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**A Comparative analysis of factors influencing
strategy implementation**

Differences between large companies vs. SME's and micro-companies

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ABSTRACT:

Strategy implementation refers to the process through which planned strategies are executed in practice (Heide et al., 2002; Weiser et al., 2020) and is regarded as the most challenging phase of strategic management (Ivancic, 2016; Zaidi et al., 2018), with studies estimating that up to 90% of strategies fail during implementation (Raps, 2004; Cater & Pucko, 2010). Although research on strategic planning is extensive, the execution phase remains underexplored (Tawse & Tabesh, 2021; de Oliveira et al., 2019). Moreover, existing studies focus primarily on large firms, offering limited insight into smaller enterprises (Kelliher & Reinl, 2009; Kearney et al., 2019).

The purpose of this thesis is to examine how the practices and factors influencing strategy implementation differ between large and smaller companies. The theoretical framework examines the factors that could hinder or, conversely, facilitate the effective execution of the strategy. These include factors such as clarity and precision in strategic foundations and leadership and management capabilities, as well as other significant factors that influence the implementation process. The research focuses on two large, two medium, three small-sized companies and a micro company. Data is collected through semi-structured interviews, which allows a detailed comparison of practices and challenges related to strategy implementation between the organizations of different sizes.

The findings show how factors influencing strategy implementation differ between large and smaller companies. Large firms typically rely on formal structures, clear strategic foundations, and distributed leadership. In smaller firms, implementation is more informal and dependent on individual leaders, often leading to fragmented practices. Resource allocation was considered important across all firm sizes, but only large companies had the capacity to manage it systematically. Small firms particularly struggled with limited leadership and management capabilities. Leadership structures were often underdeveloped, and responsibilities concentrated in the hands of founders. A critical issue discovered was the lack of consensus and commitment between owners, which significantly hindered implementation and, in some cases, led to critical organizational dysfunction.

This study highlights significant internal variation within the SME category and shows that size alone does not determine implementation practices. The taxonomy analysis based on Šilenskytė and Smale (2021) reinforces the finding that organizational characteristics, not just size, shape strategic behaviour. The results also challenge the analytical validity of treating size-based categories such as SMEs as homogeneous, suggesting a need for more nuanced segmentation when analysing strategy implementation in different organizational contexts.

AVAINSANAT: Strategic planning, Strategy implementation, Strategy execution

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Abbreviations

CEO: Chief Executive Officer

SAP= Strategy as practice

SI= Strategy implementation

1 Introduction

“Without successful implementation, a strategy is but a fantasy” (Hambrick and Cannella 1989, p.278).

Strategy implementation refers to the process through which formulated strategies are translated into concrete actions and realized within the organization (Heide et al 2002; Weiser et al, 2020). While this may seem straightforward, simply putting the strategy to work often proves to be a challenging task (Koseoglu et al.,2009). Implementation is considered the most challenging aspect of strategic management (Zaidi et al 2018; Ivancic, 2016) and numerous studies suggest that most implementation efforts fail, with some estimates indicating that as many as 90 percent of strategies are not executed effectively (Cater and Pucko 2010; Raps, 2004).

Although organizations may formulate strong and promising strategies, their ability to sustain competitive advantage often falters due to shortcomings in the implementation stage. Indeed, even seemingly straightforward improvements require the careful integration of numerous interdependent strategic activities, where failure in just a single element can undermine the entire effort (Weiser et al., 2020; Alharthy et al., 2017). Thus, the underlying issue is not necessarily with the strategy itself but with the organization's inability to effectively implement it. The failure of implementing strategy often stems from a lack of execution expertise as managers generally possess greater knowledge of strategy creation than of its actual implementation. In addition, the inability to navigate difficult organizational changes prevent effective implementation (Cater & Pucko, 2010).

While there is extensive literature on strategic planning and positioning, the practical execution of strategies remains underexplored and is often treated superficially. (Tawse and Tabesh 2021; de Oliveira et al 2019; Ivančić 2013) Nevertheless, academic interest in the execution of strategy has been growing, with recent studies placing increasing emphasis on the dynamic and adaptive dimensions of strategy implementation (Weiser

et al., 2020; Amin, 2024). Despite the increasing scholarly interest, most research has continued to focus on large companies and SME's, while limited attention has been given to strategizing within micro firms (Kearney et al., 2018). While SME literature is extensive, it often lacks clarity on whether it focuses primarily on medium-sized firms, which represent less than 1% of EU companies, or includes small companies, which together with micro enterprises make up about 99% of EU businesses, more equally (Table 1).

There remains limited understanding of how small and micro enterprises characterized by informal flexible and resource-constrained environments implement strategy. These firms often execute strategy intuitively quickly adapting to external changes but face vulnerabilities due to limited resources and high dependence on individual leaders. (Kelliher and Reinl 2009; Kearney et al. 2019) Consequently, actionable insights into small business strategy execution remain sparse.

By examining this underexplored context, the thesis provides a comprehensive view of strategy implementation in companies of various sizes, highlighting differences between large and smaller firms. It offers practical managerial implications and identifies future research avenues by revealing challenges and practices unique to resource-constrained, owner-driven environments. The thesis begins with an introduction to the research topic, questions, and structure, followed by a literature review covering strategy and strategy implementation. The methodology section outlines the case study approach, and the empirical part presents a comparative analysis of eight construction industry firms of varying sizes. The study concludes by integrating theoretical and empirical findings, discussing implications, and suggesting directions for future research.

1.1 Research gap

The existing body of research on strategizing is predominantly conducted on larger and medium-sized organizations, often overlooking the practical challenges faced SME's,

leaving a gap of in-depth research on how micro navigate strategic challenges and opportunities. (Kearney et al. 2019)

This gap is particularly significant given that micro enterprises (SMEs) account over 94% of all businesses in the EU (see Table 1). This thesis provides an insight into how the factors influencing strategy implementation may differ between small and large companies, or whether they are fundamentally the same, shedding light on the unique challenges and opportunities organizations of different sizes, and especially smaller organizations, face when implementing strategy.

Table 1 Key business statistics in the business economy, %, share for each enterprise size class, EU, 2021) (Adapted from Eurostat, 2024)

Number of employees	%, Share of companies	%, Share of persons employed	%, Share of wealth generated
0 - 9	94,1	30,1	19,2
10-49	4,9	18,9	16,1
50-249	0,8	15,4	17,1
250+	0,2	35,6	47,5
TOT	100	100	100

1.2 Research question and objectives

The research question for the master's thesis is:

RQ 1: How do success factors and challenges of strategy implementation differ between large companies and smaller firms (SME's and micro companies)

To address the research question and delineate the scope of the study, the following research objectives have been established:

RO1: Identify the success factors and the challenges in SI

RO2: Compare success factors and challenges in the firms of different sizes

With this approach, this thesis aims to identify key factors influencing strategy implementation and how they vary by company size. The findings offer much-needed guidance for small and micro firms, helping them implement strategies more effectively and supporting their growth while addressing a notable gap in existing literature.

1.3 Research structure and framing

The research process will begin with the definition of the research focus, design, objectives, and questions. The theoretical phase of the research will continue with a comprehensive literature review. The necessary background and context of the existing research on strategy implementation and the factors effecting it will be provided.

The research begins by presenting the methods, establishing a solid foundation for the study. This is followed by an examination of the process for identifying and selecting the case companies. The subsequent data collection phase employs semi-structured interviews to obtain qualitative insights into strategy implementation practices and the factors influencing these practices within the case companies. Within case descriptions aim to uncover critical factors affecting the strategy implementation process and following cross-case analysis analyses how these factors differ between large and small companies, reveals the findings of the study and offers a nuanced understanding of organizational dynamics in varying contexts. The thesis will conclude with theoretical and practical implications of the research findings, as well as suggestions for further research in this field.

2 THEORETICAL FRAMEWORK

2.1 Literature review

Strategy has historically been understood in various ways, with definitions reflecting different theoretical perspectives. Originating from the ancient Greek term *strategos*, meaning to lead an army, the concept emphasizes coordination and planning to achieve objectives (Cummings, 1993, p.133). In modern business contexts, strategy defines the business model a firm uses to compete, while tactics refer to the specific actions taken within that model (Casadesus-Masanell & Ricart, 2010, p.196). Since this thesis focuses on strategy implementation, it does not explore the full range of strategy definitions found in the literature. However, the following selected examples highlight diverse conceptualizations and offer a brief overview of the theoretical foundations and schools of thought that shape academic understanding of strategy:

“Competitive strategy is a combination of the ends (goals) for which the firm is striving and the means (policies) by which it is seeking to get there.” (Porter, 1980, p.xxiv)

“Strategy refers to the decisions and actions made in the present to ensure future success and capitalize on emerging opportunities.” (Karlöf, 2004, p.19)

Strategy can be explicit or implicit (Heide et al., 2002) and involves both planned and emergent elements (Mintzberg & Waters, 1985). The strategy process typically includes analysis, formulation, and implementation (Price & Newson, 2003, p.183), encompassing environmental assessment, change identification, execution, and monitoring (Karlöf, 2004). Strategies are generally classified into portfolio (corporate level), business (competitive), and operational (functional) types (Karlöf, 2004, p.10–13). Complementing this, the strategy-as-practice perspective emphasizes strategy as a dynamic and socially embedded process shaped by the actions and interactions of

individuals (Vaara & Whittington, 2012), particularly relevant in smaller firms, where strategy often emerges from the everyday practices of key actors (Kearney et al., 2019).

