***The Critical Success Factors of Strategy Implementation in
Large Service Industry Organizations: KSA as a Case Study***

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Abstract
Strategy is about designing and directing the journey which the company must take while it remains profitable. Strategy is about maintaining a sustainable business during changing market conditions. Accordingly, many studies have noted that the strategies often fail mainly at the implementation process. As well, most of the research addresses the importance of strategy formation and gave little importance to the implementation of strategies. So, this paper will address the implementation of strategies. Whilst a brilliant strategy can provide a competitive advantage for a business, only an effective implementation process will ensure this outcome. The formulation of strategy is usually a top-down endeavour. Implementing such a strategy requires synchronous top-down, bottom-up, and across the organisation activity. Many studies have discussed the problems in strategy execution for example, the role of senior management and their involvement can be very weak in strategy implementation; there can be a lack of communication top-down, bottom-up, and across the organisation; or there can be poor coordination and sharing of responsibilities. This article identifies critical success factors in the implementation of the strategy. It also showed that strategy implementation factors differ from one country to another.

Keywords: Strategy, Strategy Implementation, Strategy Execution and Strategy Implementation Key factors.

Introduction

The strategies for plans are vital for modern businesses to stay highly cutting edge in rapid transformation and operating in a turbulent environment (M. E. M. Porter, 2008). Strategic management comprises the design and implementation of main objectives based on the assessment of internal and external resources and the environment in which a firm competes. Furthermore, Porter (M. E. M. Porter, 2008) claims; strategy balances the relation between the organization and its surrounding environment. More explicitly, it is a mechanism through which activities of diverse functional departments operating in a firm such as finance, marketing, production, research-development (R&D), and procurement are integrated and coordinated (M. E. Porter, 1996; Wheelen & Hunger, 2006). The objective of an organisation's strategy is to undertake the efforts to form and strengthen the organisation's long-term competitive position and financial performance and gain a competitive advantage over rivals, which develops a company's pathway for better profitability (Wheelen & Hunger, 2006).

Indeed, the high importance of strategy implementations, cannot be overlooked by both academics and practitioners, instead they need to take suitable actions and be ready to manage strategy implementation effectively. Consequently, the awareness of critical factors that influence the strategy implementations is gaining considerable attention by both academicians and practitioners (Hrebiniak, 2013). A review of the strategy execution dialog suggests that a researcher has often focused on certain factors, which influence the strategy implementation (Li, Guohui, & Eppler, 2010).

The strategy-concerned literature does not provide a rigorous and structured conceptualization of these factors, which influences strategy, the underlying dimensions of these factors, and their influence on strategy implementation is not precisely explored (Alharthy, Rashid, Pagliari, & Khan, 2017). Thus, the literature does not offer a comprehensive framework of these factors. Along with, most of the literatures are limited on strategic implementation within North American and Western European contexts; less attention has been paid to Middle East, Asia and Africa (Alharthy et al., 2017). This is a major omission in the literature because without a clear overview of vital factors, management may fail to devise an effective strategy. Consequently, there is a need for an overarching typology of factors, which influences strategy. From this point, can clarification which factors are more important than others and under different social settings to get the critical success factors of strategy implementation in any organizations.

The Gap Questions

The core problem to be addressed by this preliminary line of inquiry is to respond to the increasing difficulties that organizations are experiencing in implementing their strategies. A review of the strategy literature reveals an obvious gap that although there are numerous documented approaches to developing strategy, but relatively only few that focus on translating an articulated strategy into action. In response; the questions that formed the basis of this inquiry were:

What are the strategy implementation success factors, and which factors being more important than others, and under what different social settings?

Methodology

This research designed to obtain the objective of the research and answer the research questions derived. Kuhn (1970), a research design is the logical plan that can help in getting from the initial questions to be answered to the conclusion. Therefore, the research group is identifying by an orderly and systematic approach in collecting and analyzing the data, and then interpreting the results (Jankowicz, 2000).

