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SCHOOL OF MANAGEMENT

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MIDDLE MANAGEMENT' S WARFARE:

Balancing top management team's directives and subordinates' daily tasks during ser-
vitzation

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ABBREVIATIONS

MM	Middle manager
OEM	Original Equipment Manufacturer
PSS	Product-service system
TMT	Total management team

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ABSTRACT:

This qualitative study researches how the role and organizational position of middle managers in a manufacturing company influence the implementation of servitization, as an intended strategic change. The chief purpose of the research is to shed lights on the middle managers' role in balancing the top management team's directives and subordinates' daily tasks during the transitioning process towards a more service-oriented logic. The focus, therefore, is on strategy implementation, middle management, and servitization. The theoretical framework is built based on these themes by, first, developing a clear idea about the middle managers' role and impact on strategy implementation, in general, through linking strategy implementation literature to middle management work related literature. Subsequently, the output of this phase was placed in the context of servitization.

This empirical study was carried out in a publicly-listed Finnish manufacturing company. Nine conducted interviews with middle managers served as empirical data that were analyzed using the qualitative content analysis method.

The results suggest that the organizational position of middle managers could sets restrictions to the implementation of servitization. Moreover, the balancing mechanisms used by middle managers are shaped by some contextual aspects. Nonetheless, communication remains the most cited mechanism by middle managers to achieve the said balance. Hence, this research is deemed relevant both for academicians and practitioners.

KEYWORDS: Middle manager, Servitization, Strategy implementation, Balancing mechanisms.

1. INTRODUCTION

1.1. Motivation of the study

The business environment globally is impacted by radical macro-changes that fuel the manufacturing industry to shift the focus towards services. Vandermerwe and Rada (1988) argue that the service activities conquer the worldwide economy and the strategic business thinking. Indeed, the global competition has led to the commoditization of the products offering and forced manufacturing businesses to move from providing products solely to offering an integrated combination of goods and services (Rabetino, Kohtamäki, & Gebauer, 2016; Rabetino, Kohtamäki, Lehtonen, & Kostama, 2015) as a new strategic alternative to create and capture value. This shift in the business model aims to gain a competitive advantage that cannot be easily imitated (Lee, Yoo, & Kim, 2016), create and seize potential opportunities for growth, and generate additional streams of profits (Matthyssens & Vandenbempt, 2008). Allocating all the organization resources and efforts to manufacture standalone products might not lead to a lasting competitive advantage that was described by McGrath (2013) as fleeting. Moreover, Vandermerwe and Rada (1988) maintain that managers should not perceive services as a separate independent category, but rather as a part of their business strategy since sustaining a competitive advantage depends on the ability of organizations to develop services to attract new customers and retain the existing ones.

There is an increasing demand for value creation by customers more than the product itself (Pawar, Beltagui, & Riedel, 2009a). In addition, “*the critical and common theme is rethinking the meaning and process of value creation rather than thinking about how to market to a different type of customer or how to make a different type of good*” (Vargo & Lusch, 2008, p. 256). Hence, services are driving organizational profitability through the knowledge co-creation process to face commoditization that weakens the financial position of businesses. Therefore, adding services to products to create value is known as servitization (Baines, Lightfoot, Benedettini, & Kay, 2009; Lee et al., 2016; Vandermerwe & Rada, 1988). Nonetheless, Vandermerwe (1988) affirms that even the purely manufacturing organizations have always been involved with ‘servicing’ to some

degree. Still, this involvement remains as a protection towards their products rather than a strategic move that leads to achieving a competitive ground for value creation (Belal, Shirahada, & Kosaka, 2012).

Vandermerwe and Rada (1988) introduce servitization for the first time while transforming the traditional business perspective by adding services to create value. Servitization could be seen as a process, but its implementation necessitates a servitization strategy to be formulated as part of the strategic organizational process that aims to achieve pre-determined outcomes. In fact, the formation of any strategy should be fueled by some drivers, and so it is the case for servitization. A review of the literature by Baines, Lightfoot, Benedettini, and Kay (2009) enable to categorize the drivers for servitization in three sets: financial, strategic, and marketing. Meanwhile Vendrell-Herrero, Parry, Bustinza and O' Regan (2014) state that pursuing servitization would have direct impacts on the performance of the company itself, but also would influence the territorial competitiveness; in addition, they state that cost structure translated into maximizing profit and lowering cost often lies as a driver for servitization strategy. This driver was referred to as cost and revenue efficiency by Settanni, E., Newnes, L. B., Thenent, N. E., Parry, G., and Goh (2014). They argue that regardless of the cost and revenue efficiency that could be achieved through servitization, assessing this efficiency financially is not evident since *“cost prediction methodologies for product manufacture are well understood, but service support cost methods less so”* (Vendrell-Herrero et al., 2014, p. 281).

Servitization should not be perceived solely as adding services to products to deliver a combined product-service system or innovating the existing product-based business model, but rather it should lead to perceiving the product manufacturer as a service provider. Hence, the inevitability of manufacturers to move from G-D (Goods dominant) logic to S-D (Service dominant) logic (Vargo & Lusch, 2004). On the one hand, the G-D logic represents the traditional product-based business models where manufacturers create value to be distributed in the market either against other goods or money (Vargo, Maglio, & Akaka, 2008). Moreover, under this logic, the value is created as an outcome of a series of physical actions completed by the manufacturer, which sets a clear

distinction between the role of the products manufacturers and the products consumers (Vargo et al., 2008). On the other hand, under the S-D logic, producers and consumers work hand-in-hand to co-create value “*through the integration of resources and application of competencies*” (Vargo et al., 2008, p. 146). Therefore, based on the alternative model of value creation proposed by Vargo et al. (2008), a successful implementation of servitization requires a shift towards S-D logic to serve the new business opportunities better.

1.2. Research Gap

Servitization reflects a pure situation of strategic change driven by top management intention and commitment. Nevertheless, “*it is often middle managers rather than the top managers who have their hands on the ‘pulse of the organizations’ and are closer to customers and stakeholders*” (Dutton, Ashford, O’neill, Hayes, & Wierba, 1997, p.407). Thus, middle managers play a vital role in securing a smooth execution of organizational strategies since they are the optimal players in an organization to fulfill this mission thanks to their position.

The last three decades have witnessed an expansion of the scope of the strategy process research by shifting the focus from top management to middle management and other organizational management levels, as the middle managers’ behaviors and doings impact the organizational strategy directly (Wooldridge, Schmid, & Floyd, 2008). Nevertheless, facing this increase of interest towards middle managers’ strategic role in theory, the organizational re-engineering has shrunk their numbers in practice (Floyd & Wooldridge, 1994).

Certainly, on the one hand, previous studies that researched the middle managers’ role in strategy have contributed to shed lights on the premise of the importance of middle management’ role in clearing up the main organizational outcomes (Wooldridge, Schmid, & Floyd, 2008). Balogun and Johnson (2004) examine the influence of middle management on strategy implementation, Wooldridge and Floyd (1990) research the involvement of middle managers in strategy formation, Kanter (1982) and Burgelman

(1983) study the role of middle management in explaining the major outcomes of the organizational learning/innovation & organizational entrepreneurship, respectively. These studies have used middle management's lenses to deal with different research interests that are widely in nature.

On the other hand, there is an increasing research interest in multiple aspects of servitization. Still, Gebauer, Edvardsson, Gustafsson, and Witell (2010) maintain that these research efforts have been focused to study factors leading to service orientation, organizational structure, resource management. Therefore, studying the role of middle management in implementing servitization is still poorly studied and continues to be a new and multifaceted concept.

Although servitization is a fresh research concept, it has attracted several scholars who investigated this concept from numerous perspectives. Indeed, in their clinical literature review of servitization, Baines, Lightfoot, Benedettini, and Kay (2009) have reported that the concept has evolved over time, as the research interests have moved from defining the concept and tackling it from a general view, studying its evolution in the manufacturing industry, examining its drivers, shedding lights on factors pushing towards servitization, discussing its challenges, to providing guidelines for a successful implementation. Similarly, a systematic review of servitization conducted by Lightfoot, Baines, and Smart (2013) concludes that the servitization of manufacturing as a research interest is a multidimensional and complex one, and the generic research's focus is oriented towards "*the concepts of product-service differentiation, competitive strategy, customer value, customer relationships and product-service configuration*" (p. 1408). Hence, it appears the vitality of conducting further research focusing on exploring the balancing mechanisms used by middle managers to balance the strategic directives and the supervisory tasks translated in lower-level employees' daily tasks in the context of servitization.

Therefore, bridging the role of middle managers in strategizing to servitization as an intended strategic change represents a research opportunity to underpin the discussed

research gap since this study attempts to address how the execution of servitization is impacted by the position of the middle managers and their interfering responsibilities.

1.3. Research aim and expected contribution

This study aims primarily to shed lights on the middle managers' role in implementing a strategic change in general and executing servitization in specific. The study examines the contradictory position of middle managers that need to guarantee the continuity of the operative activity of the organization while enabling an organizational change through strategizing, which is, in this case, a servitization strategy. For that, as it will be discussed in detail in the literature review section, the theoretical background that would be used to achieve the said objective would be a mix of all the strategic implementation, organizational roles of middle managers, and servitization. Therefore, this study intends to bring an added-value to the field of the role of middle managers in strategizing by potentially contributing at different levels.

As far as the theoretical contribution is concerned, the results of the research would contribute to study closer to the execution of servitization from the middle managers' angle and how they balance between their interfering responsibilities. Although the focus would be on the servitization strategy, the results could be projected on a bigger scale to understand the role of middle managers while strategizing, in general. Moreover, for the managerial contributions, by determining the different balancing mechanisms used by middle managers to balance their interfering responsibilities in the context of servitization, this study would provide future practical guidelines for middle managers while implementing a strategic change.

1.4. Research question

There is an increase in awareness and consciousness of the manufacturing companies about servitization, and more companies are moving towards adopting a servitization strategy (Vandermerwe & Rada, 1988). Nonetheless, this strategic change translated into servitization is not easily managed. In this study, the chief objective is to study how the

position of middle managers in an organization and their interfering responsibilities lead to balance the strategic directives and the subordinates' daily tasks during a servitization process. Therefore, the research question is formulated as follow:

RQ: How do middle managers balance TMT 's directives and subordinates' daily tasks during the servitization process?

Answering the research question imposes investigating the following sub-questions by focusing on the middle management level.

- What does the implementation of servitization entail in the work of middle management?

Uyterhoeven (1989) argues that middle managers are in a double-edged sword position where their assigned organizational tasks could be contradictory since they need to guarantee the operative activity continuity while empowering strategic organizational change for a new strategy implementation. Moreover, whereas Bourgeois and Brodwin (1984) assert the imperative involvement and contribution of middle managers in the accomplishment of strategic change through strategy implementation, Rouleau and Balogun (2011) uphold that middle management “*lack the formal role authority held by their seniors to act strategically*” (p. 954). For that reason, the first-sub-questions aims at understanding the simultaneous undertaken roles of middle managers since their position within an organization undergoing servitization might impact its implementation. Consequently, to determine how the different roles of middle managers interact with each other, it would be necessary to determine what middle managers' work is entailed in a servitization strategy.

- How do middle managers function in the implementation of servitization?

To determine the balancing mechanisms middle managers use to balance their organizational roles in the context of servitization strategy, this second sub-question is more practical that is based on the answer of the first one.

Previous research on servitization seems to have sidestepped the role of middle management in executing this strategy. Hence, contributing to middle management research in the context of servitization is an objective of this study. To answer the research question, a comparison of the two sub-questions to prior studies on servitization and middle management's role while strategizing is required.

1.5. Delimitation

This research aims to depict the balancing mechanisms used by middle managers to offset between the top management strategic directives and the supervision of the subordinates' daily tasks while implementing a servitization strategy, as a strategic organizational change. Therefore, the focus would be on servitization, middle managers, and strategic implementation. Nonetheless, the said concepts are broad in nature; hence, by defining them, clear boundaries for the research would be set.

Servitization is a multifaceted concept that has attracted many researchers who came up with numerous definitions in the current literature. A detailed discussion of the main definitions would be covered in the literature review chapter later. Nevertheless, servitization is perceived in this research as the action or the ongoing intention of a manufacturing company to shift its focus from providing products solely to providing an integrated combination of products and services, as the results of a new strategic organizational change. This definition is aligned with the one provided by Vandermerwe and Rada (1988) who perceive servitization as “‘*bundles*’ consisting of customer-focused combinations of goods, services, support, self-service and knowledge” (p. 316) aiming at achieving a competitive advantage that would be hard to imitate based on creating a service-value proposition.

Indeed, to gain the corporate competitive advantage through servitization, a successful implementation is vital since without a proper implementation even the well-formulated strategies are impractical (Aaltonen & Ikävalko, 2002). *Strategy implementation* might seem to be a straightforward process that follows automatically the strategy formulation phase. However, the implementation of a strategy is not a linear process (Gebauer et al.,

2010) and it consists of “*transforming strategies into action*” (Aaltonen & Ikävalko, 2002, p. 415), which is a complex task. Moreover, the strategy implementation is positively correlated to the perception one has on strategy (Aaltonen & Ikävalko, 2002). On the one hand, if the strategy is believed to be explicit as it is discussed by Mintzberg (1978) - strategy is formulated and then implemented-, then the strategy implementation refers to the means to put into actions the formulated pre-determined plans. On the other hand, if the strategy is believed to be emergent (Mintzberg & Mintzberg, 1978), then this emergent view’s supporters perceive the implementation as the evolvement of non-planned external factors. In this study, the strategy is instead believed to be explicit, and strategy implementation is an automatic outcome that follows a target formulation.

As discussed earlier, strategy implementation is rather the task and responsibility of middle managers than strategic planners or top managers. Indeed, middle managers’ duties create a situation where their responsibilities intertwine with each other since “*middle managers have to hit, field, and pitch—all at the same*” (Uyterhoeven, 1989). For that reason, *middle managers* are defined in this research as any organizational member who has at the same time supervisory and subordinate responsibilities in an organization and plays the role of a middleman by connecting lower and higher organizational levels.

1.6. Thesis structure

The study will be structured mainly in 6 chapters as shown below (Figure 1):

Chapter 1 will introduce the researched topic, create interest, and raise awareness about the necessity to conduct the research.

Chapter 2 will summarize the review of literature for servitization and middle management’s role in organizations. This chapter will set the theoretical framework for the study by examining strategy implementation, servitization, and then it will be followed by the role and position of middle managers in executing a corporate strategy with a focus on the responsibilities of middle managers in implementing servitization.

Chapter 3 will introduce the research strategy and present the case company. Then, data collection and its analysis process will be presented followed by validity and reliability study.

Chapter 4 will provide the results of data analysis after describing the analysis process.

Chapter 5 will discuss the findings in relation to the discussed literature review. Then, the research questions will be answered in the light of the theoretical framework. Finally, a summary table of the main results is presented.

Chapter 6 will conclude the study by providing an answer to the research question, and then discussing the contribution to the servitization domain and the role of middle management in servitizing organizations. Afterward, this chapter will tackle the managerial and practical implications of the study, its limitations before raising discussion about future research.



Figure 1. Structure of the study.

2. LITERATURE REVIEW

Due to the lack of literature on the role of middle managers in implementing a servitization strategy and the balancing mechanisms used to balance the top management team's directives and the subordinates' daily tasks, this theoretical background section would be made up of a patchwork of the various inputs as shown in Figure 2. The first part will cover strategic management research by discussing mainly strategic implementation. Afterward, a review of the literature concerning servitization will be conducted, and finally, middle managers' roles in implementing corporate strategy will be reviewed to better define middle management level, and the role middle managers play in organizations either as supervisors or subordinates.

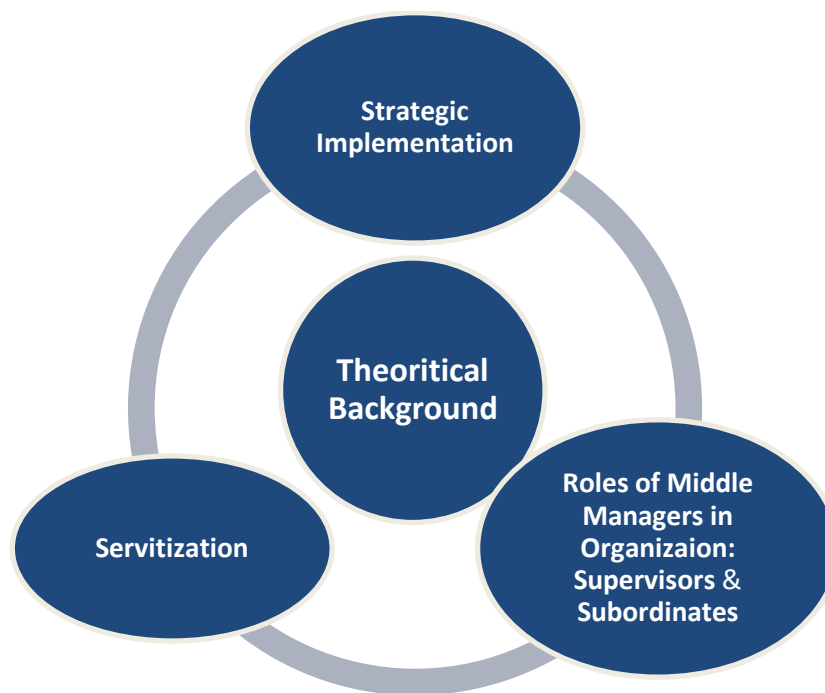


Figure 2. Structure of the literature review.

