

Influence of Middle Level Management's Championing Alternatives on Strategy Execution

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ABSTRACT

The purpose of this research was to establish the influence of middle level management's championing alternatives on strategy execution in insurance companies in Kenya. The study targeted Kenyan insurance sector with a population of 436 middle managers. The study was guided by the positivism philosophy and used a descriptive correlational research design. The population of study was 436 middle level managers in all the 49 insurance companies in Kenya. The sample size computed upon using the Yamane (1967) formula revealed a sample size of 209 respondents. A correlational result clearly demonstrated that the collective constructs of championing alternatives significantly correlated with effective strategy executive; leading change initiatives, $r(174) = 0.320, p < 0.05$; manage barriers and resistance for change, $r(174) = 0.367, p < 0.05$; advising top management on requirements for change, $r(174) = 0.359, p < 0.05$. The analysis revealed that there was a strong and positive relationship between collective constructs of championing alternatives and strategy execution among middle level managers in insurance sector in Kenya.

Keywords: Championing Alternatives, Insurance Companies, Strategy Execution

I. INTRODUCTION

Strategy execution is about translating an organization's strategic initiatives into action. As the final step in what can sometimes be an arduous process, strategy execution is vitally important to get right for an organization, especially if it is a key component of its business transformation (Cater & Pucko, 2017). While many people believe that formulating an innovative and unique strategy is critical and by itself sufficient to lead a firm to success in modern business world, ensuring that such a strategy works is equally as important. Executives should pay careful attention to the implementation of strategies to avoid common pitfalls that result in failure. A number of approaches that greatly enhance the effectiveness of strategy implementation can be employed. Indeed, good strategic management is a function of people actively considering strategy as they make day-to-day decisions in an ever-changing world (Rajasekar, 2014). Research has confirmed the importance of middle management involvement in strategy formulation and have demonstrated that middle managers have strategic roles which positively influence the relationship between strategy formulation and organizational performance (Jaoua, 2018). Globally, the middle managers, through their awareness of the business and their boldness to challenge the top managers' decisions and knowledge, decipher the formal strategy and make it applicable in everyday operations. Middle level managers play key role on the implementation of the strategy based on the work environment and the activities of the organization. They know better how to tackle a challenge within their area of activity than the top management (Roth, 1989).

Middle managers being the employees charged with the responsibility of coordinating between everyday tasks of the functional components as well as the strategic tasks of the high ranking management in the organizational hierarchy, receive strategic decisions from the top and cascade down to employees and operational workers. Middle managers are leaders in positions between top level and first line managers in an organization (Frohman & Johnson, 2012). There are four critical roles middle managers play to achieve strategy implementation effectiveness, namely: synthesizing information, championing alternatives, facilitating adaptability and implementing deliberate strategy. The first two represent upward forms of involvement, while the last two are downward forms (Floyd & Wooldridge, 2017). The extent to which managers are involved in the determination of their implementation roles appears to have significant influence on commitment to those roles. The extent to which managers are involved in the determination of their implementation roles appears to have significant influence on commitment to those roles (Noble & Mokwa, 2017). The role of commitment to championing ideas involves a middle manager activity to promoting bottom-up ideas that have the potential to renew current of strategy (Floyd and Lane, 2000). In addition, the commitment to champion new ideas, often achieved through participatory practice in strategic planning, has potential fulfil involvement for middle managers (Mantere, 2016).

II. THE PROBLEM

For effective strategy execution, Van *et al.* (2014) noted that the middle level managers should properly champion for initiatives that are being developed at the operational level. This means that middle level managers engage in persistent and persuasive communication about the strategic options to upper level managers. Balogun and Johnson (2016) found from their study of exploring strategy change that more than 60% of the middle level managers do not effectively interpret messages and signals given by top management to lower cadre employees hence causing ineffective strategy execution. Grady and Grady (2013) found that despite so much effort middle level managers are putting towards change in organizations, many end up not achieving their desired outcomes due to resistance from employees or cynicism towards the change effort. This is found to be caused by lack of clear goals, lack of team building capabilities, and bad communication skills.

III. OBJECTIVE

The objective of this study was to determine the influence of middle level management's championing alternatives on strategy execution in insurance companies in Kenya. The study aimed at determining the influence of leading change initiatives on strategy execution, influence of managing barriers and resistance to change on strategy execution, and the influence of advising top management on requirements for change on strategy execution.

