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Source: *Strategic Management Journal*, Jul. - Aug., 1986, Vol. 7, No. 4 (Jul. - Aug., 1986), pp. 313-327

Published by: Wiley

Stable URL: https://www.jstor.org/stable/2486065

Strategic Management Journal, Vol. 7, 313–327 (1986)

Strategy Implementation Versus Middle Management Self-interest

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Summary
This paper focuses on middle management motivation to implement strategy. It uses expectancy theory to predict that middle managers will intervene in organizational decision-making processes leading to strategy implementation when their self-interest is at stake. It develops the notion of 'counter effort', as an extension of expectancy theory. The paper reports an empirical study of middle management intervention theory. The data and analysis of this study provide strong, if indirect, evidence that middle managers who believe that their self-interest is being compromised can not only redirect a strategy, delay its implementation or reduce the quality of its implementation, but can also even totally sabotage the strategy. Implications of the study for the management of strategy implementation are developed.

Widely supported approaches to the general management task divide it into strategy formulation and strategy implementation, with the implication that general management first formulates strategy, using rational procedures, then designs an organization structure and set of management processes to elicit organizational behavior required to implement it, using rational procedures (Ansoff, 1965; Learned *et al.*, 1969; Hofer and Schendel, 1978; Lorange and Vancil, 1977). These approaches ignore, or only mention in passing, the problem of securing the organization's commitment to a particular strategy. Even those authors who do address the need to gain commitment to a strategy (Guth, 1976; Tichy, 1983; Yavitz and Newman, 1982) do not formally address the problems of self-interested interventions on the part of middle-level managers in strategic decisions as they are being developed by general management.

The only organizational conditions under which self-interested interventions would not occur would be when the goal structures of all middle-level managers are completely congruent with the goal structure of general management; *and* when their perceptions of goal-related cause/effect relations are also highly congruent to that of general management (Thompson, 1967).

The fact is that in the more general case, differences in the goals of middle-level managers can lead to major differences in their perceptions of the desirability of the strategy being selected. Moreover, differences in the information available to, and in attributions of causality by, middle managers in relation to general management can lead to differences in the predictions of outcomes of strategic decisions. So it is possible that a particular strategy sponsored by general management can have predicted outcomes with low desirability to a

0143–2095/86/040313–15$07.50

Received 20 July 1984
Revised 15 February 1985

substantial number of middle-level managers, and/or can have outcome predictions with which a significant number of middle-level managers do not agree. Either possibility will result in low personal commitment by these middle-level managers to the proposed strategy. This lack of commitment may not result only in passive compliance. Instead, it could result in significant 'upward' intervention by the middle managers either during the strategy formulation process, or during the implementation of the strategy.

Active intervention can range from persuasive individual verbal arguments against the sponsored strategy in meetings and in memos; to seeking other organizational members (coalitions) who will agree to stand in opposition to the strategy; to deliberately taking ineffective action or creating 'roadblocks' to implementation; to outright sabotage of the strategy to prove that it was not a good decision in the first place. On the other hand, passive intervention can occur, taking the form of giving low priority to implementation actions, resulting in unnecessary delays and in general 'foot-dragging', all of which can seriously compromise the quality of implementation, if not postpone it beyond the time that it is effective.

Several authors have analyzed organizational behavior from the perspective of power and political processes (Allison, 1971; Ansoff, 1979; MacMillan, 1975, 1978; Tushman, 1977; Bacharach and Lawler, 1980a; Pfeffer and Salancik, 1978; Kanter, 1977). They argue that individual or coalition interventions are common responses to low commitment to higher-organizational level decisions. These authors suggest that such behavior often places major constraints on what general management can 'decide' in their organizations.