2.1. Strategy implementation

Strategy implementation has received much less attention in the literature (Aaltonen & Ikävalko, 2002; Noble, 1999) than strategy formulation without the existence of a clear

coherent research paradigm which is due mainly to the diverse outlooks in defining strategy implementation (Noble, 1999). Nonetheless, Alexander (1991) advocates a number of reasons why strategy implementation was less attractive than strategy formulation in strategic and organizational research. First, it is believed that strategy implementation could be done by anyone contrary to strategy formulation that necessitates skilled people who should be strategy-oriented. Second, it is hard to determine the boundaries of strategy implementation specifically the starting and ending points, and, finally, Alexander (1991) suggests “*the limited number of conceptual models of strategy implementation*” (p. 415) as a third reason.

Strategy implementation has always been problematic to organizations either because of lack of commitment to strategy implementation, lack of communication and poor management, non-alignment of the formulated strategy and resources, or inability to develop predictable factor to control the environment (Aaltonen & Ikävalko, 2002). Noble (1999) reports that the well-formulated strategies cannot lead to the intended goals translated into higher performance unless they are accompanied by a successful implementation (as cited in Bonoma, 1984).

Whereas discussing the nature of the strategic implementation in the body of literature, Noble (1999) refers to the numerous perspectives researchers have adopted while defining the strategic implementation to explain the absence of a coherent literature. In a literature review dealing with strategic implementation, Noble (1999) provides a set of formal definitions that reflect different perspectives on implementation. Floyd and Woolridge (1992a) define the implementation of a strategy as the managerial actions that are needed to line up the formulated strategy (strategic intention) with the undertaken organizational actions. This definition of implementation is limited as it does not recognize the importance of emergent strategies in the implementation process and it neglects the unavoidable and, sometimes, the uncontrollable external environmental factors. Another view of implementation is presented by Hrebiniak and Joyce (1984) when they attach the strategic implementation to the control and monitoring of the intended formulated strategic goals. Noble (1999) assumes that this former perspective of dealing with implementation is common in different strategy texts. Similarly to Floyd

and Woolridge's (1992a) definition, Kotler (1997) perceives the implementation phase as a pure execution of the formulated intentions which does not acknowledge absolutely the emergent view, either. Furthermore, Laffan (1983) approaches the strategic implementation from a different perspective by viewing the implementation as the action of allocating resources and resolving the functional issues, which is a higher level of planning. Finally, Noble (1999) combines all the above-discussed definitions from different perspectives and comes up with the following definition: "*strategy implementation is defined here as the communication, interpretation, adoption, and enactment of strategic plans*" (p. 120). This definition provides a more complete and holistic understanding of strategic implementation, as it covers different perspectives of dealing with the implementation rather than viewing this notion from a single angle.

2.2. Servitization implementation and middle managers

As discussed earlier, servitization reflects a pure situation of strategic change driven by top management intention and commitment. Pursuing servitization in a manufacturing setting sparks the implementation of an innovative strategy since moving from a G-D logic to S-D logic is a multifaced process that requires a careful attention (Vargo et al., 2008). In literature, Tukker (2004) refers to servitization as "value proposition", and Manzini and Vezzoli (2003) denote servitization as "innovation strategy" that requires moving towards innovative systems and models (Bullinger, Fähnrich, & Meiren, 2003).

The stages of the servitization process (Figure 3) presents the implementation of servitization as a one-way direction. Hence, successfully moving from one stage to another necessitates strategic actions followed by a careful implementation, as failing in any transition phase might hinder the implementation of servitization as a whole.

To successfully implements an innovative strategic change translated into servitization, Birken, Lee, & Weiner (2012) highpoint the key role middle managers play in implementing an innovative strategy. This vital role ranges from spreading messages, synthesizing information to facilitate a smooth implementation, balancing between the strategic directives and the operative tasks, to selling the innovative strategy to push

subordinates in the new context. These roles are described as interrelated components middle managers should be committed to for an effective implementation (Engle et al., 2017).

2.3. Servitization as a strategic option for manufacturers

Tracking the evolution of servitization in the manufacturing industry might barely be backed up with evidence from literature, as stated by Baines, Lightfoot, Benedettini, and Kay (2009). However, there is a consensus that the term servitization was used for the first time by Vandermerwe and Rada (1988). Traditionally, firms used to categorize themselves either as a pure service provider or perfect product manufacturer. Afterward, as per competition became fierce, the entry barriers to the competitive markets were getting lower as well as the switching costs for customers, there was a need for differentiation through innovation by adding closely connected services to products (Vandermerwe & Rada, 1988). In addition, as an automatic rebound of the servitization process, manufacturing firms moved to a position where the integrated product-service offerings became the core of the business. This strategic move is described by Vandermerwe and Rada (1988) as “*the increased offering of fuller market packages or bundles’ consisting of customer-focused combinations of goods, services, support, self-service and knowledge*” (p. 316).

Servitization has attracted a continuous attention from academicians, and numerous streams of research shedding lights on the different aspects of servitization have been established. For example, Armistead and Clark (1991) focus on the premise of after-sales services, Manzini and Vezolli (2003) explore servitization by focusing on product-service systems, Davies (2004) studies systems integration and Goffin and New (2001) research support services. Consequently, before addressing the implementation process of servitization, exploring how its definition has evolved in the literature seems essential.

2.3.1. Servitization in literature

Servitization has emerged in the late 1980's with the main advocates of this concept Vandermerwe and Rada (1988). Although Vandermerwe and Rada's (1988) definition is limited since the focus is only on achieving and sustaining the competitive advantage as the chief business driver for organizations to adopt a servitization strategy, it has opened the door for antecedent researchers to investigate this notion deeply. Vandermerwe and Rada (1988) start from the premise that companies would not be able to match their customers' needs by allocating all their resources either to solely one core product or a core service, but rather they need to find the right combination of products-services that could be translated in deliberately formulating and implementing a servitization strategy. Undoubtedly, Vandermerwe and Rada's (1988) definition is considered the first definition of the concept in the literature (Baines et al., 2009); however, since then, the concept is still developing over time, and there exist no single pre-determined agreed upon available definition.

Neely (2008) defines servitization by focusing on the ability of the organization to innovate both its capabilities and processes "*so that is can better create mutual value through a shift from selling product to selling Product-Service-Systems (PSS)*" (p. 10). Based on this definition, Neely (2008) provides a more complete definition while referring to Vandermerwe and Rada's (1988) definition when he raises the necessity to move towards product-service systems. Still, this definition has not tackled the need for redesigning the business model that should support "*the innovation of an organization's capabilities and processes*" (Neely, 2008, p. 10). Similarly, Baines, Lightfoot, Benedettini, and Kay's (2009) view of servitization is partially homogeneous with the one of Neely (2008) as both of them highpoint value addition as a main role of servitization. However, Baines, Lightfoot, Benedettini, and Kay's (2009) focus in their definition more on the transformation process to shift the focus towards offering integrated products and services. Finally, defining servitization as the "*process of creating value by adding services to products*" (Bandinelli & Gamberi, 2011, p. 87) is aligned with the view of Raddats and Burton (2011) wherein all of them closely associate servitization with the increase of services' concentration as a reaction to the market structure change.

In a nutshell, regardless of the differences in the above-discussed definitions, all of them start from the same idea of meeting the changing customer' needs while creating value. These definitions stress out the necessity to invest in services and re-design the business models so that firms can move away from selling only products to offering an integrated combination of products and services.

2.3.2. Process of servitization

Services have always been part of manufacturing companies' activities; however, the degree of services these companies are involved in has increased dramatically in a way that services are created to accompany products by marketing the company's know-how or establishing specified organizational units to manage the created service-driven activities (Vandermerwe & Rada, 1988).

Servitization is the result of a strategic change process, and Martinez, Bastl, Kingston, & Evans (2010) have discussed four organizational strategic change processes. The first school of thought for processes of change is "*planned process*" which refers to the intention of the organization to establish a strategic change that starts by the formulation of a strategic change followed by its implementation (Greenwood & Hinings, 1993). A planned process reflects the intention of an organization to achieve a certain strategic position in the future and the means to realize the said position. Second, "*emergent process*" is a change process which is about the firm's flexibility to adapt to the unforeseen external environment as discussed by Mintzberg and Walters (1985), Lindblom and Olkkonen (2006), and Quinn, J. B., and Gagnon (1986). Third, a strategic change could be in the form of a "*reactive process*" which is usually a reaction driven by top management (top-down) as a response to unexpected stimuli (Gersick, 1994; Tushman, 1997). Finally, "*spontaneous process*" is a proactive change of the entire system that is neither expectable nor controllable, but it is a continuous process (Eisenhardt, Kathleen M & Brown, 1998).

In this study, the strategic organizational change leading into servitization is seen as a planned process, and it is described by Vandermerwe and Rada (1988) in three overlying phases. In the past, companies used to classify themselves either as a product manufacturer or service provider and top management were able to speech loudly that they fit one of these categories. Subsequently, as the changing structure of the industries gives birth to new technologies along with other factors such as globalization or removal of transnational trade barriers, the old categorization of companies was not any more valid. The businesses were in need to add services to the core product where the former is seen as the value creator and the service as a mean for differentiation. Nevertheless, servitization is not about adding services to products, but it is rather this mixture of goods, services, support, knowledge, and self-service that was described by Vandermerwe and Rada (1988) as “bundles”. Servitization is the unseparated product and service that creates value together and not separately (Pawar, Beltagui, & Riedel, 2009). The components of servitization should be dealt with as a single combined package where its parts interlace all together with no boundaries separating them.

To visually summarizes the servitization process as discussed by Vandermerwe and Rada (1988), Figure 3 was created to illustrate the suggested three stages:

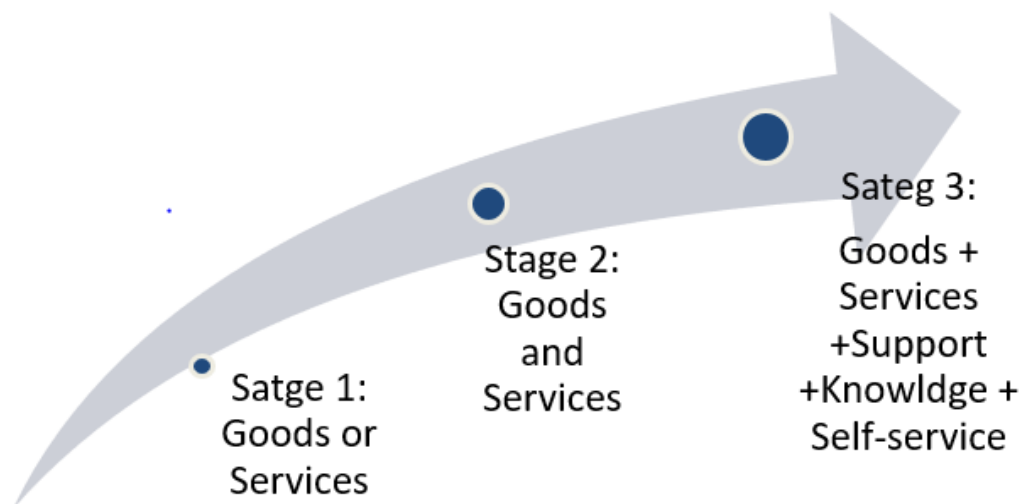


Figure 3. Stages of Servitization Process (based on Vandermerwe & Rada, 1988).

2.3.3. Drivers and requirements of servitization

Formulating and implementing a new strategy is usually motivated by specific drivers. However, “*it's not easy to make one general statement about why firms are servitizing so vigorously*” (Vandermerwe & Rada, 1988, p. 319). The majority assumes it is an automatic rational step to move towards services as a reaction to the business evolution; some top managers think servitization is a palpable way to create and seize business opportunities while some perceive servitization as a strategic differentiation move. However, as with many other corporate strategies, customers remain the chief driver of servitization (Vandermerwe & Rada, 1988).

Regardless of the servitization drivers, Vandermerwe and Rada (1988) state that the abrogating reason firms move to servitization is to achieve a competitive ground. Meanwhile, they have discussed the major outcomes of servitization in six aspects that are implicitly drivers for servitization:

- “*Setting up Barriers to Competitors*”: offering an integrated combination of products-services makes it difficult to competitors to attract the existing accounts of a firm adopting a servitization strategy. The more the service offerings are an integrated part of the customers’ decision process, the higher the chances these customers are loyal since in “*this way, a dialogue and relationship builds up*” (p. 319). By doing so, it is complex and costly for competitors to attract new customers, and they are usually mapped out.
- “*Setting up Barriers to Third-parties*”: third-parties are in a mushrooming position between firms and customers, and they have the power to influence both parties, as they acquire knowledge and know-how about the industry. Still, by adding services to products, the risk and power of these third-parties are minimized.
- “*Setting up Barriers to Customers*”: adding services to products are used to block out competitors; similarly, they could be used to lock in customers, as they might find needless to change their providers as the switching costs uprise.

- “*Creating Dependency*”: adding services should lead “*to create dependency through a partnership between the company and its customers rather than to try to control customers*” (p.320). It is hard to create a dependency relationship while offering products intensively, but it becomes much easier when there are products-services intensive offerings.
- “*Differentiating the Market Offering*”: given the market concentration and globalization effect, business ideas are easily copied and reproduced; however, servitization permits companies to differentiate its offerings from the existing ones on the market.
- “*Diffusing New Innovations*”: by offering services, the company is not only able to provide accurate solutions to its customers, but also, it is a way to assess if the firm is on the right track and provide solutions to its particular issues.

When providing product-service combinations, companies need to re-design their organizational structure to be more suitable for providing the integrated combinations. Moreover, organizational re-engineering is highly required, and a transformation of the corporate culture would be needed, as well (Baines et al., 2009). The success of the adoption of servitization necessitates a shift in the corporate mindset, as the service culture is massively different from the product culture (Slack, 2005). An illustration of the organizational transformation could be in shifting the corporate focus from product to consumer; hence, shifting the corporate culture from product-centric to customer-centric. Moreover, a substantial investment in human capital with new appropriate skills, technologies, and capabilities are suggested by Martinez, Bastl, Kingston, and Evans (2010) to guarantee an effective execution of the new product-service strategic vision. All in all, a successful organizational transformation from product-oriented to product/service-oriented mindset is easier in theory than in practice, and it is an incremental medium to a long-term process.

2.4. Middle management strategy implementation

Uyterhoeven (1989) describes middle-level general management as a new phenomenon that has emerged as more firms tend to shift towards a divisional organizational structure. Conventionally, a general manager was seen on the same foot of equality as a boss, and it was used interchangeably with a chief executive. However, general managers have been organizationally positioned under chief executives, and the number of general managers at the level of middle managers is upsurging (Uyterhoeven, 1989). The term “middle manager” is commonly used in literature and seldom used as a job title within organizations, as this position denotes a hierarchical placement (Van Rensburg, Davis, & Venter, 2014). Indeed, the middle management classification is correlated to the shift regarding how traditionally the roles of the management cadre were perceived. By the end of 1990's, moving beyond perceiving strategy as an up-down deliberate process permits to shed lights on different strategy actors including middle managers (Jarzabkowski, Balogun, & Seidl, 2007).

Different descriptions were used to designate the hierarchical placement of middle managers in literature. As cited in Van Rensburg et al. (2014), Mills (1956) uses “assistant of authority”, Nonaka (1994) refers to middle managers as “*mediators between the organisation's strategy and day-to-day activities*” (p. 14), and Floyd and Wooldridge (1992b) consider any manager in the middle of organizational hierarchy as a middle manager. Still, a middle manager could be better described as a baseball player who is supposed to outshine not only in hitting the ball, but also in fielding and pitching synchronously. While top-level general managers' mission is mostly about supervisory tasks, a middle manager needs to act as a subordinate by receiving orders from their hierarchical supervisors. In addition, a middle manager should act as a supervisor vis-à-vis his/her subordinates. Finally, a middle manager needs to act laterally regarding his/her peers (middle-managers) by demonstrating a high degree of cooperation. Hence, “*the middle manager wears three hats in fulfilling his general management role*” (Uyterhoeven, 1989, p. 76).

Not only do the overlapping roles either as a subordinate, supervisor, or equal impose to middle managers to deal efficiently and effectively with the threefold mission, but also to

be able to ensure a smooth, rapid, and timely shift from one role to the other. Furthermore, Uytterhoeven (1989) emphasizes that middle managers, similarly to the majority of other managers at different organizational levels, need to manage relationships to fulfill their tasks and argues that it is not evident to balance the three roles, as respecting literally the orders from the supervisors might be seen as a sign of weakness and, hence, fade his/her authority from his/her subordinates, for instance.