2.1.1 Strategy implementation

Strategic planning is only the starting point, not the final outcome (Galpin, 1998, p.40). Strategy formulation is a multifaceted and dynamic phase involving iterative decision-making and coordinated actions by managers and employees (Li et al., 2010). It is shaped by internal and external factors and aims to guide the organization toward strategic objectives (de Oliveira et al., 2019; Friesl et al., 2021; Pučko & Čater, 2010). Ultimately, strategic success rests on coordinated action, adaptive leadership, and continuous refinement. Attempts to rush the process may undermine outcomes, as effective integration demands deliberate effort (Friesl et al., 2021, p.2–3; Hrebiniak, 2006, p.14).

Despite thorough planning, many organizations struggle to translate strategic aspirations into concrete outcomes, revealing a persistent gap between planning and execution (Čater & Pucko, 2010, p.208; Noble, 1999b, p.19; Friesl et al., 2021). The implementation phase is often more challenging than the actual planning process, requiring continuous monitoring and adaptability (Galpin, 1998, p.38; Ivančić, 2013, p.2; Friesl et al., 2021; Okumus, 2001). Bridging this gap requires operationalizing strategies into tangible actions and aligning resources to meet performance targets (Heide et al., 2002; Ivančić, 2013; Li et al., 2010; Miller, 1997).

Effective strategy implementation requires clear responsibilities, structured planning, and sustained execution. Leaders must align organizational structures with strategic goals, define key tasks, allocate resources, and ensure internal buy-in. Leadership is also crucial in addressing obstacles such as unclear responsibilities, resistance to change, and ineffective reward systems. (Miller et al., 2004; Friesl et al., 2021; Pučko & Čater, 2008). SI is a progressive, ongoing and integrated process, requiring meticulous planning and alignment across organizational levels (Heide et al., 2002, p.218) and demanding simultaneous efforts across key dimensions: translating strategy into actionable steps,

coordinating activities, monitoring progress while providing feedback, and enhancing employee competencies (de Oliveira et al., 2019).

On the other hand, SI is not an instantaneous process but rather unfolds over time, combining deliberate actions with unanticipated developments. (Friesl et al., 2021; Hrebiniak, 2006). Successful implementation is contingent upon efficient resource allocation and resolving operational challenges while ensuring a holistic approach rather than focusing on isolated components (Raps, 2005, p.142).

Despite extensive discussions and advice on the topic, the concept of strategy implementation often remains vague and undefined, lacking clear guidance on the essential components that make it a foundational element of an effective organization. (Crittenden & Crittenden, 2008, p.301) Strategy implementation (SI) is understood in various ways, depending on the perspective taken. In their study, Silenskyte & Smale (2021, p.515) present a useful taxonomy of SI in multinational corporations, categorizing conceptualizations into three distinct levels: O-level, I-level, and A-level perspectives. At the O-level, strategy implementation is viewed as a tangible and structured process, where planning precedes execution in a linear and predefined manner. The A-level perspective also follows the general logic of planning followed by implementation; however, unlike the O-level, strategy is understood as an emergent rather than a fixed phenomenon. Strategy implementation at the I-level is more embedded in everyday activities and reflects more of the “Strategy as Practise”-approach. This taxonomy offers a valuable conceptual framework for the present study and will also be applied to the cross-case analysis.

2.1.2 Strategy implementation in SME & micro firm context

Strategic management in small and medium-sized enterprises (SMEs) is characterized by a unique set of challenges and opportunities that distinguish it from large corporations. Its importance is recognized, yet it is generally insufficiently integrated into the routine operations of the enterprise. Often, managers either underestimate the critical role of

strategic thinking in organizational success or lack the capacity to effectively implement a coherent strategic framework (Belas, 2020). In SME's, strategic management is not always prioritized, and many owner-managers focus on short-term survival rather than long-term growth (Wolczek, 2018). Only a small share of SME companies prepares strategies with a time horizon exceeding five years, indicating a generally short-term orientation in strategic planning (Skokan et al., 2013).

This characteristic of deprioritizing strategic management is also present in micro firms, where limited managerial capacity and highly centralized decision-making result in the owner-manager playing a central role across all business functions.

Particularly, in micro and small enterprises, the strategic role is often held by the owner, (Wolczek, 2018). Strategy work in this context is closely intertwined with daily operations and is strongly shaped by the entrepreneur's personal experiences, tacit knowledge and intuitive judgment (Kelliher & Reinl, 2009). The personal involvement of the owner or manager in the strategic process ensures fast and direct decision-making, but it can also create bottlenecks if the owner lacks strategic management expertise or if authority is overly centralized (Kearney et al., 2019). In addition, this characteristic of small and micro companies limits delegation and collaboration. (Wolczek, 2018).

While flexibility in smaller organizations provides certain advantages, there are significant challenges associated with strategic implementation in small and micro firms. One of the most pressing issues is resource constraints. Many small businesses suffer from "resource poverty," lacking sufficient financial capital and skilled personnel to pursue long-term strategic objectives effectively (Kelliher & Reinl, 2009). Consequently, owner-managers tend to prioritize immediate operational concerns over sustained strategic development (Wolczek, 2018). Strategic efforts may be postponed or abandoned entirely when urgent operational matters arise, particularly in resource-intensive contexts (Skokan et al., 2013).

Another critical challenge related to the high degree of owner dependence is that the firm's strategic success often relies heavily on a single individual, making the business particularly vulnerable to disruptions such as leadership changes or burnout. (Kearney et al., 2019). Furthermore, micro and small enterprises frequently operate in intensely competitive markets where larger firms benefit from economies of scale and stronger financial resources. This competitive imbalance can hinder smaller firms' ability to sustain long-term strategic initiatives, as they lack both the market influence and structural capacity to compete on equal terms. (Kearney et al., 2019).

2.1.3 Research on factors affecting strategy implementation

The following section focuses on examining the factors contributing to strategy implementation. Building upon existing academic research, this work establishes a framework for further examination of practical implications of the factors within organizational contexts.

A literature review of 13 key research articles was conducted to identify common barriers and enablers of strategy implementation. The most critical factors were selected and examined in depth, with additional studies included to support a comprehensive analysis.

Beer and Eisenstat (2000) identify six key "Silent killers" of strategy execution, while Galpin (1998) highlights the "Seven Deadly Sins" that can undermine organizational initiatives. Hrebiniak (2006) in his study, conducted a survey to pinpoint major barriers to effective execution. Aziza et al. (2008) reference a study which examines the common pitfalls in SI. Building on earlier research, Heide et al. (2002) highlight seven crucial factors that affect SI outcomes, whereas Li et al. (2010) identify nine recurring factors from a comprehensive review of the literature. Crittenden and Crittenden (2008) offer an implementation toolkit to bridge the gap between strategy formulation and execution. Cater and Pucko (2010) contribute through their extensive literature review on the factors of effective SI. Aaltonen and Ikävalko (2002) focus on challenges faced by

organizations during implementation, while Noble (1999) introduces five key levers for enhancing cross-functional execution. Zeps and Ribickis (2015) explore the impact of variables in strategy creation on implementation success in Latvian organizations. Koseoglu et al. (2009) emphasize organizational issues as a primary cause of failure during implementation. Finally, Amin (2024) reviews internal and external factors critical to strategy execution in the public sector, further enriching the understanding of what drives successful implementation.

The studies discussed above effectively summarize the key factors that either hinder or facilitate strategy implementation, and similar themes are found in several other studies and literature reviews, also incorporated to the review. According to the chosen studies, the factors in question are largely the same; however, depending on whether they materialize or not, they function either as barriers or enablers of effective strategy implementation. Based on the referenced studies, eight key factors recurring in at least four sources were selected for further examination due to their significant impact on strategy implementation (Table 2). In addition, other important factors outside the framework were included in the analysis based on their frequent occurrence in the literature, and particularly in smaller companies examined in this study. All the above-mentioned factors are summarized in table 8 (p. 88), which presents the key findings from the case company interviews regarding strategy implementation (SI) factors.

Table 2. Identified key factors influencing strategy implementation from literature.