More recently authors in the field of general management are noting the importance of gaining commitment to policy–strategy decisions (Guth, 1982; Steiner and Miner, 1982; Quinn, 1981; Yavitz and Newman, 1982). Quinn notes, for example, that:

> A synthesis of various power-behavioral and formal-analytical approaches more closely approximates the processes major corporations use in changing their strategies . . . this synthesis has a normative validity beyond any other approach taken alone.

and

> Managers seemed to consciously integrate both formal-analytical and power-behavioral practices to improve both the quality of the decisions made and the effectiveness of their implementation (p. 45)

MacMillan (1978: ch. 5) developed a comprehensive model of the strategic decision-making process in which he argued that interdependence relations at different levels of the hierarchy significantly shaped what strategies management would be allowed to pursue. This model drew heavily on the need to develop commitment by the members of the organization to key organization decisions.

It is to the factors which influence this commitment that we now turn.

This article suggests that middle managers with low or negative commitment to the strategies formulated by senior management create significant obstacles to effective implementation.

Middle managers are motivated more by their perceived self-interest than by the organizational interest unless they coincide, so the possibility of divergence between the self-interest of middle managers, and organization interest (as perceived by senior management) makes the management of those processes that create middle management commitment a critical prerequisite for effective strategy implementation.

COMMITMENT THEORY AND STRATEGY IMPLEMENTATION

Discussions of commitment in the management literature tend to vary, but two common themes are associated with commitment: a willingness by individuals to exert high levels of effort on behalf of the organization, and a sense of identification with the organization's objectives, so that individual and organizational goals are closely aligned (Buchanan, 1974, 1975; Hrebiniak, 1974; Cook and Wall, 1980; Morris and Steers, 1980). Empirical studies indicate that individuals in organizations vary in their levels of commitment, and that the average level of commitment of individuals varies between organizations (Buchanan, 1974, 1975; Porter, Crampon and Smith, 1976). These studies have also indicated that there is an association between levels of individual commitment and various organizational and individual characteristics. Some characteristics that are associated with a high level of commitment are trust in senior management, satisfaction with degree of participation in decision-making, higher degrees of organizational decentralization, and positive attitudes toward the organization among other individuals worked with in the first year after joining the organization (Alutto and Acito, 1974; Cook and Wall, 1980; Buchanan, 1975).

One particularly interesting finding from this stream of research is presented by Mohrman (1979). Mohrman found that a key factor related to commitment is 'political access', that is, being able to raise issues and to secure serious attention to those issues. According to Mohrman's analysis, being able to participate in a wide range of decisions is not what makes for commitment. Rather, what matters is the possibility of gaining an appropriate forum on those issues that are important to the individual.

Although none of the studies mentioned explicitly document a relationship between commitment and organizational performance, their authors all imply that such a relationship exists: there is a relationship between commitment and willingness to exert high levels of effort on behalf of the organization so that, all other things being equal, the inference is that an organization with a high level of commitment from the individuals in it should perform better than one with indifferent individuals.

Commitment theory provides a relatively simple explanation for the level of an individual manager's commitment to the implementation of a strategy. If the perceived degree of goal alignment is low, the individual's commitment to the strategy will be low, so the amount of effort a middle manager would be willing to put forward to implement the strategy will be low.

EXPECTANCY THEORY AND STRATEGY IMPLEMENTATION

A richer, if more complex, explanation for individual managers' commitment to a strategy comes from the expectancy theory of motivation. According to this theory, close alignment of individual and organizational goals is but one of several factors related to individual effort.

A number of authors have proposed expectancy theories that, for our purposes, differ in relatively minor ways. All emphasize that individuals in organizations are concerned with the outcomes their behaviors will produce. We drew on an expectancy model developed by Lawler that has wide support (1976: 1252):

$$\text{Motivation} = \Sigma\Big[(E \rightarrow P) \times [\Sigma(P \rightarrow O \times V(O)]\Big]$$ [1]

[1] The full model also links actual ability to performance, and in the 'extrinsic motivation' version, links performance to rewards and rewards to valance. Our study focuses only on the relationships depicted here.

The first factor in the model, $E \rightarrow P$, refers to the individual's subjective estimate of the probability that effort E on their part will lead to successful performance P. This factor can be thought of as varying from zero to one. The second factor is the product of $P \rightarrow O$ (or the individual's subjective estimate of the probability that performance P will lead to an outcome O) and $V(0)$ (or the valence, or degree of attractiveness, the individual places on outcome O). (Outcomes gain their valence from their ability to satisfy the needs and/or goals of the individual.) The value of $P \rightarrow O$ in the model varies from +one (performance sure to lead to outcome) to zero (performance sure not to lead to outcome). The value of $V(0)$ varies from +one (very desirable) to −one (very undesirable). The products of all probability times valence combinations [i.e. $P \rightarrow O \times V(0)$] are summed for all the possible outcomes that are seen to be related to that performance.