In a nutshell, a middle manager needs to plan, guide, and delegate tasks while managing a business unit and, at the same time, he/she needs to follow specific downward guidelines to attain the outlined objectives. Therefore, middle managers are “*both delegators and doers, both strategists and operators*” (Uytterhoeven, 1989, p. 138). In other words, if the middle managers’ supervisors could be seen as coaches and their subordinates as players, the middle managers themselves must be players and coaches simultaneously. Herein, the challenge of continuously balancing both roles and trading off between being a delegator or a doer. Being both a player and a coach raises constantly the question to what extent a middle manager should be engaged in operative activities.

2.4.1. Middle managers’ different roles

Middle managers are players in enabling organizational change and implementing strategies, in specific. Still, their role was broadly highlighted and questioned in strategic management literature. Several scholars have questioned the middle management’ role in strategic management at the beginning of the 1990’s whereas others contend the vitality of middle managers (as cited in Ikävalko & Aaltonen, 2001). Those who support the criticality of middle management argue that middle managers have a chief organizational position since they have “*the ability to combine strategic macro (context-free) information and hands-on micro (context-specific) information*” (Nonaka, 1988, p. 15). Middle managers who participate in strategy formulation and deem themselves as a key element of strategy formation would participate positively to executing the intended strategy by interacting with the strategic management team, hunting for input, and turning plans into actions (Raes, Heijltjes, Glunk, & Roe, 2011). In contrast, while studying middle management self-interest and strategy implementation, it has been revealed that middle

managers who consider their involvement in strategy process as shabby would not only passively follow orders, but they could sabotage the strategy by either redirecting it or delaying its execution (Guth & MacMillan, 1986).

As discussed earlier, the different roles a middle manager plays, and the balancing mechanisms used by middle management could be beyond implementing a strategy formulated by top management. Traditionally, middle managers' role was associated with executing plans, and this view was even accepted by middle managers themselves (Reid, 1989). Similarly, Floyd and Wooldridge (1992b) support this view and maintain that middle management was seen as a piece of the strategic process puzzle when it comes to providing informative inputs and guiding the execution. Nevertheless, the middle-level management could have a positive upward effect influence on organizational strategic directions that is projected on the overall performance of the organization (Wooldridge & Floyd, 1990). Indeed, being an implementer is only one strategic role a middle manager could play among others (Floyd & Wooldridge, 1992b). The proposed typology of the roles of middle managers in strategy implementation by Floyd and Wooldridge (1992b) categorizes the middle management's roles by combining behavioral activity with cognitive influence, which resulted in four major roles (Figure 4).

		Behavioral	
		Upward	Downward
Cognitive	Divergent	Championing Alternatives	Facilitating Adaptability
	Integrative	Synthesizing Information	Implementing Deliberate Strategy

Figure 4. A typology of Middle Management Roles in Strategy (Floyd & Wooldridge, 1992b).

The classification of the roles of middle managers is based on the view that strategy is not a forthright realization of clear plans, but rather it is the outcome of a series of actions performed incessantly in different roles which could be projected on servitization (Floyd & Wooldridge, 1992b). This categorization is built on the principle that action and cognition interrelate among each other since “*each of the four roles ... is a synthesis of action and cognition unique to the position of middle managers*” (Floyd & Wooldridge, 1992b, p. 154). Moreover, strategy is not perceived as a unitary act, but instead it is a process of change, which involves diverging ideas similarly to implementing a servitization strategy that requires the inputs of several thoughts.

Floyd and Wooldridge (1992b) perceive the middle managers’ roles as a dealing between the cognitive dimension that is linked to strategy implementation and the behavioral dimension that refers to the hierarchical flow of information. The downward inclined behavior does not go beyond the traditional function associated with a middle manager that is eventually about ensuring a smooth execution of tasks flowing from top to down; the doer side of the coin. Still, the upward inclined behavior adds more strategic functions to middle managers’ roles regarding being both alternative strategy’s champions and information synthesizers.

The proposed typology presents the four roles a middle manager is involved in, and it is a convenient framework to shed lights on the multidimensional function held by middle managers. This classification helps to understand how a middle manager who is simultaneously a delegator and doer impacts the strategic implementation. In a nutshell, the role of middle management is not limited to the traditional view of implementers, but it extends to communicating upward and downward while moving among championing, synthesizing, facilitating, and implementing positions.

2.4.2. Middle managers in an upward relationship

Unlikely to other managerial positions, middle managers are in a delicate position by being subordinators and supervisors. Under the proposed typology of middle managers’ roles (Figure 4), the downward inclined behavior determines that middle managers as

subordinators need to accomplish the descending instructions while not being totally free to carry out the orders. Middle managers, while they are in the process of executing top management's orders, might face resistance sets by their subordinates, or these orders could be conflicting with peers/subordinates' interests, which leave middle managers in a position where they lack authority to satisfy their responsibilities. Uytterhoeven (1989) maintains that responsibilities assigned to middle managers and authorities given to them do not go hand in hand. Thus, to overcome this contradicting situation, middle managers look forward cooperating with their peers, as "*the responsibility-authority discrepancy is an inevitable fact of life where divisionalization penetrates the organization*" (Uytterhoeven, 1989, p. 140).

Taking part in different projects, middle managers are, always, in the middle of the information flow and generated ideas that are not necessarily aligned with the top management wishes and directives (Floyd & Wooldridge, 1992b). Thus, to overcome this situation, being strategic alternatives champions, middle managers increase the chances for the top managerial directives to take place. Indeed, by doing so, middle managers aim at impacting top management strategic vision by engaging in a "*web of communication*" (Floyd & Wooldridge, 1992b, p. 155) while passing on information that has emerged in their teams, so that top management might get engaged in adjusting the present concept of strategy. Nevertheless, the information collected by middle managers and channeled to top management are not strategy-oriented, all the time. Floyd and Wooldridge (1992b) argue that in an upward relationship, along championing alternatives, middle managers be involved in synthesizing information that is reflecting external or internal prospects, for instance, that could be part of the strategic plans. By synthesizing, middle managers could pass on information that serves their agendas (as cited in Floyd & Wooldridge, 1992b) since the way the information is interpreted and evaluated could impact top management's perception.

Furthermore, the upward relationship for middle managers raises another difficulty which is related to corporate measurement (Uytterhoeven, 1989). In practice, middle managers are the ones who have their hands on the pulse of the organizations, which provide them with a clear visibility of the business. However, these middle managers are in charge of

translating abstract objectives into concrete actions through delegating tasks to their subordinates and supervising the progress of actions to meet the strategic intentions. Likewise, middle managers must translate the concrete realized actions on the site into quantitative measurement so that an assessment study regarding intentions Vs. realizations could be conducted by top management. Nevertheless, the challenge exists in the measurement used to assess the work of middle managers by their superiors and the ones used by middle managers to measure the work of their subordinates. Uytterhoeven (1989) argues that top management cares more about loss and profit as a basis for measuring the work of the middle managers while the former rather refer to quantitative KPIs such as costs, sales, etc. and qualitative measures such as R&D effectiveness, plant layout, and other judgments.

In a nutshell, being in an upward relationship, middle managers act as subordinates and be implementers of strategy. This position offers middle managers the chance to serve as champions alternatives, information synthesizers to influence the strategic vision of top management via channeling the collected information bottom-up.

2.4.3. Middle managers in a downward relationship

Middle managers are in a mushrooming position where they receive directives from their supervisors whereas they are supervisors, at the same time, vis-à-vis their subordinates. Undoubtedly, the human capital is considered the most valuable asset of any organization and, hence, middle managers are the most critical ring in the strategic implementation chain. The supervisory function should not be seen as an addendum to the functions of middle managers, but rather as a mean for the company's success.

As cited in Floyd and Wooldridge (1992b), middle management' role is positively correlated with implementing the top management strategic directives to ensure that plans and intentions are turned into the desired actions. To do so, middle managers need to manage and delegate a team of subordinates since the implementation is not a simple process, but rather it demands a series of involvement from various organizational levels. Indeed, receiving strategic directives from top management is a key phase in the success of strategy

implementation, but communicating these directives to subordinates clearly and timely is more critical. Hence, it appears the importance of managing subordinates successfully, so that middle managers can channel the strategic message to lower hierarchical layers smoothly and clearly. As supervisors, middle managers act as change implementers and one way to fulfill this task is by ensuring that their subordinates are aligned with the new strategic change and resolving any issue that might slow or block the changed work practices. One common way to implant change work practices is by adapting the subordinates to the new changes. However, there is a constant fear of failure that creates difficulties and weakens the performance of middle managers specifically as supervisors (Mantere, 2008).

For strategy implementation, studies have shown that middle managers deviate from the official expectations by making organizations agiler even in the case of a deliberate strategy that is considered the simple form of strategy implementation (as cited in Floyd & Wooldridge, 1992b). Thus, a straightforward implementation of the strategic intentions is, generally, hard to realize in practice. Still, middle managers tend to protect the strategic directions from top management while “*they garner excess resources and relax regulations to help emergent approaches get underway*” (Floyd & Wooldridge, 1992b, p. 155). In such a case, when middle managers take the freedom to re-direct the strategic initiatives and diverge from the initial plans for an effective implementation, then they act as adaptability facilitators. By doing so, middle managers try to adapt the deliberate strategy to answer better the business opportunities that are offered by the external environment that were totally or partially ignored during the strategy formulation.

Similarly, to the corporate measurement issue faced by middle managers in an upward relation, middle managers as supervisors are in a must to efficiently and effectively translate abstract intentions from top management to tangible action plans to subordinates. This, in turn, underlines a full understanding of the strategic directives before transmitting them to their teams.

2.5. Summary of literature review

The above-presented literature review provides the theoretical background by covering all of the strategic implementation, middle managers' roles in organizations, and servitization that constitute a ground to answer the research question. Undoubtedly, there are numerous perspectives to approach strategic management, and the one adopted here is through middle managers' lenses while strategizing and executing servitization as a deliberate strategic choice of top management. The review of the literature has demonstrated that middle managers' role goes beyond the strategic implementation as they can influence top management' decisions through championing alternatives and synthesizing information. Moreover, even though middle managers act simultaneously as supervisors and subordinates, it is not evident to set clear boundaries between their intertwined functions. Contrary to the traditional view where top management team is fully responsible for strategy implementation as strategy practitioners, the literature review has shown that middle managers have a significant legitimized role in strategy implementation albeit they lack the authority to fulfill their tasks copiously.

This study intends to shed lights on the balancing mechanisms middle managers use to balance TMT 's directives and subordinates' daily tasks during the servitization process. The choice of middle managers in this study is fueled by their central organizational position and the contradictory functions they need to accomplish both as supervisors and subordinates while collaborating laterally with their peers.

On the one hand, middle managers act as subordinates; still, the nature of the subordinate tasks are unlike the duties expected from line workers. As discussed earlier, building effective two-way communication system between the TMT and middle managers is a pre-requisite for the success of the strategy process since a clear understanding of the strategy content, implications, and purpose helps to translate intentions into action plans. Moreover, an understanding of the strategy is not the only factor for the implementation success, but also the middle managers' involvement in strategy formulation by championing alternatives plays a significant role in increasing motivation of middle managers and their cooperation.

On the other hand, in a downward relationship, middle managers' role is linked to strategic implementation since it is through their subordinates, middle managers accomplish their functions. Thus, being a supervisor, middle managers are in a need to successfully manage their subordinates to ensure a proper execution of the received directives and establish an effective communication system since synthesizing information has to go, necessary, through collecting information from the supervised teams. This information could be decisive in case there is a need to develop an emergent strategy to respond to the unexpected external events.

The discussed roles of middle managers in the strategy process could be projected on servitization as a special case of an intended strategic change fueled by the intentions of top management and executed through middle managers. Nonetheless, a clear separation of the twofold mission of a middle manager either as a supervisor or subordinate can neither be distinctly translated in practice nor in theory. Thus, constructing a framework to highlight the importance of investigating how middle managers to balance TMT 's directives and subordinates' daily tasks during the servitization process was necessary. Figure 5 illustrates roughly the proposed framework that was newly constructed for this study purpose using the typology of Middle Management Roles in Strategy by Floyd & Wooldridge (1992b).

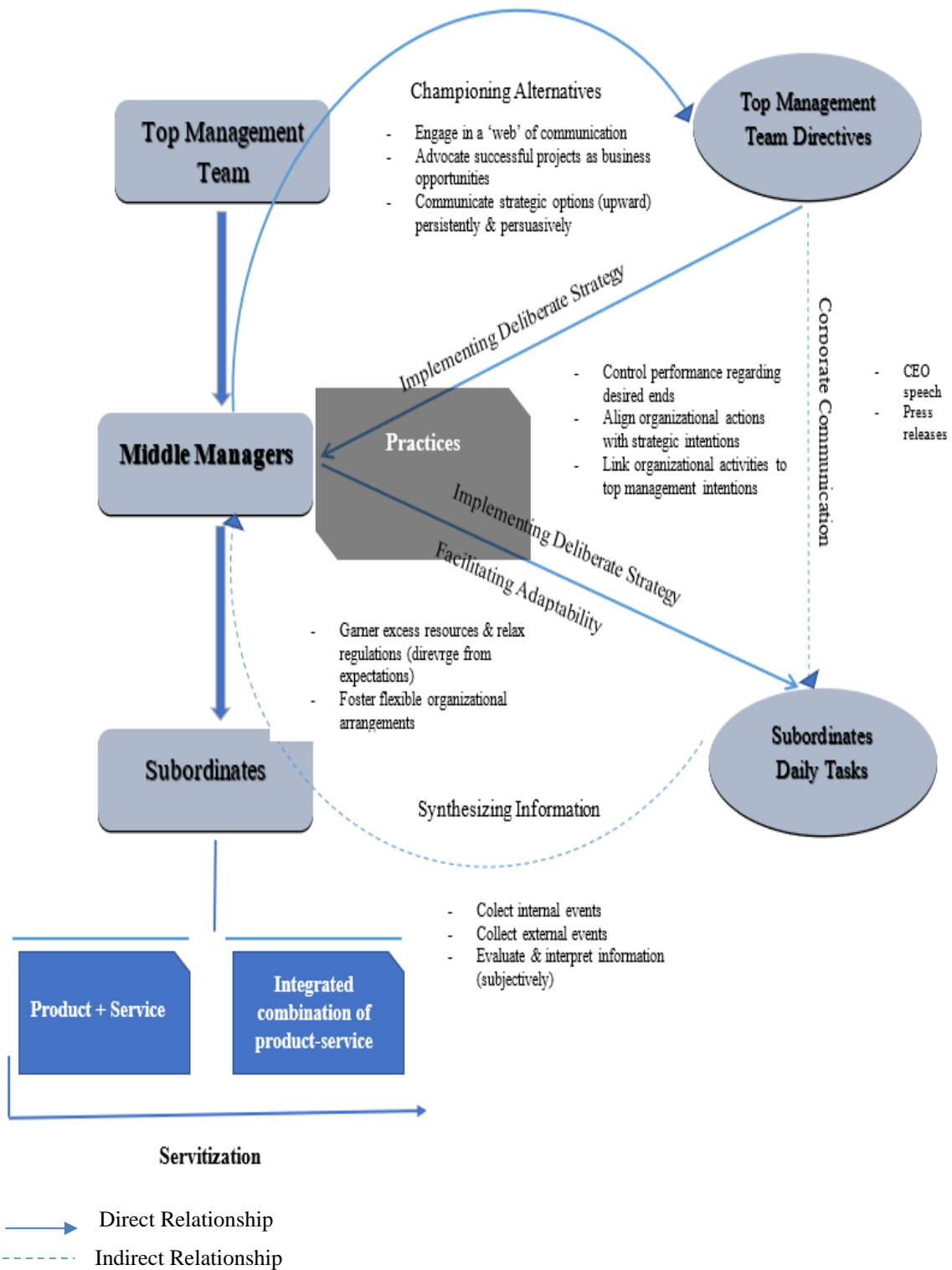


Figure 4. Theoretical Framework of the Study (Reconstructed from Floyd & Wooldridge, 1992b).

The above-proposed theoretical framework in Figure 5 was designed to articulate the role of middle managers in balancing the strategic managerial directives received from top management and the subordinates' daily tasks using the proposed middle managers' roles in strategy by Floyd and Wooldridge (1992b). The proposed typology classifies the roles of middle managers in four strategic roles besides the traditional view that associates middle managers solely with the implementor role.

The theoretical framework illustrates how the downward and upward relationships influence middle managers (middle managers' strategic role), how middle managers influence the implementation of servitization based on their strategic roles, and how the implementation of servitization as it is seen by top management would impact the work of middle managers. Consequently, the empirical data needed in this study would be collected and analyzed in the light of the perceived middle managers' strategic roles in implementing the servitization strategy while balancing TMT's directives and subordinates' daily tasks.

