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STRATEGY IMPLEMENTATION IN JORDANIAN HOTELS

ABSTRACT

This study examines the relationship between the involvement of organisational members and organisational characteristics on the strategy implementation problems experienced by Jordanian hotels. Data was collected via a questionnaire survey of hotels located in the main centres of the tourism industry in Jordan. The results indicate that the managers of these hotels give more attention and more time to formulation than to implementation and that Jordanian hotels have experienced a number of serious strategy implementation problems. Poor communication, inadequate training and insufficient capabilities of hotel employees and inadequate information systems are the major strategy implementation problems. The nature and the extent of the experience of strategy implementation problems are not affected by organisational size or by type of ownership. Nevertheless, the results of this study suggest that organisational members should be more involved in the strategy implementation process in order to make it more effective.

KEYWORDS: Implementation problems, Jordan, hotels, involvement

INTRODUCTION

The literature in both the strategic management and hospitality management fields indicates that there is a lack of knowledge concerning strategy implementation and therefore it is essential that more research is undertaken in this important area of strategic management (Okumus 2001; Čater & Pučko, 2010). Indeed, Harrington & Ottenbacher (2011), in their assessment of the level of strategic management topic representation within the academic field of hospitality, found that strategy implementation had one of the lowest percentages across the hospitality literature. Atkinson (2006) indicated that the essence of this problem is that strategy implementation suffers from a general lack of academic attention. Moreover most surveys of strategy implementation in hospitality firms have been undertaken in the USA and the UK and very few have been carried out in other countries (Okumus, 2003). To provide new insight into strategy implementation, more learning is needed about how firms in non Anglo-Saxon countries develop and implement their strategies (Okumus, 2003).

However, the small numbers of strategic management surveys which have been undertaken in emerging markets have paid more attention to the formulation aspects of strategy than the implementation aspects (Brenes, Mena, & Molina, 2008). For instance, studies of strategic planning in Egypt (Elbanna, 2008) and in the United Arab Emirates (Elbanna, 2010) did not examine implementation issues at all. In the case of Turkey, there is limited evidence that firms have a greater commitment to strategy formulation than to strategy implementation or evaluation (Glaister, Dincer, Tatoglu & Demirbag, 2009). A few empirical studies have been conducted to shed

some light on strategy implementation in an emerging market context (e.g. Taslak, 2004; Aldehayyat & Anchor, 2010). However, tourism firms were not surveyed.

Emerging markets may be defined as “those countries which have started to grow but have yet to reach a mature stage of development and where there is significant potential for economic or political instability” (Olsson, 2002, p.181). Sheth (2011) describes most emerging markets as being highly local and governed by faith based sociopolitical institutions. They may also suffer from inadequate infrastructure and institutions and a chronic shortage of resources.

STRATEGY IMPLEMENTATION

Strategy implementation is the sum total of the activities and choices required for the execution of a strategic plan. Strategy implementation is the process used to implement specific policies, programs, and action plans that allow a firm to utilize its resources to take advantage of opportunities in a competitive environment (Harrington & Ottenbacher, 2011) Implementation involves a variety of facets of the firm and requires involvement by organizational members to gather support, information, and commitment to allocate resources effectively (Schmelzer & Olsen, 1994). The relationship between strategy implementation and organisational performance has been examined previously, but only in a very small number of studies. The evidence indicates a positive relationship between them (Veliyath & Shortell, 1993; Aldehayyat & Anchor, 2010).

Atkinson (2006) observed that the main weaknesses of strategic management practice are generally associated with the implementation stage. Indeed, Johnson (2004) found that 66% of corporate strategies are never implemented. Hrebiniak (2006) stated that formulating strategy is difficult; however, executing it throughout the organization – is even more difficult. Without effective implementation, no business strategy can succeed. Hrebiniak (2006) also argued that most managers know far more about developing strategy than they do about implementing it. This neglect of strategy implementation leads to poor performance both in relation to current execution and in future strategy formulation processes (Crittenden & Crittenden 2008).