The level of effort that an invividual middle manager will apply to the implementation of a particular strategy depends on his/her perception of his/her and the organization's potential to perform (i.e. successfully execute the strategy) and his/her perception of the likelihood that successful performance will lead to an outcome he/she desires. The degree of alignment between the middle manager's goals and the organizational goals toward which a particular strategy is directed is captured in the valence factor in expectancy theory. So according to the expectancy theory, individual middle managers may decide to put very little effort into the implementation of a particular strategy if:

1. they believe that they have a low probability of performing successfully in implementing that strategy; or
2. they believe that even if they do perform successfully individually, that performance has low probability of achieving the organizationally desired outcome; or
3. the organizationally desired outcome does not satisfy their individual goals (and hence needs).

Consider the following examples:

Example 1
First assume that the relevant middle managers are highly confident that they could successfully implement a particular strategy being advocated by general management ($E \rightarrow P = 1.0$), but they feel that the strategy itself has a low probability of generating the outcomes predicted by general management ($P \rightarrow O = 0.1$). Further assume that the outcomes predicted by general management in its advocacy of the strategy are judged by the middle managers to have high ability to satisfy their goals ($V(0) = 1.0$). The product of the probabilities times the valence is 0.1, which according to the theory would predict that the middle managers in this illustration would each put a low level of individual effort into implementing the strategy.

Example 2
Next assume that the relevant middle managers are highly confident of their ability to perform successfully in implementing the strategy ($E \rightarrow P = 1.0$), are this time highly confident that the strategy will result in the outcome predicted by general management ($P \rightarrow O = 1.0$), but believe that the outcome will have a negative impact on their individual goals ($V(0) = -1.0$). The product of the probabilities times the valence is −1.0. So expectancy theory would predict that a high degree of effort would be applied by the relevant middle managers to counter the implementation of the strategy.

Example 3
To develop the notion of 'counter effort' further, let us return to and modify the first example. Assume that a new strategy is being advocated by general management. The new strategy is a significant departure from the present strategy. For a particular middle manager this new strategy has a product of probabilities times valence that equals 0.1. In addition, assume that the middle manager is already applying high effort to the implementation of the *present* strategy, because in his/her view it has a product of probabilities times valence that equals 0.9. For this middle manager, switching from his/her implementation of the current strategy to implementation of the new strategy has a net impact of -0.8, the difference between the 0.1 product associated with the new strategy, and the 0.9 product associated with the current strategy.

In both the second and third examples, the middle managers' self-interest would dictate that they apply high counter effort. In other words, expectancy theory suggests that there are conditions under which middle managers may actively intervene in strategy implementation in order to inhibit or redirect it. The next section discusses how and when this could take place.

MIDDLE MANAGEMENT INTERVENTION IN STRATEGY IMPLEMENTATION

In attempting to shape how and what strategy will actually be implemented, middle managers can intervene in two ways, at two different stages in the decision-making process:

1. *Taking a position*—During the decision-making process, the manager takes a position on the alternatives being considered.
2. *Resisting decisions*—After the decision has already been made, the manager resists it.

Expectancy theory provides us with some guidelines to predict whether a manager is likely to undertake one or the other of these timing options. Self-interested intervention in organizational decision processes carries with it some risk of sanctions, if those in the organization who have the power to sanction (i.e. general management) see the intervention as inimical to the organization's interests. A middle manager's decision to intervene must take this risk of sanction into account.

Extending expectancy theory to accommodate assessment of this risk, we reason that the perceived risk of being sanctioned for self-interested intervention will reduce the motivation to apply counter effort against a decision with an otherwise negative product. The significance of the potential sanctions to the individual multiplied by the probability of them being administered must be weighed against the probability of being successful at the intervention multiplied by the net benefit to the individual associated with stopping or reshaping the decision.

