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Can Middle Managers Make a Telling Contribution to Strategy Development in an Organisation

Tony Kealy

Technological University Dublin, tony.kealy@tudublin.ie

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Can Middle Managers make a telling contribution to Strategy development in an Organisation?



Dublin Institute of Technology

College of Business

School of Marketing

Tony Kealy

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Supervisor: Donal O'Brien

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Declaration

I hereby certify that this material, which I now submit for assessment of the Project module on the programme of study leading to the award of Postgraduate Diploma in Management and Marketing (DT314A) is entirely my own work and has not been submitted in whole or in part for assessment for any academic purpose other than in partial fulfilment for that stated above.

SignedDate

Tony Kealy

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Abstract

The role of the middle manager in organisations has been the topic of much research over the past number of decades. Many articles have been published claiming the potential for middle managers to contribute significantly to strategic development. This research attempts to test the validity of this theory with a practical grounding. This research is based on a qualitative study involving semi-structured interviews with four managers in different organisations. The project relies on established typologies for middle management involvement in strategy and middle management activity depending on organisational type.

Introduction

Being in the role of manager is perceived as being a responsible job. Any managerial role attempts to combine and coordinate various talents and resources in order to achieve the organisational goals. But what of a managers contribution to strategy development? Do middle managers contribute to their organisation's strategy development and if so, what is their influence. This study proposes to investigate the contribution a middle manager may or may not make to strategy development within their organisation.

Chapter 1 Literature Review

1.1 Organisations

Most of us belong to some form of organisation, be it formal such as in our work environment, or informal such as a sports club. We become members of the group and can contribute in a positive way, hopefully, to achieve what the group aspire to achieve. This goal may be to increase the profitability of a company or to win the trophy for the football team. When a group of people are working together to achieve a common goal based on a desirable future state (vision), they must be organised into well defined roles. This is known as an organisation and the arrangement of the roles within the group is called the organisational structure. The origin of coordinating the different parts of an organisation is attributed to Elihu Root (1845 – 1937) by Crainer (2003). Root was appointed secretary of war in 1899 and completely reorganised the US Army. He identified a lack of coordination among the various parts of the army as a key problem and set about making the army chiefs accountable and in touch. This appears to be the first conscious and systematic application of management principles, and Root may not have called it management principles at all, but administration or even, more bluntly, common sense. The type and number of organisation are wide ranging and include, among others, private businesses, public bodies, not-for-profit groups, and sports groups. The structured fashion means that there is an organised management system in place to coordinate the stream of actions/activities required to enable stakeholder expectations. The strategy and structure employed by the organisation must be in agreement with each other.

Organisational Structures

More recent articles and research struggle to keep up to date with the constant changing dynamics of the business and economic environment. The world and organisations are changing so quickly, it is difficult for research to keep pace. Turbulence in the external environment due to the world wide economic events in 2008 have forced organisations to be more flexible in their approach to deal with the resultant uncertainties and change. To this end, according to the literature some organisations are moving away from integrated hierarchical structures to more modular forms (Schilling and Steensma, 2001). This has changed the fulcrum of control from a 'centralised' focus to a 'decentralised' focus. Centralisation means that the decision authority is located near the top of the organisation while decentralisation means decision authority is pushed downwards to lower organisational levels, specifically to middle-managers, that level in the hierarchy that sits between top managers and operational managers, described in the following section. This change in the amount of centralisation or decentralisation should fit in with the strategy of the organisation. All this means is that middle managers role as change agents will continue to increase (Balogun and Johnson, 2004). Middle managers will be managing the individual 'modules', but they must have the ability to make sense of, and contribute to, the overall strategy of the organisation. Examples of signs that a change from the integrated hierarchical structure to the 'loosely coupled' modular structure has taken place have been the increase in the number of strategic alliances, outsourcing, and alternative work arrangements employed by organisations. However, it appears that managers must assess the gains achieved by the flexibility of the modular structure against the performance advantages of the integrated hierarchical structure. A model developed by Schilling and Steensma (2001) allows managers to do just that. The model was tested using data from 330 US manufacturing industries. An in-depth qualitative study by Balogun and Johnson (2004) on a UK utility provider identified tensions that arose when the company moved from a hierarchical organisation to a modular organisation because the new structure introduced sensemaking fault lines between previously integrated organisational units, so caution needs to be applied when making those decisions. Miles and Snow (1978) argue that "management's strategic choices shape the organisation's structure and process". Organisational strategy can be associated with *intent* and organisational structure with *action*.

Management Levels

There are numerous references and variations in the literature regarding the three distinct levels of managers; Top Managers – Chief Executive Officer (CEO) and/or Board of Directors who’s vision guide the overall organisation and are responsible for creating the organisation’s goals, overall strategy, and operating policies; Middle Managers – managers located below top managers and above first level supervisors in the hierarchy (Dutton and Ashford, 1993) and what makes them unique is their access to top management coupled with their knowledge of operations. They act as linking pins and mediators between the organisations strategic and operational levels (Balogun, 2003; Floyd and Wooldridge, 1997); First-Line, operational, Managers – supervise and coordinate the activities of operating employees and are responsible for ensuring that the day-to-day activities carried out are congruent with the overall strategy. The three levels just described can also be identified as Strategic (Top Managers), Tactical (Middle Managers), and Operational (First-Line Managers) as shown in Figure 1.

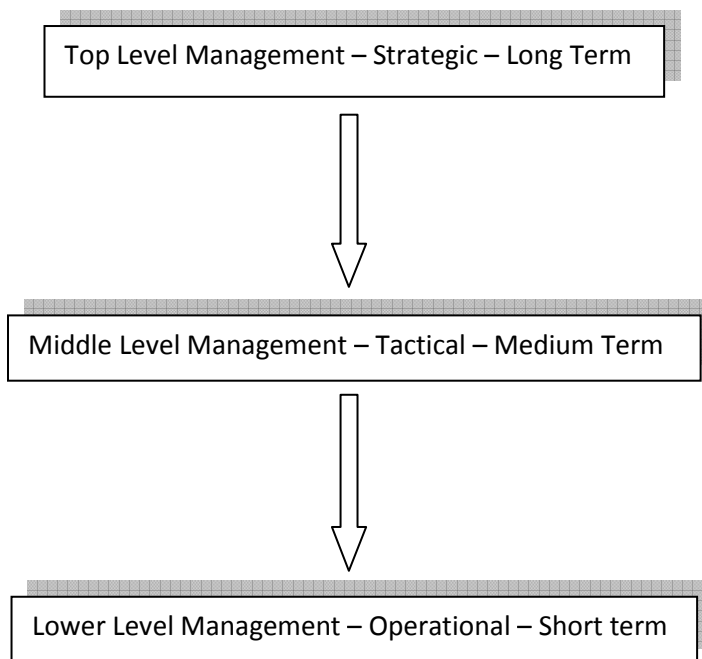


Figure 1 Three levels of Management

Strategic planning has a time-frame of five years or more, tactical planning has a time-frame between one and five years and operational planning has a time-frame of one year or less. However, it appears this time frame may be difficult to adhere to in the public sector when a new government is elected for a period of five years and where they may have a policy change from the previous government. Policy change, like strategic change, is intended to be long-term but may end up being tactical i.e. medium-term planning. This may require rapid, drastic changes within a short space of time in order to implement the policy changes, which can lead to conflict.

1.2 Organisational Strategy

There is much literature written on the different definitions of strategy and on strategy formulation in the private sector, and policy making in the public sector. Some seminal works appear to have constructs and theories that still hold strong in organisations today. For example, Mintzberg (1978) declared that the variety of ways in which strategy have been defined have the common theme running through them of a deliberate conscious set of guidelines that determine decisions into the future. The importance of this task is equally relevant to military theory as it is to the business environment, and the term strategy may have been conceived firstly in a military context (Crainer, 2003). For example, the US strategy in Vietnam between 1950 and 1973 shows the main patterns of change and continuity. It began with a strategy of direct monetary aid to the French who were fighting in Indochina. After the French left in 1954, the US began a strategy of supporting the Premier of South Vietnam, Premier Diem, by giving aid directly to Diem hoping that democracy would take place. With the election of President Kennedy in 1961, the strategy changed from passive aid to active military support, with a build up of Special Forces and support troops. With the assassination of Kennedy in 1963, Lyndon Johnson became President and the fighting in Vietnam intensified. In 1968, with resistance to the war effort growing among the US population, Johnson announced a partial bombing halt and a reduction of troops in Vietnam. Richard Nixon then took over as President of the US in 1968 and replaced the old strategy with a new one, whereby troops would be withdrawn, active peace initiatives were put in place and pressure put on Russia to stop fuelling the war. This strategy continued until 1973 when the US halted all offensive military activity, all combat and support forces left Vietnam and all funding for the war in Indochina was ended (Mintzberg, 1978). This example

of the different strategies employed in the Vietnam conflict demonstrates several roles, the role of the President of the United States i.e. a strategic role, the role of the Generals i.e. a tactical role, and the role of the Lieutenant i.e. an operational role, in the overall implementation of the US strategy. Perhaps in copying this military example, businesses adopted strategic manoeuvring as they sought to fulfil stakeholders' expectations at the expense of the perceived enemy i.e. competitors and others.

Among the plethora of definitions of strategy, the following two samples are found to cover the desired understanding of the term:

'Strategy is the direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations' (Johnson, Scholes & Whittingham, 2008, p3).

Strategy is a pattern in a stream of decisions or actions (Mintzberg and McHugh, 1985).

We can see from the Johnson *et al* (2008) definition that change is typically a crucial component of strategy. Because strategy permeates through the complete organisation, strategic change is often difficult because of the heritage of resources and because of organisational culture. Strategic change is felt at all levels of the organisation, not least the middle management levels, who, traditionally, were seen as implementers of this proposed change.