Factor	Biggest challenges in strategy implementation (according to study)
Clarity and precision in strategic foundations	(Aaltonen & Ikävalko, 2002; Aziza et al., 2008; Beer & Eisenstat, 2000; Cater & Pucko, 2010; Hrebiniak, 2006; Li et al., 2010; Noble, 1999b; Zeps & Ribickis, 2005)
Leadership and management capabilities	(Aaltonen & Ikävalko, 2002; Beer & Eisenstat, 2000; Cater & Pucko, 2010; Crittenden & Crittenden, 2008; Galpin, 1998; Heide et al., 2002; Hrebiniak, 2006; Noble, 1999b; Li et al., 2010; Zeps & Ribickis, 2005)
Communication and information flow	(Aaltonen & Ikävalko, 2002; Amin, 2024; Beer & Eisenstat, 2000; Cater & Pucko, 2010; Galpin, 1998; Heide et al., 2002; Hrebiniak, 2006; Koseoglu et al., 2009; Li et al., 2010; Noble, 1999b)
Resource Allocation	(Aziza et al., 2008; Crittenden & Crittenden, 2008; Galpin, 1998; Heide et al., 2002; Noble, 1999b)
Strategy awareness	(Aaltonen & Ikävalko, 2002; Aziza, 2008; Heide et al., 2002; Zeps & Ribickis, 2005)
Guidelines for implementation	(Cater & Pucko, 2010; Hrebiniak, 2006; Li et al., 2010; Zeps & Ribickis, 2005)
Reward systems and strategy implementation	(Aaltonen & Ikävalko, 2002; Allio, 2005; Cater & Pucko, 2010; Crittenden & Crittenden, 2008; Hambrick & Cannella, 1989; Hrebiniak, 2006; Noble, 1999a; Li et al., 2010; Tawse & Tabesh, 2021; Zeps & Ribickis, 2015)
Corporate culture and strategic goals	(Amin, 2024; Cater & Pucko, 2010; Crittenden & Crittenden, 2008; Heide et al., 2002; Koseoglu et al., 2009)

2.2 The key factors affecting SI identified from the literature

2.2.1 Clarity and precision in strategic foundations

According to Cater & Pucko (2010) and Hrebiniak (2006), a poorly conducted strategic analysis and an inadequately defined strategy are often the root causes of problems in both formulation and implementation. A lack of clarity and precision in a strategy, common across many organizations, create uncertainty within the organization and leaves employees uncertain about their role and how to contribute through their daily actions hampering its members' ability to execute the strategy in a focused and collective manner (MacLennan & Markides, 2021). According to research conducted by Skokan et

al. (2013), businesses that have formulated a detailed strategy tend to achieve, on average, significantly better performance outcomes.

Without clearly defined strategic goals and short-term, measurable objectives for organizational units, it becomes difficult to maintain focus on key challenges, leading to ineffective execution (Aaltonen & Ikävalko, 2002; Allio, 2005; Hrebiniak, 2006; Ivancic, 2013; Noble, 1999b; Rumelt, 2011). In addition, according to Li et al. (2010), drawing on Heracleous (2000), managers must feel confident in the strategy and see its value. If managers see the strategy as flawed or threatening, they may resist it. (Li et al., 2010).

Koseoglu et al. (2009) state that the formulation process plays a more crucial role in explaining strategic failures. Conversely, Cater and Pucko (2008, p.230) argue that “It is better to have a less perfectly crafted strategy which is fully executed than to formulate an excellent strategy which is never implemented”. Lee and Puranam (2016, p.1529) further explain that even well-executed strategies, like cost-cutting, may fail if they do not align with industry dynamics, highlighting the importance of strategic fit alongside execution.

2.2.2 Leadership and management capabilities

Leaders play a crucial role in the implementation of strategy (Šilenskytė, 2020; Noble, 1999a; Crittenden & Crittenden, 2008; Noble, 1999a) and effective leadership is essential for identifying areas where change is necessary and overcoming obstacles that may arise during the implementation process. Leaders are also responsible for managing people, motivating them, and adjusting organizational structures to drive successful change. (Cater & Pucko, 2010)

Noble (1999a) and Beer & Eisenstat (2000) emphasize the role of middle managers acting as powerful agents in driving strategic success, as effective strategy execution increasingly depends on lower-level managers who can guide teams to align and execute critical strategic initiatives across various functions. Managers’ cognitive ability to

anticipate and adjust their actions is vital for effective strategy implementation, helping them overcome challenges like cultural barriers and respond to feedback to keep the organization on track (Tawse & Tabesh, 2021).

Effective management of personnel is a cornerstone of both strategy creation and execution, as employees' ambitions, emotions, and needs have a profound influence on organizational outcomes. Neglecting these human factors can result in significant opposition to strategic initiatives (Heide et al., 2002). To address this, leaders play a pivotal role in identifying critical areas requiring transformation and proactively addressing resistance. Their responsibilities include managing key individuals, aligning incentives, and adjusting organizational structures to facilitate the successful implementation of strategic goals (Cater & Pucko, 2010).

2.2.3 Communication and information flow

In numerous studies and articles on strategy implementation, communication has consistently been highlighted as the most crucial factor for success (Aaltonen & Ikävalko, 2002; Li et al., 2010, p.19; Galpin, 1998; Beer & Eisenstat, 2000). When companies clearly communicate their winning approach, aligning execution with corporate goals, they foster a culture of performance (Aziza et al, 2008).

Written strategies play a significant role in successful strategy implementation. A well-documented strategy provides clear guidance and direction, ensuring alignment and coherence across all levels of the organization (Zeps & Ribickis, 2015). Additionally, structured tools such as templates and frameworks help present the strategy consistently, facilitating understanding and the effective explanation of strategic objectives (Allio, 2005, p.18; Noble, 1999b). Providing context helps employees understand the rationale behind the new direction and how their roles contribute to the organization's strategic goals (Li et al., 2010) They help employees to comprehend how the strategy is implemented in day-to-day operations and furthermore, to become proactive agents of change within the organization. (Aziba et al., 2008).

A hierarchical management style can significantly obstruct open communication from lower levels and hinder an organization's ability to learn and adapt (Beer & Eisenstat, 2000). In contrast, frequent vertical communication the organization promotes strategic consensus by fostering shared attitudes and values (Li et al., 2010). When organizational members do not have access to consistent information or when communication must traverse multiple hierarchical layers, the resulting divergence in understanding can hinder the development of strategic consensus (Rapert et al., 2002). In addition, open, interactive communication, as well as active listening, fosters a shared understanding and strengthens commitment to the strategy's success enhancing the decision-making process and organizational flexibility (Šilenskytė, 2020; Beer & Eisenstat, 2000).

2.2.4 Resource allocation

To implement a successful strategy, organizations must ensure they have sufficient resources allocated to meet their strategic goals. Insufficient allocation of resources can significantly hinder the execution of an organization's strategy and slow its progress (Amin, 2024; Cater & Pucko, 2010; Crittenden & Crittenden, 2008; Galpin, 1998; Heide et al., 2002; Li et al., 2008; Kohtamäki et al., 2012). It is crucial for organizations to carefully assess their resource needs and ensure that they are adequately prepared to achieve their strategic objectives (Cater & Pucko, 2010).

Crittenden and Crittenden (2008, p.301) highlight that proper resource allocation involves utilizing essential resources such as finances, people, and capabilities. However, resources should not only be viewed in financial terms (Crittenden & Crittenden, 2008; Heide et al., 2002, Amin, 2024). Physical capital, such as facilities, equipment, and technology, as well as human capital, which encompasses expertise, experience, and motivation as well as organizational capital, including processes, systems, and networks, also plays a key role in supporting strategic goals. (Crittenden and Crittenden, 2008)

2.2.5 Strategy awareness

Aaltonen and Ikävalko (2002) note that high volumes of communication do not guarantee understanding. Their study highlights the need for clear, effective communication that ensures comprehension at all organizational levels. Typically, 95% of the workforce does not understand the strategy (Kaplan and Norton, 2005), thus, simply sharing information is not enough; employees must understand, accept, and internalize the strategy for effective implementation (Aaltonen & Ikävalko, 2002). If employees do not understand the company's strategy, the likelihood of successful implementation diminishes, which can negatively impact financial performance (Crittenden & Crittenden, 2008; Aziza et al., 2008).

When communication occurs frequently across different levels of the organization (for example, between management and employees), it fosters a shared understanding of strategic priorities. This, in turn, enhances organizational performance, as everyone has a clear understanding of the goals to be achieved and the reasons behind their importance. (Li et al., 2010) Although strategy may be clear at the top levels of the organization, its understanding and adoption across the entire workforce is often lacking (Allio, 2005; MacLennan & Markides, 2021) and managers often lead implementation teams despite having a limited understanding of the overarching strategy (Noble 1999b).