The three most common types of research approaches include quantitative, qualitative, and mixed methods. Qualitative research method has been employed in this research because the aim of the study is to find out the complex issues and capture multi-layered and multi-dimensional subjective phenomenon (Denzin & Lincoln, 2008; Miles & Huberman, 1994). Besides, qualitative research is a type of research technique used to decode, translate, describe, and understand the reason behind a behavior or thinking, which may or may not be apparent in society at large (Maanen, 1983). Likewise, according to Patton (2002), conducting qualitative research is a time intensive task, which asks of a lot of time on part of both the researchers as well as those who help them conduct the research (i.e. interviewees (Strauss & Corbin, 1990). Since it is a qualitative study, it should be based on opinions, beliefs, and viewpoints, making room for a lot of interaction during the data collection phase (Silverman, 2006). Therefore, it is imperative that the present researcher should have very good interaction with informants. This interrogative nature of the study warrants the need for more interaction between the researchers and the interviewees and the data collected helped explain certain social behavior (Gubrium, 2005).

Choosing a research strategy depends on the research question which is crucial step that provides a point of departure for a finding solution to particular problem in social setting. Thus, to answer the research question in specific social setting need to generate theory based on data that is systematically collected and interpreted. Hence, the grounded theory is considered as an inductive method of developing new theory from existing data (Goulding, 2002; Gubrium, 2005; Locke, 1996). Moreover, the grounded theory approach, according to Goulding (Goulding, 1998), focuses on new discoveries. It is helpful in generating theories in areas about which little is known by the researchers, as well as to offer a fresh new insight relating to a distinct social process. The method can help in understating substantial areas that has not been extensively explored by the researchers. Sound research approaches must ensure reliability of the collected data. For this purpose, triangulation is used to further strengthen the research done by eliminating any biases from the research findings and to make sure that they can be better applied and attributed to the general population by analysing and gathering data from different angles using different methods. The use of different data collection methods helped overcoming the limitations inherent to every method which was used (Gray, 2004). In this research we collected data via focus groups, semi-structured interviews, and observation.

The outline study employed an analytic induction method to find out the issues relating to the implementation of the research method in Saudi Arabia. The method is considered a proper approach for exploring the strategy implementation and comparing them with different organisations. It is better than examining the issue with preconceived assumptions.

Research Location and organizations selection

In the Research Process, it is imperative to choose reliable place and access data to study (Creswell, 1998). Generally, the successful organisation recognises the importance of strategic implementation in comparison to the achieving expected results and performances. The organisations, which are in position to plan and execute effective strategies, have clear advantages in commercial world (Ghamdi, 2005). Furthermore, most of the organisation are concerned with the strategic execution when they endeavour achieve the results regardless how successful they might be. In Saudi Arabia, there is a lack of strategic implementation research, however Saudi strive to achieve the better results in their business and planned strategies (Ghamdi, 2005).

Saudi Arabia is a country new to bureaucracy and wealth; the country faced significant development to provide infrastructure services and products, after the discovery of oil and the unforeseeable change in oil prices. In addition, the private sector was weak and limited to small and medium family-owned businesses, the government had no choice other than to establish companies to provide infrastructure products and services such as electricity, airlines and telecommunication. Furthermore, privatisation is believed to increase the quality of products and services provided and accelerate the rate of customer service. Another reason, the World Trade Organisation (WTO) required Saudi Arabia to open its market to foreign companies; hence, poor-quality public companies would be in danger if developed and competitive foreign companies entered the Saudi market.
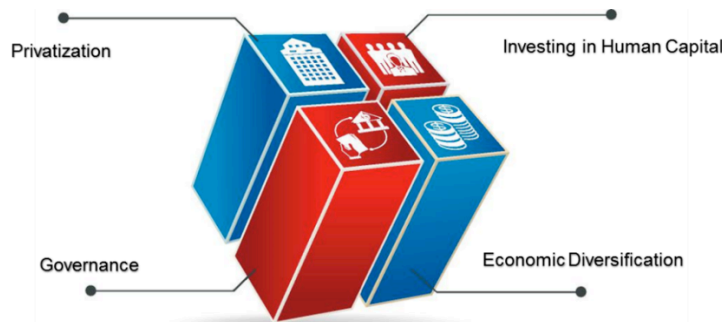