3. DATA AND METHODOLOGY

This chapter will mainly cover and explain the chosen methodological tools and discuss both the motivations behind their choice while briefly covering its limitations. Finally, this chapter will be concluded by discussing reliability and validity of this study.

3.1. Research method and approach

In this study, a qualitative single case-study approach was adopted as a research strategy. Bryman and Bell (2007) argue that qualitative research is commonly used in management studies as it presents a high degree of flexibility and freedom to research data. The ultimate goal of a qualitative research is to portray the studied phenomenon as it is while dealing with reality as one piece rather than minor segments (Yin, 2009).

The selection of case study as a research method fits perfectly the nature of the research that is complex in nature where, for instance, the focus is on the human behavior, which is translated in the role of middle management in implementing servitization. A case study helps to explore in depth a certain phenomenon “*within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident*” (Yin, 2009, p. 18). The popularity of case studies lies in their ability to move from copious data to deductive research. Studies using a case study as a research method necessitates a deep 360- degree understanding of the topic and its context (Bryman & Bell, 2007). Hence, a rich knowledge of the topic and its context was ensured, on the one hand, through a detailed literature review of servitization, strategy implementation, and middle management, and, on the other hand, through secondary data of the organization in focus, mainly.

Bartunek, Rynes, and Ireland (2006) report that the “most interesting” researches are the ones that use case studies to construct theory (as cited in Eisenhardt & Graebner, 2007). Indeed, using single or multiple case-studies “*to create theoretical constructs, propositions and/or midrange theory from case-based, empirical evidence*” (Eisenhardt & Graebner, 2007, p. 25) is a commonly used research strategy. The popularity of building theory from case studies lies in the variation of data resources that provides rich and

empirical descriptions of the researched phenomenon. Similarly, Eisenhardt and Graebner (2007) describe theory building from case-studies as one of the best if not the best method to link and fill in the gap between qualitative evidence and deductive research; hence, it lies the popularity and significance of using this research strategy. Moreover, Eriksson and Kovalainen (2016) highlight that the use of a case study research produces a holistic knowledge; still, it is binding to define clear boundaries for the case. Indeed, for this study, clear boundaries have been set by defining the main concepts so that a distinction between the subject of the research and its context was made.

Theory building based on case studies is a research strategy that entails dealing with single or multiple case studies through “analytic generalization” (Yin, 2009). Mariotto, Pinto Zanni, and De Moraes (2014) state that albeit the use of comparative case study is recommended for quality research in theory building (e.g. Eisenhardt & Graebner, 2007; Yin, 2009), the use of a single case has an adequate role in theory building “*when the case is unusually revelatory, or when it is extremely exemplar, or when it offers opportunities for unusual research access*” (Mariotto et al., 2014, p. 361). Moreover, as stated in Mariotto et al. (2014), Eisenhardt and Graebner (2007) who advocate the use of comparative case study recognize the importance of the single case in theory building in the above-mentioned situations. Additionally, Eisenhardt and Graebner (2007) upholds that, sometimes, a single case could enable building more complicated theories than comparative cases since while a multiple-case study holds mainly the replicated relationships among the studied cases, a single-case studies “*can fit their theory exactly to the many details of a particular case*” (p. 30).

In this study, building theory from case study was mainly based on gathering data from a single case. Yin (2009) distinguishes among different types of single cases, and this study satisfies the requirements of a revelatory case where the researcher investigates a phenomenon that has not been studied at all or studied a little due to a scientific inaccessibility. Moreover, this study adopts an inductive approach which is aligned with a revelatory case since this approach starts with the research (single case study) to build a theory (Sue, 2008). Indeed, choosing between an inductive or deductive approach is based on the theory-research association. The inductive approach uses empirical data to guide the research

where theory is built based on the empirical data. Finally, an extensive case study research was selected for this study rather than an intensive approach. An extensive design maps the commonalities and mutual patterns among cases so that generalizing the results on a bigger scale is feasible contrary to an intensive approach which is based on providing as many conclusions as possible about a few cases if not one (Eriksson & Kovalainen, 2016). Therefore, by using an extensive design, conclusions and results of the present study were obtained through a comparison of data analysis with the literature review.

3.2. Case selection process and sampling

3.2.1. Case company description

The selected case company was vital and critical for this research as it should be a manufacturing company with a track record of successful delivery of product-related services. To ensure a high degree of freedom in analyzing the collected data, the case company will remain anonymous and will be referred to in this study as “the case company”.

The case company started its operations as an Original Equipment Manufacturer (OEM) providing mainly equipment. Over time, the company has started supplying services along with products gradually and starting 2000's, the case company has witnessed an important change in its corporate strategy by moving from excellence in manufacturing to service-oriented solutions. The provided solutions range from short-term to lifecycle solutions in the form of product-service package solutions. Therefore, the degree to which the case company has moved from being a pure products manufacturer to product-service oriented solutions provider presents an opportunity to research the transition from G-D logic to S-D logic since the case company provides a rich setting to address the research question.

The case company is a multinational company headquartered in Helsinki, Finland and operates in advanced technologies lifecycle solutions to the marine and energy sectors. The case company delivers engineering solutions while continuously innovate its

offerings. Established in 1830's, the case company has more than 180 years of expertise. Today, the case company is a global leader in advanced technologies both in the marine and energy industries and its aim is to maximize its performance environmentally and economically both for the vessels and power plants through sustainable innovation and total efficiency.

In 2017, the case company employed over 18,000 employees located in more than 200 locations in 70 different countries around the world. The net sales in 2017 were EUR 4.8 billion made up from EUR 1667 million from the marine solutions (35%), EUR 943 million from energy solutions (20%), and EUR 2190 million from services (46%). The case company is listed in Nasdaq Helsinki.

The case company's business areas are energy solutions, marine solutions, and services. Marine solutions target customers of the marine and oil & gas industry by providing enhanced innovative integrated solutions and products that are not only efficient, safe, and flexible, but also environmentally sustainable. Concerning the energy solutions, the case company is positioned as a leader and it offers a diversified portfolio of friendly environments sound solutions. The energy solutions are of high value and enable customers to ensure a transition to a sustainable energy system, as in 2017, the power plant capacity generated by the case company in 177 countries all over the world summed up to 65GW. Finally, services are considered a major revenue stream as the case company supports its customers by offering lifecycle services of their installations aiming at continuously improving their efficiency and performance. Every year, the case company offers its services to more than 12000 customers in 160 different locations while respecting the environment and encouraging sustainable sound solutions.

3.2.2. Participants' overview

This study includes 9 participants from the same case company. All the participants are currently working as middle managers and satisfy the middle manager's definition proposed in this research. The participants work in different departments and all belong to

the product business unit with different seniority levels. Table 1 summarizes the seniority of all participants in years and their managerial positions.

The reason behind having all participants only from the product business unit is judged to make the analysis more rational aiming at determining the cause-effect relationships, for example. Furthermore, having servitization as a context that consists on transitioning from G-D logic to S-D logic backs up the choice of having all participants from the product business unit to guarantee to perceive the issue from the same angle.

Participant	Managerial Position	Seniority in the company (# of years)	Seniority as Middle Manager (# of years)
P1	Director Business Development, product business unit	25	7
P2	General Manager, Sales Chanel Management	20	7
P3	Senior Contract Development Manager	10	5
P4	Area Manager, Product Business Unit	21	7
P5	General Manager, Product Business Units	10	2
P6	Director, Product Busienss Unit	22	8
P7	General Manager, Project Management	20	5
P8	General Manager; Special Projects	27	10
P9	General Manager, Sales Engineering	23	9

Table 1. Descriptive Data of the interviewees.

3.3. Data collection

For this research, both primary and secondary resources were used for data collection. The primary resources were the main source of data by conducting semi-structured interviews at the company in focus. However, secondary data was used to build a deep knowledge about the role of middle managers by referring to job descriptions, or servitization strategy in official documents, for example. Yin (2009) argues that the use of diverse sources of data while conducting a qualitative study enhances the reliability of this former. Furthermore, different sources of data permit to build up a holistic view of the studied topic.

3.3.1. Primary data

Primary research data is the data gathered primarily for a specific purpose by a researcher. Therefore, in this study, the primary data was gathered from the 9 conducted research interviews with middle managers. Concerning the sample size, there is no agreed upon a pre-determined number of the interviews that should be conducted in qualitative research (Francis et al., 2010). In qualitative studies, a small number of sample size makes drawing reliable conclusions and generalizing the results on a bigger scale problematic while a big sample size might prevent an exhaustive analysis of the collected data. Therefore, the number of the conducted interviews depended on data saturation that is described as reaching a point where there are no new relevant information and the interviewees' answers are repetitive (Francis et al., 2010).

The selection of semi-structured interviews is deemed suitable to answer the research question as it leaves the door open for interviewees to channel the interview to the subjects that are thought critical contrary to structured interviews that direct the discussion based on the pre-musts decided questions by the researcher. Therefore, by placing restrictions on the interviewee's freedom, there are high chances to neglect important aspects of the subject matter that either was not revealed in the literature review or thought by the researcher. A successful data gathering phase starts with a preparation of the interview by setting an interview guide for the axes that should be covered to answer the research

question. Nonetheless, the interview guide should not restrict the interview sequence only to the decided axes, but it should leave the door open for the interviewees to cover related topics, but with a close supervision and guidance of the interviewer to remain within the boundaries of the research question. In that sense, Bryman and Bell (2007) maintain that the aim of deciding of an interview guide in advance would help the interviewer to follow roughly the same structure for all the interview to increase reliability.

3.3.2. Secondary data

Secondary data is the data that has not been gathered by the researcher and was used for other purposes besides the purpose of its collection in the first place. Primary data presents some advantages as it is cost effective and usually of high quality as larger samples could be used. However, secondary data presents some limitations in the way its analysis might not add value in answering the research question.

In this study, secondary data functions solely as a support of the primary data, so that it would not impact the validity of the research. Indeed, in qualitative studies, an effective use of different sources of data increases the reliability of the study. The secondary data was mainly translated into the use of documents in the form of annual reports and the company's website to learn about the servitization strategy in the case company. Moreover, the collected information helped to understand the importance of servitization for the company and how it is communicated; such information helped to manage the interviews.

Figure 6 summarizes the different phases of the empirical data collection for this study.

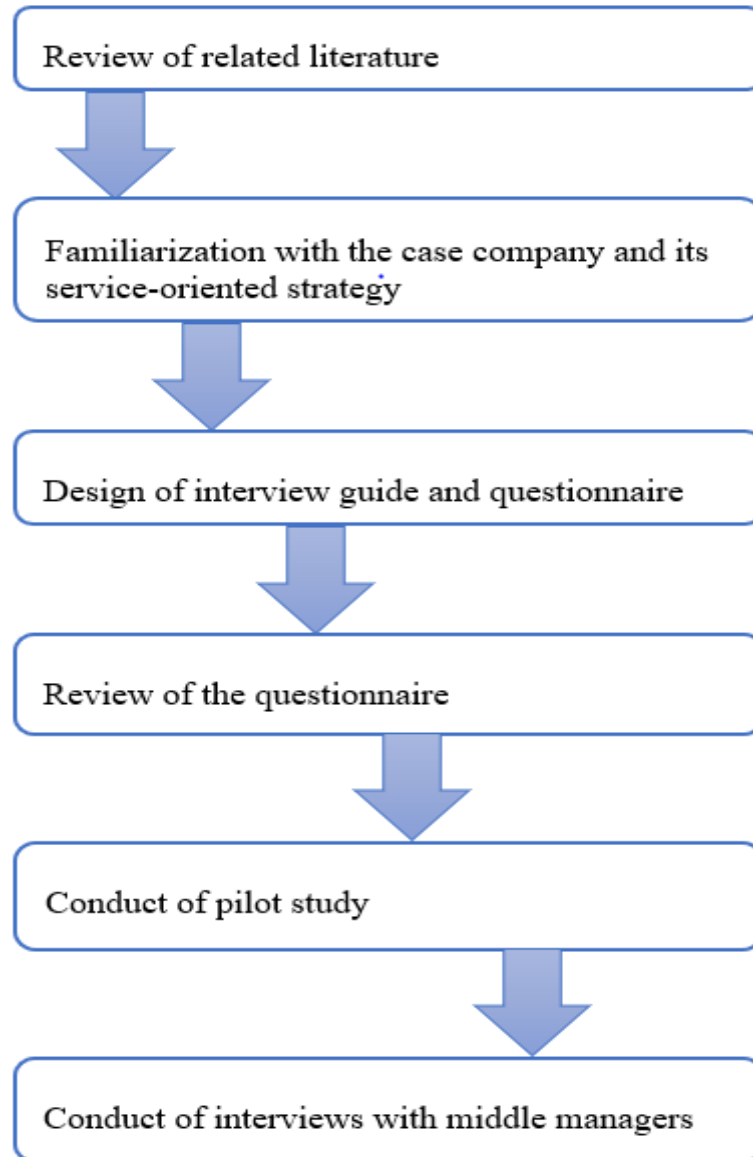


Figure 5. The steps of empirical data collection.

3.4. Selection of participants

Deciding on the number of participants was not agreed on beforehand and it was restricted only by saturation as a unique indicator to reach the optimal numbers of participants. As a researcher, I had the authority to decide both on the numbers of interviewees and their profiles. Moreover, since the case company was engaged in servitization in the early 2000s, the ideal situation was to have participants who have already participated in implementing servitization at its early stages, so that they have witnessed the different stages of the process. Nonetheless, choosing the participants based only on seniority and

their participation in the different phases of servitization leaves the sample vulnerable to a high degree of variation regarding generalizing the outcomes on a bigger scale and project the outputs on the middle management level, in general.

To fulfill the requirement of an interviewee, the potential participants should be a manager who, simultaneously, give and receive directives by being a supervisor and manager. The participant managers should be closer to day-to-day activities, frontline employees, and customers than senior managers; nonetheless, they need to be “*far enough away from frontline work that they can see the big picture*” (as cited in Ahearne, Lam, & Kraus, 2014, p. 68). The reason behind focusing on one managerial level lies, on the one hand, in answering the research question that aims at researching the impact of middle managers on implementing a servitization strategy. On the other hand, using participants from the same managerial level would make the analysis more rational, which leads to determining the cause-effect relationships, for instance.

Finally, the choice of the final participants was decided with the academic supervisor. Afterward, an invitation letter was sent to all the middle managers (Appendix 1). In case the interviewee requested more details about the research, an interview guide (Appendix 3) was sent. However, to ensure a fair and honest data collection process, the final semi-structured interview could not be communicated to the participants beforehand under any circumstances to avoid steering answers. All the respondents have agreed to record the interview except for one who has not allowed doing so. For the non-recorded interview, taking notes during the interview and asking the respondent to re-say some answers have helped to write down the main parts. In addition, observations, remarks, and insights were automatically added to the notes just after the interview.

3.5. Data analysis: qualitative content analysis

To critically examine the collected data, the analysis started after each interview was conducted. The recordings of the interviews were sent to a professional transcription agency after the interviews. The choice of a professional agency for transcription was due mainly to two reasons. First, the quality of the analysis rest on the ability to review the interviews

as many times as needed. Hence, a professional transcription would help to achieve the said objective. Second, transcription is a time-consuming process. Therefore, it was judged to allocate the transcription time in coding data and analyzing it. Moreover, remarks, insights, and observations that were judged significant about the interviewee, the atmosphere, etc. were written down after each interview.

The span between interviews was generally one to two weeks except for the one-month span between the first and second one. I had started analyzing the transcriptions received thus far, so that I was able to determine the saturation point.

To test the questionnaire, a pilot study was conducted during which testing the questions, how they are formulated, the timing of the interview, etc. were the chief objective. The pilot study was done with one middle manager from the case company who is familiar to participate in academic studies. In addition, the supervisor of this research has attended this pilot study, which has helped to assess the reliability of the questionnaire from an experienced researcher.

While conducting the pilot study, some of the questions were not straightforwardly understood, which required more clarification, and they were considered while finalizing the questionnaire. After this pilot study, feedback from the interviewee and supervisor were considered, which resulted in the last version of the questionnaire that was used in the rest of the study. The main modifications included reforming some questions, rearranging others, adding more sub-questions for clarification, and removing some questions due to repetition.

Silverman (2001) argues that qualitative data permits to detect periodic answers, but also it allows the researcher to comprehend the interrelation among these answers. Hence, to subtract objectively answers for the research question from the transcribed data, a qualitative content analysis method was adopted. It is appropriate to use the analytical tool of qualitative content analysis when coping with a broad range of texts (Neuendorf, 2002). The main end of this analytical tool is the representation of the results in an abridged manner to permit the researcher to disclose the unsaid and the unwritten of the transcribed

data (Silverman, 2001) and let new insights to emerge (Hsieh & Shannon, 2005). Indeed, the use of the qualitative content analysis along with an inductive approach is more fitting to areas of studies that have not been researched much (Hsieh & Shannon, 2005), which is the case of this research.

