

An Empirical Analysis of Strategy Implementation Process in MSME of Balasore District

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Abstract: Successful strategy implementation is a vital for Micro Small & Medium Enterprises (MSME). Many businesses could not maintain their competitive advantages, even though having a strong strategy formula process, because they do not have the procedure in implementing the strategies. Extra focus should be granted by Managers to accomplish this strategy implementation process. Numerous factors are responsible for strategy implementation process. This study researched the strategy implementation processes in Micro Small & Medium Enterprises in the Balasore District. The study revealed that political and economic factors are more crucial for implementation strategy.

Keywords: Micro Small & Medium Enterprises (MSME), Strategy, implementation etc.

Introduction

Strategy definitions have come from different disciplines but they have four common characteristics. Strategy refers to future, a plan or goal which organization wants to achieve. It also refers to get to these goals after resources allocation. It's related to high management's business. Manager faces challenges due to complexity of running businesses and the increasing pace of instability in the environment in developing countries like India. There is incorrect perception on strategy formulation that it is considered the only element essential for success but strategy implementation is considered a straightforward procedure by which organization gets success. It has been found from the literature that there is still lack of empirical data on the strategy implementation processes which agree with increasing strategy implementation failures.

Bell et.al. (2010) said "strategy implementation is commonly the very complex and time-

consuming portion of strategic direction, whilst strategy formula is mostly an intellectual and imaginative act involving synthesis and analysis. Therefore, it's very important to research the properties of effective strategy execution".

SMEs are regarded as the financial backbone of every country, playing important roles in job development and economic growth in most nations (Bamiatzi and Kirchmaier, 2014). They form nearly all companies in any economy and are regarded as the engines of any society.

SMEs are crucial to economic growth after giving their capacity to create new jobs, sustain survival, and enhance recessionary pressures. They also add that, due to their centrality to economic progress, it is essential to comprehend the factors influencing strategy processes (Bamiatzi and Kirchmaier, 2014). Ates et al. (2013) concluded saying that SMEs are coming to be increasingly more crucial to preserve solid economic growth and likewise for macro-economic security. There are lots of research

studies that appear right in particular things that influence the Strategic Implementation procedure. For example, Viseras et al. (2005) recognized 36 elements as well as classified them right into three courses: people, organisation, and also systems associated aspects.

International Finance Corporation (IFC), which is an element of the World Bank Group, also have stated “Creating opportunities for SMEs in emerging markets is a key approach to progress growth and reduce poverty, and a strategic priority for IFC “ (World Bank Group, 2012). In accordance with Reserve Bank of India (2017), in the year 2015—16, the MSME sector constituted of over 51 million businesses employing over 117 million individuals.

Production companies with investment listed below Rs 25 lakh were described Micro, those in between Rs 25 lakh as well as Rs 5 crore labeled as Small and from Rs 5 crore to Rs 10 crore as Medium in India. In a similar way, for Service Organization, in between Rs 10 lakh to Rs2 crore were labeled as Micro and also between Rs 2 crore to Rs 5 Crore Medium enterprise in India. The notion of strategy has continued to achieve popularity and attention in the administration of organizations. There is no organization public or private, non-profit or profit that could ignore or perform without strategic management. Strategic management has developed into the point that it is chief value would be to greatly help the company to operate productively in complicated atmosphere. To become more competitive in dynamic environment, MSME have to become more flexible and elastic.

With the present turbulent financial times, MSME at India have not been spared and so they are attempting to stay competitive and relevant. The financial disasters, globalization, competition from various other economic entity , and also the eagerness to stay unique and really make a gap in the area have driven MSME to create strategic plans to direct their own activities. The inherent environment has pushed MSME to always review their plans or devise fresh ones to accommodate present trends.

It's been noted that there's a higher failure rate of plan execution efforts. Despite the several studies within the region of strategic implementation, no famous study has looked over struggles of strategy implementation at Balasore in Micro Small & Medium Enterprises (MSMEs). The analysis attempts to react to the question; what are the factors that influence strategy implementation processes and to explore the strategy implementation process in Micro Small & Medium Enterprises (MSMEs) sector.

This study is concerned with all the specific problems of plan execution. The strategy implementation study area is complicated, with many contributions to the area coming from various viewpoints.

Review of Literature

This analysis aims to review the present literature so as to produce a more holistic primitive framework which may be used to search the factors influencing the strategy implementation processes of MSMEs in the context of this Balasore District.