2.2.6 Guidelines for implementation

For a strategy to be effectively implemented, employees must recognize its existence and possess the requisite knowledge and skills to carry it out (Heide et al., 2002). MacLennan and Markides (2021), in their survey of over 2,000 managers, found that while managers generally possess a clear understanding of their organizations' overarching goals, they exhibit considerably less clarity regarding the specific methods and processes employed to achieve these objectives

Many processes and programs are launched without a clear understanding of their purpose or the specific objectives they aim to achieve. This lack of strategic direction hampers effective change, as actions are taken without a coherent plan or vision (MacLennan & Markides, 2001). Comprehensive and well-structured guidelines ensure employees can effectively contribute to the organization's success. Without clear frameworks or explicit instructions, employees struggle to align their daily efforts with strategic objectives, leaving the organization vulnerable to inefficiency and misaligned actions (Allio, 2005, p.19; Beer & Eisenstat, 2000; Hrebiniak, 2006)

2.2.7 Reward systems

One of the most frequently emphasized aspects in studies and articles on strategy implementation is the importance of aligning reward systems with strategic objectives (Aaltonen & Ikävalko, 2002; Allio, 2005; Al-Ghamdi, 1998; Cater & Puco, 2010; Crittenden & Crittenden, 2008; Hambrick & Cannella; 1989; Hrebiniak, 2006; Noble, 1999b; Li et al., 2010; Tawse & Tabesh, 2021; Zeps & Ribickis, 2015) However, according to Aziza et al. (2008), 70% of organizations do not link middle management incentives to strategy.

Incentive systems must be consistently aligned with the organization's strategic objectives. (Noble, 1999b; Hambrick & Cannella, 1989, p.282) When incentives conflict with these goals, it can significantly hinder effective strategy SI. For instance, if employees are rewarded solely based on the performance of their specific functions, they may lack the motivation to contribute toward overarching, shared objectives (Noble, 1999b, p.27; Hrebiniak, 2006, p.23).

Motivating individuals in strategy implementation requires a balanced mix of financial and non-financial incentives, such as recognition and growth opportunities. Incentive systems should be flexible and tailored to individual goals to maintain commitment throughout the implementation process (Crittenden & Crittenden; 2008, p.307; Silenskyte, 2020; Noble, 1999b). Rewards can take many forms: they may be formal, such as bonuses, promotions, or commissions, or informal, such as verbal praise, recognition,

or a sense of pride and accomplishment. Tailoring the type and criteria of rewards to fit the specific strategic direction of the business is essential. Hambrick & Cannella (1989)

2.2.8 Corporate culture and strategic goals

Organizational culture is seen as one of the most critical factors influencing the success of strategy implementation, drawing on insights from multiple studies (Aaltonen & Ikävalko, 2002, p.417; Amin, 2024, p.68; Heide et al., 2002, p.219; Hrebiniak, 2006, p.16; Koseo-glu et al., 2009) It encompasses the collective cognitive frameworks and behavioural patterns within an organization, shaped by shared values, attitudes, and norms that influence how individuals are likely to act (Cater & Pucko, 2010, p.307; Heide et al., 2002, p.219).

Organizational culture problems often stem from a lack of trust, which can manifest as employees' reluctance to share knowledge with their colleagues. Another cultural challenge is a tendency to focus on short-term objectives rather than long-term goals (Cater & Pucko, 2010). Resistance to change often stems from perceived misalignment between new strategies and established organizational culture. Aligning strategic initiatives with core cultural values is essential to gain acceptance and support effective implementation. (Merkus et al., 2019)

Change, being closely related to SI, is often perceived as synonymous with cultural transformation, highlighting the profound interplay between strategic shifts and the deeply ingrained values, norms, and behaviours within an organization. To further complicate matters, different units and functions within organizations often develop distinct subcultures, making it challenging to maintain strategic coherence. (Hrebiniak, 2006)

2.2.9 Other significant factors outside the framework

The following section briefly examines other commonly highlighted factors that were mentioned two to three times across the selected sources and were identified in the case companies as influencing factors in strategy implementation, following the abductive research approach (Eriksson & Kovalainen, 2016, p.24; Saunders, 2023, p.154–161).

2.2.9.1 Challenges regarding organizational structure and decentralization

Effective strategy implementation, at any level, depends on the active participation and collaboration of all employees (Aziza et al., 2008, p.16; Crittenden & Crittenden, 2008, p.304, Noble, 1999b, p.121; Tawse & Tabesh, 2021, p.30) Regular communication can strengthen cross-functional relationships by fostering a deeper understanding and greater appreciation of each department's contributions (Noble, 1999a). Integrating distinct organizational units to reach overarching goals is crucial for successful strategy execution, despite its challenges (Hrebiniak, 2006, p.23).

2.2.9.2 Consensus and commitment

Strategic consensus refers to the degree to which members within an organization align their perceptions and agree on the key strategic priorities. It reflects the level of shared understanding regarding the organization's direction and objectives. (Rapert & Garretson, 2002) In addition, that the lack of consensus is an obstacle to the creation of a sound strategy (Koseoglu, 2009), numerous studies highlight that both external and internal consensus are crucial for the successful SI (Li et al., 2010). Gaining commitment from all levels of an organization can be a significant obstacle (Noble, 1999a, p.121). A lack of both collective clarity and commitment often leads to fragile agreement on strategic objectives. Strengthening both understanding and dedication among stakeholders is essential to bridging the critical "implementation gap" and ensuring the success of strategic initiatives (Li et al., 2010, p.22).

2.2.9.3 Employee engagement

To enhance organizational performance, it is essential to engage employees in participative strategic planning (Kohtamäki et al., 2010; Zeps & Ribickis, 2015). This approach improves their comprehension of the company's strategy and fosters a greater commitment to its implementation (Kohtamäki et al., 2012). Engaging both senior and junior staff in the initial stages of strategy development allows them to foster a sense of ownership across the organization even before the implementation process starts (Noble, 1999b). However, companies often fail to fully leverage the expertise and insights of lower-level employees. Not involving employees adequately can result in missed opportunities for valuable contributions to the strategic process (Beer & Eisenstat, 2000).

2.2.9.4 Working against power structure

Challenges in strategy implementation can arise from the attitudes or perceived threats from operational managers towards upper management. Furthermore, if team cohesion within organizational subgroups is particularly strong. If cliques form, it can lead to the polarization of these groups, creating divisions that hinder collaboration. The distribution of power within an organization plays a critical role, as it shapes decisions on allocating the resources required for strategy execution (Noble, 1999a). As Hrebiniak (2006) points out, working against the existing power structure can obstruct progress unless coalitions are formed, and influential stakeholders are engaged. Similarly, Cater and Pucko (2010) emphasize that the dynamics of organizational power significantly impact the successful realization of strategic initiatives. (Cater & Pucko, 2010; Noble, 1999a)

2.2.9.5 External distractions and operational pressures

Conflicting priorities and an overload of competing activities often diverted attention away from successful implementation (Al-Ghamdi, 1998). Managers often lose focus, enthusiasm, and direction when transitioning from strategic workshops back to daily

operations, as the practical challenges of implementing broad strategies like "improving internal efficiencies" become unclear amidst competing demands, limited resources, and re-emerging priorities (Allio, 2005, p.1).

2.2.9.6 Cross-unit collaboration and coordination

Effective strategy implementation requires strong coordination across different units within an organization, as these units often have differing goals and perspectives. Aligning objectives across functions, rather than focusing on individual departmental goals, can reduce conflict and improve performance. Additionally, as strategies grow more complex, the role of lower-level managers becomes critical in ensuring cross-functional coordination and alignment, facilitating successful execution. (Beer & Eisenstat, 2000; Hrebiniak, 2006; Noble, 1999b)

Major large enterprises struggle with siloed departments and structures, requiring formal coordination mechanisms. Silos often emerge in organizations with competitive cultures, fragmented goals, and reward systems that prioritize individual or unit performance. Leaders may foster isolated domains, reinforcing division through power dynamics and hierarchical control. (de Waal et al., 2019)

2.3 Synthesis

SI is a critical phase that transforms plans into tangible outcomes. Without effective implementation, a strategy may remain purely theoretical and fail to yield the expected benefits. Many organizations struggle with execution challenges, and research indicates that up to 90% of strategies do not materialize as intended.

Successful SI relies on several key factors. A clear strategic foundation is essential, as ambiguous and unmeasurable objectives result in fragmented execution. The role of leadership is particularly pronounced in driving change and motivating personnel.

Through communication, the strategy is embedded within various organizational levels, ensuring that strategic objectives become an integral part of daily operations. Communication is central to execution, serving as the binding element between different organizational layers and ensuring that all stakeholders comprehend the significance of the strategy and their respective roles in its realization. The allocation of resources to strategically appropriate areas support implementation and ensures that the organization's capabilities align with its long-term goals. Furthermore, the compatibility of organizational culture with the strategy facilitates the successful execution of necessary changes, ensuring alignment with the company's values and operational models. Separating strategic planning from implementation can lead to failure; thus, execution must be integrated into the planning phase to avoid fragmentation.

The challenges of strategy implementation are fundamentally similar across organizations of different sizes, but their manifestations vary significantly. Large enterprises benefit from established processes and resources, yet their complex structures and hierarchies can slow execution. Smaller firms, on the other hand, can adapt strategic changes more swiftly but often face resource constraints and difficulties in embedding strategic thinking into daily operations.