Content analysis is defined as “*a research technique for making replicable and valid inferences from texts to the contexts of their use*” (Krippendorff, 2004, p. 19). Content analysis is a scientific method that is expected to yield reliable, valid, and replicable results. The qualitative content analysis’s definitions often refer to the terms systematic and objective; hence, the personal opinions and judgments of the researcher are placed in the background more than most of the other qualitative methods. Krippendorff (2004) upholds that using qualitative content analysis produces results that are not based on what the researcher values as relevant, but rather it gives the chance to data to speak out and reveals the unsaid and the unwritten. Indeed, the use of content analysis as a qualitative research technique is widely used for analyzing qualitative data (Elo et al., 2014; Hsieh & Shannon, 2005).

The qualitative content analysis could be seen as a process that starts with establishing the aim. This phase was fulfilled by stating the research question of this study. Then, it comes the units of analysis that refers to identifying the population. Units could take different forms such as individuals words, themes, disposition, or clauses (Neuendorf, 2002), and the chosen unit serves to code the results. The selected unit of analysis in this study is “themes” since Bryman and Bell (2007) argue that the latter is more suitable for an interpretative approach than any other unit of analysis. Moreover, themes as a unit of analysis permit the researcher to read between the lines to dig up the messages under the surfaces rather than searching for evident content.

An illustration and a summary of the adopted process for analyzing data for this research is presented in Figure 7.

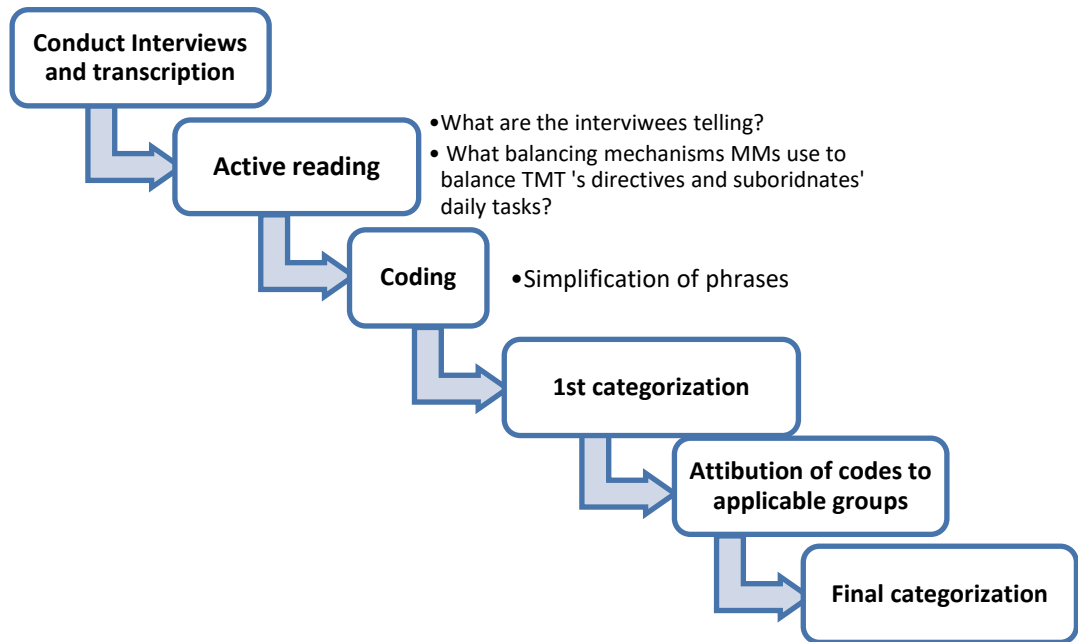


Figure 6. The process of the qualitative content analysis.

The coding phase started after the reception of each transcription. Nonetheless, a pre-coding phase involved reading several times the transcribed interviews to generate a holistic picture of the data at hand. This pre-coding phase is crucial to the researcher as it permits to question the text to build an idea concerning what is being communicated in data. During this stage of active reading, the focus was on the question “what is the interviewee telling me?”. At that point, the coding started by simplifying sentences or words and clustering them into general concepts. The simplified coded messages were added to the margins for future use.

Following the inductive content analysis approach (as discussed earlier), the next step was abstracting the coded message/phrases that were clustered depending on their similarities and likeness to one another until it was judged that continuing doing so was no longer convenient. Subsequently, data were coded in a Microsoft Excel sheet where pertinent phrases were assembled and then organized into classes and abstracting categories. This phase required a lot of analysis, organization, and visualization of groups in different mind maps forms. Bryman and Bell (2007) highlight the importance of this phase as the

researcher is in need to make decisions on defining words that might accept more than a meaning, and the made decisions would be translated on the findings.

Figure 8 provides a snapshot of data structure and how themes were come up with based on the categorizations of similar phrases and messages as abstracting categories. The first-order phrases and messages are based on excerpts from the conducted interviews based on their similarities and likeliness to one another while the second-order categories cluster these phrases into broader categories.

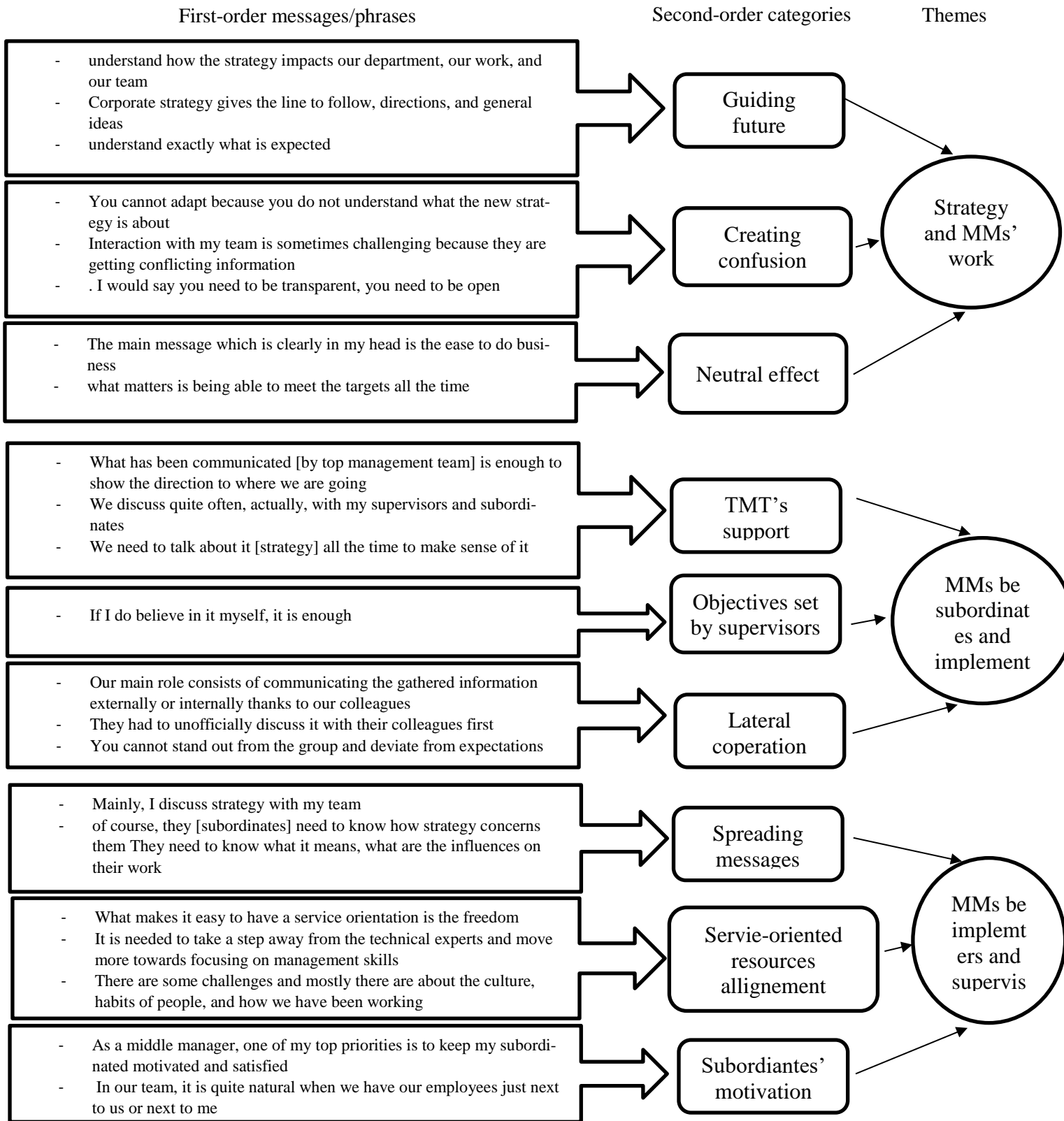


Figure 8. Data structure.

Although analyzing qualitative data based on categorization is a neutral and objective way to deal with data, this approach has received some criticism. For that reason, Silverman (2001) mentions that the process of deciding on categories could be viewed as intrinsically subjective since deciding to which category a phrase would be attributed remains judgmental and depends on the researcher. On a related matter, sensing and creating categories while using the content analysis is a subject of criticism, as well. For that reason, Hsieh and Shannon (2005) suggest that the researcher needs to be knowledgeable about the topic in matter and its context to be able to build a representative categorical framework of the collected qualitative data, which was satisfied in this study by heavily reviewing the literature, deeply studying the case company, and intensely analyzing the secondary data.

In general, data were coded by starting first with data reduction that consisted of organizing, summarizing, discarding irrelevant data, and clustering similar data together. Second, there was data display which refers to turning transcripts into visual rational tables, charts, or graphs whenever it was possible. This stage helped to visualize better the collected data, make connections among the opinions, and reveal the unwritten or unsaid, as the objective of the qualitative research is to interpret and derive meanings. The coding is not a straightforward one-shot process, but it is rather a continual one. Therefore, discarding irrelevant data during the phase of data reduction was done permanently in a way that allowed access to it as unexpected outcomes necessitated a review and analysis of the whole transcripts for one more time.

The final categories provided a chance to assess relationships and the groups served as a basis and guidance for the findings. These groups were the results of applying a qualitative content analysis, a deep analysis of data, and an active reading of the transcribed interviews. Table 2 presents examples of the data-coding.

Interview passage	<i>“You cannot stand out from the group and deviate from expectations because you think this is the right thing. If you think that deviating is necessary and other people around you share the same vision, then it is fine”</i>
Interviewee	Area Manager, Product Business Unit
Interpretation	Evidence that MMs need to cooperate laterally by developing informal networks
Coded as	Lateral cooperation; informal networks
Interview passage	<i>“You need to talk about it all the time to get them aware of what it is happening in the company to be ready for it”</i>
Interviewee	General Manager, Product Business Units
Interpretation	Evidence that MMs act as supervisors by translating the corporate strategy to their subordinates
Coded as	Downward communication; supervisory responsibilities; subordinates’ motivation
Interview passage	<i>“...explaining [. . .] and telling that services are, also, earning money for the company which is paying their salaries, so translating and informing them, and proving them how and why it is important”</i>
Interviewee	General Manager; Special Projects
Interpretation	Evidence that MMs play a linchpin role in the implementation phase through continuously translating strategy messages and motivating subordinates
Coded as	Subordinates’ motivation; downward communication; supervisory responsibilities

Table 2: Examples of data-coding.

3.6. Reliability and validity of the study

Conducting qualitative studies while using semi-structured interviews raises the concern about data quality issues that are usually translated into reliability and validity (Saunders, Lewis, & Thornhill, 2012).

On the one hand, reliability is concerned with whether or not alternative studies would lead to the same conclusions and at what degree the techniques used for data collection and analysis procedures would provide consistent outputs (as cited in Saunders et al., 2012). Reliability could be constructed in a qualitative study throughout making sure that

the transcript is free of any mistakes during the transcription. Similarly, Yin (2009) argues that recording the documents of data collection process helps to build reliability for qualitative studies. Therefore, in this study, the findings are reliable since the interviews were recorded, which would lead to the same data interpretations and analysis by other researchers so that a high degree of consistency is guaranteed. Moreover, this study achieved a high degree of reliability thanks to the consistency of the process through the different interviews and most of the transcriptions were done by the same professional transcription agency.

On the other hand, validity is a key quality criterion for qualitative studies and it is defined as *“the extent to which the research has gained access to a participant’s knowledge and experience, and is able to infer meanings that the participant intends from the language used by that person”* (Saunders et al., 2012, p. 382). Indeed, validity is about how accurate the research is from the perspective of the researcher, participant, and readers. In semi-structured interviews, a high level of validity could be achieved by different means. Saunders, Lewis, and Thornhill (2012) conclude that criteria such as clarifying questions, probing meanings, and exploring responses and themes from different perspectives enhance validity. Meanwhile, a high level of validity could be achieved by using triangulation, for instance (Flick, von Kardoff, & Steinke, 2004). This former refers to the use of more than one data collection method for the same research. Validity was ensured by clearly and precisely communicating timely information to the interviewees to eliminate any ambiguity. Furthermore, the confidentiality of the study in terms of anonymousness of the interviewees provided a room for participants to provide accurate opinions about the topic while minimizing the sensitivity associated with corporate strategies. In fact, the triangulation strategy could have helped to achieve a higher level of validity by observing, for example, the middle managers while implementing a servitization strategy on a daily basis for a definite period. However, given the limited resources and time, this method was judged important, but not feasible.

Concerning the forms of bias either it is in the form of the interviewer, interviewee, or participant bias, it has been reduced using different techniques to ensure a high data

quality level. As it was suggested by Saunders, Lewis, and Thornhill (2012), interviewee and interviewer bias were overcome by:

- Having in-depth knowledge of the case company and its culture
- Supplying the same high-quality information to all interviewees
- Choosing an appropriate location for the interviews
- Having appropriate appearance at the interview
- Selecting objective openings comments
- Adopting a consistent objective approach to questioning
- Adopting neutral behavior and attitudes during the interviews
- Demonstrating active and attentive listening through the whole interview sessions
- Recording interviews fully for accuracy purposes.

4. FINDINGS

4.1. Corporate strategy and middle managers' work

4.1.1. Strategy as a guideline for the future direction

Most of the participants have clearly stated that the new service-oriented strategy guides their daily managerial work, as it provides a course of actions and guidelines for the future direction of the company. Moreover, all the participants have spoken out about their desire to learn about the new strategy. Almost all the participants were familiar with the corporate strategy, and they have expressed the desire to take part in the implementation of the service-oriented strategy since the degree of commitment was described as increasing when dealing with new challenges, and objectives.

“My commitment is getting higher all the time”. (P2)

“My commitment is already on a high level, so it does not change because I was already waiting for the strategy to come up--- It gives me [the new strategy] a push on what now I have to focus, go forward, and deliver”. (P3)

In fact, to be able to employ the service-oriented strategy on a daily managerial basis, middle managers have agreed that the primitive step should be holistically understanding the new corporate strategy and gain strong knowledge about it since they are, usually, the ones who communicate and explain the corporate strategy to lower managerial levels and, sometimes, to external stakeholders- customers and suppliers. In the case company, gaining a 360-degree understanding of the service-oriented strategy is an automatic outcome of an open communication approach within the company and, also, a result of the eagerness to learn about the strategy. In general, the participants have focused more on the role of the top management team in communicating details about the corporate strategy in the first place. This communications process could take different forms such as strategic communication sessions, meetings with the top management team, official reports. Still, it was clearly stated the openness and curiosity of middle managers to learn about the

service-oriented strategy through video clips and web-based intranet platforms with regular updates play a vital role in the learning process.

“We have, actually, a strategy communication session--- Then we have meetings with the top management. And then we have all the time the video, we have the video clips going in our compass system, our internet system. And then we have software, kind of web-based software, with regular updates coming on it”. (P1)

In a nutshell, there was a positive correlation between the strong understanding of servitization strategy and the open effective communication strategy within the company that could be either top-down or bottom-up. In general, all participants have stated that the combination of the different communication tools is the only effective way to learn about strategy if these communication tools create a purpose and meaning. However, one respondent has raised the issue of tangible tools used in communicating and explaining the corporate strategy. The interviewee referred to the use of PowerPoint Presentations with visualization since they provide the chance of being reviewed at different times.

“Even though I know the world is changing and we do not want to have PPT all the time, but something tangible where you can see words on paper, so you can think about it. And, maybe, some visualizations, as well, could be good to have on PPT. We can come back to those [PPT/tangible documents] whenever we want to”. (P3)

Open and direct communication from top management along with other tools yield to establish a clear understanding of the changes the new corporate strategy brought at the corporate level. Still, participants demonstrated a strong wish to understand how the new service-oriented strategy could impact their work and how they could contribute to the execution of the corporate strategy. Nonetheless, most of the middle managers have referred to “our strategy” when denoting the guiding force of their future direction and set of actions with their teams.

“Understanding the corporate strategy either it is service-oriented or not is only one side of the coin. The other side is to understand how the strategy impacts our

department, our work, and our team. So, as a team, we have to develop our strategy that determines our daily way of working". (P4)

Nonetheless, creating what is called "our strategy" does not necessarily mean that middle managers and their subordinates act out of the boundaries set by the corporate strategy. Instead, middle managers aim to translate the managerial directives into actions implemented at the operative level.