Atkinson (2006) suggests two main reasons for the neglect of strategy implementation. First, the field of strategy implementation is considered to be less “glamorous” as a subject area. Second, there are difficulties involved in investigating the topic, as it is thought to be fundamentally lacking in conceptual models. As result of this type of criticism, a number of conceptual models for studying strategy implementation have been suggested. (E.g. Okumus, 2003; Crittenden & Crittenden 2008).

Okumus (2003) identified 11 key implementation factors. Then, he grouped them into four categories based upon their role and importance. First, strategic content includes the strategies themselves. Second, strategic context: is divided into external and internal context. The former includes environmental uncertainty and the internal context includes organisational structure, culture and leadership. Third, operational processes include operational planning, resource allocation, people, communication

and control. Fourth, the outcomes which will include the results of the implementation process.

Bonoma & Crittenden (1988) indicate that strategies are implemented through the structure, with managerial skills as key indicators of the successful or unsuccessful accomplishment of the implementation. Crittenden & Crittenden (2008, p. 304) suggest eight levers of strategy implementation which can be divided into structure and skills (Table 1).

Table 1 about here

STRATEGY IMPLEMENTATION PROBLEMS

Alexander (1985) studied the problems of strategic decision implementation in medium sized and large US firms to determine the problems that occurred most frequently when the strategy was put into effect. The study found that the most frequently occurring strategic decision implementation problems were: implementation required more time than originally allocated; major problems were unanticipated; ineffective co-ordination of activities; crises distract attention from implementation; uncontrollable external environmental factors; inadequate information systems were used to monitor implementation; insufficient employee capabilities; key implementation activities and tasks were not defined enough; inadequate employee training and instruction; and the leadership and direction provided by managers was not adequate.

Kargar & Blumenthal (1994) studied the strategic decision implementation problems of small North Carolina banks. They found that the ten problems which had been

identified by Alexander (1985) and which occurred frequently during the strategic decision implementation process in large companies were also experienced by small banks, but to a lesser extent.

Al-Ghamdi (1998) studied the problems that faced strategic decision implementation in companies located in the Bradford area, UK. He found that six of the 15 implementation problems identified by Alexander (1985) occurred for more than 70% of the companies sampled.

O'Regan & Ghobadian (2007) studied the problems that face strategic decision implementation in UK small and medium sized firms. They found that almost eight out of ten companies failed to implement their strategic decisions effectively.

In a post-transitional economy context, Čater & Pučko (2010) studied the obstacles that face strategy implementation in Slovenian companies. They found that that the biggest obstacle to strategy implementation was poor leadership.

In an emerging market context, Taslak (2004) examined strategic decision implementation problems in the Turkish textile industry. The study found that the most important problems were: uncertainties arising from national economic conditions; implementation activities taking more time than originally planned; and uncontrollable factors in the external environment.

Aldehayyat & Anchor (2010) investigated the problems associated with the implementation of strategic planning in Jordanian publicly quoted companies. The

main findings of this research were that the Jordanian firms experienced all the 15 major strategy implementation problems, which were identified by Alexander (1985). These problems were not affected noticeably by organisational size or age or by sector.

The problems surveyed in this research were the most 15 commonly identified problems in the literature on strategy implementation (Table 2)

Table 2 about here

INVOLVEMENT IN STRATEGY IMPLEMENTATION

Involvement is defined as the extent to which organizational members from different hierarchical levels of a firm are involved in the strategy implementation process (Harrington, 2004). There are indications that the hospitality firms which have greater involvement in the strategy process by members of their organisation are more successful (Harrington, 2004; Harrington, 2006; Harrington and Kendall, 2006; Ritchie & Riley, 2004; Peng & Littlejohn, 2001). Schaap (2006) investigated the relationship between effective leadership behaviour and successful strategy implementation in the Nevada gaming industry. The study's findings highlighted the role that strategic consensus plays in the strategy implementation process. Harrington and Kendall (2006) found that there was a significant direct relationship between implementation involvement and level of success in implementing strategy in food service firms. Wooldridge & Floyd (1990) argued that middle management involvement in strategy improves performance in two ways: it improves the quality of strategic decisions and leads to more efficient implementation. Moreover,