1.3 Strategic Management Activity

Miles and Snow (1978) and Floyd and Wooldridge (1992) Typologies

These authors have produced significant work on strategy/management down through the ages. Miles and Snow (1978) claim that there is a marked difference in strategic management activity within different firms in a single industry. They devised a typology identifying four

strategic orientations that exist within a specific industry. Each of these types has its own strategy for responding to the environment, and each has a particular configuration of technology, structure, and process that is consistent with its strategy. They classified firms as belonging to the Defender, Prospector, Analyser, or Reactor type (see Appendix). Some companies leave little for innovation and adaptability and the managers in these (Defender) companies will have a very low level of strategic activity. At the other end of the scale, some companies (Prospectors) promote flexible operations and encourage innovation so managers will have a high level of strategic activity within these types of companies. In between these two extremes, we have organisations that combine both defenders and prospectors (Analysers) so the managers will need to have broad repertoire of strategic activity. Miles and Snow (1978) claim that the management behaviour within the fourth group (Reactors) is difficult to interpret and so they don't generalise on activity within this organisational type. While it is useful to be able to bunch together different types of firms in terms of its strategic activity, how relevant is the typology more than three decades after it first made its mark? It may be that the Reactor group has a large number of members and therefore the Mills and Snow (1978) typology may be excluding a significant number of firms. Perhaps firms straddle between two, or more, types. Are there more than four types? Has the external environment moved firms from one classification type to another? In keeping with the typology theme, Floyd and Wooldridge (1992) developed a typology of middle managers roles in strategy which built on the Miles and Snow (1978) typology of strategic management activity in firms. Two of the types identified, Championing Alternatives and Synthesising Information, suggest that influence can extend upwards in an organisation while the other two types identified, Facilitating Adaptability and Implementing Deliberate Strategy, suggest that influence is extended downwards in an organisation. The authors view strategy as a process in which middle management activity combined with top management intent creates strategies that are realised.

The Miles and Snow (1978) and Floyd and Wooldridge (1992) typologies are important contributions to research into the roles of middle managers in organisational strategy.

1.4 Deliberate V Emergent Strategy

There are several references in the literature between these two types of strategies. Mintzberg and Waters (1985) claim that at least three conditions have to be met for a strategy to be perfectly deliberate in a concise and detailed paper. They articulate the three conditions as follows; firstly, there must have been precise intentions in the organisation and the level of detail in these intentions would leave no-one in doubt about what was desired before any actions were taken; secondly, the intentions must be accepted by every person/actor in the organisation; thirdly, these collective intentions must have been realised exactly as intended so that no technological, market, or political forces interfered with them. This is a tall order and it is unlikely that perfectly deliberate strategies will be implemented. However, the authors suggest that some strategies do come rather close, in some dimensions, if not all. The same authors (Mintzberg and Waters, 1985) also claim that for a strategy to be perfectly emergent, there must be order – consistency in action over time – in the absence of intention about it. The chances of a consistent action taking place without any intention to it are rare. Therefore, a purely emergent strategy is thought to be as rare as a purely deliberate one. The authors also describe a number of strategies along a continuum between deliberate and emergent strategies along which we would expect real-world strategies to fall. Indeed, Barney (1980) suggests that when firms are developing accurate insights into the value of strategies, they normally consider (i) an environmental analysis (external) and (ii) organisational analysis (internal). These steps are necessary but there is another dimension involved as to whether the expected returns are obtained, the dimension of luck. It is possible that when firms are collecting information concerning the value of a strategy from a firm's competitive environment, they might get lucky and 'stumble' onto some information that gives it an advantage that they could possibly use over other firms. This element of luck, serendipity, can enable above normal economic performance and it is not a reflection on the strategising and managerial excellence within the firm. Using the Miles and Snow (1978) typology, is it fair to expect that Defenders will employ more deliberate strategies whereas Prospectors perhaps rely more on emergent strategies?

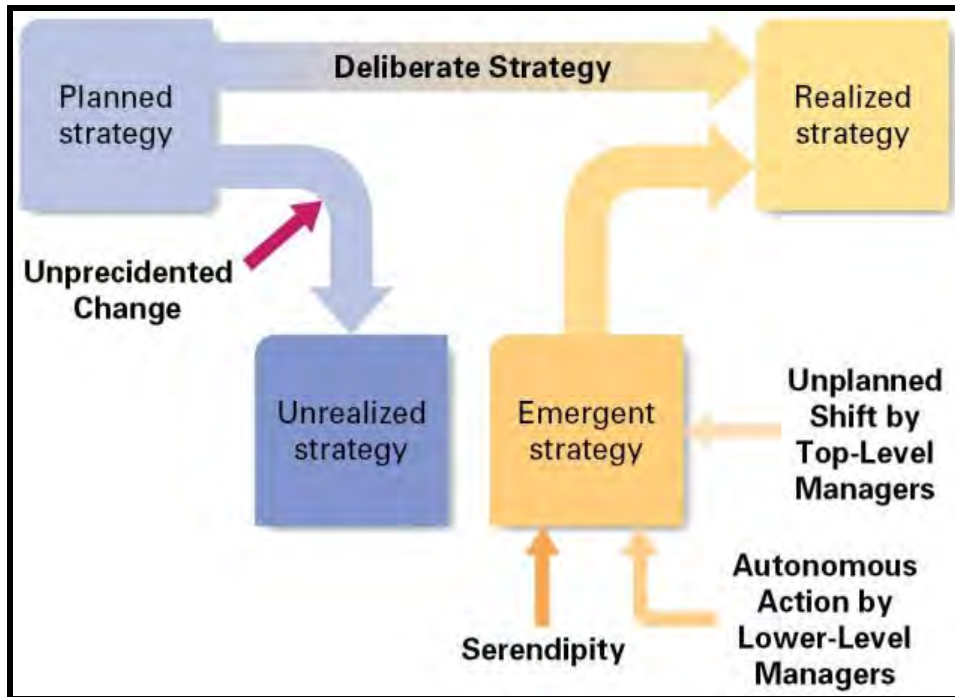


Figure 2 Emergent and Deliberate Strategies (Mintzberg and McHugh, 1985)

Porter V Mintzberg

Two of the leading protagonists in the area of strategic thinking, Michael Porter and Henry Mintzberg, have opposing views on the importance of middle-managers in terms of the overall organisational strategy. Porter (1996) argues that the ‘top table’ must *choose* an appropriate strategy and be disciplined in sticking to this *choice*, perhaps with a time frame of a decade or more. He claims that managers at beneath the top strategic level lack the perspective and the confidence to maintain a strategy. The middle-level manager’s main role is tactical, not strategic, and as such much of the resources at middle-management level should be spent on improving the operational effectiveness of the organisation. Programs to assist in these tasks include TQM, Six Sigma, Just-In-Time, and Benchmarking. Porter (1996) argues that improving operational effectiveness in individual activities is a necessary part of management, but it is *not* strategy. Strategy is long-term, overall, and visionary, and is about how the top-level managers *combine* the activities (strategic ‘fit’). As middle-level managers take incremental steps to improve the effectiveness of their particular activity, they must not blur the organisation’s strategic position. Top-level managers must be strong leaders who can define and communicate the organisation’s unique position to middle-level managers and, very importantly from Porter’s perspective, be able to say ‘no’. The potential

for upward influence is therefore stifled. From the choice perspective, the role of middle managers in the formulation of strategy is limited to providing input. The primary role of middle management from this perspective is implementing strategy. Conversely, Mintzberg (1978) outlined the importance of middle management by claiming that separating strategy formulation from strategy implementation imposes a false division of work between top managers (i.e. thinking) and other organisational members (i.e. doing). Mintzberg (1978) conducted two investigative studies on the strategy of two organisations, namely the strategy of Volkswagenwerk between 1920 and 1974 and the strategy of the United States Government in Vietnam between 1950 and 1973. He claimed the aggressive, proactive strategy-maker at the 'top table' can under some conditions do more harm than the hesitant, reactive one. Mintzberg made the case for 'social learning' whereby realised strategy forms from emergent influences at middle and lower levels of the organisation, as well as from deliberate influences emanating at the top. Interestingly, it could be argued that the world today is such a different place, politically, socially, and technologically than that of Mintzberg in 1978 but maybe his case for 'social learning' still holds. On the other side of the coin, 'choosing' a particular strategy and sticking firmly with it, has proved to be very successful for companies like Ryanair and Lidl.

1.5 Middle Management Literature

The literature is awash with definitions on the role of middle management. Crainer (2003) discusses the original definition of management and quotes a French mining engineer, Henri Fayol (1841 – 1925) as contributing an important robust version of the definition. Fayol developed 14 'general principles of management' which, he said, were the universal characteristics of management. To ensure that the 14 principles were put into effective practise, Fayol said that managers needed to plan, organise, command, co-ordinate (which has now changed into leading) and control. Parallel to Fayol's career was that of Frederick Winslow Taylor (1856 – 1915), the analytical American whose theories became known as 'scientific management'. One of the practical contributions of Taylor was to measure the time it would take to complete certain factory tasks and using this information meant that more accurate piece-work rates could be set with more reliable bonuses and penalties. Taylor's philosophy created a layer in the organisational hierarchy known as middle management, whose role was as a supervisor, a recorder and reporter, gathering information with which to

make a decision (Crainer, 2003). This section reviews the literature on the influence and power that a middle manager may have, and the desirable soft skills needed to influence the outcomes of the organisation.