Egelhoff (1993) ended that it is best for companies to think about strategy implementation: at the time of strategy formulation or later on and also fund in formulating a strategy, however do not supply enough input to apply it correctly.

Herbiniak (2006) maintained that strategy formulation is tough, building strategy work and executing is a great deal harder.

Cater and Pucko (2010) resolved that 80 percent of the companies have the appropriate strategies, only 14 percent have achieved to implement them well.

Cater & Pucko (2010) highlighted the significance of formulating and implementing a plan, with higher importance given to strategy formulation Because of its criticality to the presence and growth of the company.

Cater & Pucko (2010) emphasized the relevance of developing and also implementing a strategy, with greater significance given to strategy formulation due to its criticality to the presence as well as development of the firm.

Strategy formula is essentially entrepreneurial in nature as well as requires a lot of evaluation,

judgment and also innovation. Nevertheless, application calls for supervisory and also management talent as well as a capability to predict challenges that could arise in plan implementation.

A comprehensive review of strategy implementation literature demonstrated that no studies have examined in small and Medium Enterprises (SME) sector in Balasore District.

To sum up, given the significance of strategy execution, the restricted and significant research in the region is mostly prescriptive. In addition to this lack of theory, the strategy implementation complexity, difficulties, and high failure rates, there has been a growing acknowledgment of the subject's importance regarded as the strategy implementation process where most tactical management issues lie.

Research Objectives

- To explore the strategy implementation process in Micro Small & Medium Enterprises (MSMEs) sector in Balasore District.
- What are the factors (including drivers and barriers) that influence strategy implementation processes?

Research Methodology

The Research type accommodated to this analysis is exploratory research. It means to learn more about the study questions and doesn't intend to provide final and conclusive answers to present issues. This type of study is usually conducted to study an issue which hasn't been clearly defined yet. The study explores strategy implementation process in MSME of Balasore District.

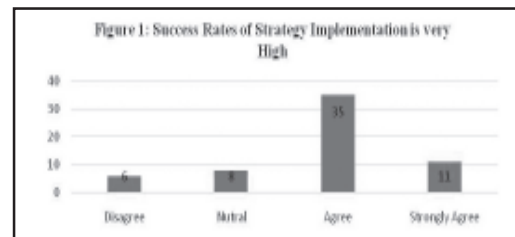
The survey procedure was utilized to collect information. A 5-point Likert scale was utilized from the survey; 60 completed surveys were obtained. The analysis began with assessing the respondent responses regarding strategy implementation process. Then factors affecting strategy execution process data obtained from the survey have been examined using descriptive information with SPSS version 25, renowned statistical software.

The most suitable process for this study was case studies for these reasons. First, the case studies

have been encouraged when a restricted number of studies have been performed in the field (Benbasat et al.). In case studies, two kinds of information are gathered namely, secondary and primary information (Parikh, 2002). Primary data will be the data gathered by the researcher to the study, while secondary information's are available, not accumulated by the researcher himself / herself, but that may be helpful for the study. It's been contended that secondary data collection saves the researcher's time and money (Saunders et al.). A vast assortment of files was reviewed for many circumstances, including organization web sites, books, internal reports, and internet.

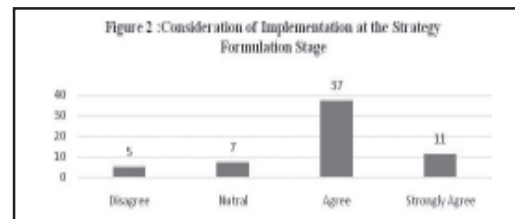
Data Analysis and Interpretation

Study has been conducted in MSME of Balasore District to know strategy implementation process of MSME.



Source: Primary Data

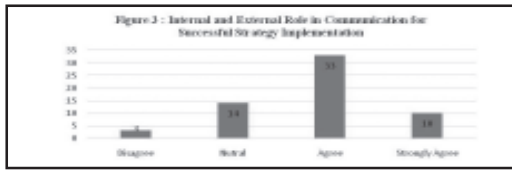
Figure 1 showed respondent views on the success rates of strategy implementation process. As seen in Figure 1, most respondents agreed that high success rate was found in MSME of Balasore District.