involvement by organizational members could facilitate the gathering of support and commitment and increase the likelihood of allocating resources effectively (Schmelzer & Olsen, 1994). Staff planning assistance is found to contribute to the effectiveness of strategic planning in UK hotels (Phillips & Moutinho, 1999). Ritchie & Riley (2004) argued that the involvement of frontline employees and lower-level managers at the unit level facilitates the implementation of strategy and reduces the likelihood of uncertainty flowing up to higher levels of the organization. Harrington (2006) found that a higher level of organizational involvement during strategy implementation had positive effects on the degree of implementation success, firm profits and overall firm performance for large, multi – unit foodservice firms in the USA. Dandira (2011) observed that failure to involve implementers at the formulation stage has a detrimental effect on organizational performance and stated that “if implementers are not involved in the formulation stage... it becomes very difficult for managers to communicate the strategic plan. In many organisations I have visited I struggled to get the strategic plan document from employees; they referred me to their supervisor’s offices”.

Therefore, it may be predicted that if hospitality organisations increase member involvement during strategy implementation it will increase the likelihood of achieving successful implementation of the desired action plans and, ultimately, enhance organisational performance (Harrington and Kendall, 2006).

RESEARCH METHOD

Research population and respondents

Tourism is a key driver of Jordan's economy; currently it is the single largest employer, with 42 thousand people in 2010 (JNTS, 2011). Jordan is one of the few countries in the Middle East to witness annual growth in the tourism industry during the twenty first century. Hotels in Jordan work in a highly competitive environment. Therefore, these hotels have made considerable efforts to formulate their strategies in order to adapt to a changing environment and to grow and compete with other tourism organisations inside and outside Jordan (Aldehayyat, 2011). However, there has been no study of what happens when these hotels put their strategies into effect.

The current study aims to fill the gap in knowledge and provide relevant information about strategy implementation in tourism firms. The objectives of this study are three fold: a) to review the problems associated with the implementation of strategy in Jordanian hotels; b) to explore the relationship between certain organisational characteristics (size and ownership) and the extent of the experience of strategy implementation problems in Jordanian hotels; and c) explore the relationship between the involvement of organisational members and the experience of strategy implementation problems.

The population of this research was all three, four and five star hotel organizations operating in Aqaba, Petra, Amman and the Dead Sea. These are the main centres of the tourism industry in Jordan and therefore the regions with the highest density of international hotels. Therefore, hotels located in these regions operate in a highly competitive and growing environment. The names and addresses of the targeted hotels were drawn from the Jordanian Ministry of Tourism and Antiquities. The data were obtained via self-administrated questionnaires which were sent to the entire

population. The rationale for this census was to ensure that the sample was representative. A total of 90 questionnaires were distributed to hotel managers. 73 valid responses were received – the response rate was, therefore, 81.1%.

Chi-square was used to test if the sample was representative and not biased. The result of the Chi-square test indicated no statistically significant differences between respondents and non-respondents with respect to hotel size or ownership ($\chi^2 = 3.002$, $df = 2$, $p = .185$) ($\chi^2 = 2.489$, $df = 2$, $p = .295$ respectively). The sample thus is representative of the population and the findings can be generalised to the entire population.

The characteristics of the responding managers were classified into four dimensions: age, gender, experience in current position and total working experience. 55 % of the 40 respondents were under 50 years of age and 82.5% of the respondents were male. 77.5% of respondents had a total experience of less than ten years in their current position. 20% of the respondents had less than five years' experience. 67.5% of the respondents represented local hotels. 85% of responding hotels had been established after 1975. 80.2% of the responding hotels had less than 100 employees.

Measures

The questionnaire consisted of 35 items belonging to three sets of questions. The first set of questions involved 15 implementation problems. 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 strategy implementation had been in their hotels. The second set included questions related to the establishment date of

each hotel, the number of employees in each hotel and the ownership of the hotel (multinational or locally owned). It included also questions about the participants' age, gender, work experience in current position and total work experience. The third set of questions were concerned with the level of involvement in the implementation of strategy and were measured across five organizational levels: chief executive officer, top management, middle management, lower level management, and frontline employees (Cronbach alpha = 0.818), on a ten-point scale rating from "no involvement" to "full involvement", to indicate their involvement in strategy implementation. The measure of involvement was based on the work of Barringer & Bluedorn (1999), Harrington (2006) and Harrington and Kendall (2006).