We further reason that the timings of interventions carry different degrees of risk of organizational sanction. We hypothesize that resisting decisions after they are made carries higher risk of organizational sanctions than taking a position during the decision-making process. Even in organizations in which taking a position is discouraged (e.g. under a highly authoritarian management style), doing so can at least be rationalized as an effort to contribute to the organization's interests. On the other hand, resisting a decision after it is made is a clear and unequivocal challenge to the legitimacy of the organization's decision-making process (assuming such resistance can be accurately observed). Thus, all other things being equal, it would take a greater negative product of our model, $(E \rightarrow P) \times [(P \rightarrow O) \times V(0)]$, to motivate resisting a decision than it would to motivate taking a position. Resisting a decision is thus likely to be the less frequently exercised of the intervention options, and also the less likely to be successful.

Unfortunately, no substantive empirical work has been published in the strategic management literature that documents and analyzes middle management behavior in the strategy implementation process when their self-interest is at stake. However it is possible to use a data base which codified behavior of middle managers who intervened in their organizational decision process to support their own interests (MacMillan and Guth, 1985), and this can be done in such a way as to provide strong, if indirect, supporting evidence for the above arguments.

STUDY OF MIDDLE MANAGERS' INTERVENTIONS IN ORGANIZATION DECISIONS

While this study did not specifically address strategy implementation issues, it did focus on the degree to which managers intervened in organization decision-making processes when their interests were at stake. It provides strong evidence of the middle manager's ability to intervene successfully in decisions that impact beyond their departments, and since new strategies and strategy changes usually have substantive impact on more than one department in the organization, the study provides powerful, if indirect, evidence of how and how much middle management interventions could influence the implementation of strategy.

In this study middle managers who were taking a part-time masters degree in business were asked to participate. These managers represented firms in a wide diversity of industries and of widely varying size.

The final sample of 90 middle managers reported the most recent cases in which they intervened, in their own self-interest, in the decision processes of their firms. They were asked to provide short written descriptions of the most recent cases, *if any*, in which they took a position on a decision issue, and in which they resisted a decision. Note that the study was not focused on the conditions under which the managers might or might not intervene. It was focused on descriptions of those occasions, if any, when they did intervene. Also note that the study did not attempt to determine the frequency of interventions in any particular time frame.

Approximately 330 written reports of such interventions were received. For the purposes of this paper this data base was reanalyzed along two dimensions:

1. Interventions were classified according to whether the issue over which the managers intervened had an impact that was confined to their department, or whether the impact went beyond the departmental level, i.e. organizational level. If the decision had an impact on members of the organization which were outside the authority of the respondent's immediate superior, or on members of other organizations, the impact was classified as organizational. The rationale for this classification is that strategic decisions usually affect more than one department, so if we can show from the data base that managers can successfully resist decisions and successfully take positions that support their interest, all on issues that have an impact beyond their departments, then we have strong indirect evidence that strategy implementation can be significantly affected by middle management intervention.

2. Second, actions were classified according to whether the intervention was perceived as successful or not, since respondents had been asked to report whether they had been successful or not.

In the original study a follow-up subsample (25 percent) of respondents themselves had been asked to categorize the decisions according to level of issue. The coefficient of association between their categories and ours was 0.75, indicating a satisfactory correlation between the classification done by the researchers and that done by respondents themselves.

The orginal study has all the problems of any self-report study. Respondents could tend to bias their responses: they might be inclined to create nonexistent interventions, or inflate the level of the issue, or overstate the success of their attempts, so all *absolute* results should be viewed with circumspection. However, comparisons of the results *between* different intervention options (taking a position and resisting a decision) would to some extent compensate for such bias, assuming that the respondents were equally inclined to over-report the level of intervention and degree of success.

From the above arguments it was possible to develop a number of propositions regarding middle management's propensity for, and success at, intervening in decisions that have an impact on the organization beyond the department of the middle managers themselves. (In the interest of readability the formal statement of hypotheses and the analysis of results of the study are presented in the Appendix.)