Source: Primary Data

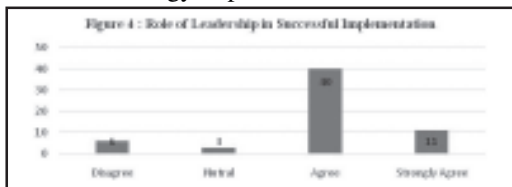
Figure 2 showed respondent views on the consideration of implementation at the strategy formulation stage. As seen in Figure 2, most respondents agreed that consideration of implementation at the time of formulation was found in MSME of Balasore District.

An Empirical Analysis of Strategy Implementation Process in MSME of Balasore District



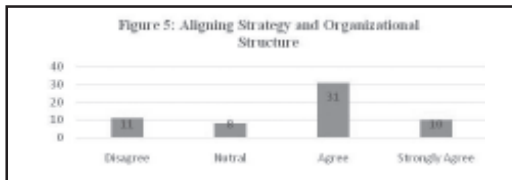
Source: Primary Data

The above Figure 3 showed respondent views on the internal and external role in communication for successful strategy implementation. As seen in figure3; most respondents agreed that both internal as well as external communication is very important in effective strategy implementation.



Source: Primary Data

Figure 4 showed respondent views on the role of leadership in successful implementation. As seen in Figure 4, most respondents agreed that leadership played a vital role for Successful strategy Implementation in MSME of Balasore District.



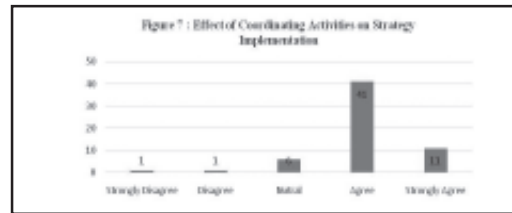
Source: Primary Data

The above Figure 5 showed respondent views on the role of aligning strategy and organizational structure in strategy implementation in MSME. As seen in Figure 5, most respondents agreed that there is a need of arrangement among strategy and organizational structure in successful strategy implementation.



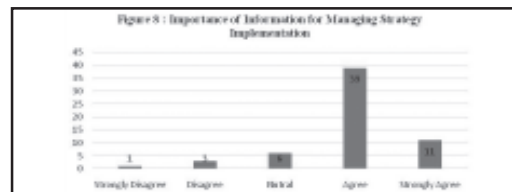
Source: Primary Data

Figure 6 showed respondent views on allocating resources according to strategy requirements in successful strategy implementation. As seen in Figure 6, most respondents agreed there is a need of resource allocation as per strategy requirement in MSME of Balasore District.



Source: Primary Data

The above Figure 7 showed respondent opinions on the outcome of coordinating activities on strategy implementation. As seen in Figure 7, most respondents agreed there is a need of proper coordination activity in strategy implementation by MSME in Balasore District.



Source: Primary Data

Figure 8 showed respondent views on importance of information for controlling strategy implementation. As seen in Figure8, most respondents agreed that information played a vital role for controlling strategy implementation in MSME of Balasore District.

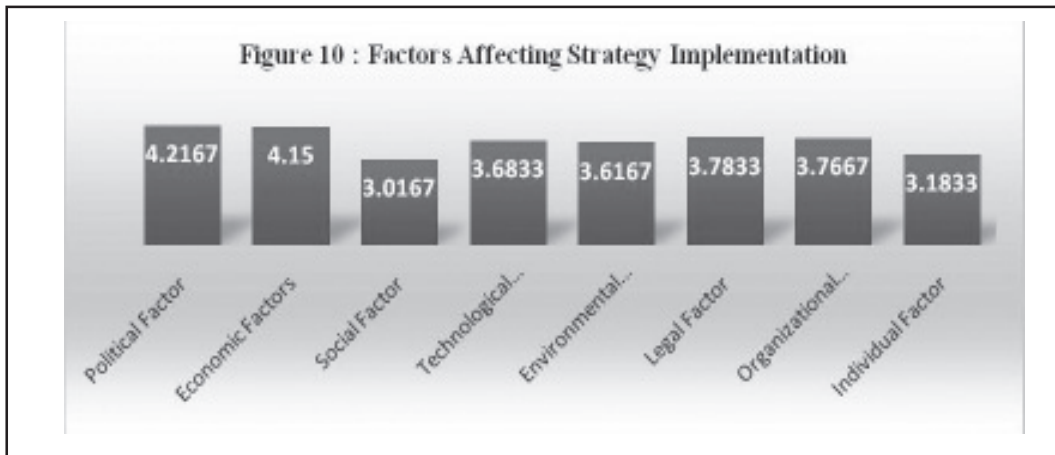


Source: Primary Data

The above Figure 9 showed respondent views on unknowns and uncertainties as reasons of failure in applying previous strategies. As seen in Figure 9, most respondents agreed that unknowns and unpredictability as root causes of failure in implementing previous strategies in the process of strategy implementation by MSME in Balasore District.