The role of communication is particularly pronounced in addressing these differences. In large organizations, communication acts as a structural adhesive, integrating different levels of the organization into strategic objectives while ensuring that all stakeholders receive uniform and timely information. In smaller firms, communication enhances flexibility and facilitates the rapid adaptation of strategy into daily operations, where close collaboration and informal communication play a significant role. Strategic planning and execution require different approaches depending on the size and operational environment of a company, but the fundamental success factor remains effective and clear communication.

3 METHODOLOGY

The following chapter presents the methodological approach adopted in the study, outlining the a) underlying philosophical assumptions, b) the selected research approach, c) methodological choices, d) research strategy. As described by Saunders (2023, p. 130), the themes (a-d) serve as a framework for structuring these key themes, guiding the development of the research logic and structure. This chapter further describes the case selection, data collection process, and analytical techniques used to ensure a rigorous investigation. Finally, the chapter concludes with a discussion on the validity and reliability of the study, reinforcing the credibility of the research findings.

3.1 Research philosophy

Researchers must practice reflexivity by critically examining their own beliefs, assumptions, and biases to ensure alignment between philosophical stance and research design. This reflection supports methodological consistency, enhances credibility, and involves actively questioning one's worldview to connect philosophical assumptions with research practice (Saunders, 2023, p. 131). To support this, research philosophy provides the foundational framework for how research is approached and conducted, built on ontology, epistemology, and axiology (Saunders, 2023, p. 161; Eriksson & Kovalainen, 2016, p. 14). Ontology concerns what is real, epistemology what constitutes valid knowledge, and axiology how researchers' values influence choices (Saunders, 2023, p. 133–134; Eriksson & Kovalainen, 2016, p. 15–16).

Research philosophies can be distinguished based on where their underlying assumptions lie along the spectrum between objectivism and subjectivism (Saunders, 2023, p.162). Objectivism assumes that social phenomena exist independently of perception, aiming to uncover one truth through observable facts, with minimal researcher influence (Saunders, 2023, p. 131–139). Subjectivism, in contrast, sees reality

as constructed through human interpretation and language. Nominalism denies an objective reality beyond interpretation, while social constructionism views reality as co-created through interaction, shaped by context (Eriksson & Kovalainen, 2016, p. 15). Subjectivist researchers accept that their values influence the research and critically reflect on their position (Saunders, 2023, p. 135–137; Dubois & Gibbert, 2010).

This study adopts a social constructivist ontology, acknowledging that strategy implementation may differ by company size but does not assume it does. The approach is subjectivist, incorporating multiple narratives that shape social realities through interaction (Eisenhardt, 2021; Saunders, 2023, p. 137). While the author aims for neutrality, she recognizes the influence of personal values on topic selection and accepts the challenge of full objectivity, thus adopting an axiologically flexible stance (Saunders, 2023, p. 137).

Saunders (2023, p. 145–154) identifies five main philosophical approaches in business and management research: positivism, critical realism, interpretivism, postmodernism, and pragmatism. This thesis adopts a flexible social constructivist approach, viewing strategy implementation as context-dependent and shaped through language and social interaction. It draws on interpretivism to explore perceptions and meanings, while also incorporating elements of pragmatism, recognizing that no single perspective or method can fully capture the complexity of the phenomenon (Saunders, 2023, p. 147, 153).

3.2 Research approach

Theory development in research typically follows deductive, inductive, or abductive reasoning (Saunders, 2023, p. 162). Deduction starts from existing theory and tests hypotheses through structured, measurable designs aimed at generalization (Eriksson & Kovalainen, 2016, p. 23; Saunders, 2023, p. 154–161). Induction, in contrast, derives theory from empirical observations without predefined assumptions, often focusing on context and aligning with interpretivism (Eriksson & Kovalainen, 2016, p. 24; Saunders,

2023, p. 154–161). Abduction combines both, moving between theory and data to generate explanations, reflecting the iterative nature of empirical research (Dubois & Gibbert; Eriksson & Kovalainen, 2016, p.24; Saunders, 2023, p. 154–161).

This study follows an abductive approach, beginning with a theory-based research question and moving between literature and empirical data to explore SI in smaller companies, a less-studied context. This approach allows the re-searcher to identify patterns in data and extend or refine existing frameworks (Saunders, 2023, p. 154–157). This approach also aligns with the interpretivist paradigm, as noted by Eriksson & Kovalainen (2016, p. 24).

3.3 Methodological choices

Since the study does not involve quantitative data, calculations, measurements, statistical analysis or any other form of numerical data (Gilham, 2000, Saunders, 2023, p. 181), the methodological choice is qualitative, where “meanings are derived from words and images, not numbers”. However, if both approaches would be used in the study, it would be referred to as a mixed-method research design. (Saunders, 2023, p. 181). Although the study includes a numerical table (Table 8), the underlying data is entirely qualitative and based on the author's interpretation of the case company interviews.

Qualitative methods within the interpretivist approach focus on understanding the meanings behind actions and experiences, viewing individuals as active participants in constructing their realities (Saunders, 2023, p. 184; Gilham, 2000; Ronkainen et al., 2011, p. 82) and the researcher's role is to interpret these experiences from multiple perspectives to build theories or generate hypotheses (Bazen et al., 2021). In both qualitative and quantitative research, it is possible to use either a mono-method or a multi-method approach. This refers to whether the study relies on a single data collection method or multiple methods within the chosen research strategy. In qualitative research, there is a wide range of data collection tools, and one of the most

common methods is interviews (Bazen et al., 2021). In this study both primary data and secondary data is utilized, thus study applies a multi-method qualitative approach.

3.4 Research strategy

The main types of qualitative research are Grounded theory, Phenomenology, Ethnography, and Case Study (Bazen et al., 2021). Although the terminology is used variably in research, this study's methodology section is based on the research onion by Saunders (2023, p. 130), according to which these types are connected to the choice of research strategy.

Grounded theory seeks to develop new theories by examining social interactions and processes. Phenomenology explores how individuals experience and interpret a phenomenon. Ethnography investigates the cultural meanings and beliefs of a group, typically through extended observation. Case Study, on the other hand, provides an in-depth description of a single person, group, or event, analysing its context and unique characteristics. (Bazen et al., 2021) Since in this study, the aim is at gaining an in-depth understanding of the interactions and phenomena (factors relating to SI) occurring within a specific context (case companies) (Eisenhardt, 1989; Halinen & Törnroos, 2005; Dubois & Gadde, 2002), a case study research strategy has been chosen for this study.

The primary aim of a case study is to answer specific research questions by collecting and analysing different types of evidence available within the case setting. A case study can focus on a variety of units, or larger entities like institutions or communities, serving various purposes. Some offer rich descriptions of events, allowing readers to draw their own conclusions and others are used to partially support theories or frameworks, functioning in a quasi-deductive theory-testing manner. This study adopts the latter mentioned, which combines deductive reasoning by testing existing theoretical propositions with inductive flexibility, allowing empirical insights to refine or challenge

those assumptions based on the data collected. (Gilham, 2000; Dubois & Gadde, 2002; Yin, 2018, p. 15-16)

Depending on the objective of the research, the researcher must select the most appropriate approach for the case study strategy. According to Massis and Kotlar (2014), case study approaches can be categorized into three types: exploratory, which aims to answer the question how; explanatory, which focuses on explaining why something happens; and descriptive, which seeks to describe and confirm the existence of a phenomenon in a real-life context. However, according to Yin (2018, p. 286–287), the explanatory approach aims to answer both how and why questions, whereas the purpose of an exploratory case study is to investigate and clarify research questions that will be used in future studies. Since this study's research question begins with how and aims to uncover causal links, it is classified as explanatory.

In addition to the aspects outlined above, the researcher must also determine whether to adopt a single case study or a multiple case study design. If the study includes more than one case, it follows a multiple case design (Yin, 2018, p. 54). The choice between a single case study and a multiple case study is contingent on balancing analytical depth with broader applicability. While a single case study enables a comprehensive, context-specific investigation, a multiple case study enhances comparability and generalizability (Dubois & Gadde, 2002). While unique or extreme cases may justify a single case study, a multiple case study is more suitable for exploring common patterns across several cases within the same topic (Yin, 2018, p. 54-55).

As this thesis compares how strategy implementation factors appear in large and small companies, a multiple case study is the most suitable design for exploring both similarities and differences across cases. By examining multiple cases, this study aims to identify recurring themes and patterns of similarity to enable a more comprehensive and nuanced understanding of the factors that shape successful strategy implementation, thereby enhancing the broader generalizability of the findings. (Dubois & Gadde, 2002;)

While studies that simply reproduce previous findings offer only a limited contribution to academic discourse, those that expand theoretical frameworks drive meaningful advancements in research (Eisenhardt, 1989). Theoretical replication enables scholars to refine the boundaries of existing theories by investigating cases that challenge fundamental assumptions (Riedl, 2007) and thus extend the theory (Eisenhardt, 1989). Since the manifestation of strategy implementation factors in small firms remains underexplored, this study aims to expand the literature and deepen understanding in that context. Identifying significant differences could enhance the relevance and applicability of existing theories.

