of 34 questions which were grouped into four sections. The first set of questions dealt with the strategic decision which had been implemented most recently by each firm. The types of strategic decisions included: 1.Introduce a new product; 2. Open and establish a new factory; 3. Expand operations to enter a new market; 4. Retrench a product or withdraw from a market; 5. Acquire or merge with another company; 6. Change the strategy in a functional department. The typology of strategic decisions and the methodological approach was in line with that of Alexander (1985), Al-Ghamdi (1998) and Taslak (2004).

In order to provide the possibility of comparison with these earlier studies, the second set of questions covered the 15 strategic decision implementation problems which were identified by Alexander (1985). Respondents were asked (Cronbach alpha = 7012), on a five-point scale rating from "no problem at all" to "a severe problem", to indicate how problematic strategic decision implementation had been in their companies.

The third set of questions was about the level of success, depending on the degree of success of implementation of strategic decisions. Respondents were asked (Cronbach alpha = 7251), on a scale rating from "low success" to "high success", to evaluate the overall success of strategic decision implementation in the following three contexts, as adapted from Alexander (1985):

1. Achieved the initial goals of the strategic decisions on time as planned;
2. Achieved the expected financial results (sales, income, and/ or profit);
3. Carried out within the resources budgeted initially (e.g., money, manpower, time).

The fourth set of questions involved 10 items relating to the formality of strategic planning adopted by the firm. A multi-item measure of planning formality was used (Appendix). Glaister and Falshaw (2002) and Falshaw, *et. al.,* (2005) developed this measure to counter the critique of the single item approach (written or unwritten strategic plan).

Findings and discussion

The types of strategic decisions which had been implemented recently by Jordanian industrial firms (one per firm) are shown in Table 3. Expand operations to enter a new market was the most common decision type, followed by introducing a new product, then retrench a product or withdraw from a market.

Table 3 here

Table 4 shows the 12 most frequently cited strategic decision implementation problems experienced by Jordanian industrial firms. The most common problem is inadequate information systems for control of activities; secondly crises distracted attention from implementation, followed by co-ordination of implementation not effective enough and uncontrollable external environmental factors.

Table 4 here.

These results are consistent with the findings of earlier studies (O'Regan and Ghobadian, 2007; Al-Ghamdi, 1998; Kargar and Blumenthal, 1994; Alexander, 1985). For example, 12 of the problems listed in Table 4 include nine out of the 10 most commonly occurring problems in the large and small companies which Alexander (1985) studied. In addition, the problems listed include 11 out of the 12 frequently encountered by the small banks which Kargar and Blumenthal (1994) investigated. However, it is noteworthy that external factors are more prominent in the Jordan case than in earlier studies in developed countries, as well as in Taslak (2004), although an internal factor - inadequate information systems - was the most important problem.

Spearman's correlation was conducted to assess the relationships between size of firm and the problems associated with the implementation of strategic decisions. The test was performed for each of the fifteen problems. Table 5 shows a negative statistical association for two problems; namely, co-ordination of implementation not effective enough and advocates having left the firm during implementation and a significant positive relationship for one problem; namely, inactive role of key formulators in implementation. Therefore this study finds very little relationship between size of firm and the problems associated with the implementation of strategic decisions in Jordan.

An analysis of variance (ANOVA) was conducted to determine whether any significant differences existed between the five types of industry (mining, foodstuffs, therapeutic and medical supplies, chemical products, wooden and metal furniture) regarding the problems associated with strategic decision implementation. The test was performed for each of the fifteen problems. The results in Table 5 indicate a statistically significant difference between the five types in relation to only one strategic decision implementation problem; namely, insufficient capabilities of the involved employees ($F=3.75$, $p= .044$). So, overall, industry is not a discriminator of strategic decision implementation problems in Jordan.

Table 5 here.

The sample of 43 companies was divided into high (n=25) and low (n=18) success groups depending on the relative degree of success in implementing strategic decisions. The results in Table 6 of the t-test for each problem show significant statistical differences between the high success group and the low success group in relation to 11 out of 15 implementation problems. For the 11 problems which had a significant t-test, the high success group experienced implementation problems less often than the low success group. Inactive role of key formulators in implementation (t= 5.41, $p<0.001$) and insufficient information systems for control of activities (t= 4.14, $p<0.001$) are associated with the most significant differences between the high success and low success groups.