Middle Management Influence – Upward/Downward/Horizontal

The middle manager literature is wide ranging and diverse, however primarily it was found that theoretical based papers far outweigh empirical based ones. In their seminal piece of research on middle management, Floyd and Wooldridge (1992) outline four middle managers roles in strategy outcomes, shown in Figure 3. The study investigated the strategic involvement of 259 middle managers in 25 organisations. The typology, classification of types, is premised on the view that strategy is a ‘pattern in a stream of decisions or actions’ (Mintzberg and McHugh, 1985). The four contributions from middle management are listed as follows: Championing Alternatives, Synthesising Information, Facilitating Adaptability, and Implementing Deliberate Strategies.

	Upward	Downward
Divergent	Championing Alternatives	Facilitating Adaptability
Integrative	Synthesising Information	Implementing Deliberate Strategy

Figure 3 Typology of Middle Management Involvement in Strategy (Floyd and Wooldridge, 1992)

The Floyd and Wooldridge (1992) topology is very often referenced in middle management literature and warrants a brief overview of the four different roles. Two of the types of middle management strategic involvement, Championing Alternatives and Synthesising Information have an upward form of involvement whereby middle managers have an upward influence on top managers regarding the top managers’ view of organisational circumstances and/or the

alternative strategies under consideration. The other two types, Facilitating Adaptability and Implementing Deliberate Strategy, have a downward form of involvement which affects the alignment of organisational arrangements with the strategic context.

1: Championing Alternatives. Middle managers select certain projects, nurture them with 'seed money' and then when they become successful, and advocate them as new business opportunities. They also seek to influence corporate management to adjust their current concept of strategy. This is defined as the persistent and persuasive communication of strategic options to upper management.

2: Synthesising Information. This is where middle managers supply information to top management concerning internal and external events. Middle managers put their own meaning on the information through evaluation, advice, and their own interpretation on it, and they can interpret events as an opportunity or a threat. Middle managers can give information to top management in such a way as to promote their own agendas. These subjective, personal, interpretations may lay the ground work for future strategic change.

3: Facilitating Adaptability. Middle managers can encourage operational level members to sense changing conditions, experiment with new approaches, and adapt appropriately. This flexible activity is not part of the official top management expectations. Middle managers can hide this change from the original strategy from top managers to allow emergent approaches get under way. In this way, middle managers nourish adaptability apart from the plans embedded in deliberate strategy, or sometimes in spite of them. Facilitating adaptability is defined as fostering flexible organisational arrangements.

4: Implementing Deliberate Strategy. Implementing top managers' strategy is often considered the key strategic role of the middle manager. The purpose of the middle managers implementation is to 'control' the performance with respect to its desired ends. Implementation involves a series of interventions, concerning organisational structures, key personnel actions, and control systems. It is defined as managerial interventions that align organisational action with strategic intention.

A very important point to remember, as Floyd and Wooldridge (1992) claims, is that managers may not carry out each individual role in isolation from the other three. Synergy exists between the roles so a manager may be combining a couple of roles by carrying out a

management task. For example, using downward influence to facilitate adaptability often promotes the development of championing alternatives so the middle manager can seek to upwardly influence his/her senior manager. Thus, the relative mix or emphasis placed on each role constitutes the nature of middle management involvement in the strategy process (Floyd and Wooldridge, 1992)

Mintzberg and Waters (1985) introduce the notion of '*strategic learning*', where managers learn from the experiences of their own organisations. This leaves the door open for emergent strategies to be identified. Implicit in their argument is that middle managers can have an upward influence on strategy formation. Top level managers, who are away from the day-to-day varied activities of the organisation, can surrender control to middle level managers who have the information, current and detailed enough, to shape realistic strategies. Of course, it is very important for the culture of the organisation to support such upward influence; otherwise suggestions will fall on deaf ears.

Political role of Middle Management

There is a small amount of literature in this area. Researchers appeared to have steered clear of organisational power and politics perhaps because of its potential for misuse. However, power is a reality and organisational structure is designed to give legitimate power to individuals so that it can be used effectively to satisfy stakeholder expectations. Middle managers possess legitimate power because of their position in the organisational structure. Note that both leaders and followers use power to get things done. Power is the ability to get others to do what you want them to do, if necessary against their will, or to get them to do something they otherwise would not do (Hardy and Clegg, 1996). Politics is power in action, and individuals use tactics and other techniques to foster their will or objectives upon others, where power can be broken up into three dimensions – the power of resources, the power of processes, and the power of meaning. When managers attempt strategic change, the success or failure will hinge on all three dimensions of power being mobilised (Hardy, 1996). Pettigrew (1977, p85) defines organisational politics as follows:

'Politics concerns the creation of legitimacy for certain ideas, values and demands – not just actions performed as a result of previously acquired legitimacy. The management of meaning

refers to a process of symbol construction and value use designed both to create legitimacy for one's own demands and to *delegitimize* the demands of opponents'

Political activity in organisations is about creating a perception of legitimacy through the management of meaning and it has to do with the shaping a perception of reality and imposing this perception of reality on others (Hardy, 1996). Therefore, sensegiving, defined by Gioia and Chittipeddi (1991) as 'the process of attempting to influence the sensemaking and meaning construction of others towards a preferred redefinition of organisational reality', is at the core of political struggles and the fight for power (Hope, 2010).

Hardy (1996) claims that little is known about how a pattern of appropriate strategic actions materialises because research on strategy has mainly concentrated on three broad categories, firstly being able to conceive the ideal strategy (the grand plan), secondly identifying great leaders (the great man), and thirdly identifying techniques that can be used to increase competitiveness (the quick fix). Hardy (1996) argues that to overcome the shortcomings regarding the pattern of appropriate actions, a fourth approach is worth considering – power. The author discusses how power can be targeted at structure, systems, people, and culture to enable strategic change to be implemented. The change discussed in this article took place in the Electric Light Bulb Company (ELB) and was documented initially by Roberts (1990). One of the reasons for the lack of research in the area of politics may be because of its negative connotation. Experienced managers know that organisational reality paints a political picture, but rarely seem willing to admit it. We know that power can be, and has been, abused by individuals and groups in all sector of our society. This raise the topics of morals and ethics, not discussed here, but by putting power back into the equation, the political dynamics of management are made visible and awareness can be raised. We cannot deny its existence. Power is needed to orchestrate and direct actions that are crucial to the realisation of strategic goals (Hardy, 1996). These actions are normally carried out by middle managers.

Hope (2010) conducted an eight month qualitative case study on a Nordic insurance company, with 4,500 employees, which demonstrated the tight coupling between *power*,

politics, sensemaking and sensegiving. The study examined an organisational change to the structure of a company division, which has approximately 350 employees. The findings of the study were that middle managers disagreed with senior managements change initiatives and the study described some of the tactics they used to delegitimize their opponents. The middle managers applied divergent actions to achieve an alternative decision than the one intended by senior management, as they had a completely different perception to the right way of organising the business. Some of the tactics the middle managers used were disobeying senior management decisions, hand-picking loyal personnel to important positions, taking control over the information gathering, manipulating the flow of information, questioning consultants' expertise, and not accepting unfavourable decisions. In this specific case, the divergent action by the middle managers was a successful strategy. It shows how middle manager sensegiving skills can be used to influence top managers meaning construction by using political tactics. The study also demonstrated the contribution that can be made by middle managers, who were familiar with the politics taking place on the operations level, where front-line staff at the insurance company, were in conflict with the back-room team, both groups questioning the others contribution to the organisation (Hope, 2010). Senior, top, management were too far away from these day-to-day operational issues to be aware of what was taking place.

An empirical study of 90 middle managers from a wide diversity of industries and widely varying size undertaken by Guth and MacMillan (1986) concluded that middle management self-interest motivates the degree of commitment to strategy formation. When self-interest is being compromised, middle managers need to be able to use their power effectively. They claim that political activity in organisations is the natural result of competing demands from inside and outside the organisation on the allocation of its resources. The authors claim that political processes are essential to the articulation of these demands so that managers must be able to influence how the final trade-off between the many demands is actually made. In the current economic climate, there will be many 'valid' demands for scarce resources within an organisation so articulation by middle managers, in an ethical way, is a necessary trait. Strategy, and policy, decisions which are likely to have a negative consequence for middle managers has the potential to encourage intervention from them. Middle managers must have appropriate political forums to take a position on such decisions for early problem detection by senior managers that could be useful in managing intervention behaviour (Guth and

MacMillan, 1986). We must be careful that the demands of the middle manager who shouts loudest does not solely get heard and drown out the quieter middle manager who may have equally legitimate demands. Building equity in an organisation is a very important soft skill, a key component of middle management.

Soft Skills and Middle Management

The literature contains a plethora of articles on soft skills in management. These so called 'softer skills' include communication, interpersonal skills, conflict resolution and negotiation skills, team building, and emotional intelligence and may be seen as personality attributes, as opposed to something that can be learned. A recent article by Rouleau and Balogun (2011) summarised the reflections of a number of middle managers telling their stories of their professional trajectory using interviews and focus groups, with particular reference to organisational change. The participants included Mary and Robert on the restructuring of Radio-Canada, and also William and Jane on delivering change in a multinational. The authors suggest certain qualities that are important for a middle-manager to possess in order for them to be effective in their strategic role. The competence discussed in this article is the ability to be able to *craft and share a message* that people within his/her influence find compelling, engaging, and meaningful, with particular reference to strategic change. The paper clearly identifies how middle managers draw people from top, middle, and lower levels into the change as they go about their day-to-day work. Rouleau and Balogun (2011) claim that the two discursive activities that are central to middle-managers effectiveness are the ability to *'perform the conversation'* and *'set the scene'*.