Number of employees can be used as a proxy for company size. This measure has been used in a number of previous studies (e.g. Gibbons & O'Connor, 2005; Stonehouse & Pemberton, 2002; Slevin & Covin 1989). Ownership was then categorised into two types: foreign and local. A similar categorisation has been used in other studies (e.g. Elbanna, 2007; Dincer, Tatoglu, Glaister, 2006).

RESEARCH FINDINGS

Table 3 orders the potential problems of strategy implementation with respect to the mean score. The findings show that the highest score was given to "top management's slow communication", then "inadequate leadership and direction by departmental managers", followed by "inactive role of key formulators in implementation". However, the implementation problems which were experienced least by these hotels - ie with a mean score of less than 2,5 - were "major problems surfaced which had not been identified earlier"; "advocates having left the firm during

implementation”; “crises distracted attention from implementation”; and “unclear statements of overall goals”.

The results show clearly that there are some serious problems encountered by these hotels during the execution of their strategies. These problems include poor leadership and inactive role of key formulators in implementation; poor communication of strategy to a lower level; ineffective strategic control systems; inadequate training and insufficient capabilities of employees. This finding is consistent with previous studies in developed, post transitional, and emerging market contexts (Čater & Pučko, 2010; Aldehayyat & Anchor, 2010; Taslak, 2004; Al-Ghamdi, 1998; Alexander, 1985). For instance, Čater & Pučko (2010) found that the biggest obstacle to strategy implementation in Slovenia included weaknesses in communicating the strategy to lower organisational levels, a lack of leadership skills among managers and a lack of ideas concerning how to persuade employees to implement the selected strategy. Taslak (2004) found that conflict and poor communication between strategists and the lack of participation of different levels and departments were important factors in restricting the success of strategic decision implementation in Turkish textile companies. Al-Ghamdi (1998) found that amongst the most frequently occurring strategy implementation problems in UK companies were ineffective coordination of implementation activities; inadequate information systems used to monitor implementation; and inadequate leadership and direction provided by departmental managers.

Table 3 about here

Pearson's correlation was conducted to assess the relationships between size and the problems associated with the implementation of strategic planning. In the case of hotel size the test was performed for each of the fifteen problems. Table 4 shows that there is no statistical significance between the size of the hotel and the problems associated with strategy implementation. This finding is in the line with those of Aldehayyat & Anchor (2010); O'Regan & Ghobadian (2007); Kargar & Blumenthal (1994); Alexander (1985). For instance, Alexander's (1985) study identified that the ten most commonly occurring strategic planning implementation problems were experienced by both medium- sized and large US companies. Kargar & Blumenthal (1994) found that the ten problems that were identified by Alexander (1985) and which occurred frequently during the strategy implementation process in large companies were also experienced by small US banks. O'Regan & Ghobadian (2007) found that almost eight out of ten UK small and medium sized firms failed to implement their strategies effectively. Aldehayyat & Anchor (2010) found no relationship between size and strategy implementation problems in Jordanian industrial companies.

A t-test was conducted to determine whether any significant differences existed between the two types of ownership (multinational or locally owned) regarding the problems associated with strategy implementation. The test was performed for each of the fifteen problems. The results in Table 4 indicate no statistically significant difference between the two types of ownership and the problems associated with strategy implementation. This finding is consistent with Čater & Pučko (2010)'s study which found no significant differences between types of ownership regarding the presence of obstacles to strategy implementation.

Table 4 about here

Pearson correlation was conducted to assess the relationships between the problems associated with the implementation of strategy and involvement in strategy implementation. The results (Table 5) show a negative statistical significance between the problems associated with the implementation of strategy and involvement in implementation of strategy. More specifically the involvement in strategy implementation is related inversely to 12 out of 15 strategy implementation problems. This means that the involvement of organisational members in strategy implementation has been found to be beneficial in Jordanian hotels. This finding is in line with earlier research (e.g. Harrington, 2006; Schaap, 2006; Harrington, 2004; Ritchie & Riley, 2004) which have identified the importance of the involvement of organisational members for implementation success.