3.5 Case selection

The cases were purposively selected through the author's professional network, combining large corporations for literal replication and smaller firms for theoretical replication based on contrasting characteristics. The selection aimed to represent a sample well suited to the research objectives.

The study is framed within the context of the construction sector, specifically targeting a diverse range of companies of different size. Definition of sizes are presented in detail below (table 3). Most interviewees have decades of experience working in the leadership teams of construction companies, making them familiar with the concept of strategy implementation.

Table 3. Company size definition (Adapted from European Commission, n.d.)

Company category	Staff headcount	Turnover (M €)	OR	Balance sheet total (M €)
Large	Over 250	Over 50		43+
Medium-sized	50-250	10,1-50		10,1-50
Small	10-49	2,1-10		2,1-10
Micro	0-9	0-2		0-2
TOT	100	100		100

In total, eight companies were selected for in-depth analysis through semi-structured interviews for the empirical part of the research. These interviews were used to explore in greater detail the challenges and success factors associated with strategy implementation within the selected firms. The interviewees were chosen specifically targeting individuals who hold the roles of founders and/or CEOs within their respective companies and due to their experience in both the formulation and implementation of strategies, providing them with in-depth insights into the research topic.

The table (table 4) presented below categorizes the case companies in the study based on their size. Where applicable, prior experience in other organizations [as a founder or CEO] is indicated in parentheses in the table. Additionally, if there are no parentheses, the interviewee has witnessed the company's growth phases from within the case organization.

Table 4. Case Companies in numbers and the role of the interviewee.

	Founding year	Annual turnover (ca. M€, 2024)	Number of employees (ca.2024)	Company Size by definition (figure 1.)	Interviewee past experience;role CEO/founder/owner
Company Alpha	2009	450	400	Large	(Micro, Medium, Small),
Company Beta	2014	65M	380	Large	(Micro) Small, Medium
Company Gamma	2011	12 M	110-120	Medium	Micro, Small
Company Delta	2018	7	74	Medium	Micro, Small
Company Epsilon	2019	9,5	29	Small	(Micro, Medium, Large) Micro
Company Zeta	2009	6	13	Small	Micro
Company Eta	2017	2,2	20	Small	Micro
Company Theta	2017	0,8	9	Micro	-

3.6 Data collection

Case study data may be gathered through various qualitative methods, such as interviews, observations, and document analysis, as well as quantitative approaches like surveys (De Massis & Kotlar, 2014). Primary data refers to information collected and analysed directly by the researcher, whereas secondary data consists of previously gathered information that is reanalysed by someone other than the original collector (Church, 2002).

Interviews provide a focused, in-depth, and highly effective method for gathering comprehensive empirical data (De Massis & Kotlar, 2014), thus interviews are the main source of data utilized in this study. In addition, primary data from earlier interviews conducted by the author as preparatory material for panel discussions will be utilized for Cases Alpha, Beta, Gamma, Delta, and Epsilon (Table 5). These interviews provide background information on the case companies and valuable insights into the interviewees' companies, including their histories and founding processes. By leveraging

these two complementary sources of primary data, the study aims to construct a deeper understanding of the companies, and their representatives studied.

Table 5. Panel discussion participants and interviewees and coding

Interviewee	Interview length	Interview conducted on	Interview coding
Interviewee Alpha	60 min	10/2023	P1
Interviewee Beta	60 min	10/2024	P2
Interviewee Gamma	60 min	10/2024	P3
Interviewee Delta	60 min	10/2024	P4
Interviewee Epsilon	60 min	10/2023	P5

A semi-structured interview approach is conducted for this study. This method is characterized by consistent questions across all interviews, allowing respondents to express their answers in their own words. Specific themes and topics are uniformly addressed with each participant (Hirsjärvi & Hurme, 2008, pp. 47–48; Metsämuuronen, 2008, p. 40). The semi-structured format is recognized as being more effective in revealing the underlying reasons behind participants' actions compared to structured interviews (Metsämuuronen, 2008, p. 40). Thematic interviewing is an especially appropriate method for this research as it emphasizes capturing the interviewees' interpretations of the topics, ensuring that their perspectives and lived experiences are integral to the analysis. These interpretations and meanings emerge through interpersonal interaction between the interviewer and interviewee (Hirsjärvi & Hurme, 2008, p.48). In thematic interviews, the questions are not fixed in form or order; however, it is essential that the same themes are covered with all interviewees (Eskola & Suoranta 2018, 64).

As a source of primary data, informal interviews conducted with employees of the case companies provide valuable background information and potentially reinforce diverse internal perspectives. These interviews provide qualitative data, offering nuanced perspectives that might not emerge in more formal questioning. From these conversations, general foundational elements related to strategy implementation within the companies will be identified and integrated into the analysis to enrich the overall

understanding. The aim of the semi-structured interviews is to identify the factors that influenced the SI process and integrate findings into a framework (table 8, p.88). Interviews are deemed the most effective method for data collection in this research, as certain essential information can only be obtained through direct conversations with the companies' representatives.

Secondary data, which consists of previously gathered information that is reanalysed by someone other than the original collector (Church, 2002). Secondary data used in this thesis will be collected from the case companies' strategy documents, if available, and general information from the companies' official websites, and additionally from newspaper and magazine publications.

Interview questions are provided in Appendix 1. To facilitate more in-depth responses, most of the questions are open-ended, with additional follow-up questions prepared. The interview includes both introductory and content-specific questions. The interviewees have been compiled in the following table (table 6), providing an overview of the participants and relevant details for the study.

Table 6. Details of the interviews.

Company	Interview date	Interview length	Responsity level
Company Alpha	26.3.2025	1,5 h	Founder, former CEO, emeritus
Company Beta	12.3.2025	1,5 h	Founder, former CEO
Company Gamma	14.3.2025	1 + 1 h	Founder, CEO
Company Delta	19.3.2025	1,5 h	Founder, CEO
Company Epsilon	19.3.2025	1,5 h	Founder, COO
Company Zeta	3.4.2025	1,5 h	Founder, CEO
Company Eta	10.4.2025	1,5 h	Founder, CEO
Company Theta	24.3.2025	1,5 h	Founder, CEO

The interviews are recorded, transcribed, and thoroughly analysed. The interview questions are organized into various categories, each with an explanation of its purpose (Table 7). To ensure that the respondents can fully comprehend the questions, they will

be provided with interview questions several days prior to the interview to ensure that the participants are well-prepared and familiar with the questions prior to the interviews.

Table 7. Interview questions by topic

Topic	Interview Questions	Context
Overall strategy situation and background	1-4	To know the basics of strategy development in the company.
Strategy implementation and practical challenges	5-7	To identify practical challenges faced during the strategy's implementation and how they were addressed.
Key factors in strategy implementation	8-17	To examine the eight identified key factors and how they are perceived and impact the implementation and perception of the strategy within the company.
Other factors affecting strategy implementation	18	To examine additional factors that might influence strategy implementation, followed by follow-up questions to gather deeper insights.

In this case study, the anonymity of the interviewees has been preserved to protect both the participants and company-specific confidential information, as the content is somewhat controversial. This approach safeguards both the cases and the individuals involved (Yin, 2018, p.239).

3.7 Data analysis

In a multiple case study, each case is first analysed separately, and afterward, insights and overall interpretations are derived from these separate studies. (Yin, 2018, p.54) The researcher must observe and draw conclusions about whether meaningful patterns emerge in the data and seek out promising concepts and recurring themes. (Yin, 2018, p.166-167).

Within-case analysis involves a detailed examination of a single case, focusing on its individual characteristics and elements. This approach helps to gain a comprehensive understanding of the case by analysing all its aspects separately. In contrast, for example cross-case analysis entails comparing multiple cases to identify similarities and differences across them. (Eriksson & Kovalainen, 2016, p.143)

Yin (2018, p.168–173) outlines four general strategies for data analysis: *relying on theoretical propositions, working your data from the ground up, developing a case description, and examining plausible rival explanations*. For this study, I have chosen the first strategy, which emphasizes pre-existing theory and examines its manifestation in different context, here the context being large companies and SME's. The central proposition in this research is "Whether the factors influencing strategy implementation manifest differently in smaller enterprises compared to larger ones, considering variations in the factors affecting to the strategy implementation process", which helps to organize the analysis by directing attention to the description of specific conditions within a particular context (Yin, 2018, p.168–169).