First, since there may be significant sanctions associated with resisting decisions, particularly those that cross departmental boundaries, one would expect that middle managers would confine such interventions to intradepartmental issues. Therefore *compared to taking a position* we would expect middle managers to report a much lower proportion of resisting decision interventions on decisions that have an impact beyond their departments. This is more formally specified in Hypothesis 1 in the Appendix.

Second, we expect that irrespective of the type of intervention, the middle managers will report significant success at intervening. This is more formally stated in the Appendix as Hypotheses 2a and 2b.

Finally, given the relative clarity of challenge to the legitimacy of organizational decision processes between the two intervention options, one would expect middle managers to report a higher success rate for taking a position than for resisting decisions. This is more formally stated in the Appendix as Hypothesis 3.

The following summarizes the results of our findings.

First it is clear that middle managers were prepared to intervene in organization decision processes to protect their self-interest, even when such decisions had an impact beyond their own departments, *as do most strategic decisions*. Intervention actually was reported at both stages of the decision process—by resisting decisions, where 38.9 percent of the cases reported had an organizational level impact; and by taking a position on a decision in progress, where 60.0 percent of the cases reported had an organizational level impact. We take this as strong supportive evidence that any strategy implementation decision which is seen as compromising middle management's interests can meet with active intervention by these managers, and at both stages of the decision-making process.

Second it was clear from the results that the middle managers perceived that they had been frequently successful in their intervention attempts. Not only this, but middle managers reported being no less successful at the more organizationally challenging intervention option (resisting extant decisions) than at the less organizationally challenging option (taking a position). We take this as strong, if indirect, evidence that middle managers who feel that their goals are compromised can not only redirect the strategy, delay implementation or reduce the quality of implementation, but they could also even totally sabotage the strategy.

Furthermore, MacMillan and Guth (1985) found that middle managers participate extensively in organizational coalitions. Forming or joining a coalition is an attractive alternative option to 'going it alone' because a coalition usually will have greater leverage and chances of success than the individual manager for any intervention option. Groups of middle managers opposed to a strategy are even more likely to successfully subvert it.

IMPLICATIONS FOR GENERAL MANAGEMENT

In the light of this evidence it is clear that there is a real imperative for general managers to systematically address the problem of securing pervasive (though not necessarily unanimous) commitment to the implementation of strategy. Implications of this evidence for the management of strategy implementation are discussed in the following four sections.

RECOGNIZE THE POLITICAL REALITIES AND MANAGE THEM

Political activity in organizations, such as individual and coalition intervention behavior, is the natural and spontaneous result of competing demands from inside and outside the organization on the allocation of its resources. In fact, political processes are essential to the articulation of these demands, and constructively influence how the final trade-offs between the many demands are actually made. A major way that the dislocations between what the firm offers and what its current task environment currently demands is articulated via political processes—individuals and groups operating on the interface experience these dislocations as external pressures and transmit them back to the firm via political behavior.

For instance, a sales manager who supports various customers' demands about desired product characteristics and who attempts to get the current product policy modified, is responding (in his/her own self-interest in increasing a bonus tied to sales volume) to what could be unrecognized or emerging demand shifts in the market place. So is a purchasing manager who finds ways of 'circumventing' the firm's purchasing power in order to secure loyalty of suppliers. Admittedly, these middle managers are acting in their own interest, but they are also acting in the interest of their organizations, as they see it.

The expectation that rational individuals will be motivated by self-interest, rather than organizational interest, is consistent with the assumptions underlying the theory of capitalistic economy. We are simply extending that assumption to behavior inside the organization.

Since intervention and coalition behavior exist in organizations, perform a necessary function, and influence decision outcomes, general management must recognize them, understand them, and learn to manage them.

RECOGNIZE THE ESSENTIALITY OF MIDDLE MANAGEMENT COMMITMENT

General management is not omnipotent. It is, in varying degrees, dependent on middle management for technical knowledge and functional skills. So, in reality, general management is rarely as free as it would like to be to 'find somebody else (or a number of others, in the case of a coalition) if they don't like it'. This results in the need, much of the time, to take the demands of middle-level managers seriously and to find solutions to conflicts over strategy and policy. There is an imperative to seek strategies that are both competitively effective and capable of gaining organizational commitment.