IV. LITERATURE REVIEW

Championing alternatives is where the middle management persistently and persuasively communicates information of strategic options to upper management. What they are doing is championing changes as a result of supplying information on innovative ideas to top management (Lassen *et al.*, 2009). This task is both integrative as well as ascending and it concerns the anticipation for middle level managers to endorse thoughts and their aptitude to take part through bottom-up programs that might be of value during renewal of strategy procedures in their organizations. The middle-level managers develop alternatives to the current strategy and present them to the top management with ideas from the employees. The goal of championing alternatives is to build strong impetus for the initiative and keep top management informed (Steve & Bill, 2017). The incorporation of the middle level managers in planning will allow them to enhance control over their future in the company and become an essential element of it (Westley, 2010). It is imperative for middle level managers to take part in planning, which can decrease the degree of feeling left out or having to deal with goals that are forced on them that they did not play a part in agreeing to or drawing up. The parameters for championing alternatives are; leading change initiatives, manage barriers and resistance to change and advising top management on requirements for change. Middle managers frequently become organizational champions for initiatives developed at the operational level. Championing alternatives is defined as the persistent and persuasive communication of strategic options to upper management. In this study, championing alternatives were measured by leading change initiatives, managing barriers and resistance to change, and advising top management on requirements for change. This function is different from making easy adaptability as it focuses on influencing the management of the organization to fine-tune their existing concept of strategy. Van *et al.* (2014) chose to treat the championing activity in terms of the management position and not the role. His extensive study describes strategy champions as members of corporations who endeavor to influence strategic matters in a manner that goes beyond their immediate and most important operational duties as well as the prospects of others.

Middle-level managers develop alternatives on the current strategy based on their view or on ideas from the operational level and present them to the top management. This is interesting in the light of decentralized decision making in a dynamic environment because as a result of their position middle managers can analyse the environment and react to it (Bryson, 2018). Owing to the position held in the firm, middle level managers are equally receivers as well as executors of change. Their task is seen to be that of a change intermediary. Their way of interpretation and making meaning of strategic change is essential and openly influences the result accomplished through the strategy (Balogun & Hope, 2016). Because of their position in organizations, middle level managers can interpret messages and signals given by top management to the rest of the organization. This role is literally a key factor that is able to unlock its potential so as to avoid undesired consequences. This sense-making function of middle managers has been shown to be a positive influence when it comes to restructuring initiatives or an existing operation (Balogun & Johnson, 2016). Change agents must have clarity of goals, team building capabilities, communication, and negotiation and influencing or leadership skills to ensure that execution of strategic change is seen through to completion (Doctor, 2015). Despite so much effort towards change in organizations, many end up not achieving their desired outcomes (Grady & Grady, 2013). This is usually as a result of resistance from employees or cynicism towards the change effort (Buicket *al.*, 2015; Thundiyl *et al.*, 2015).

Soparnot (2013) defines resistance as a variety of behaviors such as denial, indifference, rejection, rumor, blind obedience, refusal, argumentation, repression, strikes or sabotage. There are challenges that come with change no matter the type of change. Change comes with strain plus worry, along with the likelihood for hopefulness (Carnall, 2017). Change is uncertain and therefore it produces problems for member of staff and managers alike, becoming hard even for those who are expected to manage it. One characteristic of middle managers is that they are much more in touch with employees and customers than senior managers, which allows them to come up with good solutions to motivate those below them and help them during the change process (Huy, 2011). When change is needed, the middle manager is expected to assume a different task (Johnson & Hartel, 2014). Huy (2011) affirms that middle level management make important inputs to the awareness of thorough change at organizations, contributions that go mostly unrecognized by most superior executives. Middle managers turn the executive's vision into reality. According to Mollick (2013), middle managers are a vital cog in the business machine. They are capable of performing the traditional role of task managers, while still supporting and encouraging innovation.

V. METHODOLOGY

This study adopted a descriptive and correlational research design which was preferred for the current study because it enables a researcher to predict the contribution of variables in predicting the outcome being measured. This design was preferred because of the adoption of a multiple linear regression model for testing the hypothesis of the study and determining the influence of middle level managers' championing alternatives on strategy execution. The population of the study comprised of 436 middle level managers in all the 49 insurance companies with their operations in Nairobi County, Kenya. The study used stratified sampling and random sampling to select sample units from the five strata of the population; finance, procurement, operations, ICT and logistics. A simple random sampling technique was used in each stratum to select a total of 209 middle level managers from the insurance companies operating in Kenya. This study adopted the use of structured questionnaires to collect primary data from middle managers of insurance companies in Kenya. The total number of contacted respondents was two hundred and nine, of whom one hundred and seventy-four returned the questionnaires, representing a response rate of 83.25%. Collected data was coded and entered into the SPSS (Statistical Package for Social Sciences) version 24. The descriptive statistics and inferential analysis were used to uncover the underlying relationships between measured variable.

VI. RESULTS

A. Demographic Characteristics

The study findings that show that 52.3% of the respondents working for insurance companies in Kenya were male while 47.7% were female. The results of the study revealed that 43.1% of the respondents who worked for Kenyan insurance companies were aged between 31 to 40 years, 28.2% of the respondents were aged between 41 to 50 years, 20.1% of the respondents were aged between 21 to 30 years, while 8.6% of the respondents were aged over 50 years. The study again demonstrated that 46% of the respondents had graduate degree level of education, 32.2% of the respondents had master's level of education, 12.6% of the respondents had tertiary level of education and 9.2% of the middle level managers had doctorate (PhD) level of education.

B. Inferential Statistics

To study the relationship between championing alternatives and strategy execution, a correlation and regression analysis were performed.