Table 6 here.

Therefore, the success of companies in the emerging market of Jordan is associated with the frequency and extent of their experience of strategic decision implementation problems. These results are consistent with the findings of a number of earlier studies (O'Regan and Ghobadian, 2007; Al-Ghamdi, 1998; Alexander, 1985) in other institutional contexts and with Taslak (2004) in the context of the Turkish textiles industry.

Spearman's correlation was conducted to assess the relationships between strategic decision implementation problems and the degree of formality of the strategic planning process. The test was performed for each of the fifteen problems. The results in Table 7 show a negative statistical significance for nine problems. The results show no statistical correlation for the other six problems. Therefore, formal strategic planning helped firms to deal with a majority of strategic decision implementation problems.

Table 7 here.

These results are consistent with the findings of O'Regan and Ghobadian (2007) who indicate that formal planning can enable firms to meet any potential problems with greater confidence. The results contradict Kargar and Blumenthal (1994) who found that non-formal planners experienced only two problems to a significantly greater extent than do formal planners. However, this finding could be explained by the type of industry and the size of firm which Kargar and Blumenthal (1994) studied.

Conclusions

This is the first study of the problems associated with the implementation of strategic decisions in Jordanian firms and one of the first in any emerging market.

Firms in the Jordanian emerging market and firms in developed countries experience similar strategic decision implementation problems. However, external shocks are more prominent in Jordan than in the earlier studies in developed countries. The general economic and political conditions in the Middle East may have increased the scale, but not the scope, of strategic decision implementation problems (e.g. crises distracted attention from implementation; insufficient information systems for control of activities; uncontrollable external environmental factors) which these firms have faced. This indicates that the political and economic institutional context is more influential in the case of strategic decisions than for strategic decision implementation. This is due to the "nature of the beast": strategic decision implementation is more inward looking than strategic decision making and therefore potentially less affected by institutional constraints.

The success of companies in the emerging market of Jordan is associated with the frequency and extent of their experience of strategic decision implementation problems. Jordanian industrial firms experience the 15 strategic decision implementation problems identified by Alexander (1985). They show also that high success Jordanian industrial firms experience less often 11 out of 15 strategic decision implementation problems than do low success firms.

The extant literature gives mixed messages about the value of formal planning to minimise the problems of implementing strategic decisions. The results of this study show that formal strategic planning helps Jordanian firms to deal with these problems more effectively. Therefore this study provides new evidence about the nature of the relationship between strategic planning and the implementation of strategic decisions in an Arab/Middle Eastern emerging market context.

In general, no statistically significant relationship is found between between organizational characteristics (size of firm and industry sector) and the nature of the problems associated with the implementation of strategic decisions in Jordanian firms. This is in line with the findings of earlier studies in developed economies and with those of Taslak (2004) in the Turkish textiles industry.

It was difficult to explore some of the "why?" questions related to the implementation of strategic decisions in the sampled firms since most respondents agreed to complete the questionnaire but did not agree to be interviewed. Future research will be undertaken in a small number of companies by using an in-depth type of investigation. Single, rather than multiple, respondents participated in this research. The researchers were not able to get multiple respondents because of the wishes of some companies to receive just one questionnaire. Future research should try to include line managers, such as marketing, financial, planning and administrative managers, to get a clearer picture about the situation inside the firm. A larger sample size would also be desirable, although the results of this survey are robust.

In spite of these limitations, this study provides findings which help to understand the problems associated with the implementation of strategic decisions in the Middle East. Formal strategic planning helps Jordanian firms to deal with strategic decision implementation problems more effectively. The strategic decision implementation problems which are experienced in a developed country may be expected to occur in an emerging market, although external forces may be more influential in the latter case. Strategic decision implementation differs, therefore, from strategic decision making in terms of its relationship with its institutional context, at least in the emerging markets of the Middle East. In other words, the emerging market context appears go make less difference to strategic decision implementation than to strategic decision making. This is an important contribution to theory. Therefore the lessons which have been learned about strategic decision implementation in developed economies will have similar managerial implications in emerging markets. The results therefore may help managers to make and implement strategic decisions in emerging markets, both in the context of market entry and market maintenance. The challenge will be to see whether the particular institutional context in which Jordanian firms operate (Al Khattab, *et. al.,* 2008) is found to a similar extent in other emerging markets. This creates both a challenge and an opportunity for future research on emerging economies (Parnell, 2011; Alvi, 2012; Drummond 2012).