If general management decides to go ahead and impose its decisions in spite of lack of commitment, resistance by middle management can drastically lower the efficiency with which the decisions are implemented, if it does not completely stop them from being implemented. Particularly in dynamic, competitive environments, securing commitment to the strategy is crucial because rapid implementation is so important.

LEARN TO USE CLASSICAL POLITICAL TOOLS

Accepting that strategy and its related policy decisions must be both effective in the competitive market place and capable of gaining commitment from organizational members, the following political tools, used by politicians for centuries, can be helpful to general management in managing the implementation of strategy (Cyert and March, 1963; Katz and Kahn, 1978):

Equifinality

Since it is often possible to achieve very similar results using different means or paths, general management should accept that achieving a successful outcome is more important than imposing the method of achieving it. When confronted with obvious lack of organizational commitment to a particular strategy or related policy, it may be possible to generate new alternatives in search of one that gives equal results but with far greater potential for gaining commitment.

Satisficing

Politicians learn that achieving satisfactory results is far better than failing to achieve 'optimal' results via an unpopular strategy. If it tries to pursue the 'best' course without essential commitment from the organization, general management might actually achieve far less than what it would find satisfactory.

Generalization

Shifting focus from specific issues to more general ones may increase general management's options in its search for strategy and related policies that are both effective and capable of gaining organizational commitment. For example, shifting focus from how to cut costs to how to improve productivity may generate new alternatives that both lower the average unit cost of output, and gain higher commitment from middle management.

Focus on higher-order issues

By raising an issue to a higher level, many shorter-term interests can be postponed in favor of longer-term but more fundamental interests. For instance, the auto and steel industries, by focusing on issues of survival, were able to persuade unions to make concessions on wage increases.

Provide political access on important issues
Strategy and related policy decisions with significant negative consequences for middle managers will motivate intervention behavior from them. If middle managers do not have an opportunity to take a position on such decisions in appropriate political forums, they are capable, as our study shows, of successfully resisting the decisions after they are made. Providing such political access provides general management with information that might otherwise not be available to them and that could be useful in managing intervention behavior.

MANAGE INTERVENTION BEHAVIOR

The application of expectancy theory above suggests that there are three fundamentally different sources of low to negative individual manager commitment to implementing a particular strategy: low perceived ability to perform successfully in implementing that strategy; low perceived probability that the proposed outcomes will result, even if individual performance is successful; and low capacity of the outcome to satisfy individual goals/needs.

Each of these sources requires a different approach, if implementation is to be effective. Thus the first problem that general management faces is in *anticipating* sources of low to negative commitment.

Source I: perceived inability to execute strategy
The skills and experience required to implement a particular strategy may be perceived by the relevant middle managers as being significantly different from those they have. So they perceive a risk that they will not be able to perform successfully at implementing the strategy. This perceived risk can, by itself, be the cause of low commitment.

If general management can determine that this is a cause of low commitment, it still must diagnose the basis of the relevant manager's concerns and remedy the problem as appropriate: either by increasing the middle managers' self-confidence that they can perform successfully; or by providing additional training and development; or by providing additional resource support (such as consultant or staff expertise) to supplement missing skills and expertise.

If the middle manager has low self-confidence (perhaps due to recent difficulties in performance), general management might be able to build commitment relatively easily, simply by providing the necessary moral support and encouragement, followed by rapid positive reinforcement of any successful performance.

If the middle managers actually need to develop new skills and experience, building self-esteem will not be enough. Formal training and development is necessary, or their skill shortfall needs to be supplemented.

Source II: low perceived probability that strategy will work
When middle managers feel that the outcomes predicted by general management are unlikely to occur, or in other words, they do not believe that the proposed strategy will work, the general manager has a particular responsibility not to let ego get in the way of an organizationally sound decision. Here the critical issue is not *who* is right, but *what* is right for the organization. It is far better for the organization to pursue the *right* strategy than to insist on pursuing general management's strategy. At issue here is a *disagreement between*

the judgements of general management and middle management, on a highly important but uncertain decision. And since one of the main reasons that middle managers are employed is to contribute such judgements to the organization, they deserve a careful hearing.