Figure 1: Saudi Arabian Vision 2030

Hence, it is a plan to reduce Saudi Arabia's dependence on oil and rely on alternatives diverse economy and the development of service sectors such as health, education, infrastructure constructive, recreation and tourism and many more. For that, the new vision of Saudi government (Vision 2030 see Figure 1) also includes National Transformation Program (NTP), which is to achieve efficiency in the investments,

taxes increase on the business, strategic cuts and increase of private sector. Therefore, it was urgent that the sample be in line with the directions of the Kingdom so it was chosen five Saudi services organizations are selected for study. Service organizations represent a perfect example of a highly competitive environment, and thus rapid changes of the practice of strategic implementation activities. So, it had to be chosen the sample of this organization represents the biggest five large Saudi services industry (Saudi Central Department of Statistics & Information) from different sectors as follows:

Table 1: The selected large service organizations for this research

No	Industry	Sector	Firm's size	Firm's type
1	Services	Financial	Large	Saudi
2	Services	Information and communications technology	Large	Saudi
3	Services	Energy	Large	Saudi
4	Services	Transportation	Large	Saudi
5	Services	Healthcare	Large	Saudi

individual interviews and and focus group activities helped collecting data from multiple sources across for each of the selected organizations. Informants came from across the hierarchy of these organizations, and the interviews were conducted until saturation was reached. The selection of each member of the group was based on the relevance involvement via a certain strategic role of the participant.

For reliability purpose, it is important to grasp situation from the field by taking the Saudi blueprint through focus group with senior managers who had more in-depth involvement within the Strategic Management Cycle (See Figure 2), to get the big picture before taking a deeper dive - via data gathering - to investigate the root causes of the problems.
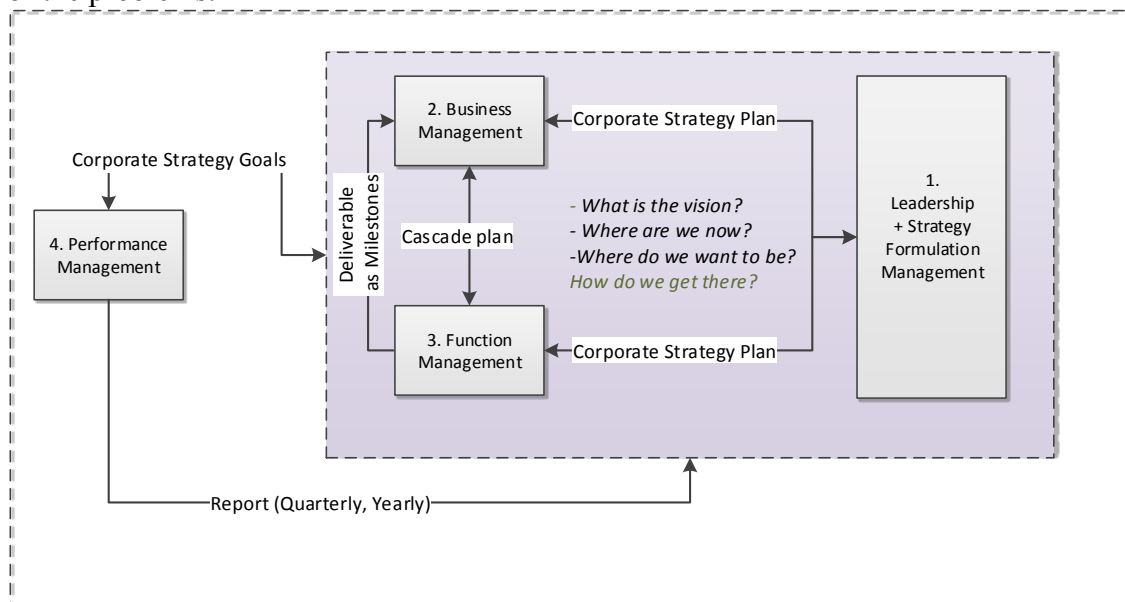

Figure 2: Saudi Blueprint Strategic Management Cycle

Statistical description

Data collection toke e place from January until the end of September 2016. 25 individual interviews Saudi relevant informants aged between 36 to 53 years with average age of 45.7. The interviews were conducted in Riyadh and Jeddah. The interviewee's experiences within Saudi services organizations rand between 9 to 30 years. All the interviewees were holding university degrees in various disciplines. The interviewees play leading roles in their companies, and they are directly involved in their companies' implementation of strategies.