REFERENCES

Aldehayyat, J. S. and Anchor, J.R. (2008), "Strategic planning tools and techniques in Jordan: awareness and use", *Strategic Change*, Vol. 17 No. 7/8, pp. 281-293.

Aldehayyat, J. S. and Anchor, J.R. (2010), "Strategic Planning Implementation and Creation of Value in the Firm"; *Strategic Change,* Vol. 19, No. 2, pp. 163-176

Alexander, L. (1985), 'Successfully implementing strategic decisions', *Long Range Planning*, Vol. 18 No. 3, pp. 91-97.

Alexander, L. (1991), "Strategy implementation: nature of the problem", *International Review of Strategic Management*, Vol. 2, No. 1, pp. 73-91.

Al-Ghamdi, S. (1998), "Obstacles to successful implementation of strategic decisions: the British experience", *European Business Review*, Vol.8, No. 6, pp. 322-327.

Al-Rasheed, A. (2001), "Features of Traditional Arab Management and Organization in the Jordan Business Environment", *Journal of Transitional Management Development*, Vol. 6, No. 1, pp. 27-53.

Al-Shaikh, F. and Hamami, Y. (1994), "Strategic Planning in Jordanian Business Organizations", *International Journal of Management*, Vol. 11, No. 4, pp. 932-939.

Al-Shammari, H. and Hussein, R. (2008), "Strategic planning in emergent market organizations: empirical investigation", *International Journal of Commerce and Management*, Vol. 18, No. 1, pp. 47-59.

Al-Tabbaa, O., Leach, D. and March, J. (2014), "Collaboration between non-profit and business sectors: a framework to guide strategy development for non-profit organisations", *Voluntas,* 25*,* pp 657-678.

Alvi, F.H. (2012), "Rethinking the institutional context of emerging markets through metaphor analysis", *Management International Review*, Vol. 52, pp.519-539.

Anand, J., Brenes, E. R., Karnani, A., and Rodriquez, A. (2006), "Strategic responses to economic liberalization in emerging economies: lessons from experience", *Journal of Business Research*, Vol. 59, No. 3, pp. 365-371.

Ansoff, H. I. (1965), *Exploring Corporate Strategy*, McGraw–Hill, New York

Armstrong, J. (1982), "The value of formal planning for strategic decisions: review of empirical research", *Strategic Management Journal*, Vol. 3, No. 3, pp. 197-211.

Bart, C., Bontis, N. and Taggar, S. (2001), "A model of the impact of mission statements on firm performance", *Management Decision,* Vol. 39, No. 1, pp. 19-35.

Brenes, E. T., Mena, M. and Molina, G. E. Key. (2008), "Success factors for strategy implementation in Latin America", *Journal of Business Research*, Vol. 61, No. 6, pp. 590-598.

Bruton, G. D., Lohrke, F. T. and Lu, J. W. (2004), "The evolving definition of what comprises international strategic management research", *Journal of International Manag*ement, Vol. 10, pp. 413-429.

Business Monitor International (2015), *Middle East Monitor: East Med: Jordan,* London: BMI Research.

Butler, R. (2002), *Decision making. In A. Sorge (ed.) Organization*. London: Thomson Learning, pp. 224-251.

Čater, T. and Pučko, D. (2010), "Factors of effective strategy implementation: empirical evidence from Slovenian business practice", *Journal of East European Management Studies*, Vol. 15, No. 3, pp. 207-236.

Cavusgil, T. S. (1980). On the internationalization process of firms. *European Research,* 8(6), pp. 273-281.

Child, J. and Lu, Y. (1996), "Institutional constraints on economic reform: the case of investment decisions in China", *Organization Science*, Vol. 7, No.1, pp. 60-67.

