

Strategy implementation process for better employees' performance in construction companies

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Abstract. Strategy implementation is known as the most tedious and challenging stage in strategic planning. Strategy implementation can influence the whole texture of a company, including its employees' performance. Studies have shown that improper strategy implementation can lead to poor employees' performance. However, there is still a lack of empirical evidence to prove this relationship. Strategy implementation process implemented differ between companies. It influences the employees' commitment, retention and growth and hence performance. The aim of this research is to analyse the relationship between the strategy implementation process and employees' performance in construction companies. Respondents were G7 contractors in Klang Valley, Selangor. Pearson correlation analysis was used to analyse the data and it is proven that the strategy implementation process influences the employees' performance in construction companies. Based on the data correlation, construction companies which provide training for employees to carry out the strategic action plan able to gain positive employees' performance. This research shows that the strategy implementation process does influence employees' performances in construction companies especially toward employees' retention and employees' growth. Top management in the construction companies can use this research as a tool to conduct strategy implementation in their companies.

1 Introduction

The strategy is a continuous evolutionary process that involves long-term planning [1]. Strategy implementation is the hardest process in strategic planning because it involves translation of strategy into actual action plan [2]. Strategy implementation is tedious and complicated [3]. Successful strategy implementation helps to improve company overall performance and gains its competitive advantages [4]. However, a good strategy formulated only serves its purpose if it is successfully implemented [5]. About 90% of companies failed to successfully implement strategies [6]. Studies have shown that the failures of Malaysian construction companies are due to ineffective strategy implementation process [7]. Strategy implementation can influence companies' performance, including the employees' performance [6]. With good employees' performance, companies will be able to increase company efficiency and productivity [8].

2 Literature review

2.1 Strategy implementation process

Strategy implementation helps companies to survive and stay competitive [9], provided it is properly formulated and successfully implemented [10]. To be successfully implemented, it needs several process considerations [11].

Successful strategy implementation needs good strategic input [12]. It requires efficient downline information transfer [6]. The management team needs to give information about the companies' vision and mission to the employees [12]. A comprehensive understanding of the company's vision and the mission will smoothen the strategy implementation process [15]. However, information transfer can be challenging, and information can get deteriorated throughout the process [6].

Strategy implementation is effective only when the strategic action plan is clearly defined [2]. Key essence of strategic action plan involves task division, timeframe and cost estimation [12]. The management team needs to constantly monitor the strategic action plan [14].

Without sufficient resources allocation, the strategy may not be successfully implemented [2]. Through

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strategic action plan, resources allocation such as human, physical and technological resources need to be highlighted [15].

Employees prefer to stay in the comfort zone and usually resist to make adjustments in their working routine [2]. Training helps employees in adapting to new routines, fulfilling strategic action plan [12].

Employees' involvement in decision making is also important to avoid rejections in strategy implementation stages [6]. An organic organisation structure encourages the employee's involvement in decision making [16]. It defines flexibility, with minimum job specialization, fewer management layers and decentralized decision making [17]. It provides lower red tape and shared commands with employees in reporting system [16].

Reward is also another factor in successful strategy implementation, it stimulates positive employees' behaviour [18]. It provides employees satisfaction and motivation [19]. Rewards can be in terms of individual or team incentives, or profit sharing [20].

Corporate culture also influences company performance [21]. It is "a set of norms and values strongly shared throughout the organization" [22]. Good corporate culture facilitates group learning towards effective dynamic problem solving [23].

2.2 Employees' performance

Successful strategy implementation helps construction companies to boost their employees and overall performance [4]. Employees' performance is defined as employees' efficiency and effectiveness of their tasking [24].

Employees' performance depends on employees' commitment [25]. Employees' commitment is defined as the willingness of employees to actively participate in a company's taskings [26]. Job satisfaction and employees' commitment are related [26]. Job satisfaction can be derived through a challenging task, schedule and authority flexibility, personal accountability and due rewards [26].

Job satisfaction is a factor in company employees' retention [26]. High degree of job satisfaction may contribute to low company employees absenteeism and turnover [27]. Company can retain employees through considering employee's needs, namely bonuses and salaries [28].

Employee's growth is another key indication of employees' performance [20]. Career development activities in the company usually help to improve employees' career development which helps to boost the employee's growth [29].

3. Relationship between the strategy implementation process and the employees' performance in construction companies

A successful implementation will enhance the employees' performance resulting in better company performance [30]. However, there is still a lack of empirical evidence proving such relation [31]. Thus, this research mainly to provide empirical evidence on this relation. The hypotheses of the research are successful strategy implementation process influence employees' performance in construction companies positively.

4 Methods

4.1 Sampling and data collection

This research focuses only on Grade G7 contractors registered under CIDB Malaysia because most of the large construction companies have established their strategy implementation process for years and some of the small and medium construction companies still refuse conduct strategy planning [8]. This research also narrows to only Grade G7 contractors in the Klang Valley, Selangor only because this region is one of the most targeted areas for development projects in the in Malaysia due to its high development market value [32]. Being the most targeted area, construction companies in this area need to implement strategy effectively to stay competitive. As of June 2018, about 3,300 Grade G7 contractors in the Klang Valley, Selangor were listed active under CIDB Malaysia. Twenty-five (25) questionnaires survey were collected specifically for this research representing twenty-five (25) Grade G7 contractors in the Klang Valley, Selangor. The respondents were top management of construction companies consist of from Head of Strategic Planning, CEO of Construction Company, Administration Manager to Human Resources Manager.

4.2 Employees' performance

Based on the previous research, the conceptual framework shown in figure 1 was developed and it was verified through data collection and Pearson's correlation analysis. The framework emphasis on the relationship between the strategy implementation process and employees' performance in construction companies.