Research Details and Discussion

To establish details of implementation processes within various services industries' context; the interviews were conducted using an interview guide with open-ended questions (Easterby-Smith, Thorpe, & Jackson, 2013). This was designed to be an issue focus activity, and according to Sackmann (Sackmann, 1991), "*An issue focus enables compression, because it introduces a specific context that forces respondents to draw on the same stock of knowledge*". It was noted that the actual collected accounts of the interviewees significantly reflected the same culture aspects within the given organization (Sackmann, 1991).

The use of issue focus concept under the notion of *"Strategy Implementing/execution"* was a main input to the grounded theory process, which is the main methodology paradigm of the current research. This approach starts with data collection, proceeds to its analysis, and usually concluded by the formulation of a theory (Suddaby, 2006) . This overall process – referred to as 'theoretical sampling' was carried out through three different stages that include (Strauss & Corbin, 1998):

1) Open Coding: the data differentiate and divides into categories.
2) Axial Coding: This is where the relationship between the categories defined.
3) Selective Coding: The relationships defined between the categories are used to develop a theory.

The scrutinized analysis conducted at the early stages of the analysis of the data collection. The analysis focused on exploring and understanding features, characteristics and dimensions of the phenomena relevant to the research subject from the respondents' perspectives and experience. According to Strauss and Corbin (1998), the detailed line-by-line analysis should be conducted at the initial stages of the research to make sure that the analysis is driven by the data rather than preconceived ideas and used constant comparison by comparing incoming data with the previous to be sure the same code appears and relevant for the new data and placed in correct category which reliable and truly represent the empirical data. Such analysis technique increases sensitivity to the data. After doing this, the data was then interpreted to see whether it corresponded to the predetermined categories and their relationships as it illustrated in Figure: 3
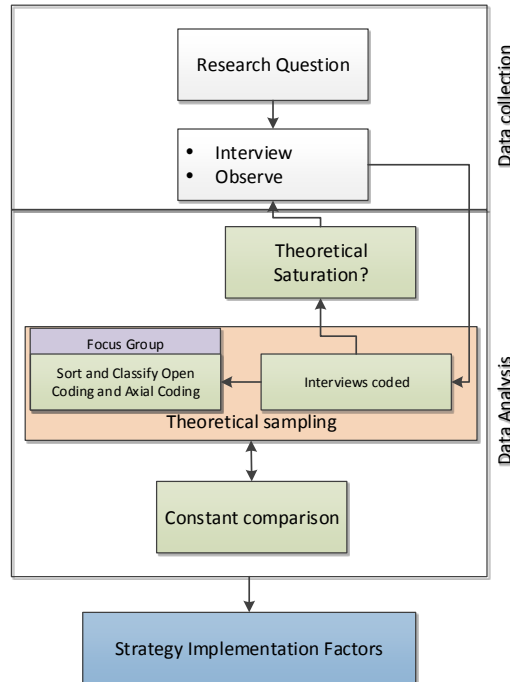
Figure: 3 Key steps in a grounded theory research design

Informant interviews

Saturation of data occurred by the eighteenth interview, but further data collection continued to add additional seven detailed interviews for further assurance that all possible aspects of expected data were covered.

Analysis of the 25 interviews reviled 69 different codes the influence strategy implementation within Saudi large services sectors. The codes were filtered by specifying and retaining the relevant codes and removing those that were irrelevant to the phenomenon under study. These codes were combined with each other based on their similarities and differences to build more definable crystalized categories.

Direct observation

Using the interview technique helped to undertake a walk-through direct observation method as another source of evidence for collecting more sophisticated data to further enrich the present study. is the conducted observations provided deeper explanation for some of the points highlighted within interviews. Throughout the observations, field notes were precisely taken and retained.