Floyd and Wooldridge (1992) claim that the combination of top management intent and middle management activity may create a realised strategy, which actually forms the pattern of actions and decisions in the organisation. Effective middle management activity is dependent on ability to articulate ideas, persuasion, and an ability to evaluate and interpret information that may influence senior management. A later study by Floyd and Wooldridge (1997) brings this theory a step further, the study investigates middle managers involvement in the organisations strategy process comprised of a questionnaire issued to 259 middle managers in 25 organisations which represents a wide variety of industries. The results

showed that middle managers appear to connect an organisation's strategic levels and operational levels through *mediation, negotiation, and interpretation*, and are therefore useful skills to have in this important role.

The middle managers role in socialising is described in an article by Boyett and Currie (2004) that discusses Denis O'Brien's acquiring a mobile licence in Jamaica in 2000. It is noted how much useful information was gathered while the two different cultures, Irish and Caribbean, were socialising at the initial phase of the venture between the two countries. This led to the middle managers influencing strategy through informal conversation in the social arena. However, it is questionable whether these authors' conclusions could be applied across the board to all cultures. In another significant paper on social interactions within middle management, the key concept of socialisation is examined. Balogun and Johnson's (2004) qualitative study examined 'sensemaking' during an imposed shift from hierarchical to decentralised organisation from a middle managers perspective. The study centred on a UK utility provider and the change was in response to impending changes in its competitive environment in the mid 1990's. Data was collected mainly by diaries, and twenty-six middle managers from a group of about 90 managers at the level of interest acted as diarists. The diaries contained separate entries for each time period of the change initiative with five questions: What is going well and why? What is going badly and why? What problems do you foresee? What have been the significant events? What rumours and stories are circulating? Subsequently, one-to-one interviews with all the diarists took place, and finally focus groups were held to discuss the findings. The authors concluded that there are multiple, and largely informal, conversational vehicles that play a significant role in such a strategic change. These include middle managers engaging in stories, gossip, rumours, discussions, negotiations, and sharing of personal experience of change interactions, which has a direct impact on change outcomes. The research highlighted the key role of social interaction by middle managers. They declared it to be a very desirable attribute to possess. However, its results should be interpreted with caution as the pattern of change was only examined in one company and a singular form of restructuring. Its results may be different in different situations.

Guth and MacMillan (1986) conducted an empirical study of middle management intervention theory. Results from the final sample of 90 middle managers provide strong evidence of the need for middle managers to be politically astute in order to intervene successfully in decisions that impact beyond their departments. As most strategic change takes place across a number of departments in the organisation, their interventions could have a serious influence on the implementation of strategy.

In another significant investigation on soft skills management, Huy (2002) conducted a three-year inductive field study on a large (over 50,000 full-time employees) US service-providing company in the information technology industry. Deregulation, followed by the entry of international competitors, changed the rules of market engagement virtually overnight. A fundamental and sudden change in strategy and organisational structure was required to address the shift from mild national competition to extreme global competition. Some of the major changes planned included changing the organisational structure from a traditional, centralised bureaucracy to a divisional one, and reducing the workforce by 25 per cent (13,000 positions) in three years. The job-for-life was abolished overnight in this century-old company. In this study, Huy (2002) conducted over 1,000 informal conversations with about 500 employees at all levels of the organisation to watch for new experience of change. His initial research questions were open-ended: How do various groups think, feel, and act in a radical change context? How does the evolution of perceptions, feelings, and actions affect the outcome of change? The results of the study outlined the importance of middle managers role in managing emotions when an organisation is going through radical change. A wide range of emotions, including fear, anger, enthusiasm, and disappointment were felt by employees affected by the radical change. Huy (2002) argues that middle managers are structurally closer to their employees and so are more likely to be aware of their subordinates emotional needs than top management who are caught up with strategic issues. Not everyone will feel the same type of emotion with the same intensity at the same time in response to the same event. While radical change is necessary for organisations to enhance their competitive position and grow the business, both continuity and change are typically simultaneously present in an organisation (Leana and Barry, 2000). This is referred to by Huy (2002) as emotional balancing whereby employees are required to have both a strong commitment to change while also maintaining some of their traditional tasks during radical change. Middle managers typically took on the emotional balancing role in radical change.

Middle Management activity and Organisational Outcomes

The importance of being able to measure outcomes in business goes back to the days of the mid-19th century when Frederick Winslow Taylor (1856 – 1915) armed with a stop-watch examined exactly how long it took for an employee to carry out a task at the Midvale Steel Company where he worked (Crainer, 2003). More recent research on outcome measurement of an organisation from a middle management perspective have focused on two main metrics, firstly the relationship between middle management activity and economic performance and secondly the relationship between middle management activity and emergent and realised strategy (Wooldridge *et al*, 2008).

Boyet and Currie (2004) conducted a retrospective case study examining middle managers activity. They investigated a multi-million dollar Irish business venture abroad, namely the acquisition by Digicel of a mobile phone licence in Jamaica in the spring of 2000 for US\$47.5 million. The main tool for data collection in this study was unstructured interviews while secondary documentation was collected about the economic and business activity within the country of Jamaica where the study was held. As a result of the study, the authors were able to establish that the middle managers in the organisation did not accomplish the four clear strategic objectives set by the firm's executive management. Instead, they collectively orchestrated an emergent strategy which included championing a hierarchical structure instead of the flat and flexible organisation structure that was the norm for most businesses in Europe. The middle managers, in this case, made a significant contribution to successful strategy for international ventures, not least because they are positioned to bridge cultural and geographical distances. Perhaps, possibly as a result of the middle managers influence and divergent tactics, this company's foreign venture has been very successful, with over 600,000 customers, 65% of the mobile market share, invested over US\$225 million, and developed into the land-line, roaming, and e-mail markets. It must be said however that maybe the company got lucky.

Another significant study identified in the literature on middle management activity was Wooldridge and Floyd (1990) who investigated the relationship between middle management involvement in strategy and the performance of twenty organisations (11 Banks and 9

Manufacturers). Inclusion criteria in the study were businesses from relatively competitive and dynamic environments where benefits from middle management involvement were expected to exist. The selected manufacturers were in the curtains, shoes, mattresses, and paper products industries, which face serious competitive challenges from global competitors. The data was collected initially through interviews with the CEO of each organisation. CEO's were asked to rate the performance of the organisation in the following areas: overall competitive position, return-on-assets, efficiency of operations, overall financial performance, and growth rate. The authors acknowledged the unavailability of objective data as measures are the personal i.e. subjective, measures expressed by the CEO's. Objective return-on-assets were available for the 11 Banks in the sample but published financial figures often reflect differences in accounting procedures so of note less than perfect correlations were expected. Subsequently, follow-up interviews were conducted with middle level managers in the organisations. These managers were asked about their involvement in the strategic process with particular reference to 'how they were involved'. 'when they were involved', what initiated their involvement', 'how successful they felt they were', 'how important it was for them to be involved', and 'why it was important for them to be involved'. Insights gained as a result of these interviews allowed the authors to conclude that middle management involvement in the formation of strategy is associated with improved performance of the organisation in two principle ways, namely higher quality strategic decisions and also more efficient implementation. Interestingly, the research highlighted the fact that middle management consensus about strategy was not associated with higher levels of organisational performance. In other words, middle managers can have a healthy scepticism about a specific strategy and from this, new ideas can flow, providing top managers are open to them.

This middle management influence on realised strategy within an organisation is also investigated by Burgelman (1994) in a longitudinal field research and identified how the Intel Corporation exit strategy evolved with strong influence from middle managers. Again, data for this case study was collected mainly by interviews, and also accessing archival data, such as documents describing the company's history, annual reports, and reports to financial analysis. Intel's initial success was based on the semiconductor memory business. However, they struggled to maintain a competitive advantage. The top managers in the organisation were reluctant to 'let go' of the product that 'made Intel' because they had an emotional

attachment to it, and it took them several years to come to the conclusion that Intel's strategic position in the semiconductor memory business was no longer viable and that exit was necessary. The realisation was assisted in no small part by middle managers who were able to shift scarce manufacturing resources gradually from the semiconductor memory business to new, more profitable opportunities in the microprocessor business without a preceding reconsideration of the official corporate strategy. Today, Intel is one of the largest microprocessor manufacturers in the world.

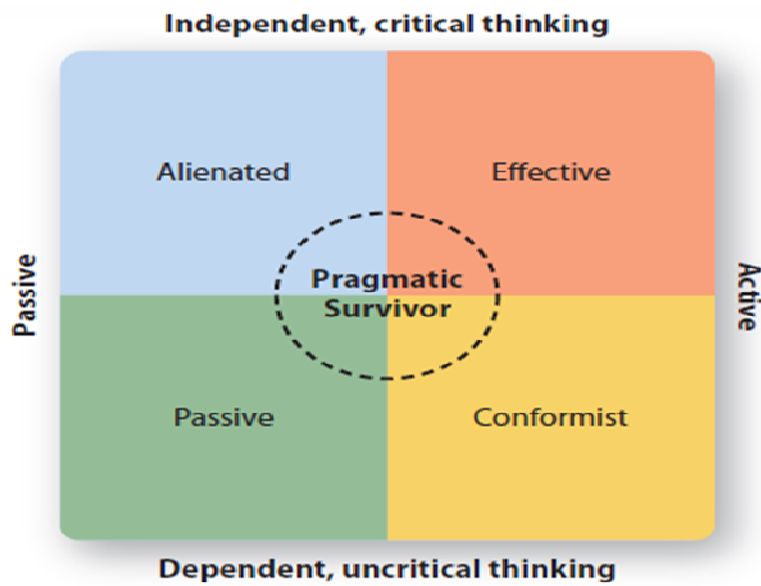
Although Boyett and Currie (2004), Wooldridge and Floyd (1990), and Burgelman (1994) present this connection between middle manager activity and realised strategy in a positive light, there are some authors whose findings are to the contrary. An empirical study by Guth and MacMillan (1986) provides evidence that middle managers who believe their self-interest is being compromised can not only redirect a strategy, delay or reduce the quality of its implementation, but can also even totally sabotage the strategy. In attempting to shape how, and what, strategy will actually be implemented, middle managers can intervene in two ways, either by taking a position on an alternative strategy or resisting a strategy decision. The study discusses the 'expectancy theory of motivation' whereby close alignment of individual and organisational goals is but one of several factors related to individual effort, the others include the middle managers thinking that they have a low probability of performing successfully in implementing that strategy, also thinking that the desired outcomes will not be achieved, and finally thinking that the desired organisational outcomes does not satisfy their individual goals. The study by Guth and MacMillan (1986) found that middle managers participate extensively in organisational coalitions. Coalitions are seen as increasing the chance of success for any intervention option and give more powerful leverage than an individual manager. The study concluded with a challenge to top management to anticipate and manage carefully the low commitment by their sub-ordinates who have the power to scupper their plans.