For the analytic technique, Yin (2018, p.175–199) presents several options: *pattern matching, explanation building, time-series analysis, logic models, and cross-case synthesis*. As this is an explanatory study that asks, "How do success factors and challenges of strategy implementation differ in smaller and larger firms?" and aims to contribute to the existing theory, the pattern matching technique is chosen to be utilized in this study. In this approach set of patterns will be defined based on the initial findings and assess the presence of these conditions in the findings of the group of smaller case companies to draw conclusions regarding the overall proposition. This technique can be challenging, as the failure of even one proposition to hold true in a particular small company may prevent us from making conclusive judgments about the claim either way. Nonetheless, this technique was selected for the present study, as it is believed to yield stronger results than, for instance, cross-case synthesis, which would illustrate differences between cases but might not allow for the identification of reliable emerging patterns. (Yin, 2018, p.175)

The data analysis begins by identifying key themes (factors affecting SI) within each case company. As a first step, a table is populated based on the thematic framework presented (table 2, p.16), completed separately for large and medium-sized companies, and for small and micro-enterprises. The table is then expanded to include additional

significant themes that emerge from the data. The matrix supports the research objective of comparing success factors and challenges across firms of different sizes and supports the theoretical framework (literal replication) alongside findings that reflect theoretical replication, enabling a structured comparison aligned with the research question (Yin, 2018, p.166).

Thus, the themes are cross-examined between larger and smaller case companies to identify underlying patterns, points of convergence and divergence, as well as notable differences across organizational sizes. Significant observations and insights are highlighted, and their relevance will be assessed across the different comparison groups to provide a deeper understanding of the dynamics of strategy implementation in case companies of various size.

3.8 Validity and reliability

Reliability refers to the extent to which research results can be consistently replicated when the same study is conducted multiple times. If other researchers can replicate the study and obtain similar results, the study can be considered reliable. Validity refers to the accuracy and credibility of the conclusions drawn from the research. In qualitative research, validity is concerned with ensuring that the descriptions and conclusions are precise and well-supported by evidence. This is achieved through rigorous analysis and by considering the research from multiple perspectives. (Eriksson & Kovalainen, 2016, p.305-307)

Reliability in qualitative research is often debated due to the differences in how research findings are generated (Eriksson & Kovalainen, 2006, p.305). However, in this study, the consistency of results is maintained by ensuring that the same theoretical framework guided all interviews, and the findings are grounded in evidence collected from multiple sources. In interpretivist studies, credibility can be established by employing triangulation methods to verify findings from multiple perspectives (Steenhuis & de

Bruijn, 2006). Triangulation, a common technique in qualitative research, employed in the study, means that evidence is gathered from various empirical sources and cross-checked to confirm its consistency and accuracy (Eriksson & Kovalainen, 2006, p.306). This approach enhances both the validity and reliability of the research by verifying the consistency and correctness of the conclusions drawn and increases the construct validity (Yin, 2018, p.43). To further enhance the quality of the study and increase its construct validity, a draft of the report will be shared with the interviewees for their review, to ensure that nothing has been misinterpreted. Any necessary corrections will be made based on their comments. This also provides the interviewees with an opportunity to elaborate further on the topic and contribute additional evidence in case certain aspects were unintentionally overlooked or not addressed during the interviews. (Yin, 2018, p.43,241)

Given that literal replication is employed to ensure consistency in outcomes across multiple cases, with the expectation of similar results, it serves to strengthen the reliability and credibility of research findings and thus increases the external validity of the study (Church, 2002; Yin, 2018, p.43,55). This approach will be applied to examine how well the established theories of strategy implementation hold true across different cases in this study.

In addition to serving as the primary analytic technique in this study, pattern matching contributes to strengthening the internal validity of the case study. A key requirement of the pattern matching approach is the consideration of rival explanations. This means that when a pattern is identified in the data, alternative and plausible explanations must be acknowledged and systematically ruled out. It is essential to ensure that the observed outcome is not attributable to a different, equally reasonable explanation than the one identified in another case within the same pattern. The objective is to identify all potential threats to validity and systematically verify that no other plausible explanations exist for the assumptions made. (Yin, 2018, p.177)

4 FINDINGS

4.1 Within case description

In the following section, the key factors influencing strategy implementation are examined through the lens of the case company. In addition, selected elements from the “other significant factors” category have been included where they were observed to have a distinct influence on the case company.

4.1.1 Case company Alpha

Case company Alpha, a privately held Finnish construction group, operates primarily in Finland's key growth regions and has grown to become one of the largest players in its sector. Its business spans residential, commercial, and renovation construction as well as real estate development. Structurally, Case company Alpha functions as a parent company with multiple regional subsidiaries, where centralised support functions are coordinated at the group level. (Company web page, n.d; Panel interview P1)

The interviewee, one of the founding members and the company's first CEO, stepped away from the company's operations 2021 and reflects on the company's journey from its founding to his departure. (Panel interview P1, 2023)

Clarity and precision in strategic foundations. Alpha's strategy work evolved significantly alongside its growth. Initially, strategy was intuitive and owner-driven, focused on financial targets and communicated superficially. As the company expanded and established subsidiaries, strategy became more structured, supported by an experienced external board member. From 2015 to 2018, strategic goals were clearly documented and discussed through regional strategy days, fostering broader organizational engagement. Strategic competence was deliberately brought into the

board through the recruitment of individuals with experience from larger corporations, which added professionalism and structure to the strategy process:

“We brought in someone to the board who had done strategy work in many larger companies.”

By the early 2020s, Alpha’s strategy work had become fully professionalized, with subsidiary-level strategies aligned to group objectives, systematic monitoring, and strategy integrated as a central tool for guiding leadership, culture, and organizational coherence.

Leadership and management capabilities. One of the key drivers of successful implementation was the visible and consistent commitment of the leadership team. It was seen as essential that management endorsed the strategy and actively embodied it in their behaviour and communication. As noted in the interview:

“We showed that we were committed to the strategy ourselves. This was a prerequisite for others to take it seriously.”

This leadership-by-example approach helped translate abstract strategic goals into concrete, everyday behaviour, reinforcing alignment across levels. Over time, leadership capabilities transitioned from being concentrated in a few key individuals to a more institutionalized and distributed form of strategic governance.

Communication and information flow. Initially led by the CEO, strategic communication evolved into a significant, continuous, interactive process involving the entire organization. The CEO alone spent weeks each year personally communicating the strategy to different units and teams, adapting his message to smaller groups to ensure understanding. This personal engagement became a critical enabler of strategy diffusion. Responsibility for implementation was gradually distributed. Local unit directors and subsidiary CEOs took on more structured roles in delivering and following up on strategic objectives:

“The regional directors and unit CEOs were responsible for making sure the message stuck locally.”

In addition, regular quarterly meetings engaged personnel across units in reviewing strategic progress and identifying necessary adjustments. This open dialogue was supported by intranet-based communication, emphasizing clarity, repetition, and transparency.

Resource allocation. As strategic awareness matured, more attention and internal capacity were devoted to implementation. One of the most important resources was time, particularly that of senior leaders. Regular strategy sessions were scheduled, and managers were expected to organize follow-ups and performance reviews aligned with the strategic framework. A recurring theme in the interview was that resource allocation improved primarily through experiential learning. Over time, strategy implementation came to be seen not as a side activity but as a core managerial responsibility:

“Eventually, we realized this needs to be part of how we lead the company - constantly, not occasionally.”

Strategy awareness. In the early stages of case company Alpha, strategic awareness was exceptionally strong due to the shared history among staff, as most employees had transitioned together from a previous organization. As the interviewee noted:

“92% of the staff came with us - we all knew each other.”

This cohesion meant that strategy was implicitly understood without formal communication. However, as the company expanded and hired people from diverse backgrounds, maintaining alignment required more structured efforts. The organization began actively reinforcing strategy awareness through communication and engagement. As the interviewee explained:

“We had to work harder to ensure new people really understood what this company is about, and it took more time, more dialogue and more structure.”

Guidelines for implementation. Each subsidiary's strategy was reviewed systematically by the parent company's board to ensure alignment with the overarching corporate strategy. These structural mechanisms helped translate strategy from an abstract plan

into a practical, governing framework across the organization. However, in the early years, such structure did not exist. The interviewee described how the implementation process initially lacked formal planning altogether:

“The plan was me.”

The organization gradually moved towards a more systematic model, with clear implementation schedules, defined roles, and organizational routines. The interviewee emphasized the importance of this shift in hindsight:

“One of the most important lessons was that you need to be well-prepared before introducing strategic changes, there has to be a plan for how to communicate and implement it.”

Reward systems and strategy implementation. The case company implemented a reward system that was deliberately simple and transparent, and according to the interviewee, it was precisely this simplicity that made it effective. Performance-based bonuses were tied to the financial results of each region or subsidiary, creating clear, localized incentives. As the interviewee noted:

“We had a very simple performance-based reward system... people always get disappointed if it’s too complicated.”

According to the interviewee, this straightforward model avoided unnecessary complexity, which could have undermined trust or demotivated employees. It allowed the company to incentivize performance in a way that matched its operational culture, results-driven, fast-paced, and grounded in trust. Additionally, it also allowed people to clearly understand the link between collective results and personal or team rewards.