Focus Group

The main objective of focus group conducted at the end stages of this study was to consolidate grouping the factors into the correct categories. A group of UK experts in strategy implantation who were capable of completely explaining all the still hidden parts of the phenomenon. which was done in the. The main question at the focus group stage was: ***What were the connections among the preidentified codes?*** Results

had emerged reducing the initially identified 69 codes into 26 categories: Poor or vague strategy, Clear Objectives, Communication, Engagement, Sufficient resources, Benefits realization management, Accountability, Talent Management, Involvement, Buy-in, Prioritization, Selection, Alignment, Project management, Risk management, Monitoring, Performance, Leadership, Sponsorship, Commitment, Effective competitor responses to strategy, Authority, Governance, Motivation, Rewarding, Saudi Macro and Micro Environment. Figure 4 lists these categories and their relative percentages.
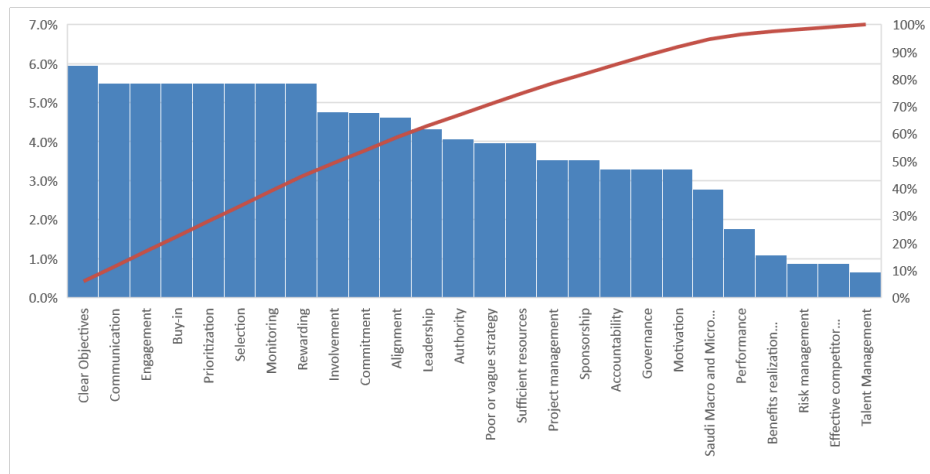

Figure 4: Factors that influence strategy to implement

The emerging categories were labelled in accordance with Strauss and Corbin (1998), where they mention: "The name chosen for a category usually is the one that seems the most logical descriptor for what is going on". As shown in Figure 4, the weight ratio for each factor from the total factors converged between 0.7% and 6%, this shows the impact of all factors for successful implementation strategies from Empirical Study Findings.

General Findings

The intriguing findings were that all the participants, without exception, stated that their organizations suffer from failure in implementing their strategy plan. In fact, many interviewees within the current research indicated that their organizations' employees do not know about their companies' strategies, neither they acknowledge the importance of the role they played in the implementation of those strategies. The role of senior management in a company is drawing up plans, but not being aware of the pressures on the staff and the lack of resources allocated to them nor their inability to carry out their current business roles can utterly diminish those strategies. As well, leaderships of many company's may not comply with the approved plan, as they find themselves subject to external influences by politicians, or other official bodies. Moreover, most participants in the preparation of the strategic plan are usually senior managers and overseas consultants, who would not usually be part of the implementation stage, meanwhile, these external consultants may not always be at the

right level of knowledge of local cultures and community services appropriate to various nations such as KSA.

The strategic plan does not stay more than four to eight years due to continuation the change A change – for instance – to chief executive officer – would usually leads to significant changes to the current acting strategy, whatever successful that strategy might be. Moreover, the top management mostly prefer to hire people from their own family and social circles whom they trust. In most cases, this practice also takes into consideration the needs and wants of family member being hired which has an impact on strategy implementation because of lack of relevant needed capabilities.

Conclusions

Strategy implementation helps create the future. As an ally and not an opponent, the implementation process works side-by-side with the formulation process, and such collaboration leads to strategies and plans that are financially, socially, and ethically adequate for a company. Successful implementation of a well-formulated and appropriate strategy will enable a company to become better and better over time, therefore achieving its longer-term vision overall corporate success. This research identified 26 strategy implementation enabler factors. The presence and convergence of these factors have their huge impact on the implementation of strategies. These identified factors thus need to be taken into the organizations consideration when setting strategies that they intend to successfully implement.

Contributions to New Knowledge

The factors effecting strategy implementation vary from country to country under different social settings.

Contributions to Industry

No way to use Pareto principle (also known as the 80/20 rule) when implementing strategies because all the identified 26 factors would interact together and becoming critical success factors which lead to successful execution and achieves the organization's goals.

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