Kuratko *et al* (2001) demonstrated statistically significant relationships between middle manager entrepreneurial actions and a number of company performance indicators, including profits, growth in revenue, and growth in assets. This linkage between entrepreneurial actions and performance appears to be especially strong for companies that operate in increasingly

turbulent environments. The authors claimed that the entrepreneurial actions should be monitored and measured on an ongoing basis. The potential danger is that middle managers can often walk a fine line between clever resourcefulness and outright rule breaking as they seek to overcome internal obstacles to reaching their professional goals (Kuratko and Goldsby, 2004). We have seen, first hand, the results of questionable and sometimes clearly unethical behaviour as the Bank crisis, among others, unfolded here in Ireland. Kuratko and Goldsby (2004) present a framework as a guideline for middle managers and organisations seeking to impede unethical behaviours in the pursuit of entrepreneurial activity. However, even though the framework includes issues like aligning corporate entrepreneur's goals with organisational goals and strategy to reduce deviant behaviour, the author's state that if there are immoral managers within the organisation, extreme, degenerative individualism may still take place. This type of middle manager is defined by Carroll (2000) as the organisational bad guys who try to exploit the system.

1.6 Followership

There is much material on the role of leadership in the field of management studies. By contrast, followership material is harder to come by. One example of an article on followership behaviour is by Kellerman (2007) who develops a typology of followers using one metric – level of engagement of the follower. The author categorises followers into five types on a continuum between 'feeling and doing absolutely nothing' to 'being passionately committed and deeply involved'. The five types are listed as: 'isolates', 'bystanders', 'participants', 'activist' and 'diehards'. Some other authors in the area of followership research, Abraham Zaleznik, Robert Kelley, and Ira Chaleff, agree with Kellerman (2007) in classifying subordinates into different types, because it allows leaders to understand better what drives the subordinates and can be a great help to themselves and their organisation. Kellerman (2007) claims that 'good' followers will actively support a leader who is good (effective and ethical) and will oppose a leader who is bad (ineffective and unethical). Conversely, 'bad' followers will do nothing to contribute to the organisation. While followers may lack authority, at least in comparison to their superiors, they do not lack power and influence and the article concludes by asserting that the typology has implications for the way leaders lead and managers should manage. Kelley (1992) categorises followers into one of the five types shown in Figure 4.



SOURCE: From *The Power of Followership* by Robert E. Kelley, p. 97, copyright © 1992 by Consultants to Executives and Organizations, Ltd. Used by permission of Doubleday, a division of Random House, Inc.

Figure 4 Styles of Followership (Kelley, 1992)

Kelley (1988) claims that, while leaders matter greatly, we should not lose sight of the people that leaders will lead. Organisational outcomes are partly based on how well their leaders lead, but partly also on the basis of how well their followers follow. The author discusses the qualities found in effective followers, and they have a striking resemblance to those qualities that make a good leader. What distinguishes followers from leaders is not intelligence or character, but the role they play. Effective followers and effective leaders are often the same people playing different parts at different hours of the day.

Chapter 2 Method

2.1 Setting

This research was conducted utilising a qualitative approach. This approach was chosen because it was felt it would best meet the exploratory element of the study. Also, it was felt that the establishment of personal contacts by the chosen method of semi-structured interviews might have a more successful outcome. Initially, e-mails were sent to ten randomly chosen different companies in order to establish contact. Their permission was requested to conduct the study within their organisation. Of those that responded, follow up phone calls were made and then four companies were chosen for site visits to initiate the research.

2.2 Data Collection

Semi-structured interviews were conducted with each participant organisation. A list of questions and themes exploring the strategic role of the middle manager was compiled by the researcher from the literature and also from discussions with co-workers and supervisor. The semi-structured interview allows for some variation in questions from interview to interview and this was indeed the case in the project. Also, the order of questions and omissions varied depending on the flow of conversation during the interview. Data was recorded using note taking. The resulting data was analysed using qualitative analysis.

2.3 Validity and Reliability

Many concerns abide in the literature regarding the use of semi-structured interviews as a reliable research tool (Saunders *et al*, 2009). These concerns are primarily based around issues such as the lack of standardisation and possible interviewer or interviewee bias. The researcher in this study made every effort to reduce such biases. Awareness of the constantly changing dynamic within an organisation was key, and the topics and issues in the questions put to participants were explored and probed from a variety of angles. The researcher was aware that responses reflected the reality of the given organisational circumstances and time that they were collected. Clarification was sought from participants regarding their responses and the researcher ensuring that themes explored were understood by the interviewee.

Responses were documented and notes maintained meticulously which were read, re-read and examined by the researcher both during and subsequent to the data collection process in order to maintain vigour. Retrospectively, it was felt the preparation prior to conducting the interview was key to the process. The researcher ensured familiarity with the literature and all the available up-to-date data on middle management within an organisation. Familiarity with each chosen research site was also essential and credibility surrounding the entire project was promoted by supplying as much information as possible to each individual participant. The four semi-structured interviews were conducted between March 2012 and August 2012 in the work offices of each interviewee. Of the four participants, two held top management positions in their organisations and two held middle management positions in their organisations. Responses were recorded manually by note-taking. Arrangements had been made prior to the visit with regard to suitable date, time and location. Confidentiality and anonymity was assured and maintained throughout the process. The following chapter (Chapter 3) details questions asked and the responses given. All data is recorded as accurately and succinctly as possible and reflects a true account of the information obtained in the process.

2.4 Data Analysis

Following the interviews, transcriptions from the hand-written notes were entered into an electronic version. Initially it was envisaged that the data would be analysed using a deductive approach where it was hoped to follow a specific theory and framework regarding middle management and strategy from the literature. However, as the process evolved, it became clear that a more inductive approach to the data analysis might yield a truer picture of the research findings. This inductive analysis involved further exploration of certain themes and issues that were emerging from the conversations. Although time consuming, it was felt that this development of an informal inductive approach complimented the initial deductive approach and led to more in-depth analysis of the middle management experiences. Therefore, as the data was been written up and analysed, key findings for each interview were noted and summarised, listed in Chapter 3.5. An overall summary of these key findings is detailed in Chapter 3.6 where common issues and themes appeared to emerge, discussed in more detail in Chapter 4 of this project.

Chapter 3 Results and Findings

3.1 Interview 1: *Chief Executive, Hospitality Industry.*

Q1: How important do you think that corporate strategy is viewed within the organisation?

A: The Chief Executive mentioned that they use the word “plan” rather than strategy. They base their plan on a twelve-month period and this is further broken down into monthly/weekly plans. These plans are used for forecasting. If they predict they will have a problem in May, for example, they can do something about it.

Each sub-unit has a strategy, but they must feed in to the overall group strategy.

He said that ‘strategy’ is just a ‘plan’, he didn’t like the way strategy was over-used.

Q2: Is your strategy based on Porter’s Generic Strategies?

A: It is a mixture of the generic strategies. Unless the price is right, nowadays you don’t have a chance. He was not interested in giving any attention to the generic strategies. As well as price, distribution is extremely important. Or how do customers get to the location of the business? Distribution is location. The industry is not based on relationship any more. Lots of people book over the internet. The old idea of strategy has changed. Cost leadership is a given. Margins are squashed.

Q3: Does the strategy focus on financial objectives or strategic objectives?

A: He said that the strategic objective was ‘trite’, no good. It is about how you ‘maximise the resources you have’. The big word is maximisation. You have to maximise profit on every given day, therefore the price must be ‘fit for purpose’. In this regard, every sub-unit has a revenue manager who is constantly looking at the pricing (positioning). The expensive on-line booking third parties will be the first to be let. There are other on-line booking websites that are not as expensive, so they get booked after the expensive ones. He said that he is meeting the banks today with a bundle of financial plans for the group taking over the

running of another major outlet in Dublin. Then later he is meeting another bank to go through discussions for the running of another outlet but without the financial details.

Q4: Does the organisational structure support the corporate strategy? Explain.

A: The Chief Executive said that the old days of the pyramid are gone. This showed the boss sitting on the top and the wide bottom. Nowadays, there are eight or nine people empowered to get on with the job. They have the plan, agreed with others. The triangle is now upside-down, with the boss on the bottom. He stressed that architecture and structure didn't really figure. It was more to do with structures that made it possible to 'support' all the functions.

Q5: Does the organisational architecture support the company strategy? Explain.

A: The structure with his group is a support-based structure, not hierarchical. He is the Chief Executive. He has an able assistant and then each individual outlet has a sub-unit manager. The Head Office is in Dublin. At the Head Office are (i) Finance (ii) Sales/Marketing (iii) Human Resources (iv) Procurement (v) Information Technology (vi) Operations. These are all in place to support the individual outlets.

Q6: How is the success, or otherwise, of the strategy measured (metrics)?