"Corporate strategy gives the line to follow, directions, and general ideas. Our strategy is aligned with the corporate strategy". (P4)

The service-oriented strategy was viewed as an intended strategic change from the top management team, but it was interpreted differently, as some participants saw it as a structural organizational change, others regarded it as a new managerial process while the rest took it as a guideline that should be reflected in their daily work with their subordinates.

"My guys [subordinates] have to understand exactly what is expected from them, how the change would influence them, and how they can influence it; otherwise, they would feel they are not anymore needed". (p4)

The service-oriented strategy is guiding the work of middle managers, but not in a literal way since it was obvious that middle managers were not highly interested in understanding all details concerning servitization. In contrary, middle managers were rather interested in knowing better what it is expected of them and their teams. For instance, a middle manager whose work is related to sales is totally aware of servitization, but he/she is more aware and interested in matching the set targets if not exceeding them.

"You get now three-million order today, or you work longer and maybe you get 10 million after one year. So, which one you take? Of course, you go for [3-million order now], you screw the strategy and you take the 3 million because your boss is screaming in your ear about the order intake now. So, these are the dilemmas". (P1)

In conclusion, interviewees have shown easiness to discuss the “local strategy” and how the new strategic directives impact their subordinates even though they were not fully comfortable with the main messages of the service-oriented strategy at the corporate level. Definitely, the corporate strategy serves as a guiding force, but when a middle manager has detailed information of what is expected from his/her team, then the middle manager is less eager to learn about details of the corporate strategy’s objectives. Nevertheless, middle managers have shown an interest in understanding how their subordinates and their work would be impacted, so that they can control the operative setting to the best of their abilities.

4.1.2. Strategy as a confusion catalyst

Moving towards a service-oriented strategy for a manufacturing company might cause confusion for some participants especially for the subordinates.

“So, you do not make millions with that one [referring to a service-oriented strategy]. But, as soon as you start to have the switch-gears, drives, engines, propellers, then it becomes money. So, we cannot survive only by being smart and digitalized. It has to be based on what we know the best. We know the products and the technical side”. (P1)

It is noteworthy to mention that details about the service-oriented strategy could be accessible through different internal means as mentioned earlier; still, how to link services to the daily managerial tasks have raised some concerns especially when it is believed that the company would continue generating revenues only through doing what it has succeeded in doing for long years (technical side of the business). Moreover, confusion associated with servitization increases whenever subordinates find themselves facing unclear instructions from middle managers that are not totally aligned with the intentions of the corporate strategy. Therefore, building a strong understanding about the service-oriented strategy, its objectives, and how it could be reflected in the daily managerial tasks of the subordinates is the only way to turn the confusion into a guiding force.

Nevertheless, to achieve this state, building trust and creating stories through open two-way constructive communication remains the most effective and powerful tool.

“Well, of course, you need to have this regular communication. But what works well is actually that you do not try to isolate them [subordinates and supervisors] from each other. You need to also bring your management to your team meetings. And also, then sometimes bring your team members to the management meetings. So, you need to create that kind of interaction”. (P1)

“I guess it’s all about communication and understanding where the possible conflicts are. But, it helps if the top management can directly address your team, for example. Then they [subordinates] can hear it directly. I would say you need to be transparent, you need to be open. You should not be upset if your guys [subordinates] are calling top management themselves, and you need to keep your stories. Your guys[subordinates] need to trust you as well”. (P8)

Nevertheless, all participants had confirmed their abilities to solve most all related challenges through communication as the main way to discard ambiguity in subordinates’ daily tasks. Internal and direct communication was a vital approach to overcome the confusion created by a new corporate strategy and assuring a smooth transition towards the service-oriented strategy.

“Interaction with my team is sometimes challenging because they are getting conflicting information. But yeah, I mean, that’s why I need to talk to these guys continuously, and we need to have some coaching, and we need a lot of internal communication with the business line”. (P1)

Communicating servitization to lower managerial levels is not a one-shot process that can take place through video clips or information sessions, but it is a rather a continuous process between the top management team and middle managers’ subordinates in case of a flat hierarchy with an open-door policy. The purpose of middle managers’ communication to subordinates is to build up vision and purpose; otherwise, the corporate strategy

would create confusion if it is not well understood at the operative level. Therefore, the role of middle managers is to find what is essentials while communicating with their teams. Not understanding the purpose of the service-oriented strategy would result in confusion translated into resistance.

“You [subordinates] cannot adapt because you do not understand what the new strategy is about”. (P4)

Consequently, when middle managers and their teams do not understand well the purpose and objectives of the service-oriented strategy, and how they could influence/be influenced, they tend to go back to the old strategy. Hence, the confusion and challenges in balancing the strategic directives and the operative tasks. For that, communicating strategy to subordinates should be a continuous process to ensure a clear and full understanding of the corporate strategy at the different managerial and organizational levels.

4.1.3. Strategy as a neutral element

A change management reflected in formulating a new corporate strategy that is service-oriented, in our case company, could lead to a neutral attitude vis-à-vis the new strategy. This attitude was justified by one interviewee by the fact that a new corporate strategy is formulated every two to three years. Therefore, the daily managerial tasks are not highly impacted by servitization itself even though it is setting fictive boundaries since meeting the objectives is what matters.

“I am attached to the culture in the company that we do have a new strategy every two or three years.... and I was really keen to see it, and what matters is being able to meet the targets all the time”. (P3)

When a new corporate strategy, in general, is seen as a neutral element, understanding the main axes of this strategy were not clearly reflected in the interviewee’s answers and he/she was always referring to the traditional messages of the company’s strategy rather

than the key messages of the new corporate strategy. Hence, people continue to do what they know to do, and it is the old strategy

“The main one [referring to the key message of the new corporate strategy] which is clearly in my head is the ease to do business. But, the other one is also what has been highlighted heavily is the safety at all the aspects: when we are at the office, when we are dealing with customers, when we are traveling...”. (P3)

Changing the corporate strategy and moving towards servitization was clearly understood by all respondents, but the changes brought by the new corporate strategy were blurry for those who consider that strategy has a neutral impact on them.

“It's actually quite revolutionary to have this kind of strategy because we used to be very much focused on our products and technologies. So, we used to talk about gas systems, and we talked about this and that. But, now we have taken it to the next step. So, I think, it's interesting in that sense”. (P2)

Such a behavior could be justified by lack of communication about the new corporate strategy, which is clearly not the case in the case company. In addition, that could result from lack of motivation to learn about the strategy and be an active actor in its implementation, which could be explained by resistance to implementing a strategy that middle managers did not participate in its formulation.

4.2. Middle managers: strategy implementers and subordinates

4.2.1. Understanding servitization through TMT's support

During the interviews, the managerial aspect of middle managers' work was enclosed, and a typical work day of a middle manager involves making decisions along with planning, organizing, coordinating, and managing subordinates. In a similar situation, the interviewees are supposed to harmonize between strategic management's demands and the local operating activities at the level of their teams. Hence, having a strong knowledge

and understanding of the strategic management expectations facilitates the management of subordinates and the alignment of their work with the strategic direction of the company.

As mentioned earlier, top management plays a vital role in communicating the new service-oriented strategy to middle managers, and they can contribute to their learning process by using video-clips and intranet platforms for the case company, for instance. This direct interaction translated into a holistic understanding of the corporate strategy and its objectives was revealed to impact positively the implementation phase.

“What has been communicated [by top management team] is enough to show the direction to where we are going. And the direction where we are going is clear”. (P5)

Middle managers, who are fully engaged in implementing the servitization strategy as it was formulated by top management, tend to communicate regularly with their direct supervisors. In the same way, more frequent communication takes place between middle managers and hi/her subordinates. The communication-implementation relationship leads, most of the time, into translating strategic directives- words and speeches- into practical tasks at the operative level.

“we discuss [referring to strategy] quite often, actually, with my supervisors and subordinates”. (P5)

“I prefer face to face. We need to talk about it [strategy] all the time to make sense of it and meet expectations”. (P7)

In general, a corporate strategy either it is service-oriented or not is molded by middle managers to fit the local demands of their respective teams. In this study, all the participants had clearly stated that they have, almost, no saying in formulating the corporate strategy, but the majority participate in formulating the department’s strategy or teams’ strategy. By developing the “our strategy”, middle managers aim at translating plans into actions for their subordinates while keeping in mind that the developed strategy should

be aligned with the corporate strategy. However middle managers put themselves in adaptability facilitators' shoes where they garner excess resources and relax regulations to foster flexible organizational arrangements.

“I would say [department where R6 is working], we have an open atmosphere that encourages very much this entrepreneurial mind. So, if you do something that you are confident that is the right for the company and this is the right for customers, you do not need to ask for permission”. (P6)

“one of our values is to be adaptive, consumer-centric, and, also, entrepreneurial. So, that gives us kind free cards to do whatever we want. (P7)

In a nutshell, implementing servitization must start with deeply understanding the strategy and how it could be implemented practically. Indeed, frequently communicating with supervisors helps to channel the strategic objectives and messages in the right way. Therefore, top management team plays a vital role in supporting an understanding of servitization and transmitting its messages to middle managers who should engage in a regular communication with subordinates to project directives on the field via operative actions.

4.2.2. Servitization: direct supervisor setting objectives

Middle managers' direct supervisor expect that the strategic process would yield to design local strategies that are aligned with the servitization strategy to support the strategic directive of the company. As discussed earlier, corporate strategy's aim is to guide middle managers at performing their tasks with their subordinates at the operative level, but, at the same time, this guiding force limits middle managers' autonomy in deciding freely on their teams' objectives and acting as role models while performing their managerial responsibilities.

Deciding on objectives with the direct supervisor is a proactive and preventive approach to ensure the alignment of local strategies with servitization. Such a system leaves a room of freedom for middle managers to have a saying on the set objectives if they are the doers

on the field. Although middle managers' strategy implementation responsibilities could be minimized partially, the belief and trust in servitization as developed by the top management team and direct supervisor's input in setting targets remains a powerful tool to translate plans into actions. Acting elsewhere and eliminating the role of the immediate supervisor in designing the targets would have demanded a deeply detailed understanding of servitization in form and content.

“If I do believe in it myself [the service-oriented strategy], it is enough. And I do believe in it”. (P5)

Lastly, being directly linked to servitization as a corporate strategy and accountable for developed targets with an immediate supervisor could increase stress for middle managers. This point was not clearly shown in the respondents' answers, but it was understood from the context when referring to a higher level of freedom to act and set targets when implementing a product-oriented strategy, previously. However, middle managers conclude that even when corporate expectations are clear and well communicated, it becomes much easier and less stressful to stick to targets.

4.2.3. Lateral cooperation

Fulfilling middle managers' mission does not require only to act as supervisor and subordinate, but it expects the middle managers to act laterally with other peers to ensure a high degree of cooperation. Indeed, middle managers could be a central component of a big puzzle, which is the corporate strategy, and one way to hold other components together is to ensure a strong collaboration with other middle managers to achieve a holistic alignment of resources and local strategies with servitization.

Not only does developing lateral ties help in building strategic alignment, but also it results in synthesizing information and facilitating adaptability, as it was raised by one respondent. On the one hand, the nature of middle managers' work allows them to be in contact with external players mainly suppliers and customers. Hence, middle managers find themselves facing a set of external information that might turn out to be strategic

options. Moreover, strategic options could be the results of internal communication, especially with other middle managers who are themselves in a continuous direct contact with other suppliers and customers.

“I am mainly concerned with strategy implementation. But, when it comes to strategy making, our main role consists of communicating the gathered information externally or internally thanks to our colleagues, sometimes [referring to other middle managers]”. (P4)

On the other hand, middle managers take advantage of the lateral collaboration to be adaptability facilitators. Most of the respondents stated that deviating from official directives is not allowed, and no actions should be taken without the immediate supervisor’s approval. Nevertheless, P4 maintained that many middle managers diverge from expectations if they get support from other peers because acting alone is risky especially if there is a need for extra resources or support to justify the deviation.

“You cannot stand out from the group and deviate from expectations because you think this is the right thing. If you think that deviating is necessary and other people around you share the same vision, then it is fine. Many middle managers did that in the past, but they had to unofficially discuss it with their colleagues first [referring to other middle managers]”. (P4)

In general, establishing collaboration with other middle managers and engaging in regular communication yields to collect and assess strategic options, relax regulations while achieving corporate objectives and balancing discrepancies of servitization and locally developed strategies. In that way, middle managers could recuperate his/her autonomy lost from the intervention of immediate supervisor in setting targets. Overall, middle managers’ supervisors, subordinates, and peers participate differently, but positively in the learning of the corporate strategy and its implementation.

4.3. Middle managers: strategy implementers and supervisors

4.3.1. Spreading servitization strategy messages

All respondents have clearly emphasized on communication with subordinates more than supervisors. Acting as a communicator/ informant towards subordinates was perceived as one of the main managerial responsibilities. Communicating servitization messages to subordinates intends to create a link between the corporate strategy and the operative tasks that should be performed. In addition, it aims at clarifying how subordinates could influence servitization and be influenced. In other words, being an informant, middle managers hope to bridge the gap between top management and lower echelons while translating plans into actions. Hence, by relaying servitization messages forwards, middle managers believe implicitly that they are serving their interests since without communication and an understanding of servitization, subordinates could not be working towards achieving a common target. Moreover, communication with subordinates is perceived as a motivator to keep subordinates on the right track and feel their importance in strategy implementation.

Undoubtedly, the need and importance of communicating servitization messages to subordinates are not subject to disagreement. Though, what to communicate and how much details to communicate were subject to discussion. On the one hand, discussing servitization with subordinates is a must to create a meaning for subordinates.

“Mainly, I discuss strategy with my team. We discuss it a lot and in different ways. I need to build up a vision and purpose for my team”. (P4)

“You need to talk about it [servitization strategy] all the time to get them [subordinates] aware of what it is happening in the company to be ready for it”. (P5)

On the other hand, what to communicate and what not to discuss with subordinates has raised some concerns and divided the participants’ pool into almost equal opinions. Part of the respondents has argued that subordinates are not able to know about all the details brought by servitization. Otherwise, it might confuse them more than helping them be aligned with the corporate strategy.

“Maybe not all details, but in terms of the context, they [subordinates] need to know what it [servitization strategy] means, what are the influences on their work. But not necessarily all details. The context of what we want to achieve is more important”. (P5)

“They [subordinates] need to know what can, more in a practical way, influence and work according to strategy. Sometimes, strategy is not unclear, but can be felt little a bit like flying. So, people [subordinates] they like to have tangible things how to really work along with strategy”. (P6)

In addition, the rest of participants are more supporting the idea of relaying servitization messages with all details to avoid any potential confusion for subordinates especially when they would be hearing some details about servitization that have not been communicated officially from their supervisors. To avoid this situation and ensure a smooth working environment, mixing different means of communication and officially spreading as much information as possible help to avoid rumors and misunderstanding.

“of course, they [subordinates] need to know how strategy concerns them. But, they need to know all details even if some information is not directly connected to their work. People [subordinates] from different departments meet and talk, and if people know only a small piece of the story, rumors will be created and then impact everyone’s task”. (P3)

In a nutshell, a middle manager plays a chief role not only in bridging between top management and lower echelons, but also a middle manager is a messenger who is supposed to relay servitization messages to subordinates. In addition, regardless how details should be communicated to subordinates, being a servitization messenger stresses the vitality of the understanding of the strategy and the effectiveness of its learning process by middle managers to better spread the strategic messages.

4.3.2. Middle managers- subordinates: what to keep and what to improve

Implementing servitization in a manufacturing company could be a complicated process. Although the case company has been involved with services starting 2000's, the service offerings have been changing rapidly during the last years. The analysis of the collected data has revealed the existence of some factors that make it easy to have a service orientation in the company, and other specific knowledge, skills, and resources that need to be developed to overcome any potential barriers while implementing servitization.

Implementing a service-oriented strategy requires middle managers to have a certain degree of freedom to be able to put into practice new processes and make the necessary changes to provide a welcoming environment to servitization. Indeed, the case company encourages its employees to adopt an entrepreneurial mindset, which has been reflected in speeding the service offerings lately.

“What makes it easy to have a service orientation is the freedom. Here, you [referring to middle managers] have a certain freedom to make your own way of actions”. (P4)

Regardless of this freedom, there is an agreement among middle managers that the service-oriented strategy might not lead to achieving all its objectives in the long-run unless some corrective actions are made. These actions are translated into developing some skills and acquiring specific knowledge and resources to support fully the implementation of servitization. P6 has raised the lack of managerial skills that are service-driven. The respondent argued that albeit services are a big portion of the corporate strategy, there is a need to develop some managerial skills that are more service-oriented than product-driven.

“I think it is needed to take a step away from the technical experts and move more towards focusing on management skills: Managing people, managing projects, change management, scheduling, communication, and reporting. Those are becoming more and more important”. (P6)

Similarly, P4 has raised a similar issue that goes under managerial skills when referring that the biggest challenge resides in the ability of the company to deliver its services on time.