In management decision-making, alternative decisions or courses of actions are evaluated in relation to their expected outcomes. Each manager uses his or her own theories or 'causal maps' about the relationship between alternative courses of actions and their outcomes in this evaluation (Argyris, 1982). However, managers are often not very explicit about the theories or 'causal maps' they are using in this evaluation of alternatives. Often they themselves are not sure about the strength of their beliefs in the theories or 'causal maps' they are in fact using (Starbuck, 1984).

Neither experience nor research, the two principal rational bases for belief in such theories, yield certainty in complex decision situations. So there is always a reasonable basis for disagreement among reasonable individuals about whether a particular strategy will have the outcomes predicted by those who advocate it.

Such cases, where low commitment stems from disagreement on judgements about causality, can have particular challenges when the subordinates do not agree that the strategy will work but fail to say so. Because general management has not experienced significant opposition, they can easily assume that there is high commitment to the strategy they are promulgating. Then the strategy just does not get implemented due to simple lack of commitment. Unfortunately, if they do not anticipate this source of low commitment, general management only discovers the problem after implementation failure occurs. This is particularly serious in situations where time is of the essence due to high competitiveness or rapidly changing conditions.

Two techniques are available to general managers who suspect that this type of strategy implementation problem may occur.

First, general management should commit to listening to and understanding middle management positions well enough to be able to restate them to the satisfaction of middle management. They should then insist that middle managers in turn describe *general management's* position (or 'causal map') to the satisfaction of general management. This discipline, which forces both parties to fully understand each other's position, will usually achieve full articulation of the implicit theories of the cause/effect relationships that lay behind each party's conclusions (Rapoport, 1960). Once this is accomplished, it becomes possible to develop hypotheses to test which theory is most applicable to the situation. So at minimum, this technique forces a clear understanding of the basis of any disagreement, and significantly increases the chances that the focus is kept on what the right strategy is, rather than whose strategy is right.

The second technique is to insist upon fully identifying the risks associated with any strategy being advocated. Doing so also exposes and makes explicit the cause/effect theories in use, the strength of each party's belief in those theories, and so prevents the phenomenon of convincing oneself that the risk is not as great as it rationally is. This shifts the focus of managerial attention from the choice between alternatives, to the management of the risks inherent in the different alternatives. Once again, the use of this technique leads to a more careful consideration of what is the right strategy rather than whose strategy is right.

Source III: perception that outcomes will not satisfy individual goals

It is not surprising for middle managers to have goals (and hence desired outcomes) which are different from general management goals. After all, middle management's decision-making is made in the context of sub-unit goals and personal goals rather than corporate goals, while general management pursues overall organizational goals (and personal goals).

In confronting the problem of low middle management valence on strategy outcomes, general management has four general ways of obtaining the support necessary to implement its strategy (MacMillan, 1978):

Inducement

In this approach, general management adds additional payoffs to the strategy it favors for those middle managers with low valence on the outcomes. It is important to remember that these additional payoffs must have positive valence to the middle managers—it may be easier to identify salient inducements from the point of view of general management than to find inducements that actually work in relation to middle manager personal and sub-unit goals.

Persuasion

In this approach, general management attempts to help middle managers with low valence on outcomes to perceive payoffs that they had not seen before. Persuasion efforts will fail, of course, if general management confuses its goal structure with that of the middle managers evidencing low to negative commitment.

Coercion

The objective of this approach is to decrease the valence of the alternative strategies favored by those middle managers who see low valence in the general management strategy. If successful, this approach reduces the payoff of the alternatives favored by middle mangement to below that of the alternative favored by general management. Threats of sanctions for failure to implement general management's strategy, for example, may result in a middle manager concluding that the payoff associated with general management's strategy, while initially not seen as great as the payoff associated with his/her alternative, is in fact and on balance the greater of the two.