A: The Chief Executive said that the financials are the expression of the strategy. If there are problems in the individual outlets, i.e. a weak link, it will reflect in the financials. Customers will not come back if they had a bad experience. Subjective analysis is no good because people's mood come into it.

Q7: Has the corporate strategy been changed/amended for any reason? If the answer is "Yes", is it then difficult to implement the new strategy?

A: In 2007, the group had a vision for the next five years for the direction it wanted to take, including entry into the UK market. In 2008, the world economic crisis happened. In 2009, the group decided that they needed to change to survive. At this stage, they had eight/nine

outlets and had rent to pay. They got into the Management Contract business. This was a complete strategy change. They are now successful and have 2,500 employees. During a recession, that this is remarkable progress. They are now in position where they can now look at the UK hospitality market. The core strategy is still in place. It must be adjusted around the edges but the core will still be the same. Strategy must be flexible otherwise it won't work. It has to be adaptable and flexible. The biggest problem with businesses is that they failed to see change happening, the one constant in business is change.

Q8: How do you perceive theory compared with practise in relation to management and marketing?

A: Lots of theory is old-fashioned. Huge change has taken place, driven by technology. The principles remain the same but delivery is different. The relationship factor is replaced with on-line so we have to change in order to stay in the game.

3.2 Interview 2: *Managing Director, Fast Moving Consumer Goods.*

Q1: How important is corporate strategy in your organisation?

A: Very important, without strategy you have little direction to plan a business.

Q2: What influence do Middle Managers have with regard to strategy in an organisation?

A: A lot, as they are working closest with the teams on the ground, and it is ultimately their responsibility to roll out changes and improvements.

Q3: What is Middle Managers contribution to realised strategy?

A: As there is constant change at the minute due to the influences of the economic climate, strategy is at a more senior level and only actions that will impact on middle managers departments are communicated and implemented.

Q4: How does your organisation develop strategy?

A: We develop strategy by department and by overall company goals.

Q5: Who is involved in strategy development?

A: Strategy is developed by a Senior Management team made up of CEO, Managing Director, Finance Director, Sales Manager, and Chairperson.

Q6: How does strategy relate to performance?

A: Strategy drives performance, if there is no strategy, people do not have clear objectives to ensure a positive performance and a motivating one. If performance is not managed and goals not met, strategy will never be met.

Q7: When was the last time your organisation made a major strategic change?

A: 2012.

Q8: How was the strategic change implemented? Who was involved?

A: The strategic change was implemented by the Sales department, the Product development team, in fact by everyone in the organisation. A new product was launched to combat the increasing market pressure in terms of cost.

Q9: How does your organisation measure strategic success?

A: The strategy is a success if there is an increase in revenue and maintenance of margin.

Q10: How do Middle Managers contribute to the financial success of an organisation?

A: Ultimately all contribute to the bottom line, while it is not broken out by individual manager, all departments would feed into a Key Performance Index (KPI) chart, so any non conformances or irregularities would be highlighted, investigated and corrective action implemented where necessary.

Q11: Is the Middle Manager role political?

A: Only when they are too close personally to the teams on the ground then it can become challenging to enforce change or discipline when needed.

Q12: How important are soft skills by Middle Managers in carrying out their role?

A: Very important, as they need to buy in all of their teams to any change or the day to day.

3.3 Interview 3: *Middle Manager in Global organisation. Interviewee 3 is General Manager of a sub-unit (subsidiary) within a large electrical appliance group.*

Q1: How much influence does you have in terms of upwards, downwards, and horizontal?

A: This site General Manager said that he has some upward influence in the form of his monthly report. This is approximately 20 pages of reports on Production, Defects, Activities, and is sent to his superior. Each manager at his level is required to do this and it is compressed into a one page summary by his manager. He said he doesn't have much horizontal influence. Some managers on the same level as him, i.e. General Managers on different sites within the group, are customers of his. He has downward influence which he uses to improve the operational effectiveness of all activities on site.

Q2: Is his role political?

A: He said that he must 'fight his corner' within the overall position within the group. So the answer to the question is 'yes', his organisation is a very political organisation, lots of sub-units competing against each other. He said that his company closed one of its two factories in Ireland because of industrial dispute. There were a lot of older people who wanted to 'get out' with a redundancy package so it suited them. Then they employed new people, with a new wage structure in place.

Q3: How important are 'softer skills' to him in his middle management position?

A: This manager claimed that 'soft skills' are the most important part of his role in his organisation. There was a huge change in his manufacturing plant in the last couple of years and he was the link between senior management and operational workers. He would meet with senior managers, and then discuss issues that arose with union officials using his soft skills to enable change to go through without many problems. If he sensed there were problems arising, he would address this potential problem by calling a general meeting. He would publicly state his case, good points and bad points, and perhaps people on the floor would question it, but perhaps not. They might raise some points at a later stage as he 'walked the floor'. This relates to 'perform the conversation' and 'set the scene'. He said he was constantly using his senses to get a feel for views of people on the factory floor.

Q4: How does he affect organisational outcomes? (Economic and/or realised strategy)

A: One of the main things he did in his plant was to constantly improve the processes, for example by applying better purchasing arrangements, by ensuring less defects, less wastage among others. If a product cost one euro going out of his factory, at the end of the value chain, this cost could have risen to three euro, or even four euro. So with his manufacturing facility becoming more operationally effective, the corporation are able to lower the cost to the consumer, thereby competing with China etc. They have become more flexible and dynamic. In terms of emergent and realised strategies, the two main strategic changes over the last number of years for the group have been the entry into two new markets.

3.4 Interview 4: Middle Manager in Multinational organisation with HQ in Korea.

Interviewee 4 is Sales Manager of the Irish subsidiary within a large heavy plant group.

Q1: How much influence does you have in terms of upwards, downwards, and horizontal?

A: The main head office is in Korea so this Irish subsidiary is compelled to follow the group overall strategy. However, the Irish subsidiary has some small autonomy but their site-specific strategy must 'fit' with the group strategy. This interviewee is the Sales Manager reporting to the General Manager. He has some upward influence to contribute to the site strategy. The 'top table' comprises the General Manager, Sales Manager, Financial Controller, Production Manager, Engineering Manager, Human Resources Manager, Logistic Manager and Marketing Manager who all contribute to the site strategy. This upward influence is dependent on the General Manager being open to contributions from his subordinates. In fact, the current General Manager made some personnel redundant because they were not contributing to strategy. The previous General Manager did not encourage any such influence but the current General Manager actively encourages suggestions from those mentioned. He therefore has some small opportunities to Champion Alternatives and also Synthesising Information to keep the General Manager informed about issues in his sales area. As Sales Manager, he has responsibility for Customer Services, Technical Services, and Road Sales. He has strong downward influence in each of these areas where he motivates and leads the staff in those areas. He has little horizontal influence as the other middle managers tend to 'fight their own corner' within their own specific functional areas. The organisational structure is seen as a 'flat' structure, rather than hierarchical.

Q2: Is his role political?

A: Yes, he sees politics at work on a regular basis. This middle manager disagrees with the group sales strategy where sales are split up into three different geographical areas, namely Asia/Pacific, Europe/Middle East, and America. He feels that this is not helping the Irish subsidiary, although it may be more prudent from a group strategy perspective. He uses his (legitimate) power to contribute to the pricing strategy. He also needs to act politically when recruitment issues that affect his area are discussed. Recently, the group HQ suggested closing down a sales office in the UK. He disagreed and formulated a business plan that

convinced his bosses that this is not in the best interest of the company. They took his advice on board and kept the UK office open.

Q3: How important are 'softer skills' to his in his middle management position?

A: So called 'soft skills' are very important in his role. He has constant communication with team members and uses his charisma to motivate them to work for the betterment of the company. As example of a worker lacking in soft skills was the Customer Services Manager who didn't 'get on' with the other workers in the department. The person was good with customers but not with co-workers. Eventually, that person had to be released from their duties. He has very good social skills and regularly brings clients, customers, and staff members on social outings. He thinks that it is a good way to 'get to know someone' and trust is built up during these outings. An example is when he socialised with senior Korean personnel on one of their business visits and these Senior Managers could see firsthand the passion that the Irish workers had for the product they were manufacturing and selling.

Q4: How does he affect organisational outcomes? (Economic and/or realised strategy)

A: Because the structure is a 'flat' structure, this interviewee feels that his role as Sales Manager and all the roles on the same level contribute to the economic/financial performance of the organisation. A number of years ago, the company were losing millions of euro per year. With contributions for Sales, Engineering, and Production, among others, the company is now posting a (small) profit. In terms of realised strategy, this middle manager has contributed to emergent ideas affecting the pattern of actions and decisions carried out by the organisation. An example is where the group planned to enter the Australian market with their group strategy. He brought a different angle to this entry strategy which was implemented by the company and they now have a successful foothold in that country. This middle manager stated that one of his most important roles is to implement deliberate group strategy.

3.5 Interview Findings

Findings Interview 1

- This senior manager sees a very important role for Middle Managers in his organisation as implementing deliberate strategy. Each middle manager has a strategy for their sub-unit, but this must be in agreement with the group corporate strategy.
- He is not comfortable with the term 'strategy'.
- From the Floyd and Wooldridge (1992) typology, he sees Middle Managers contributing somewhat to all four sectors of the involvement matrix but didn't give any examples of middle managers directly influencing choice of strategy.
- Organisation 1 had a strategy based on accountability and efficiency where detailed planning, reporting, and control processes are central activities in all outlets. Their strategy changed in 2008 due to economic events and they belong to the Analyser type (Miles and Snow, 1978). They consolidate what they have but also took on a new branch of the business in response to Irish market conditions.
- This Top Manager is not concerned about Social Media (Facebook and Twitter). A big part of the distribution is Google analytics. This allows customers behaviour to be monitored while they are on the organisation web-site. For example, how long did I stay? Did I make a purchase? Was I looking for a particular product? This information is more important to his organisation than Facebook and Twitter.
- Strategic outcomes are measured by financial results only.
- He claimed that you need three types of people to run a successful business (i) thinkers (ii) doers (iii) someone to 'kick ass'. He is a very 'hands-on' manager.
- He said that management is not a science; you can't learn it at third-level college. It is about collaboration. His organisation has a policy of promoting staff within the organisation up to staff levels. It is good for staff motivation.
- The old days of managers cracking the whip are gone. Now we must be part of a team and get on with people. Soft skills and team working are really important attributes.
- To be a successful Chief Executive, this senior manager said that you need to be a loner. You have no-one telling you how well you are doing.