Choi, C. J., Lee, S. H. and Kim, J. B. (1999), "A note on countertrade: contractual uncertainty and transaction governance in emerging economies". *Journal of International Business Studies*, Vol. 30, No. 1, pp.189-201.

Conant, J., Mokwa, M. and Varadarajan, R. (1990), "Strategic types, distinctive marketing competencies and organizational performance: a multiple measures-based study", *Strategic Management Journal*, Vol. 11, No. 5, pp. 365-383.

Dadfar, H. (1993), "In Search of Arab Management Direction and Identity". Paper presented at the first Arab Management Conference at Bradford University, UK, July No.6-8, pp. 260-275.

Dean, J. W. and Sharfman, M. P. (1993), "Procedural rationality in the strategic decision making process", *Journal of Management Studies*, Vol.30, No. 4, pp. 587-610.

Dean, J. W. and Sharfman, M. P. (1996), "Does decision process matter? A study of strategic decision making effectiveness", *Academy of Management Journal*, Vol. 39, No. 2, pp. 368-396.

De Feis, G.L. and Rahman, N. (2009), "Strategic Decision Making: models and methods in the face of complexity and time pressure", *Journal of General Management,* Vol.35, No. 2, pp. 43-60.

Djankov, S. and Murrell, P. (2002), "Enterprise restructuring in transition: a quantitative survey", *Journal of Economic Literature*, Vol.40, No. 3, pp. 739-732.

Drummond, A. (2012), "Research on emerging economies: challenges are always opportunities", *Global Strategy Journal*, Vol. 2, pp. 48-50.

Eisenhardt, K. M., Kahwajy, J. L. and Bourgeois, L. J. (1997), "Conflict and strategic choice: how top management teams disagree", *California Management Review*, Vol. 39, No. 2, pp. 42-62.

Elbanna, S (2006), "Strategic decision making: process perspectives", *International Journal of Management Reviews,* Vol. 8, No. 1, pp. 8-20.

Elbanna, S. and Child, J. (2007a), "Influences on strategic decision effectiveness: development and test of an integrative model", *Strategic Management Journal*, Vol. 28, No. 4, pp. 431-453.

Elbanna, S., and Child, J. (2007 b), "The influence of decision, environmental and firm characteristics on the rationality of strategic decision making", *Journal of Management Studies*, Vol. 44, No. 4, pp. 561-591.

El-Said, H. and Becker, K. (2001), *Management and International Business Issues in Jordan*, New York: Haworth Press

Falshaw, J., Glaister, K. and Tatoglu, E. (2006), "Evidence on formal strategic planning and company performance", *Management Decision*, Vol. 44, No. 1, pp. 9-30.

Gammeltoft P., Pradhan, J.P. & Goldstein, A. (2010). "Emerging Multinationals: Home and Host Country Determinants and Outcomes", *International Journal of Emerging Markets,* 5(3/4), pp. 254-265.

Ghemawat, P. (2008), "Reconceptualizing international strategy and organization", *Strategic Organization*, Vol. 6, No. 2, pp. 207-219.

Glaister, K., and Falshaw, R. (1999), "Strategic planning: still going strong?", *Long Range Planning*, Vol. 32, No. 1, pp. 107-116.

Glaister, K. W., Dincer, O., Tatoglu, E. and Demirbag M. (2009), "A comparison of strategic planning practices in companies from the UK and Turkey", *Journal of Management Development*, Vol. 28, No. 4, pp. 361-379.

Goldstein, A. & Bongalia, F. (2007), "Accelerated internationalization by emerging markets' multinationals: the case of the white goods sector". *Journal of World Business*, 42(4), pp. 369-383.

He, X., Zhang, X., Li, X. and Piesse, J. (2011), "Stakeholder orientation and organizational performance in an emerging market", *Journal of General Management,* Vol. 36, No. 3, pp. 67-91.

Hickson, D. J., Butler, R., Cray, D., Mallory, G., and Wilson, D. (1986), *Top decisions: strategic decision making in organizations,* Oxford: Basil Blackwell.

Hofstede, G., Hofstede, G.J., and Minkov, M. (2010), *Cultures and Organizations: Software of the Mind,* New York; McGraw Hill.