Table 5 about here

CONCLUSIONS

Although hospitality and strategy scholars have identified strategy implementation as an important part of the strategic management process, there has been limited attention given to the study of strategy implementation in tourism firms in both developed and emerging market contexts. This paper provides a number of contributions to the literature on strategy implementation. It is the first study of the problems associated with the implementation of strategy in hospitality and tourism firms in Jordan or in emerging markets in general. In this context, it provides empirical evidence in relation to an important part of the strategic management process by providing relevant information about strategy implementation problems,

their relationship to certain organizational factors and their relationship with the involvement of organisational members.

The results indicate that the managers of these hotels give more attention and more time to formulation than to implementation. The results of this study are therefore similar to those of earlier studies of strategy implementation in other types of business organisations and in other business environments.

The results indicate that the managers of Jordanian hotels give more attention and more time to formulation than to implementation, which may be one reason for the high percentage of failed strategies. Poor communication may lead to misunderstanding by hotel employees about their role in relation to strategy implementation. Inadequate training and insufficient capabilities of hotel employees will minimise their ability to implement strategy effectively and efficiently. Insufficient information systems will affect managers' ability to obtain the highest quality of knowledge (Al-Ghamdi, 1998).

The results of this study show little difference between Jordanian tourism firms and other types of business organisations regarding their experience of strategy implementation. These results are analogous to those of Athiyaman and Robertson (1995) and Aldehayyat (2011) who found no differences between tourism firms and other types of firms (manufacturing and service) in the practice of strategic planning.

The results of this research strongly support earlier hospitality literature (e.g. Harrington and Kendall, 2006; Harrington, 2006; Schaap, 2006; Harrington, 2004;

Ritchie & Riley, 2004) which identified the importance of the involvement of organisational members in the strategy implementation process.

This research examines various strategy implementation problems. However, studying the implementation of strategy itself could be an area for further research. Aldehayyat (2011) emphasised that Jordanian hotels make considerable efforts to formulate their strategies by adapting to a changing environment in order to grow and compete with other tourism organisations inside and outside Jordan. The results of this study give rise to questions about the efforts made to implement these strategies successfully in these hotels. Future research could also examine the relationship between the effectiveness of strategy implementation and the involvement and participation of hotel employees in the strategy implementation process.

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Table 1
Structural and managerial skills levers of implementation

Structural levers	Managerial skills levers
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 strategic supportive policies.	1. Interacting—the exercising of strategic leadership. 2. Allocating—understanding when and where to allocate resources. 3. Monitoring—tying rewards to achievement. 4. Organizing—the strategic shaping of corporate culture.

Source: Adapted from Crittenden & Crittenden (2008).

Table 2
Potential strategy implementation problems as examined in the literature

Study description	Implementation problems
<p>Eisenstat (1993) indicated that most companies trying to develop new organizational capacities failed to get over three organizational hurdles: competence, co-ordination, and commitment.</p> <p>Wessel (1993) stated that most of the individual barriers to strategy implementation that have been encountered fit into one of the following interrelated categories: too many and conflicting priorities, the top team does not function well; a top down management style; interfunctional conflicts; poor vertical communication, and inadequate management development.</p> <p>Lingle & Schiemann (1994) argued that market, people, finance, operation, adaptability, and environmental factors play a vital role to long-term successful strategy implementation.</p> <p>McGrath, Dampney, More (1994) indicated that that the political turbulence may well be the single most important issue facing any implementation process.</p> <p>Sandelands (1994) indicated that people underestimate the commitment, time, emotion, and energy needed to overcome inertia in their organization and translate plans into action.</p>	<ul style="list-style-type: none"> • Coordination of implementation activities was not effective enough. • Capabilities of employees were insufficient. • Training and instruction given to lower level employees were inadequate. • Leadership and direction provided by departmental manager were inadequate. • Competing activities distracted attention from implementing this decision. • Changes in responsibilities of key employees were not clearly defined. • Key formulators of the strategic decision did not play an active role in implementation. • Problems requiring top management involvement were not communicated early enough. • Key implementation tasks and activities were not sufficiently defined. • Information systems used to monitor implementation were inadequate. • Overall goals were not sufficiently well understood by employees. • Uncontrollable factors in the external environment had an adverse impact on implementation. • Major problems surfaced which had not been identified earlier. • Advocates and supporters of the strategic decision left the organization during implementation • Implementation took more time than originally allocated

Source: Adapted from Alexander, 1985; Taslak, 2004; Al-Ghamdi, 1998; Aldehayyat & Anchor, 2010.