Obligation

In this approach, general management attempts to connect implementing the desired strategy to a sense of obligation on the part of the middle managers whose personal and sub-unit goals result in low valence on the outcomes associated with the desired strategy. For example, a general manager who is perceived by an unmotivated middle manager as having been very helpful in advancing the middle manager's career to date might be able to obtain commitment to implementing his strategy from the middle manager's sense of obligation (if he has such a sense) to repay the help given in the past. In effect, this approach reduces the net payoff to the middle manager of the alternative previously favored, by requiring that the cost of violating a sense of obligation be deducted from the positive returns perceived to be associated with the alternative.

Note that all the above techniques require a thorough understanding of the goal structure and needs of the middle managers who will be responsible for implementation.

SUMMARY AND CONCLUSIONS

Middle management self-interest motivates the degree of commitment to strategy implementation, so divergence between middle management self-interest and organizational interest as perceived by general management is likely to result in ineffective strategy implementation, unless it is anticipated and managed carefully by general management.

We have presented several approaches to managing the problems of low commitment. Critical to the effective use of all these approaches to managing interventions is the correct diagnosis of three major sources of low commitment.

First, if the middle managers do not believe the strategy will work, there is always a chance they are 'right'. Managing this type of low-commitment problem calls for a focus on selection of the right strategy rather than conflict over whose strategy is right.

Second, in cases where the low commitment stems from middle management perception that their effort will not result in the expected performance (they feel incapable of executing the strategy), they are not likely to freely admit it. The challenge here becomes one of identifying this lack of self-confidence and either build self-confidence, or missing skills, or both.

Third, in cases of low middle management valence on outcomes, general management is obliged to find ways of either increasing the valence of their strategy (inducement, persuasion) or reducing the valence of middle management's alternatives (coercion, obligation). General management's chances of being effective with any one or some combination of the four general approaches depend heavily on understanding the values and goals of the middle managers involved. Identifying lack of commitment from this source is made difficult by the fact that many middle managers are naturally reluctant to openly admit that they are weighing personal and/or sub-unit goals more heavily than overall corporate goals. So general management has to have done enough homework to be able to infer the values and goal structures of the disagreeing middle managers. Such inferences come from analyzing and undersanding previous and current behavior. Since inducement and persuation result in positive commitment, general management should try these approaches in preference to coercion and obligation. If either or some combination of these approaches does not work, then coercion and/or obligation may be the only options left, short of replacing the middle managers.

We conclude that the ability to understand, anticipate and manage processes needed to secure positive and pervasive commitment to strategy on the part of middle management is a critical general management implementation skill.

APPENDIX

HYPOTHESES AND RESULTS OF HYPOTHESIS TESTS

H1: *The proportion of organization level interventions reported by middle managers will be higher for taking a position than for resisting decisions.*

Results: Proportion of organization level interventions for taking a position $=0.600, N=165$

Proportion of organization level interventions for resisting decisions $=0.389, N=162$

$t=3.07;\quad p<0.01$

H2: *Middle managers will report a significant proportion of successful interventions (more than 35 per cent, say) at the organizational level:*

(a) When resisting organization decisions

Result: Proportion of successes reported = 47.6 per cent, $N=63$
$t=2.04$; $p<0.05$

(b) When taking a position

Result: Proportion of successes reported = 59.6 per cent, $N=99$
$t=5.6$; $p<0.01$

H3: *At the organizational level, middle managers will report a significantly higher proportion of successes at taking a position than successes at resisting decisions.*

Results Proportion of successes at taking a position at organizational level = 0.596, $N=99$
Proportion of successes at resisting decisions at organizational level = 0.476, $N=63$
$t=1.47$; not significant

Table 1. Results for resisting decisions

	Departmental level impact	Organizational level impact
Attempts reported	99	63
Successes reported	50	30

38.9% of attempts affected organizational level.
47.6% success rate at organizational level.

Table 2. Results for taking a position

	Departmental level impact	Organizational level impact
Attempts reported	66	99
Successes reported	50	59

60.0% of attempts affected organizational level.
59.6% success rate at organizational level.

ACKNOWLEDGEMENT

This research was supported by a grant from the Tenneco Fund, Graduate School of Business Administration, New York University.

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