Hopkins, W., and Hopkins, S. (1997), "Strategic planning-financial performance relationship in banks: a causal examination", *Strategic Management Journal*, Vol. 18, No. 8, pp. 635-652.

Hosskisson, R. E., Eden, Lau, C. M. and Wright M. (2000), "Strategy in emerging economies". *Academy of Management Journal*, Vol.43, No. 3, pp. 249-267.

Hosskisson, R. E., Wright, M., Filatochev, I. and Peng, M. W. (2013), "Emerging Multinationals from Mid-Range Economies: The Influence of Institutions and Factor Markets", *Journal of Management Studies*, Vol.50, No. 7, pp. 1295-1321.

Jormanainen, I. & Koveshnikov, A. (2012). International Activities of Emerging Market Firms. *Management International Review,* 52(5), pp. 691-725.

Jordan Directions (2010), The 2 Family Business Conference 2010. Information is available [online] http://www.jordandirections.com/component/option,com_eventlist/Itemid,102/id,13/view,detail/

Jordan Enterprise Development Corporation (2011), JEDCO, Amman.

Karen, T. (2009), *MEED Middle East Economic Digest*, No. 53, pp.31, Kawar Group

Kargar, J., and Blumenthal, A. (1994), "Successful implementation of strategic decisions in small community banks", *Journal of Small Business Management*, Vol. 32, No. 2, pp.10-23.

Khanna, T. and Palepu, K. (1997), "Why focused strategies may be wrong for emerging markets", *Harvard Business Review*, Vol. 75, No. 4, pp.41-51.

Khanna, T. and Palepu, K. (1999), "The right way to restructure conglomerates in emerging markets", *Harvard Business Review*, Vol. 77, No.4, pp. 125-134.

Khanna, T. and Palepu, K. (2000), "The future of business groups in emerging markets: long-run evidence from Chile", *Academy of Management Journal*, Vol. 43, No. 3, pp. 268-285.

Khatri, N. and Ng, H. A. (2000), "The role of intuition in strategic decision making", *Human Relat*ions, Vol. 53, No. 10, pp. 57-86.

Makhija, M. V. (2004), "The value of restructuring in emerging economies: the case of the Czech Republic", *Strategic Management Journal*, Vol. 25, No. 3, pp. 243-267.

Mellahi, K. and Sminia, H. (2009), "The frontiers of strategic management research", *International Journal of Management Reviews*, Vol. 11, No.1, pp. 1-8.

Meyer, K. E. and Peng, M. W. (2005), "Probing theoretically into Central and Eastern Europe: transactions, resources and institutions", *Journal of International Business Studies*, Vol. 36, pp. 600-621.

Miller, S. (1997), "Implementing strategic decisions: four key success factors", *Organization Studies*, Vol. 18, No.4, pp. 577-602.

Miller, S., Wilson, D. and Hickson, D. J. (2004), "Beyond planning strategies for successfully implementing strategic decisions", *Long Range Planning*, Vol. 37, No. 3, pp. 201-218.

Nutt, P .C. (1993), "The formulation processes and tactics used in organizational decision making", *Organization*

Science, Vol. 4, No. 2, pp. 226-251.

Nutt, P. C. (1998), "Leverage, restructure and the success of implementation approaches", *Journal of Management Studies*, Vol. 35, No. 2, pp. 213-240.

Nutt, P. C. (1999), "Surprising but true: half the decisions in organizations fail", *Academy of Management Executive*, Vol. 13, pp. 75-90.

O'Regan, N. and Ghobadian A. (2007), "Formal strategic planning: annual rain dance or wheel of success", *Strategic Change*, Vol. 16, pp.11-22.

Parnell, J.A. (2008), "Strategy Execution in Emerging Economics: assessing strategic diffusion in Mexico and Peru", *Management Decision,* Vol. 46, pp. 1277-1298.

Parnell, J.A. (2011), "Strategic capabilities, competitive strategy and performance among retailers in Argentina, Peru and the United States", *Management Decision,* vol. 49, pp 139-155.

Peng, M. W. (2003), "Institutional transitions and strategic choices", *Academy of Management Review*, Vol. 28, No. 2, pp. 275-296.