“The greatest challenge is to be able to deliver what you sell; walk the talk. You can sell it [service offerings] once, but if you cannot deliver on time, you cannot sell it again”. (P4)

Indeed, the delivery issue is part of the managerial skills, especially when the people in charge of manufacturing and assembling the engines or other parts believe being late is not an issue as long as the final product is fully working. However, for service-oriented employees, satisfaction is rather measured by honoring deadlines and delivering the service offerings as it was agreed on initially with the customers.

Moreover, P5 has rather referred to the culture and habit of people as the biggest challenges facing the implementation of servitization. Moving from a product-centric to customer-centric culture requires a change of organizational culture along with other structural re-arrangements that require back and forth process and a long transition period.

“There are some challenges and mostly there are about the culture, habits of people, and how we have been working. Coming down to habits, IT systems and how everything is set up might let people [referring to the employees of the company] say that we have been working for years on something that does not fit the business model because the path of change is so quick”. (P5)

The implementation of servitization is a challenging process that necessitates special skills and knowledge. Providing the required environment to implement a service-oriented strategy should go through the deployment of new processes, the acquisition of new resources, and the development of specific skills and capabilities. Finally, middle managers as strategy implementers and supervisors are in need to facilitate such a change, but, most importantly, they need to be aware of the need for change.

4.3.3. Subordinates' motivation

The interviewees have allocated an important weight to their teams' wellbeing and satisfaction that is reflected in their strategic implications in facilitating a change management. A full participation and support of subordinates are crucial for implementing servitization. Indeed, keeping subordinates motivated and highly satisfied is an upper priority of middle managers.

“The role of middle managers does not consist only of translating the strategic messages to subordinates to ensure that top management directives are implemented. But, as a middle manager, one of my top priorities is to keep my subordinated motivated and satisfied”. (P4)

Moreover, P8 and P9's perceptions of the subordinates' importance in implementing servitization are highly valued, which is aligned with P4's opinion in making sure to satisfy and motivate subordinates.

“[the importance of the relationship with my team]is really important, of course”. (P8)

“Sure, it is very important [the importance of the relationship with my team]. In our team, it is quite natural when we have our employees just next to us or next to me. We are physically present here”. (P9)

Indeed, it is clearly shown the supervisory role of middle managers when it comes to building strong relationships with subordinates and keep them satisfied. Certainly, as discussed earlier, it is through the actions of subordinates that middle managers can put into practice any strategic change including the implementation of servitization; hence, a full support of subordinates is of an extreme importance. Nonetheless, satisfaction and motivation of subordinates remain a continuous matter of interest for middle managers as part of their supervisory role.

The motivation of subordinates was continuously arising in the respondents' answers since succeeding in motivating subordinates is a key factor to translate strategic directives into actions at the operative level. Subordinates' motivation is highly correlated to the content of the work that needs to be done, but also to a full understanding of the aim of the work. Motivated subordinates are, then, an indispensable ring in the strategic management process.

“I mean I have to be able to translate for them [referring to subordinates] and not only sitting and doing offers. They have to understand why they do it [referring to servitization strategy], and what is the reason behind doing like this and trying to sell service packages when they are in Marine [a pure technical division]. But, today we have common goals and strategies, so explaining that to them and telling that services are, also, earning money for the company which is paying their salaries, so translating and informing them, and proving them how and why it is important [referring to servitization]”. (P8)

Not only does subordinates' motivation is allied with a full understanding of the content and aim of the work to be done, but it is, also, associated with their ability to perform the servitization-related operative tasks at the best of their abilities. Therefore, the need to develop new skills is a must for subordinates and that could be done mainly through periodical training sessions, or the reinforcement of the team with new resources and knowledgeable human capital.

“We need to have an extremely well-working and flexible service organization that is also learning a lot of new skills and things”. (P5)

Overall, subordinates' motivations and well-being are instances among others that demonstrate that strategic process especially the implementation phase requires the commitment and involvement of all different managerial layers. Therefore, one crucial managerial role of middle managers is to work on motivating and satisfying their teams while

making sure that they possess all the needed skills, resources, and knowledge for achieving the set targets.

As discussed above, while implementing servitization, middle managers are in need to switch among different roles whereas using a diverse set of balancing mechanisms and managerial tools to fulfill each role's responsibilities. Some of these balancing mechanisms and managerial tools are a daily routine for middle managers and provided by working atmosphere and the organizational culture of the company implementing servitization while others should be acquired through their creation and development such as informal networks and service-oriented skills. Table 3 summarizes the required balancing mechanisms and managerial tools needed for each role to efficiently facilitate the implementation of servitization.

MM Roles in Servitization	Balancing Mechanisms/ Managerial Tools
Alternatives' champions	<ul style="list-style-type: none"> - Upward direct and continuous communication with TMT - Flat organization with an open-door policy
Information synthesizers	<ul style="list-style-type: none"> - Downward direct and continuous communication with subordinates - Lateral direct and continuous communication with peers - Creation of informal networks
Adaptability facilitators	<ul style="list-style-type: none"> - Development of informal networks - Corporate entrepreneurial mind culture
Deliberate strategy implementors	<ul style="list-style-type: none"> - Downward direct and continuous communication with subordinates - Motivation of subordinates - Proximity to subordinates (same working location) - Development/ acquisition of new service-oriented managerial skills

Table 3. Balancing mechanisms and managerial tools for middle managers roles during servitization.

5. Discussion

servitization as an intended formulated strategy could be a helping tool or a handicap for middle managers when they must deal with their dual responsibilities. What servitization entails in the work of middle managers is not unified and not even consistent within the same organization. Referring to Floyd and Wooldridge's typology (1992b), all the identified practices are clearly existing in the case company. However, none of the participating middle managers is clearly using the four different behaviors altogether; hence, the variance in the balancing mechanisms and the different behavior from one middle manager to the other.

Floyd and Wooldridge (1992b) describe a direct implementation of a deliberate strategy as an integrative activity leading to turning plans into actions exactly as it is seen by top managers. Indeed, in the focal company, middle managers cluster their roles as direct implementers to the best of their abilities. There is a slightly negative correlation between the difficulty of formal planning and a straightforward implementation especially for a big structure operating in a competitive fast-growing industry where it becomes hardly realistic to take into account all the external factors that influence middle managers' work by the top management team.

For the benefit of strategy implementation and their subordinates, the supervisory side of middle managers' work is considered a priority as long as the strategy's objectives and messages are judged to be of help to their subordinates; however, in the opposite case, middle managers would strain the corporate messages while delivering them to their teams, which could result in not transmitting fully the intended message by top management. Interestingly, if appropriate, these middle managers would consider they have conveyed fully the messages of corporate strategy to their subordinates while they would not.

The analysis of collected data has clearly shown that not all middle managers are satisfied with being solely implementors of a non-formulated strategy, as they have expressed their desire and wish to take a more active role in the corporate strategic process. Indeed, the findings of Westley (1990) are aligned with this study since middle managers who

develop the feeling of being omitted from strategy formulation would not efficiently implement the corporate strategy. To minimize and overcome the feeling of being excluded from strategy formulation, middle managers take the role of information synthesizers and alternatives champions. At the operative level, when alternatives are judged to be strategic options, they can be communicated to higher managerial levels that are, usually, direct supervisors. In other cases, these strategic options might be pursued even without any consciousness of higher managerial levels. This finding is in alignment with Floyd and Wooldridge's (1992b) idea when arguing that middle managers could intentionally disregard to implement the strategic directives or pursue the judged strategic alternatives without supervisors' approval. Indeed, middle managers try to find their own ways to do so by using informal developed networks within their organizations, for instance. In their threefold position, middle managers refer to their informal network with their laterals to pursue alternatives out of top management's sight and they can deviate from official plans secretly. Nevertheless, deviating from official managerial directives cannot take place if the middle managers' use of their informal network and their communication with their supervisors leads to incorporate the strategic option into official plans. However, when informal communication cannot take place, middle managers could show resistance to the corporate strategy or implement it with a hesitant mind. Indeed, this finding is directly analogous to the idea of sabotaging the strategy by either redirecting it or delaying its execution (Guth & MacMillan, 1986).

5.1. Strategy and middle managers

The analysis of the collected data revealed that strategic management in the case company remains systematic, but it professes some aspects of the classical approach. The formulation of the corporate strategy remains a specialty of top management and external advisors. Nevertheless, middle managers' role in the strategic formulation phase is limited to the assessment of strategy as it evolves and their participation in the reassessment annual meetings where their propositions could be considered, at least theoretically speaking. This result is aligned with Burgelman's (1983) idea when discussing the role of middle managers in formulating new strategies and their attempts to communicate their strategic options to the top management team. However, at the practical level, it is difficult to prove

if middle managers' strategic contributions to the corporate strategy formulation were taken into consideration. In the findings, it seems evident that strategy is an important part of middle managers' work and it has an impact on their daily tasks. Indeed, middle managers have different roles in the strategy process in general either during the formulation of the implementation phase. Likewise, middle managers' attitudes towards strategy and their understanding of it vary from one respondent to another. Hence, the different middle management involvement in strategy as discussed by Floyd and Wooldridge (1992b) supports this finding.

In a deeper way, the impact of corporate strategy on middle managers' work differs, as it could be either positive, negative, or neutral in some cases. On the one hand, the positive impact of strategy is perceived as a guiding force to provide future direction to middle managers and helps them to set a clear strategy-related course of actions to their teams; therefore, strategy facilitates the middle managers' supervisory responsibilities. On the other hand, the negative impact of strategy on middle managers' work is caused when the middle manager believes there is a non-alignment between the corporate strategy and the nature of work and needs of his/her team. This attitude towards strategy could be explained by the non-participation of middle managers in strategy formulation and, hence, the liaison of strategy to their daily work becomes unclear.

5.1.1. Middle managers and strategy implementation

Middle managers as implementers

All the respondents have clearly reported that their role in the strategy process falls into the intersection of implementing an already formulated deliberate strategy and facilitating strategic change. This finding is in alignment with the traditional view vis-a-vis middle managers as discussed by Reid (1989). A vital factor in fulfilling this mission is the understanding of expectations from the corporate strategy and how it would fit in middle managers' daily work. Still, the results have shown that the participants regard differently the impact a strategy should have on their work.

By having a deeper look at how middle managers regarded the strategy process, it seems evident that most participants have positively reacted to the strategic change and they trust the process through which top management has gone to formulate the deliberate strategy without raising questions about how successful the corporate strategy is in practice. Still, some participants have raised concerns about the strategy process and reserving the strategy formulation only to top management given their inability to see the whole picture by themselves and set realistic future directions for all the business units. This difference regarding strategy process could be explained by the degree of autonomy a participant desires to have in setting their managerial targets and the ones for his/her respective team. In addition, this difference reaction towards strategy process could be due to the acceptance of being an implementer in something the middle manager has not participated in formulating.

Referring to the analyzed collected data, minimizing resistance towards a new corporate strategy starts by imperatively communicating the strategic change in a systematic way. The acceptance of the new strategy needs explanations on how the strategy was formulated by shedding lights on the way it was derived at. Then, middle managers should be totally aware of the strategic changes the strategy will bring, how their work would be influenced, and their subordinates' work, as well. In fact, failing in properly selling the new corporate strategy to middle managers, a dissatisfaction feeling towards the strategy could be created. Although generalizing conclusions solely on the collected data about whether the participants who comply with the new corporate strategy have experienced situations where their trust in top management team has counterbalance their uncertainties, effective communication remains a vital tool to minimize opposition at the beginning of the strategic process for middle managers who are skeptical to changes that have been decided solely by top management.

A formal implementation necessitates an alignment between the corporate strategy and all other teams' objectives while providing freedom and flexibility to lower managerial levels to assign tasks as needed. This finding fits perfectly the role of middle manager suggested by the proposed theoretical framework under implementing a deliberate strategy when middle managers need to align organizational actions with strategic intentions

and link organizational activities to top management intentions. More precisely, implementation for middle managers entails communicating the strategy to their subordinates, and this aspect of the strategy process cannot take place unless middle managers fully understand the changes. Indeed, there is an agreement on the importance of middle managers-subordinates communication, but this consensus does not extend to how it should be done.

Middle managers as change resistance alleviator

Implementing an intended strategic change is seen as the main task of middle managers, which gives more legitimacy to the proposed framework. Nonetheless, a certain degree of conflict between what it is judged to be the right action by middle managers and top management expectations has been experienced by most of the participants. In such a situation, the role of a middle manager forces him/her to make timely appropriate actions, but they should not be at the expense of their subordinates. Middle managers are able to facilitate change but given their double-fold mission as supervisor and subordinate, they tend to follow their intuition and judgment in selecting the best actions in case of a non-alignment. Similarly, Floyd and Wooldridge (1992b) refer to fostering flexible organizational arrangements while middle managers are adaptability facilitators. By doing so, a middle manager can swap from being a subordinate to supervisors, make timely decisions and select the best actions without harming their subordinates.

When it is believed that the strategic change formulated by top management is creating disruptions in middle managers' daily work, circumventing the changes arises as an informal alternative. Some participants have referred to their relationships with their peers to continue working on projects that are out of the corporate strategy restrictions. The position of a middle manager could lead to creating informal networks with other peers that allow to slightly deviate from the corporate strategy to re-align their local objectives and targets to the corporate strategy; hence, alleviate conflicts and minimize resistance to changes. This finding is in accordance with Uytterhoeven's (1989) idea when raising the need for lateral cooperation. However, when middle managers have not succeeded in creating informal networks before the implementation of the strategic changes, they are

unable to benefit from their informal relationships with their peers and they are forced to execute the strategy even partially.

Middle managers as alternatives' champions

The strategic process in the case company is designed in a way that allows middle managers to communicate upwardly the options that are judged strategic and born at the operative level. Based on the analyzed collected data, some participants have reported that some of their championing alternatives could have been translated into intended plans at the top management level. Middle managers are in a central position to collect information and options either directly by interfering with customers and suppliers or using secondary data of available reports and news online. This finding was referred to as engaging in a web of communication (Floyd & Wooldridge, 1992b) when the middle manager is in the role of alternatives champions. Moreover, the use of artificial intelligence starts to take parts in the collection phase of championing alternatives and also sorting the information based on trends, for example. Nevertheless, only does a middle manager decide on the strategic importance of the championing alternatives that would be further communicated to top management. Championing alternatives because of synthesizing information remains usually at the verbal level.

More importantly, middle managers feel they are in a need to champion alternatives so that they feel part of the strategic process. Without having the feeling of being partially involved in the strategic process, middle managers might unintentionally be less active and efficient in implementing something they have not participated in its formulation. Indeed, an inefficient execution of top management's plans even by one middle manager might cause serious matters since middle managers are the linchpin of the implementation who hold the puzzle altogether. The position of middle managers at the nexus of several interactions make the implementation of corporate strategy depends on the efforts of everyone and the non-satisfaction of one middle manager might hinder the efforts of numerous players engaged fully in the implementation.

In a nutshell, the above discussion demonstrates the different involvement of middle managers in strategy and how they can take different roles as proposed in the theoretical framework reconstructed from the typology by Floyd and Wooldridge (1992b). Moreover, the findings refute the traditional view of middle managers as being implementer and support the idea that a middle manager is both a delegator and doer, both strategist and operator (Uyterhoeven, 1989).

Nonetheless, the framework does not cover the lateral relationship middle managers should manage, as its importance is crucial especially when it comes to fulfilling their roles both as information synthesizer and adaptability facilitator. The proposed theoretical framework highlights solely the liaison a middle manager has with subordinates and supervisors and neglects the vitality of the lateral relationship (based on the analysis of the collected data). This lateral relationship could be of a major importance especially in the case of implementing servitization when middle managers are required to develop and exchange service-oriented skills, for instance. Therefore, the following theoretical framework is an extension of the first one that clearly highlights the threefold mission of middle managers and is not limited only to downward and upward relationships.