4 Discussions of results

The data collection was analysed using the Pearson's correlation analysis approach in Statistical Package for the Social Sciences (SPSS) Software such as shown in table 1.

Based on Pearson's correlation analysis such as in table 1, providing training shows the highest correlation coefficient compare to other independent variable listed in figure 1.

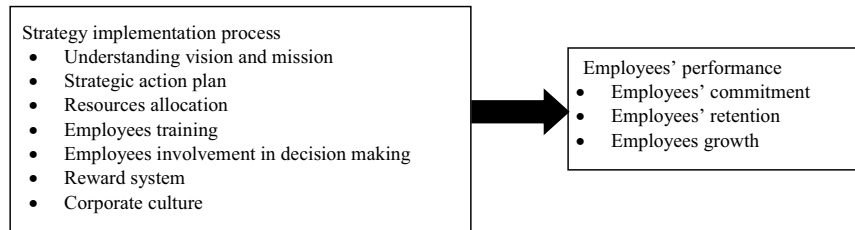


Fig. 1. The conceptual framework of the strategy implementation process and employees' performance in construction companies.

Table 1. Pearson 's correlation analysis between the strategy implementation process and employees' performance in construction companies.

Strategy implementation process		Employees' commitment	Employees' Retention	Employees' Growth
Ensuring vision & mission are understood by the employees	Pearson Correlation	.350	.471*	.533**
	Sig. (2-tailed)	.087	.018	.006
	N	25	25	25
Making a strategic action plan to achieve the strategic objective	Pearson Correlation	.263	.397*	.394
	Sig. (2-tailed)	.204	.049	.052
	N	25	25	25
Allocating sufficient resources for the strategic action plan	Pearson Correlation	.374	.340	.429*
	Sig. (2-tailed)	.066	.096	.032
	N	25	25	25
Providing sufficient training for employees to carry out the action plan	Pearson Correlation	.397*	.641**	.560**
	Sig. (2-tailed)	.049	.001	.004
	N	25	25	25
Involving employees in decision making	Pearson Correlation	.353	.600**	.482*
	Sig. (2-tailed)	.084	.002	.015
	N	25	25	25
Rewarding employees	Pearson Correlation	.260	.427*	.503*
	Sig. (2-tailed)	.210	.033	.010
	N	25	25	25
Strong corporate culture	Pearson Correlation	.153	.397*	.532**
	Sig. (2-tailed)	.466	.049	.006
	N	25	25	25

In table 1 recorded that providing training has the highest correlation coefficient for employees' commitment (.397), employees' retention (.641) and employees' growth (.560). employees' retention and employees' growth correlation coefficient for this independent variable exceed strong correlation coefficient ($r > .5$) [33]. Thus, providing training in strategy implementation is crucial especially employees' retention and employees' growth. This is supported by precedent research that, sufficient training helps to acclimate employees to the company strategic action plan [12]. Insufficient training makes employees' unawareness of the company strategy which diminishes the chances for successful strategy implementation [7].

Another strong independent variable correlated with the dependent variable in this research is the employees' involvement in decision making. This is proven with the second highest correlation coefficient for employees'

retention (.600) and employees' growth (.482) which exceed the strong correlation coefficient ($r > .5$). Precedent research supports that employees' involvement in decision making helps to motivate employees to engage in the tasks assigned to them [7].

Table 1 also shown that by ensuring employees understood company vision and mission will influence the employees' growth. This is proven with the high correlation coefficient for employees' growth (.533) which exceed the strong correlation coefficient ($r > .5$). Although this independent viable also influence employees' commitment and Employees' Retention, however, the correlation coefficient is quite moderate ($.3 < r < .5$) [33].

Strong corporate culture helps to motivate employees to increase employees' growth in achieving the construction companies' strategic objective [24]. This is supported by the strong correlation coefficient for

employees' growth (.532) based on table 1. Precedent studies stated that strong corporate culture also helps to improve both in retaining employees' and employees' commitment [24]. However, based on table 1 the relationship between corporate culture to retain employees' and gain employees' commitment is quite weak ($.1 < r < .3$) [33].

Providing employees rewards able to increase employees' performance [20]. Based on table 1, providing employees rewards give quite strong influence on employees' growth with (.503) correlation coefficient. However, its correlation with other dependent variables is quite weak.

Another independent variable that is correlated with employees' commitment, employees' retention and employees' growth is the allocation of resources. However, based on table 1 they are correlated, but the correlation is quite moderate ($.3 < r < .5$).

Appropriate strategic action plan helps construction companies boost employees' commitment, employees' retention and employees' growth. However, based on table 1 their correlation is quite weak ($.1 < r < .3$). Although both of these independent variables are important for successful strategy implementation, they are a weak variable for employees' performance.

Table 1 also shows that all of the independent variables are weakly correlated to the employees' commitment as dependent variable. This is proven by the low correlation coefficient ($.1 < r < .3$). Even the highest correlation of independent variables and employees' commitment as dependent variable is only at correlation coefficient ($r = .397$) which providing training as it is independent variable. Thus, all of the independent variables are in this research do not give much influence towards the employees' commitment as it is dependent variable.

5.1 Conclusions and recommendation

It is concluded that the strategy implementation process does influence employees' performances in construction companies especially toward employees' retention and employees' growth. However, as in the discussion, strategy implementation process does not have a strong influence towards the employees' commitment as much as other employees' performances dependent variable. Thus, the future researcher can extend the research towards other variable related to employees' performances in strategy implementation. This research also focuses only Grade G7 construction companies in Klang Valley. Thus, future research may be resumed to this research to other regions as well. Finally, this research not only stimulates knowledge for academic purposes but also will benefit top management in the construction companies to use as knowledge to conduct strategy implementation in their companies.

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