

BUSINESS POLICY & STRATEGIC MANAGEMENT-II

UNIT-II: STRATEGIC IMPLEMENTATION — BEHAVIORAL AND FUNCTIONAL ASPECTS

1. Behavioral Implementation

➤ What is Behavioral Implementation?

Behavioral implementation refers to the **people-oriented side of strategy implementation**. It involves aligning organizational behavior, culture, leadership, and power dynamics to ensure effective strategy execution.

"Even the best strategy will fail without the right behavior and mindset."

Behavioral implementation focuses on:

- Motivating employees
- Managing resistance to change
- Developing a strategic culture
- Influencing organizational politics and power structures

2. Leadership: An Overview

➤ Definition

Leadership is the ability to influence and guide individuals or teams toward achieving strategic goals.

➤ Role of Leadership in Strategy Implementation

- Communicating vision and strategy clearly
- Inspiring and motivating employees
- Driving cultural change
- Facilitating collaboration across departments

- Resolving resistance to change

➤ **Styles of Leadership**

Style	Description
Transformational	Inspires innovation, change, and commitment
Transactional	Focuses on tasks, rules, rewards
Autocratic	Leader makes decisions unilaterally
Democratic	Involves team members in decision-making
Laissez-faire	Hands-off approach; employees self-manage

➤ **Example**

Ratan Tata's leadership was transformational, promoting innovation and social responsibility while expanding Tata Group globally.

3. Corporate Culture: An Overview

➤ **What is Corporate Culture?**

Corporate culture is the shared values, beliefs, and norms that influence the behavior of people within an organization.

➤ **Types of Organizational Cultures (Charles Handy's Model)**

Type	Description
Power Culture	Centralized decision-making (e.g., small entrepreneurial firms)
Role Culture	Clearly defined roles and procedures (e.g., government)
Task Culture	Focus on teamwork and achieving tasks (e.g., project firms)
Person Culture	Individuals are central (e.g., law firms, consultancies)

➤ **Culture's Role in Strategy Implementation**

- Encourages or hinders change
- Shapes employee motivation and behavior
- Influences communication and teamwork

➤ **Example**

Google's culture promotes **innovation and openness**, supporting its growth through continuous innovation.

4. Corporate Politics and Use of Power

➤ Corporate Politics

Politics in an organization refers to the informal efforts to influence decisions, allocate resources, and gain power.

➤ Why it Happens

- Scarce resources
- Different interests and goals
- Change in leadership or strategy

➤ Use of Power in Strategy Implementation

Power is the ability to influence others' behavior or decisions.

➤ Sources of Power (French and Raven's Model)

Type	Explanation
Legitimate Power	Based on position or title
Reward Power	Ability to give rewards
Coercive Power	Ability to punish
Expert Power	Based on knowledge and expertise
Referent Power	Based on personal charisma or relationships

➤ Managing Politics

- Transparent communication
- Involving key stakeholders
- Balancing interests

5. Functional/Operational Implementation

➤ What is Functional Implementation?

Functional implementation means converting strategies into action through **various functional departments** like marketing, HR, finance, and operations.

➤ Importance

Even if the strategy is sound, poor implementation at the functional level can lead to failure.

➤ Steps Involved

1. Developing functional strategies aligned with overall corporate strategy.

2. Allocating resources to functional areas.
3. Setting functional goals and KPIs (Key Performance Indicators).
4. Monitoring functional performance.

6. Overview of Functional Strategies

Functional strategies support the **broader business strategy** by translating it into actionable departmental plans.

1. Marketing Strategy

- Product decisions (features, branding)
- Pricing strategy (penetration, skimming)
- Promotion (advertising, sales)
- Distribution (channels, logistics)
- Market positioning and segmentation

Example: Coca-Cola's global marketing strategy focuses on **local customization** with consistent brand messaging.

2. Financial Strategy

- Investment planning
- Capital budgeting
- Cost control
- Risk management
- Return on investment (ROI)

Example: Apple maintains strong financial discipline through large cash reserves and high-margin products.

3. Human Resource (HR) Strategy

- Talent acquisition and retention
- Performance appraisal systems
- Training and development
- Compensation planning
- Employee engagement and culture-building

Example: Infosys invests heavily in employee training, which aligns with its strategic focus on knowledge-based services.

4. Production/Operations Strategy

- Capacity planning
- Quality control
- Supply chain management
- Technology adoption
- Process innovation

Example: Toyota uses **lean manufacturing** (Just-in-Time) to reduce waste and improve efficiency.

5. R&D Strategy

- Product innovation
- Process improvement
- Patents and technology development
- Collaboration with universities/startups

Example: Tesla invests heavily in R&D to innovate in electric vehicles and battery technology.

6. IT/Information Systems Strategy

- Automation
- Data analytics
- Cybersecurity
- Digital transformation

Example: Amazon uses data analytics for personalized marketing and demand forecasting.

Summary Table

Concept	Explanation
Behavioral Implementation	Aligning people, behavior, and attitudes with strategy
Leadership	Influencing and guiding people to achieve strategic goals
Corporate Culture	Shared values and beliefs influencing behavior
Corporate Politics & Power	Informal influence and authority within an organization
Functional Implementation	Executing strategy through departmental actions
Marketing Strategy	How the firm attracts and serves customers
Financial Strategy	Managing finances to support strategy
HR Strategy	Aligning people policies with strategy
Production Strategy	Efficient use of resources and technology
R&D Strategy	Focusing on innovation and product development
IT Strategy	Leveraging tech for operational and strategic goals