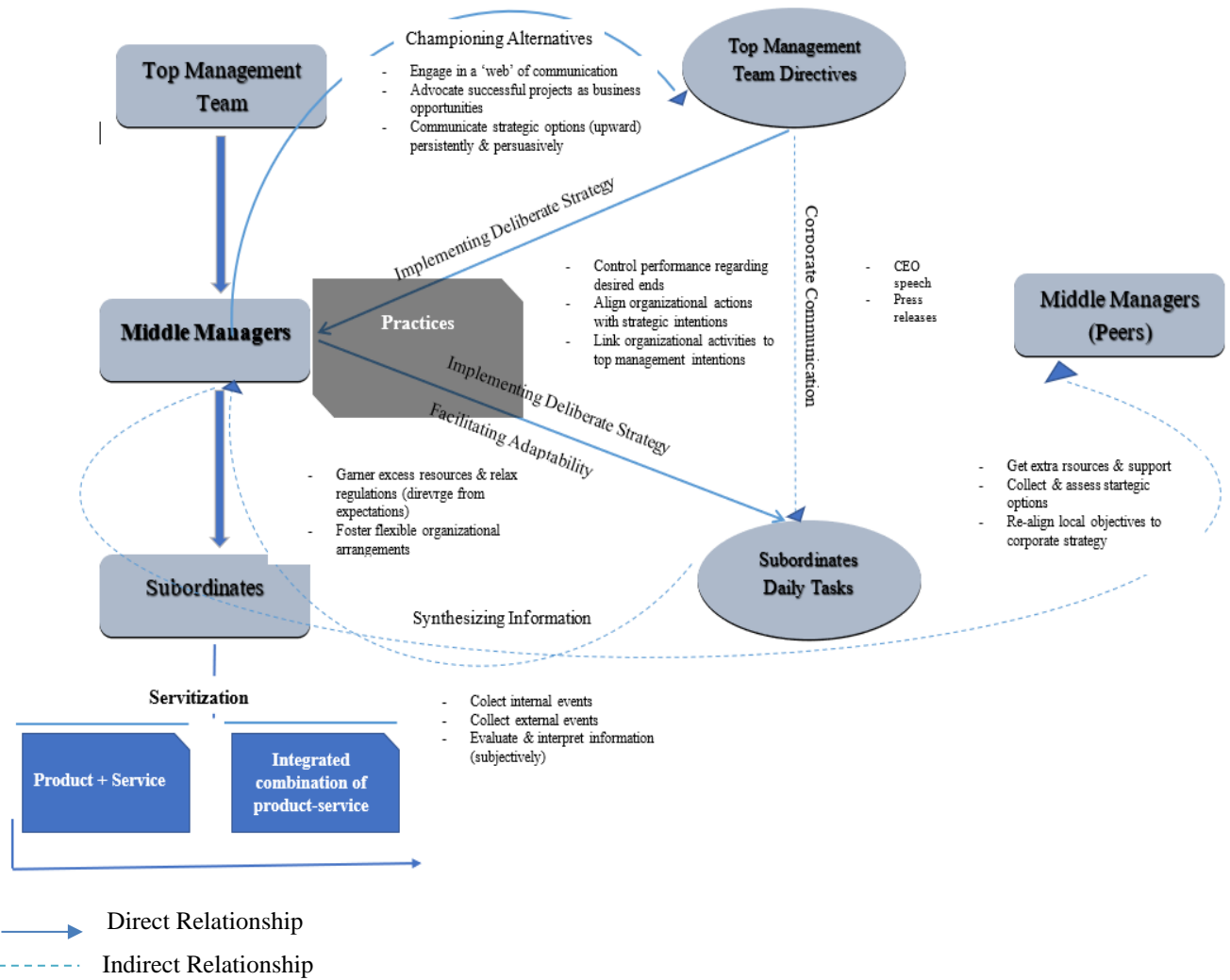


Figure 9. Extended theoretical framework

6. Conclusions

6.1. Theoretical implications

This study has raised one main research question with two-sub questions, and through an extensive literature review and analysis of the collected data, the following questions have been answered:

How do middle managers balance TMT 's directives and subordinates' daily tasks during the servitization process?

- What does the implementation of servitization entail in the work of middle management?
- How do middle managers function in the implementation of servitization?

Concerning the first-sub question, a service-oriented strategy can take different forms and might impact middle managers' work differently even within the same organization. There is a common recognition among the participating middle managers that they are accountable for the implementation of the corporate strategy, and more precisely servitization, as a special case of an intended strategic change. Moreover, middle managers have expressed their wellnesses and desire to take part in achieving the strategic objectives since they are conscious of their role in executing top management directives as part of the corporate strategy's implementation. Nevertheless, the middle managers view strategy and its objectives differently; hence, these perceptions are rather translated into their actions during the implementation phase which results in changing forms and degrees of the presence of servitization in the work of middle managers. Following this line of argument and the various ways a corporate strategy is perceived, it is extremely hard to come up with one all-inclusive answer to the first sub-question or even the second sub-question

On the one hand, servitization provides to middle managers the background to fulfill their mission, as strategy is seen as a guiding light to make sure the daily work of middle managers and their teams contribute to the alignment of their actions with the corporate

direction. For that reason, middle managers as subordinates have to satisfy the supervisory tasks by taking part in the execution of the strategic directives. This cause-effect relationship between strategy and middle managers' work is a good illustration of how the corporate strategy provides the big umbrella for all the organizational levels especially middle managers to cooperate either in a downward, upward, or an even lateral way to implement the service-oriented strategy.

On the other hand, if the corporate strategy is perceived as an umbrella that provides a reason for existence, it could be an interfering force. In some cases, the corporate strategy could be a nuisance for middle managers if they judge that strategy interferes with the work of their subordinates and hinders them from achieving their objectives since middle managers are foremostly responsible for the results of their teams. In a similar situation, the strategy is believed to become a barrier for middle managers in managing their work and teams according to their best judgment. Therefore, the strategy could create resistance, which causes distributions during the implementation phase.

Certainly, middle managers impact directly the strategic process through the adopted implementation practices, and for a service-oriented strategy, it is more likely that it takes various forms at lower managerial levels because of the cultural differences of middle managers and their technical backgrounds. Indeed, this study has clearly demonstrated that middle managers' position could influence the strategy implementation practices. The traditional strategy formulation that does not consider middle managers' contributions would likely create conflicts of interests and diverging perceptions of strategy implementation for middle managers.

6.2. Managerial implications

Effective strategy implementation relies heavily on communication either vertically or laterally. Top management team plays a vital role in guaranteeing initial acceptance of the corporate strategy and its objectives before turning the strategy into practical actions. For that, in-depth communication is the key to manage this critical phase of strategy implementation. This research concludes that middle managers' perceptions of how the

corporate strategy should take place differ among middle managers (e.g., feelings, perceptions, personal wishes, etc.). Indeed, those who are actively looking forward to implementing a service-oriented strategy adopt a different approach from those who just execute directives without massively resisting to the official plans. Similarly, this research suggests that while implementing a corporate strategy, top management should not, in any case, empower middle managers the same way. The degree of empowerment varies, as well, among middle managers, as some feel reasonably controlling their work whereas others seek to acquire more persuasive authority. Hence, while implementing a corporate strategy, the top management team are in need to be aware of these variations and adapt to them aiming at eliminating any upshots that might lead to inefficient implementation. For that reason, using the same communication strategy and perceiving middle managers on the same foot of equality in terms of their bargaining power might lead to dramatic repercussions, as it could, for example, demotivate some middle managers by stepping back from being fully engaged in the implementation, or it might empower those who are passively involved in the implementation phase. Therefore, this study concludes that the up-down control relationships should take different forms. This finding is not only valid for implementing servitization, but it could be extended for strategizing, in general.

As discussed earlier, middle managers can have a direct impact on the strategy process depending on their consent to the formulated strategy. Therefore, to deal with the discussed variances, top management should keep the situation under control without exerting a single approach during the implementation phase, so that they do not create a situation where some middle managers are eager about the implementation and others are less enthusiastic and motivated about the corporate strategy. Moreover, another practical solution could be to adjust to the variant middle managers' needs rather than adopting a uniform approach. Therefore, management practices, in general, during the implementation of servitization need to vary along with middle managers' variances to bridge the gap between strategy formulation and planning.

Overall, formal informing of servitization either via official meetings or intranet is highly crucial, but interactive communication is more important. Still, informal and open communication remain highly efficient ways to speed up the strategy learning and facilitate

its implementation. Communicating behind the curtains helps to overcome barriers and solve problems during the implementation phase, and it reinstates part of the independence and decision-making autonomy to middle managers. Therefore, developing both vertical and lateral communication should be an encouraged practice to middle managers as an efficient approach to ensure a successful implementation of servitization. Certainly, this practical implication is, also, valid, for strategy implementation at a bigger scale.

6.3. Limitations and suggestions for future research

Servitization and middle management's role in strategy work have been studied and researched from different angles separately, but they have not received enough attention simultaneously. Hence, this study stands out by combining middle managers' practices in the context of implementing servitization as an intended formulated strategy. The results and recommendations of the research are subject to limitations mainly for two reasons.

It is noteworthy to mention that the results could be slightly altered by the context of the study, especially the case company. Still, the research setup opens a new horizon for further research opportunities. Indeed, during the last couple years, wide-ranging changes have been experienced at the case company, which might have impacted its organizational members at different levels including middle management level. In addition, monitoring and controlling all the contextual parameters related to the participants was not feasible given the limited resources and time. Hence, a plausible explanation for the variance strategy implementation related balancing mechanisms. Contextual parameters such as the size of the participants' teams, working history, and other variables could not be totally controlled and might have skewed the way participants deal with the implementation of servitization, and strategy, in general. For that reason, it is judged that the reliability of the study could have improved by better controlling similar contextual parameters.

On the light of the context of this research and the discussed constraints, the analysis of the collected data has not allowed to further explain the variance in the participants' strategy work by studying the correlation of the middle managers' culture/background and strategy work' balancing mechanisms. Conducting such a comparison would have

permitted a higher degree of reliability on the balancing mechanisms used by middle managers while implementing a service-oriented strategy.

On a related matter, the data collection approach used in this study might place the results under question. In fact, using multiple case-study rather than one could have allowed building a bigger image about middle managers' balancing mechanisms in strategy work. Generalizing the research's outcomes on a bigger scale could be seen as the main limitation since data was collected from one case company. Still, face-to-face interviews have contributed to generating in-depth research data, researcher-participants trust building was enabled through conducting interviews in an appropriate setting for research. Nonetheless, using a diverse methodology to repeat the same study would not only support and complement the upshots of this study, but also it could generate more reliable data.

Finally, strategy-as-practice brings a groundbreaking approach to strategic management by shedding lights on lower managerial levels including middle managers and their positive inputs and involvement in strategic planning. Nonetheless, not a lot has been done in this perspective while taking servitization as a context. Therefore, further researches could be conducted by combining strategy-as-practice and servitization at a larger scale.

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APPENDICES

APPENDIX 1. Invitation letter for research participants

I am Youssef Loutfi, a master student at the University of Vaasa, Finland and I am conducting an academic research under the supervision of Dr. Rodrigo Rabetino Sabugo in partial fulfillment of the requirements of my Master's Programme in Strategic Business Development.

The research topic is the work of middle managers and the implementation of a service-oriented strategy, and the aim is to shed lights on the middle managers' role in balancing top management team's directives and subordinates' daily tasks during a service-oriented strategy. Indeed, I am researching what practices middle managers use to achieve the said balance in the context of a service-related strategy.

To conduct this research, data will be collected using primary sources by interviewing middle managers. The interviews will not serve to assess the knowledge and work of the participants, but they would serve to hear the opinions on balancing the work of middle managers while transitioning from product dominant logic towards service-dominant logic and the impact it might have on middle managers' work. The interviews are highly valuable to collect the needed data for the analysis.

The interviews will be conducted individually and each one is estimated to last one hour approximately. For accuracy purposes, I would like to have your consent to audio record our meeting. The results of the data analysis will serve only for academic purposes, and the participants and their opinions will remain anonymous either in the final report or any related publications.

To schedule an appropriate time slot for the interview, I will contact you, and if you are out of the city or if we fail to arrange to interview during the data collection phase, the interview could be conducted through Skype or on the phone.

A detailed summary of the outcomes of this study could be communicated to all participants, and further information about the topic could be shared under request. Should you have any question, please contact me and I will make sure to answer you in the shortest time possible.

Your time and opinions are highly appreciated.

Best Regards,
Youssef Loutfi

APPENDIX 2. The semi-structured interview guide with middle managers

Section 1: Background information

- Could you share a few words about your experience with the company and your professional background in general?
 - o *What is your current position?*
 - o *How many years have you been working at the company?*
 - o *How many years have you been working in the current position?*

Section 2: Company's strategy

- How, in which ways, do you get to know about the strategy of the company?
- Which of the ways help you best to understand the strategy and the reasons behind it? Why?
- Maybe you remember, what are the key messages of the current company strategy?
 - o *What are the short/medium/long term objectives for your company strategy?*
- Could you tell about the role of services in your company's strategy?
 - *Has the company been moving towards a more service-oriented strategy, or not? Why do you think so?*
 - *Has the company managed to implement a service-oriented strategy as expected? Why?*
 - *How do you personally feel about the service-oriented strategy of the company?*
 - *What are the advantages and disadvantages of having a service-oriented strategy?*
 - *What outcomes can the company expect if the service-oriented strategy is implemented?*
 - *What do you think other people in your working environment think about the service-oriented strategy of the company? Why do you think so?*
- Could you tell about the process of offering (more) services in your company?
 - *For how long your company has been focusing on having more services?*

- *How service offerings have been changing (i.e. the concentration of services during the process)?*
 - *What things make it easy to have service orientation in the company? what things make the service orientation difficult?*
 - *What things would help you overcome any barriers while following the service-oriented strategy?*
 - *In your opinion, are there any specific knowledge, skills, capabilities, or resources needed for implementing the service-oriented strategy? Does your organization have them or they need to be developed?*
- The way daily work is organized in the company, do you think it supports or hinders service-oriented strategy implementation? Why do you think so?
 - Are you somehow involved in strategy making process and service-oriented strategy in particular? How?
 - *Could you describe your input and role in the process of formulating and implementing a service-oriented strategy?*
 - *Have you ever communicated strategic options to the TMT?*
 - *Could you tell how do you collect and assess the strategic importance of the communicated information?*
 - *Have your suggestions been taken into consideration while formulating a service-oriented strategy?*
 - With whom and how often you discuss strategy? Formally and informally, virtually and face-to-face? Do you discuss strategy with your subordinates, with TMT? In what circumstances?
 - *Could you tell how do you collect and assess the strategic importance of the communicated information?*
 - *What are the problems/challenges faced during the collection of the strategic information and its communication to TMT?*
 - *Do you think employees need to know what the service-oriented strategy of the company is? Why?*

Section 3: Middle managers and servitization relationship

- Could you describe a typical workday?
 - *Could you give examples of the main daily tasks that take up your time?*
 - *Could you describe your interaction with your supervisors and subordinates?*
- Do you find important that your work would have the link with strategy? Why?

- *Please explain how strategy is linked to your daily work. Could you give some examples?*
- How do you see your role in implementing the strategy?
 - *Do you feel motivated to implement the strategy? Why?*
- As a middle manager, how do you balance TMT's directives and the subordinates' daily tasks in the context of a service-oriented strategy?
 - *What are the routines, processes, and practices used to balance your work?*
 - *What are the challenges/barriers faced while being a middle-man between the top managers and subordinates?*
 - *Could you provide an example(s) of when the balancing experience went well and when it was difficult?*
 - *What kind of practices should be adopted by middle managers in order to balance efficiently TMT's directives and the subordinates' daily tasks?*
- As a middle manager, do you explain and communicate a service-oriented strategy explicitly or implicitly to your customers, suppliers, and shareholders?
 - *Do you usually repeat the same words used in the marketing reports, or you use your own words without directly referring to a strategic change (new strategy)?*
 - *Could you tell me why do you do so?*
 - *Do you explain the service-oriented strategy to customers, suppliers, and shareholders using the same words or you adapt your speech depending on your interlocutor?*
 - *Could you tell why do you do so?*
 - *Could you recall an example when you had to explain the new service-oriented strategy either to a customer, supplier, or shareholder?*
 - *Could you recall any problems/challenges faced during communicating your company service-oriented strategy either to your customers, suppliers, or shareholders?*
- If you think about a service-oriented strategy, as a middle manager, how do you feel about the service-oriented strategy implementation process?
 - *Could you tell if your way of thinking, feeling, and acting was different before and after changing the company's strategy? Please, provide some examples.*
 - *Do you think this emotional change impacted the outcome of your work? How?*
- As a middle manager, how would you describe your degree of commitment to a service-oriented-strategy?

- *Is it high or low commitment?*
- *How does the alignment of your personal and professional perspectives with a service-oriented strategy impact your degree of commitment?*
 - *If yes, how did this change impact your role as a middle manager?*
 - *Could you tell what practices have helped you to perform your role as a middle manager?*
- *How has it been changing over time?*

- **As a middle manager, have you ever faced a situation where you had to adjust your expectations and behaviors regarding an ongoing implementation of a service-related strategy?**
 - *Could you recall any situation where you had to deviate from organizational expectations to facilitate an emergent approach?*
 - *If yes, have you communicated your move to TMT?*
 - *What problems/challenges have you faced in this situation?*
 - *What practices have you used in this situation?*

- **How could your work be different without the current service-oriented strategy?**
 - *What does the service-oriented strategy add to your work?*

- **Is there anything you would like to add?**
 - *Any insights, comments, or feedback?*

APPENDIX 3. Interview guide for final participants

University of Vaasa

Youssef Loutfi
Masters' Thesis Research**Interview Guide**

The interview will be conducted for pure research academic purposes. All the participants and their answers will be anonymous. The interview is made up of three sections as follows:

- Section 1 will cover briefly the background of the interviewee.
- Section 2 will shed lights on the present strategy of the company and the role of services in the company.
- Section 3 will reflect on the service-oriented strategy by discussing, on the one hand, briefly the input on middle managers in the formulation and implementation of a service-oriented strategy and focusing on the practices used to balance the top management team's directives and the subordinates daily work, on the other hand.