

Barriers to Strategy Implementation

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INTRODUCTION

Electronic commerce (e-commerce) has increasingly become important either as the only way of doing business or more commonly as a complementary approach to trade for already established bricks and mortar companies. None of the activities in the process of strategic e-commerce management is easy and straightforward. However, as agreed by many scholars (Aboutalebi, 2016b; Chatain, 2014; Collier, Fishwick, & Floyd, 2004; Friesl & Silberzahn, 2012) the most challenging task in strategic e-commerce management is strategy implementation that is almost never done smoothly. This study aims to identify and classify the major barriers to effective implementation of e-commerce strategies by introducing the taxonomy of barriers to strategy implementation.

In the remainder of the chapter, first a short background to strategic e-commerce management is provided, and the gaps in current literature are highlighted. Then, solutions and recommendations to deal with the shortcomings are discussed, leading to the new taxonomy, which is presented in this section after a brief description of the research methodology employed in this study. The next section discusses the theoretical and empirical implications of future research directions. Finally, a conclusion completes the chapter.

BACKGROUND

It is believed that the first Internet-based shopping system was invented by Michael Aldrich in 1979 that was used initially by the Tesco Company, the largest food retailer in the UK (Tkacz & Kapczynski, 2009). Although e-commerce has its own business features such as online transaction (See-To, Papagiannidis & Westland, 2014), online risk (Flanagin, Metzger, Pure, Markov, & Hartsell, 2014), information disclosure (Sharma & Crossler, 2014), and e-satisfaction (Wu, Gide, & Jewell, 2014), according to strategy guru Michael Porter (2001) developing exclusive strategies for Internet-based businesses that are independent from non-Internet-based strategies would be unwise and conflicting.

Due to various obstacles in implementing e-commerce strategies, Tesco and other first movers could not capitalize on the potential of online business (DaSilva & Trkman, 2014). Although pioneer companies were expected to face some difficulties in implementing e-commerce strategies, after more than 35 years many companies are still experiencing barriers in implementing e-commerce strategies or other strategies in online commerce.

In a pessimistic perspective Sparrow (2000) claims that the emphasis on simple contingencies, and the attempt to create a 'fit' against them is an illusion that does not match reality. In reality managers have to create, comprehend and manage a complex series of 'dualities' within their organizations. These are frequently counter-intuitive, such as the need to both differentiate and integrate the organization, to focus on low-cost as well as high value-added elements, and to enter into both competition and partnership within the same organization (Beynon-Davies, 2012). He states that few employees believe that

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the strategy would be implemented in line with the plan largely due to uneven and poor management skills, poor comprehension of roles, insufficient co-ordination, unclear lines of accountability and lack of commitment (Sparrow, 2000, p. 16).

Dearlove and Crainer (2014) who are more cynical than Sparrow, by questioning the rationality of strategy implementation, believe that by the time the strategies are implemented, the original problem has changed and new and significantly different challenges have emerged. This perspective is an unreasonable and counterproductive idea that would lead to organizational failure because organizations cannot and should not avoid strategy implementation and rely on day-to-day planning instead (Miyashita, 2014).

GAPS IN CURRENT LITERATURE

While there have been some eclectic discussions regarding barriers to implementation of strategies, no attempt has been made to identify and classify major obstacles in implementing strategies in general and executing e-commerce strategies in particular.

While Heide, Grønhaug, and Johannessen (2002) propose just two barriers to applying strategies, problematic communication and organizational structure, other researchers identify further obstacles to strategy execution in the e-commerce field. Walters, Kroll and Wright (2010, p. 105) by emphasizing the importance of behavioral context on success of strategy implementation, state that “It is widely accepted that different strategies need to be implemented in different ways”. The mentioned obstacles represent just a tiny part of the reality.

Some of the perspectives regarding problems in turning strategy into action include lack of attention to the implementation of strategy (Friesl & Silberzahn, 2012), implementation often being patchy and sometimes contradictory (Walters *et al.*, 2010), responsibility for implementation often being unclear (Sila, 2013), and HR strategy being only a minor influence on HR policies and procedures used (McDonald & Westphal, 2011). Each of these studies focused only on one barrier that makes them incomplete.

According to Paton and Wagner (2014) in both public and private sectors, employees, especially those with a professional education and training, are not passive observers of the implementation process; indeed in many cases such employees have the capability to blunt the change process if they deem it inimical to their interests. Disagreement in governance issues may hinder strategy implementation (DaSilva & Trkman, 2014). Disregarding organizational politics can create serious problems for implementing strategies. The struggle for more power among different departments would lead to behavioral constraints and occasional deficiency of rational decision-making by managers during implementation of strategies (Kaplan & Norton, 2008). The scope of each of these studies is narrow, so they disregard other potential barriers.

Insufficient resources for strategy implementation, especially for start-up companies, can be problematic (Aalbers & Dolfsma, 2014). Inappropriate goal setting and strategy formulation would lead to problematic execution of strategies. Cater and Pucko (2010) state that CEOs with low capacity for demanding decision-making may abandon implementation of complex strategies such as product diversification strategies. Built on this discussion, two obstacles in strategy executions are complex strategies and incompetent CEOs in terms of decision-making capabilities. These are other examples of one- or two-dimensional research concerning barriers to strategy implementation.

Debates about the rationality, implementability, sequence and effectiveness of strategic behavior have failed to reach any cohesive conclusions about how best to approach the complex tasks of strategic formulation and implementation (Syrett, 2013). Confusion, frustration, cynicism, secrecy, power

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