Peng, M W., Wang, D. Y. and Jiang Y. (2008), "An institution based view of international business strategy: a focus on emerging economies", *Journal of International Business Studies*, Vol. 39, pp. 600-621.

Pettigrew, A. (1985), *The Awakening Giant: Continuity and Change in ICI*, Oxford: Blackwell.

Pettigrew, A.M. (1987), "Context and action in the transformation of the firm". *Journal of Management Studies*, Vol. 24, pp. 649-670.

Ramaurti, R. (2012), "What is really different about emerging market multinationals?", *Global Strategy Journal*, Vol. 2, pp 41-47.

Saunders, M., Lewis, P. and Thornhill, A. (2012), *Research Methods for Business Students,* 6th edition, London: Pearson.

Shepherd, N.G. and Rudd, J.M. (2014), "The Influence of Context on the Strategic Decision Making Process: A Review of the Literature", *International Journal of Management Reviews,* Vol. 16, No. 3, pp. 340-364.

Taslak, S. (2004), "Factors restricting success of strategic decisions: evidence from the Turkish textile industry", *European Business Review*, Vol. 16, No. 2, pp. 152-164.

Tracey P. and Phillips, N. (2011), "Entrepreneurship in emerging markets: strategies for new venture creation in uncertain institutional contexts", *Management International Review*, Vol. 51, pp. 23-39.

Wit, B.D. and Meyer, R. (2010), *Strategy: Process, Content, Context; an international perspective*, London: Thomson Learning.

Wright, M., Filatochev, I., Hoskisson, R.E. and Peng, M.W. (2005), "Strategy research in emerging economies: challenging the conventional wisdom", *Journal of Management Studies*, Vol.42, No. 1, pp. 1-33.

Wu, J. (2013), "Diverse institutional environments and product innovation of emerging market firms", *Management International Review*, Vol. 53, pp. 39-59.

Xu, D. and Meyer K. E. (2013), "Linking theory and context: strategy research in emerging economies after Wright et al. (2005)", *Journal of Management Studies*, Vol. 50, No.7, pp. 1322-1346.

Zamani, S., Parnell, J.A., Labbaf, H., and O'Regan, N. (2013), "Strategic Change and Decision Making in an Emerging Nation: an Exploratory Assessment of Iranian Manufacturing Firms", *Strategic Change,* Vol. 22, pp. 355-370.

Table 1. Characteristics of responding managers

Characteristics	Freq.	%
Age		
Under 30	3	7.0
30-40	8	18.7
41-50	16	37.2
51-60	11	25.5
61-over	5	11.6
Gender		
Male	36	83.8
Female	7	16.2
Education level		
College degree	5	11.6
Bachelor's degree	26	60.5
Postgraduate degree	7	16.3
Others	5	11.6
Experience in current position		
Under 5 years	8	18.7
5-10	10	23.2
11-15	11	25.6
16-20	10	23.2
21-over	4	9.3
Total working experience		
Under 5 years	2	4.6
5-10	11	25.6
11-15	13	30.2
16-20	11	25.6
21-over	6	14.0

Table 2. Characteristics of responding firms

Characteristics	Freq.	%
Size of firm		
Less than50 employees	17	39.5
51-200 employees	14	32.5
More than 200 employees	12	28.0
Industry type		
Mining	7	16.3
Foodstuffs	10	23.2
Therapeutic and medical supplies	10	23.2
Chemical products	9	21.0
Wooden and metal furniture	7	16.3

Table 3. Strategic decision types

Decision	No.	%
Expand operations to enter a new market	11	25.6
Introduce a new product	9	20.9
Retrench a product or withdraw from a market	8	18.6
Open and establish a new factory	6	13.9
Change the strategy in a functional department	4	9.3
Acquire or merge with another company	3	7
Others	2	4.7
Total	43	100.0

Table 4. The twelve most frequently cited strategic decision implementation problems

Problems	Mean*	SD
Inadequate information systems for control of activities	3.71	1.23
Crises distracted attention from implementation	3.50	1.05
Co-ordination of implementation not effective enough	3.00	1.05
Uncontrollable external environmental factors	2.96	0.96
Implementation required more time than was planned	2.96	1.05
Insufficient capabilities of the involved employees	2.93	0.84
Top management's slow communication	2.81	0.98
Inadequate training and instruction of employees	2.75	1.14
Unclear statements of overall goals	2.71	1.09
Unanticipated major problems arose	2.64	0.86
Inadequate leadership and direction by departmental managers	2.54	1.03
Responsibilities not being clearly defined	2.50	0.95

*The mean is derived from responses which were based on a scale of 1= no problem at all to 5= a severe problem.