Findings Interview 2

- Interviewee 2 is a Senior Manager, Managing Director, in the organisation and is directly involved in strategy formulation with other top level managers.
- This top manager sees Middle Managers as implementers of change rather than guiding it. However, she points out that implementing deliberate strategy is a very important role. From the Floyd and Wooldridge (1992) typology, she sees middle managers role as Implementing Deliberate Strategy.
- Strategy success and organisational outcomes are judged primarily on financial performance.
- The middle managers role is political in this organisation and political savvy is required by managers to avoid conflict.
- Organisation 2 has a strategy based on differentiation and quality with a strong emphasis on Corporate Social Responsibility (CSR).
- Organisation 2 belongs to the Analyser type (Miles and Snow, 1978).
- This Top level manager sees strategy as direction to plan the business. Everyone in the organisation has a role to play in strategy and how it is implemented.
- Soft skills are hugely important attributes, especially so for middle managers.

Findings Interview 3

- This middle manager's role is mainly to improve the operational effectiveness of the two plants under his control. Remember Porters article (1996) that operational effectiveness is not strategy, so he does not contribute to strategy formulation in his organisation. His role is tactical. To improve operational effectiveness, he has continually cut costs, including labour costs (never easy).
- From the Floyd and Wooldridge (1992) typology, the only segment that he does not contribute to is Championing Alternatives. His main influence is downward, guiding and motivating the workers at his factory.

- This manager has no horizontal influence over other site General Managers within the group at the same level as himself and as the company is highly political, he often has to compete against these General Managers in other subsidiary plants.
- His focus is to make his factory more efficient as the Top Managers within the group see the financial state of his subsidiary as key to measuring strategic success.
- Organisation 3 has a global diversification strategy. They operate in steady, relatively constant markets with established brands but are also very active in acquisitions and mergers in order to diversify the organisation even further.
- Organisation 3 belongs to the Analyser type (Miles and Snow, 1978).
- His greatest trait in his management role is his soft skills and ability to ‘set the scene’ and ‘perform the conversation’. These skills have lessened the negative potential impact due to the growth of production and the amount of change that has taken place on his site. He is also good at ‘sense making’ i.e. making sense of change from top management and ‘sense giving’ i.e. bringing people with him on that change journey.
- Whereas he has a duty to bring change about, as dictated by the strategy set by senior management, he may need to do it in a slightly different way than the way senior management wants. However, he has to arrive at the same output. He said his business strategy is ‘to survive’.

Findings Interview 4

- Organisation 4 belongs to the Analyser type (Miles and Snow, 1978) as they had some established ‘cash cows’ brands but were also pushing into new markets and products, mainly in China where they were in the process of designing a new ‘difficult-to-copy’ product range.
- This middle manager claims to have made a small contribution to the development of his subsidiary strategy, but not the overall group strategy. From the Floyd and Wooldridge (1992) typology, the only segment that he does not participate in is Facilitating Adaptability. Importantly, his subsidiary strategy must be aligned with the group strategy so his Championing Alternatives opportunities are small.

- This middle manager needs to use his power to safeguard the best interests of his Sales function area, so he sees his role as being very political.
- Strategy success is defined in financial results.
- He has excellent ‘soft skills’ which he uses to motivate his staff beneath him in the organisation. Lack of ‘soft skills’ by a colleague cost them their job.
- His new Senior Manager is open to contributions from subordinates and this has been a major factor in his willingness to come forward with ideas. His previous boss did not encourage contributions from below.
- As a middle manager in an Irish subsidiary, he is regularly at odds with the group Headquarters who set the corporate strategy.
- This manager spoke of the view of some of his peers that Middle Managers do not ‘add value’ to the outcomes of the organisation, they are a burden on the organisations resources. He disagrees with this point.

3.6 Summary of Findings

A summary of the findings is now documented for use in the Discussions section.

- All of the managers interviewed said that the managers’ role has a political aspect to it. They said that this political aspect, using their power, was important and necessary.
- Soft skills were very important attributes for managers to possess as stated by all the Top and Middle managers interviewed.
- The most important middle manager activity was described as implementing deliberate strategy. Little evidence was produced of middle managers affecting the strategy chosen by an organisation. This decision was made by top managers.
- The most important metric for measuring the success or failure of a strategy was the financial returns of the organisation.

Chapter 4 Discussion

4.1 Middle Managers influence; Upward, Downward, and Horizontal

A common thread running through all of the interviews was the general consensus that middle managers main strategic role is to implement deliberate strategy, identified in the Floyd and Wooldridge (1992) typology as a 'Downward Influence'. There was less evidence presented by the interviewees of the other downward influence, facilitating adaptability, as described by the Floyd and Wooldridge (1992) model. While the two senior, Top, managers interviewed seemed to encourage strategic input from middle managers, there were no concrete examples of middle management activity helping to develop the overall corporate strategy, contrary to the suggestions by Mintzberg and Waters (1985). This research finding suggests that the theory and literature points to 'Upper Influence' by middle managers to champion alternatives, but in this limited study this appears not to be the case.

Again, on a smaller scale than claimed in the literature, middle managers upward strategic role of synthesising information is somewhat carried out, where both middle managers interviewed have a duty to report, on a regular basis, the outcomes of their roles. The managers interviewed viewed this task as part of their job description. The similarities with Frederick Winslow Taylor (1856 – 1915) and his scientific management way of thinking are significant. The manager in Taylor's world was a mere supervisor, recording and reporting information with which top managers made decisions. Perhaps technology, and the challenging economic circumstances, has swung the pendulum back towards Taylor's description of management being 75 per cent science and 25 per cent common sense?

Also, little or no evidence of horizontal influence appears to be executed by middle managers in this study, except for some competitive horizontal influence between middle managers, especially between other subsidiary managers in Multi-National Corporations (MNC). The Multi-National Corporations who took part in this study seemed to operate in a more modular than hierarchical organisation structure and seemed to encourage a competitive ethos, rather than a team ethos, within the subsidiary members of the group. This has the potential to

produce fault-lines between seemingly integrated organisational units as described by Balogun and Johnson (2004).

4.2 Political role of Middle Managers

Both middle managers interviewed viewed their role as having a very important political aspect to it. This view is congruent with Hope (2010) who demonstrated the tight coupling between power and politics in organisations. Coincidentally, both middle managers worked in multinational subsidiaries and felt that they had to 'fight their corner' to establish and maintain themselves in the large group situation. Data from the interviews confirms the view of Hardy (1996) that organisational reality paints a political picture. Managers said that they had to use their power regularly to direct actions that are crucial to goals being met and organisational outcomes achieved. At times this can be difficult, as described by one of the middle manager interviewees, when a colleague had to be made redundant because they didn't possess the skills needed for their role. The decision to make their team member redundant required input from the whole team, including the middle manager interviewed. It was interesting that one of the other managers in the study (a Top manager) warned against middle management becoming too close to the operational level staff as it may be difficult to use their legitimate power, if needed, when discipline issues arise or when a difficult strategic change needs to be made. The findings of this study are in agreement with the findings of Hope (2010) who revealed how middle managers influence the sensemaking of others, including their superiors, by partaking in political action.

There was no evidence to suggest that political savvy was used in a negative way as described by Guth and McMillan (1986) who claimed that middle managers can abuse their power even to the point of sabotaging a strategy. Even though one of the interviewees disagreed with the corporate strategy on some issue, the middle manager came up with an alternative, instead of applying tactics to side-track the original strategy, as described by Hope (2010). This demonstrates ethical corporate responsibility by the interviewee concerned but as warned by Kuratko and Goldsby (2004), there is a thin line between middle manager entrepreneurial activity and outright rule breaking.

4.3 Soft Skills and Middle Managers

Several common issues emerged from this small piece of research, one of which was an opinion expressed by all of the interviewees regarding the necessary traits of a middle manager. All of the participants interviewed declared that a middle manager definitely requires possessing the keen soft skills as expressed by Rouleau and Balogun (2011). One of the interviewees spoke of how he '*set the scene*' and '*performed the conversation*' as described by these two authors. This was necessary because rumours were started to emerge on the factory floor regarding the direction the company was about to take. To quell these rumours, he called a meeting of all staff, for one hour, and explained everything about the impending change. He stressed the fact that he told them the truth, good and bad, about the situation. During the meeting, he answered questions from the floor and he was convinced that this was a crucial exercise in his middle manager role. The change was implemented, not without some problems, but his soft skills certainly helped the situation. This finding is in agreement with Huy (2002) who revealed the important role of the middle manager in managing employees' emotions when the firm is going through major strategic change.

The socialisation role of a middle manager identified by Boyett and Currie (2004) was also highlighted as important by the interviewees in this study. Indeed, all of the research subjects declared that social interactions within middle management were key and also contributed significantly to the smooth implementation of strategy. Social outings were extremely important, especially for foreign visiting senior management when they visited a subsidiary. An interviewee spoke about how top managers were impressed by the passion that the Irish subsidiary had for the product they made as they socialised in a Dublin hostelry! He is convinced that this helped with future investments made by the MNC on their Irish site.