Table 1: Correlation Analysis

		Leading change initiatives	Manage barriers and resistance to change	Advising top management on requirements for change
Strategy Execution	Pearson Correlation	.320**	.367**	.359**
	Sig. (2-tailed)	.000	.000	.000
	N	174	174	174
Financial aspects	Pearson Correlation	.639**	.374**	.505**

	Sig. (2-tailed)	0	0	0
	N	174	174	174
Customer aspects	Pearson Correlation	.685**	.505**	.455**
	Sig. (2-tailed)	0	0	0
	N	174	174	174
Social and environmental factors	Pearson Correlation	.614**	.374**	.455**
	Sig. (2-tailed)	0	0	0
	N	174	174	174

** . Correlation is significant at the 0.01 level (2-tailed).

A multiple linear regression analysis was conducted to establish the influence of championing alternatives on strategy execution. The output of the study in Table 2 shows that the combined parameters of championing alternatives explain 18.1% (Adjusted - $R^2 = .181$) of the variability in the strategy execution in insurance companies in Kenya.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.441 ^a	.195	.181	.256

a. Predictors: (Constant), Advising top management on requirements for change, Leading change initiatives, Manage barriers and resistance to change

In Table 3, a regression ANOVA is used to assess the existence of a linear relationship between collective constructs of championing alternatives and strategy execution. The results of the study show that there existed significant linear relationship, $F(3,170) = 13.712$, $p < .01$, between the collective constructs of championing alternatives and strategy execution in insurance companies in Kenya.

Table 3: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.690	3	.897	13.712	.000 ^b
Residual	11.118	170	.065		
Total	13.809	173			

a. Dependent Variable: Effective Strategy Execution

b. Predictors: (Constant), Advising top management on requirements for change, Leading change initiatives, Manage barriers and resistance to change

The study findings as demonstrated in Table 4 show that leading change initiatives positively influenced strategy execution though not statistically significant ($\beta = 0.092$, $t(173) = 1.709$, $p > .05$). Manage barriers and resistance to change can statistically and significantly influenced strategy execution ($\beta = 0.132$, $t(173) = 2.349$, $p < .05$) and that with a 1-unit increase in managing barriers and resistance to change, the execution of the strategies was improved by 0.132 units. Advising top management on requirements for change positively and statistically influenced strategy execution ($\beta = 0.141$, $t(173) = 2.747$, $p < .05$). With a 1-unit increase in advising top management on requirements for change, the execution of the strategies was improved by 0.141 units. Table 4 displays the study results.

Table 4: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.140	.194		11.007	.000
Leading change initiatives	.092	.054	.139	1.709	.089
1 Manage barriers and resistance to change	.132	.056	.199	2.349	.020
Advising top management on requirements for change	.141	.051	.216	2.747	.007

a. Dependent Variable: Effective Strategy Execution

VII. DISCUSSION OF THE FINDINGS

The purpose of the study was to examine the influence of championing alternative on strategy execution among middle level managers in the insurance sector in Kenya. Correlation results showed that strategy execution was positively and significantly influenced by the constructs of championing alternatives, leading change initiatives, $r(174) = .320, p < .05$; manage barriers and resistance to change, $r(174) = .367, p < .05$; and advising top management on requirements for change, $r(174) = .359, p < .05$. The findings of this study concur with the findings of Lunenburg (2014) who found that middle managers are recipients and implementers of change intermediary hence the way they interpret and make sense of strategic change is very crucial. The results and findings of the study also agree with the findings of Doctor (2015) who in his study found that change agents should be people with team building capabilities, individuals with clear goals, and communication and negotiation skills with super leadership skills to influence employees and ensure smooth execution of strategic change.

The findings from multiple linear regression showed that manage barriers and resistance to change positively and significantly influenced strategy execution, $R^2 = .195, F(3, 170) = 13.712, p < .01; \beta = .132, p < .05$. The findings of the current study concur with the findings of Kotter and Schlesinger (2013) who in their study argued that an effective change requires management approaches that enhance change through employees' participation, motivation, and a correct perception of information to avoid employee resistance to change. The study revealed that to encourage employees' participation, managers have to offer material, moral and emotional support according to the circumstances encountered. The study found that advising top management on requirements for change positively and significantly predicted strategy execution, $R^2 = .195, F(3, 170) = 13.712, p < .01; \beta = .141, p < .01$.

VIII. RECOMMENDATIONS AND AREAS FOR FURTHER RESEARCH

The study recommends that middle managers in the insurance sector should constantly be managing barriers and resistance to change by employees as it was found to significantly enhance strategy execution. The middle level managers in the insurance sector should constantly be advising top management on requirements for change. This construct was found to positively and significantly strategy execution. This study focused on the points of view of middle level managers' perception of the strategy execution. The researcher recommends that other studies should be carried out to compare and contrast the findings on the influence of other different organization structure level on strategy execution

IX. CONCLUSIONS

From the current study findings, it was concluded that championing alternatives has a positive and significant influence on strategy execution in insurance companies in Kenya. It was concluded that managing barriers and resistance to change positively and significantly influenced strategy execution. Advising top management on requirements for change had a significantly positive influence on strategy execution. Leading change initiatives had a positive influence on strategy execution though not statistically significant.

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