Table 5. Correlation between strategic decision implementation problems and firm –specific characteristics

Implementation problems	**Size of firm**	**Type of industry**
	Pearson Coloration (2-tailed) *r(p)*	ANOVA-Test F*(p)*
Implementation required more time than was planned	-0.11 (0.15)	0.13 (0.89)
Crises distracted attention from implementation	0.02 (0.44)	0.24 (0.79)
Uncontrollable external environmental factors	0.08 (0.25)	0.03 (0.98)
Inadequate leadership and direction by departmental managers	0 .01 (0.45)	0.37 (0.69)
Inadequate definition of key implementation tasks	0.01 (0.48)	0.92 (0.41)
Co-ordination of implementation not effective enough	-0.20 (0.03)	0.33 (0.72)
Insufficient capabilities of the involved employees	0.13 (0.12)	3.75 (0.04)
Inadequate training and instruction of employees	0.02 (0.44)	0.76 (0.47)
Insufficient information systems for control of activities	-0.05 (0.34)	0.54 (0.58)
Advocates having left the firm during implementation	-0.22 (0.02)	0.77 (0.40)
Unclear statements of overall goals	-0.09 (0.23)	0.45 (0.64)
Responsibilities not being clearly defined	0.02 (0.44)	0.14 (0.85)

Unanticipated major problems arose	0.12 (0.14)	1.34 (0.27)
Inactive role of key formulators in implementation	0.24 (0.02)	0.15 (0.86)
Top management's slow communication	0.09 (0.20)	1.26 (0.29)

Table 6. T-test for strategic decision implementation problems and level of success

Implementation problems	**Mean**		**Significance**
	High Success (n=25)	**Low Success (n=18)**	
1. Implementation required more time than was planned	2.7	3.1	.383
2. Crises distracted attention from implementation	3.3	3.7	.452
3. Uncontrollable external environmental factors	2.6	3.5	.047*
4. Inadequate leadership and direction by departmental managers	1.9	3.2	.013*
5. Inadequate definition of key implementation tasks	2.3	3.4	.006**
6. Co-ordination of implementation not effective enough	2.4	3.1	.077
7. Insufficient capabilities of the involved employees	2.3	3.7	.005*
8. Inadequate training and instruction of employees	2.3	3.2	.024*
9. Insufficient information systems for control of activities	1.7	3.7	.000***
10. Advocates having left the firm during implementation	1.9	3.6	.001***
11. Unclear statements of overall goals	1.1	3.1	.010**
12. Responsibilities not being clearly defined	2.1	3.3	.002**
13. Unanticipated major problems arose	2.6	3.6	.008**
14. Inactive role of key formulators in implementation	1.8	3.8	.000***
15. Top management's slow communication	2.9	2.7	.792

***p<0.001 level; **p<0.01 level; *p<0.05 level

Table 7. Correlation between strategic decision implementation problems and formality of strategic planning

	Strategic planning process formality	
Strategy implementation problems	**Spearman's R value**	**significance (1-tailed)**
Implementation required more time than was planned	-.37*	.03
Crises distracted attention from implementation	-.42*	.01
Uncontrollable external environmental factors	-.33*	.04
Inadequate leadership and direction by departmental managers	-.33*	.04
Inadequate definition of key implementation tasks	-.13	.25
Co-ordination of implementation not effective enough	-34*	.04
Insufficient capabilities of the involved employees	-.34*	.04
Inadequate training and instruction of employees	.13	.25
Insufficient information systems for control of activities	-.43*	.01
Advocates having left the firm during implementation	-.24	.11
Unclear statements of overall goals	-.21	.14
Responsibilities not being clearly defined	.07	.37
Unanticipated major problems arose	.02	.46
Inactive role of key formulators in implementation	-.36*	.03
Top management's slow communication	-.32*	.05

*p<0.05 level