4.4 Middle Management Activity and Organisational Outcomes

Middle Management Activity and Economic Performance: There was little evidence in this study of middle managers activity contributing to higher quality strategic decisions, contrary to the claims of Wooldridge and Floyd (1990). Indeed, it was made very clear by all managers interviewed that their company's business strategy was definitely maintained or changed in accordance with their balance sheet and not greatly influenced by middle

management activity. The Financial Controller in each organisation interviewed for this project appeared to have more control over strategic 'choices' than middle managers. Perhaps this is because of the tight financial constraints under which firms are operating at this economically challenging time.

Middle Management Activity and Emergent and Realised Strategy: All of the interviewees for this project are part of successful companies and the data certainly points to middle manager involvement as being an important part of that success. However, there was little evidence in this study to show that middle manager activity contributed greatly to emergent strategy as those shown by middle managers within the Digicel Corporation in the Boyett and Currie (2004) study, or the Burgelman (1994) study of middle manager influence in Intel's emergent exit from memory markets. Perhaps this may be because the four companies interviewed in this research are identified as Analyser type organisations, while the Digicel and Intel Corporations can be classified as Prospector types in the Miles and Snow (1978) typology. The findings from the Floyd and Wooldridge (1992) showed that middle managers activity is higher in the Prospector type of firm, compared with the Analyser type.

Chapter 5 Conclusions

5.1 Final Conclusions

The data obtained and analysed for this small qualitative project seems to indicate that middle managers can, and do, make a telling contribution to the strategic development of an organisation. The main contribution to be made is in the implementation of deliberate strategy. This contribution should not be seen as a lesser task than choosing the strategy in the first instance, which is generally the remit of top level managers. The literature and the data from the interviews are not always in agreement with each other. The literature proposes that middle managers have more influence in the choice of strategy adapted by an organisation than found in practise. The findings of this study however conclude that middle managers have little influence on strategy choice. It seems that everyone wants to be leaders, and sitting at the 'top table' of an organisation making strategic decisions. There is a hugely important, but different, role for the middle manager, requiring a different skill set. Not every middle manager should aspire to be top managers because their role is unique and has a very important place in the structure of the organisation. For an organisation to be successful and reach their goals, every manager in the organisation must be capable of fulfilling their role, be it on a top, middle, or operational level. A wise middle manager, acting with integrity, can pave the way for a smooth transition of strategic implementation/change, which may be crucial to the outcomes of their organisation.

5.2 Limitations of the Study

The study has some limitations. There is a small sample size of just four participant companies. The time constraints dictated this limitation. The four participants in the study were from four different companies in four different industries. Attempts were made to access Middle and Top manager from the same company but access was not forthcoming so the researcher had to move on with information as detailed in the study, again because of the time constraints. The conclusions were drawn from the opinions of four managers on a given day whose views and opinions might vary at another given time. The study was conducted during a time of economic recession in the host country, Ireland.

5.3 Potential for Future Research

A potential opening for future research in the middle management area is a longitudinal analysis of middle managers role in organisations as the organisation moves through differing economic environmental situations. This would complement the ‘snap-shot’ analysis in this project at a moment in time where economic macro environmental conditions are extremely challenging.

The author also feels that more research is needed in the area of ‘followership’. There is an abundance of literature on leadership, and rightly so, but followership research could lead to useful insights, especially for middle management activity. Middle managers must be ‘effective followers’ and ‘effective leaders’ at the same time so we need to understand what attributes makes for effective followers. This has the potential to help organisations in their middle management recruitment activity.

The research identified each of the four participant organisations into the ‘Analyser’ type (Miles and Snow, 1978). This may be coincidental but there is also a possibility that the difficult economic environment has forced the organisations from one of the other three types into this type. As this typology is more than three decades old, perhaps it is time to test the validity of the typology against an appropriate number of firms, preferably in an Irish context, and see how it stands up to this scrutiny.

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Appendix

Deductive Approach: Research approach involving the testing of a theoretical proposition by the employment of a research strategy specifically designed for the purpose of its testing (Saunders *et al*, 2009).

DIT Strategy: The Government Strategy for Science, Technology and Innovation (SSTI) seeks a sustainable system of world class research teams across all disciplines and a doubling of the output of the number of PhD's. The DIT strategy is underpinned by this SSTI strategy. DIT supports Ireland's requirement for a knowledge based society. DIT has two responsibilities which underpin its strategy for research; firstly to produce new knowledge by conducting research and promoting scholarship, knowledge development and knowledge transfer, and secondly to produce new knowledge workers. Some of the measures proposed to support this strategy are to have a flexible workload on lecturers to permit greater participation in research and also assistant lecturer and lecturer posts will be filled on the basis of the ability and potential to undertake research. The DIT strategy considers the shift in higher education from the learner as a passive recipient of knowledge to a more autonomous learner.

Fayol, Henry: Fourteen General Principles of Management. 1. Division of works, 2. Authority and Responsibility, 3. Discipline, 4. Unity of Command, 5. Unity of Direction, 6. Subordination of individual interest to general interest, 7. Remuneration of employees, 8. Centralisation, 9. The Scalar Chain, 10. Order, 11. Equity, 12. Stability of Personnel, 13. Initiative, 14. *Esprit de corps*. Fayol's theory of Management – labelled 'administrative management' – has proved defiantly and astonishingly robust. Not for nothing is the most prestigious management qualification entitled a Master of Business Administration (MBA).

Floyd and Wooldridge, (1992): Championing Alternatives, Synthesising Information, Facilitating Adaptability, and Implementing Deliberate Strategy.

Huy (2002) Middle management are people who are two levels below the CEO and one level above first-line supervisor. There are many hierarchical levels of middle managers in Servico, and so one senior middle manager in the line groups could act as a 'general manager in the middle' and be in charge of two to five thousand front-line workers. This manager has hierarchical authority over junior middle managers, and they, in turn, have a typical supervisory range of 50 – 100 workers. In Servico, people with titles of vice president and director are treated as middle managers, whereas those with titles of senior or group vice-president are executives.

Inductive Approach: Research approach involving the development of a theory as a result of the observation of empirical data (Saunders *et al*, 2009).

Miles and Snow (1978): *Prospectors* are organisations which almost continually search for market opportunities, and they regularly experiment with potential responses for emerging environmental trends. Thus, these organisations often are the creators of change and uncertainty to which their competitors must respond. However, because of their strong concern for product and market innovation, these organisations usually are not completely efficient. *Defenders* are organisations which have narrow product-market domains. Top managers in this type of organisation are highly expert in their organisation's limited area of operation but do not tend to search outside of their domains for new opportunities. As a result of this narrow focus, these organisations seldom need to make major adjustments in their technology, structure, or methods of operation. Instead, they devote primary attention to improving the efficiency of their existing operations. *Analysers* are organisations which operate in two types of product-market domain, one relatively stable, the other changing. In their stable areas, these organisations operate routinely and efficiently through use of formalised structures and processes. In their more turbulent areas, top managers watch their competitors closely for new ideas, and then they rapidly adopt those which appear to be the most promising. *Reactors* are organisations in which top managers frequently perceive change and uncertainty occurring in their organisational environments but are unable to respond effectively. Because this type of organisation lacks a consistent strategy-structure relationship, it seldom makes adjustment of any sort until forced to do so by environmental pressure.

Miles and Snow (1978) Summary (Pattern of response of organisations to change in its environmental conditions)

Defenders

- Product//market domain is narrow and stable
- Success in an industry hinges on its ability to maintain aggressively its performance within the chosen market segment
- Ignores developments outside the domain
- Growth occurs cautiously and incrementally
- Majority of financial and managerial resources invested in solving engineering problems (efficiency)
- Use vertical integration where all stages of production (raw materials, manufacturing, distribution) combined into a single technological system
- Control is centralised (CEO, Financial Controller, Head of Production)
- With few resources devoted to scanning the environment, the Defender possesses little capability for locating new product or market opportunities
- Defenders cannot adjust rapidly to a new opportunity

Prospectors

- Prime capability is that of finding and exploiting new product and market opportunities
- Domain is broad and in a continuous state of development
- Must be able to monitor a wide range of environmental conditions, trends and events
- Are seen as creators of change in their industries
- Growth primarily results from the location of new markets and the development of new products
- Encourages entrepreneurial activity

- Develops multiple technologies for its different products
- Technologies are embedded in people, not in routine or mechanical operations
- Maximise flexibility in order to facilitate new product development
- Dominant thinkers in the organisation are Marketing, and also research and Development (R&D)
- The control system is results-oriented and the system is decentralised
- In hard times, this firm protects Marketing and R&D
- Major risk is the inefficient use of resources

Analysers

- Finds a balance between minimising risk while maximising the opportunity for profits so combines the strengths of both the Defender and Prospector
- Domain is a mixture of products and markets, some of which are stable, others changing
- Technological system is characterised by a moderate degree of technical efficiency
- Dominant sections in organisation are Marketing, Applied Research, and Production
- Organisational structure is the matrix structure
- Control systems are centralised and budget-oriented in functional sub-units but overall hierarchical control applies
- Must preserve its firm base of efficient operation while pursuing effectiveness through the well-conceived addition of new products and markets

Reactors

- Pattern of adjustment to the environment is both inconsistent and unstable
- Top management fails to articulate a viable organisational strategy
- A strategy may be articulated but technology, structure, and process are not linked to it in an appropriate manner, operational strategy is not properly aligned

- Management may adhere to a particular strategy-structure relationship but it is no longer relevant to environmental conditions
- Organisations are forced into Reactor response mode when they are unable to pursue one of the three stable strategies of Defender, Prospector, or Analyser

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