Table 3
Problems associated with strategy implementation (n=73)

Problems	Mean*	Ranking
Major problems surfaced which had not been identified earlier	2.01	13
Crises distracted attention from implementation	2.06	10
Uncontrollable external environmental factors	3.60	5
Inadequate leadership and direction by departmental managers	3.90	2
Inadequate definition of key implementation tasks	3.43	8
Ineffective coordination of implementation activities	3.02	11
Insufficient capabilities of employees	3.40	6
Inadequate training and instruction of employees	3.62	4
Insufficient information systems for control of activities	3.44	7
Unclear statements of overall goals	2.74	14
Advocates having left the firm during implementation	1.50	15
Responsibilities not being clearly defined	3.01	12
Implementation took more time than originally allocated	2.07	9
Inactive role of key formulators in implementation	3.87	3
Top management's slow communication	4.00	1

*The mean is an average of scale of 1= no problem at all, to 5= severe problem.

Table 4
Correlation between strategy implementation problems and hotel –specific characteristics (n=73)

Strategy implementation problems	Hotel size	Hotel ownership
	Pearson correlation (2-tailed) $r(p)$	T-Test $F(p)$
Major problems surfaced which had not been identified earlier	-.017 (.426)	0.64(0.43)
Crises distracted attention from implementation	-.046 (.338)	1.03(0.30)
Uncontrollable external environmental factors	.016 (.442)	2.38(0.13)
Inadequate leadership and direction by departmental managers	-.112 (.156)	1.72(0.65)
Inadequate definition of key implementation tasks	.016 (.442)	2.71(0.11)
Ineffective coordination of implementation activities	-.113 (.155)	0.104(0.74)
Insufficient capabilities of employees	.108 (.166)	2.43(0.12)
Inadequate training and instruction of employees	-.093 (.206)	0.00(0.96)
Insufficient information systems for control of activities	.109 (.163)	0.104(0.74)
Unclear statements of overall goals	-.008 .474	3.72(0.07)
Advocates having left the firm during implementation	-.113(.155)	0.65(0.42)
Responsibilities not being clearly defined	-.079(.245)	1.05(0.31)
Implementation took more time than originally allocated	-.046(.338)	2.43(0.12)
Inactive role of key formulators in implementation	-.113(.157)	0.00(0.97)
Top management's slow communication	.040(.364)	2.38(0.11)

Table 5

Correlation between strategy implementation problems and involvement (n=73)

Strategy implementation problems	Involvement in strategy implementation*
	Pearson correlation (2-tailed) <i>r(p)</i>
Major problems surfaced which had not been identified earlier	-.188 (.046)
Crises distracted attention from implementation	-.464 (.005)
Uncontrollable external environmental factors	.016 (.442)
Inadequate leadership and direction by departmental managers	-.199 (.038)
Inadequate definition of key implementation tasks	.016 (.033)
Ineffective coordination of implementation activities	-.250 (.009)
Insufficient capabilities of employees	.317 (.034)
Inadequate training and instruction of employees	-.203 (.033)
Insufficient information systems for control of activities	.109 (.163)
Unclear statements of overall goals	-.188 (.045)
Advocates having left the firm during implementation	-.404 (.011)
Responsibilities not being clearly defined	-.195 (.039)
Implementation took more time than originally allocated	-.338 (.045)
Inactive role of key formulators in implementation	-.185 (.043)
Top management's slow communication	-.206 (.029)
Major problems surfaced which had not been identified earlier	.106 (.174)
Crises distracted attention from implementation	-.197 (.038)

*This variable is an average of all five organisational levels and this approach is used to facilitate the correlation test between variables.