	N	Minimum	Maximum	Mean
Political Factor	60	2.00	5.00	4.2167
Economic Factors	60	2.00	5.00	4.1500
Social Factor	60	2.00	5.00	3.0167
Technological Factor	60	1.00	5.00	3.6833
Environmental Factor	60	1.00	5.00	3.6167
Legal Factor	60	1.00	5.00	3.7833
Organizational Factor	60	1.00	5.00	3.7667
Individual Factor	60	1.00	5.00	3.1833
Valid N (list wise)	60			

Source: Primary Data



Source: Primary Data

The above table-1 and figure-10 displayed about descriptive statistics of factors affecting strategy implementation. It has been found that political factor and economic factors were leading factor which affect greatly for strategy implementation in MSME of Balasore District. Other factors like social, technological, environmental, and legal organizational and individual are also important for strategy implementation.

Following are major outcome of the study which has been given below.

- It has been found that success rates of strategy implementation are very high.
- The research study exposed that consideration of implementation at the strategy formulation phase is extremely vital.
- It has actually been found that there is function of internal as well as external communication in successful strategy application.
- The study revealed that role of leadership is also important for successful implementation of strategy.
- Aligning strategy and organizational structure is required for successful implementation of strategy
- Proper allocation of resources according to strategy requirements is required by MSME in Balasore District.
- The study revealed that proper coordination between activities are necessary for strategy implementation.
- It has been found that information in MSME is necessary for controlling strategy implementation.

- Unknowns and Unpredictability as root reasons of failure in applying previous strategies.
- The study revealed that political factor and economic factor greatly affect than other factor in strategy implementation process of MSME in Balasore District.

Conclusion, Finding and Suggestion

More importance should be given on strategy implementation for the success of any organization. It has been found that there is lack of theory for strategy implementation. Due to difficulties, complexity, and high failure rates in strategy implementation there has been a mounting acknowledgment of the topic's significance. It has been found from the case study that political situation positively affecting the strategic implementation process. The case study has also concluded that economic situation of the country contributes positively in strategic implementation process. The study was restricted to MSME of Balasore District only and further study can be conducted to cover MSME in other geographical area. Small number of samples is another limitation of study and further study can be conducted with large sample size.

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Appendix-1

Please specify your opinion to words the followings statements and indicate (✓) in suitable column

1. Name :
2. Occupation :
3. Age : (a) Between 20 to 25 year
(b) Between 26 to 30 year
(c) Between 31 to 35 year
(d) between 36 to 40 year
(e) Between Above 40
4. Gender : (a) Male (b) Female
5. Strategy implementation process in Small and Medium Enterprises (MSME).

An Empirical Analysis of Strategy Implementation Process in MSME of Balasore District

Sl .No	Statement	SD	D	N	A	SA
A	Success Rates of Strategy Implementation is very High					
B	Implementation factor to consider at the Strategy Formulation Stage					
C	Internal and External role in Communication for effective Strategy Implementation					
D	Role of Leadership in Successful Implementation					
E	Aligning Strategy and Organizational Structure					
F	Allocating Resources According to Strategy Requirements					
G	Effect of Coordinating Activities on Strategy Implementation					
H	Importance of Information for Controlling Strategy Implementation					
I	Unknowns and Unpredictability as Root Reasons					

Factors Affecting Strategy Implementation.

Sl .No	Statement	SD	D	N	A	SA
A	Political factor affect Strategy Implementation					
B	Economic factors affect Strategy Implementation					
C	Social Factor affect Strategy Implementation					
D	Technological Factor affect Strategy Implementation					
E	Environmental Factor affect Strategy Implementation					
F	Legal Factor affect Strategy Implementation					
G	Organizational Factor affect Strategy Implementation					
H	Individual Factor affect Strategy Implementation					