Corporate culture and strategic goals. Organizational culture was central to Alpha’s early strategic success. The founding team and most employees had previously worked together in the same business unit, bringing with them shared practices, trust, and mutual understanding. This strong cultural cohesion laid a solid foundation for strategy implementation in the company’s formative years:

“We were kind of like one big family... we had the same goals.”

Alpha's core values of honesty, openness, and people-centricity were actively demonstrated in leadership behaviour and daily operations. Rather than being abstract ideals, values were enforced through consistent actions, creating a strong cultural framework that supported strategy implementation. As the interviewee noted:

“Even though the strategy was basic at first, people still understood what we were doing. That’s because we all came from the same background.”

As Alpha expanded and hired employees from diverse organizational backgrounds, its previously cohesive culture began to fragment. Different work habits and expectations led to the formation of informal subgroups, making strategic alignment more challenging. To maintain clarity and cohesion, the leadership team had to invest more in personal engagement and communicate values and strategy in smaller group settings. As the company evolved into a network of semi-autonomous units, it became evident that the original informal cultural model was no longer sufficient, and a more structured approach to strategy was necessary.

Other significant factors outside the framework

Challenges regarding organizational structure and decentralization. As case company Alpha expanded and introduced a subsidiary structure, the strategic implementation process became significantly more complex. Initially, strategy could be managed centrally due to the organization's “small size” (as the interviewee described it, although, by definition, the company was medium sized already at the founding stage) and cultural homogeneity. However, once multiple semi-independent units were established, each with its own leadership and local operations, coordination challenges emerged:

“At some point, it stopped being one company, it became regions, units, with their own strategies that had to align with the corporate one.”

The interviewee recognized that this decentralization introduced friction and increased the need for synchronization:

“We had to make sure each unit’s strategy was in sync with the group strategy, not always an easy task.”

Consensus and commitment. Strategic alignment within the leadership team was consistently strong. Although there were occasional disagreements, these were resolved through open dialogue:

“If we disagreed, we handled it behind the scenes - nothing ever lingered... We were always aligned on the overall direction, even if we saw things differently along the way.”

According to the interviewee, this ability to maintain open internal dialogue and reach agreement was critical for strategic clarity. This consensus within the leaders created a stable foundation from which strategic initiatives could be launched and maintained.

Beyond leadership, employee commitment was seen as essential to successful strategy implementation. In the early stages, strong cultural and operational cohesion meant that strategic alignment was largely implicit, as long-standing team members shared a common understanding without formal articulation. The interviewee emphasized that true commitment stems from understanding, not instruction, highlighting the importance of transparent communication in building genuine engagement.

Employee engagement. The implementation of strategy at the case company was closely tied to employee engagement, even though employees were not directly involved in the actual formulation of the strategy. The leadership actively involved personnel by facilitating dialogue and requesting feedback:

“We always asked for feedback on the strategy and people could comment freely.”

The CEO (later the chairman of the board) made a point of visiting all regional offices quarterly and holding sessions that invited participation and reflection:

“We discussed whether anything needed to change, sometimes the feedback came weeks later by email, but it came.”

The interviewee believed that this inclusive approach fostered a stronger sense of ownership among employees and contributed to their understanding of the company's strategic direction.

4.1.2 Case company Beta

Case company Beta is a privately owned Finnish indoor climate technology company that has experienced significant growth since its establishment. Headquartered in Southern Finland, the company specializes in ventilation, heating, and cooling solutions, including maintenance, modernization, and lifecycle services. Its operations are concentrated in urban growth centres where the demand for technical building services is high. The company is structured as a group and is centralized under the parent organization (Company web page n.d.; Panel interview P2, 2024)

The interviewee has served as the company's CEO for many years and played a central role in shaping its early growth and strategic direction and recently he has transitioned from the CEO role to a more focused position where he is currently responsible for overseeing acquisitions. (Panel interview P2, 2024)

Clarity and precision in strategic foundations. Case company Beta has developed the latest clearly defined strategy for the years 2022–2027, formulated in collaboration with the consultancy firm PwC. This process lasted five weeks and involved multiple senior leaders, indicating a structured and collaborative approach. The strategic plan includes specific objectives such as market positioning and geographic focus:

"The strategy covers the years 2022–2027 and includes, among other things, the company's goals in the market, such as whether to be a generalist or a specialized player, and in which geographic areas the company wants to operate."

The interviewee highlights the importance of having a clearly defined and well-structured strategy to guide organizational direction. He also emphasizes that strategy should be actionable and embedded in the organization's everyday operations.

Leadership and management capabilities. The interviewee reflects on the leadership within his company and highlights the importance of experience among those in managerial roles. He considers experience essential for those in leadership positions, as it enables them to better understand complex situations and make well-grounded decisions:

“I truly believe that experience plays a central role in leadership. It allows you to see the bigger picture and make more informed decisions.”

The interviewee emphasized that effective leadership is rooted in authenticity, inspiration, and adaptability. Leaders must genuinely believe in the company’s vision to inspire others and foster commitment. He cautioned against aggressive, purely results-driven leadership styles, which may produce short-term gains but lack long-term sustainability. Instead, he stressed the importance of empathetic leadership that acknowledges the varied capacities of employees to adapt to the pace of strategic change. Additionally, he highlighted that strong leaders are those who learn from their mistakes, internalize the lessons, and adjust their behaviour to avoid repeating them, reinforcing a culture of continuous learning and responsible leadership.

Communication and Information flow. The interviewee emphasizes the importance of internal communication in enabling strategy implementation. Various formats, such as onboarding, team events, and informal gatherings, are used to communicate company goals and direction. He describes how transparency and regular dialogue have been key practices, even during challenging times:

“We have these briefing sessions... even during the pandemic we met face-to-face, with things like Friday pizza gatherings and all kinds of events. We keep communicating it all the time and let people know where we are, what we’re aiming for, and why.”

To ensure that strategic communication is effective, clarity and simplicity are key. The interviewee recalls how a 176-slide presentation was eventually condensed into a single, easily understood visual:

“The strategy has to be simple - it can’t be a hundred pages long...The message must be accessible to everyone, not just senior leadership.”

Resource Allocation. At case company Beta, strategic implementation is tightly linked to forward-looking resource and personnel planning. The company focuses on identifying the expertise required to support growth and address operational needs. Budgeting plays a central role in translating strategic goals into action, functioning as a financial tool and as a mechanism for alignment. As the interviewee stated:

“Strategy is a great idea, but when it comes to execution, the budget is what makes it possible - or impossible...To ensure alignment we break the annual budget down to monthly and unit levels.”

At case company Beta, resource planning is dynamic and adjusts to changing needs across business units. Although planning is rigorous, it remains flexible and responsive to operational realities. A key challenge is the shortage of skilled labour, which has led the company to invest in internal training programs as a long-term solution to secure future talent and support strategic growth.

Finally, the company supports flexibility by enabling collaboration between units. Unit managers and regional directors actively share resources and expertise to avoid duplication and inefficiencies.

Strategy Awareness. The interviewee emphasizes that strategic awareness is actively built from the very beginning of the onboarding process. New units and their management teams are introduced to the company’s strategy during orientation, where key strategic themes are broken down and contextualized:

“The strategy is communicated to all employees and new companies during orientation...We also run a dedicated onboarding session for the management of each new company where we go through the same strategic content.”

Despite consistent communication, the interviewee acknowledges that it is not always verified whether the message has been internalized across the organization. This

realization led the interviewee to reflect on the need for more systematic methods to assess whether the strategy is truly understood across the organization.

Finally, he points out that in different units or roles, the strategy may be perceived differently depending on their operational focus. This highlights his view on how local interpretations and strategy awareness can deviate from the central narrative.

Guidelines for Implementation. The interviewee describes how strategy implementation at the case company is structured through practical planning processes that emphasize realism and adaptability. He views the annual budgeting cycle as the most important structural framework guiding implementation, as it transforms strategic goals into actionable, measurable components, which translate high-level strategy into measurable outcomes and are supported by KPIs and local-level ownership. However, beyond budgeting, he highlights several interrelated practices that support execution across the organization. In addition to strategic planning and communication, each business unit creates its own annual action plan. These include specific targets and resource needs, and in some areas, such as sales, concrete metrics are defined.

Reward systems and strategy implementation. While the interviewee does not emphasize formal performance-based bonuses, he outlines a clear link between strategy implementation and measurable targets. These include financial indicators such as revenue and EBITDA and non-financial metrics like employee satisfaction, customer satisfaction, and ESG goals. As he explains:

“Measurable goals include increasing revenue and EBITDA... employee satisfaction and customer satisfaction are also very important.”

A key element supporting strategy implementation at the case company is equity-based ownership. Offering shares to key personnel has strengthened strategic alignment and commitment by tying individual success to the company’s overall performance. This long-term incentive structure encourages cross-unit collaboration and replaces short-term bonus schemes. With a planned private equity exit, shared ownership ensures that

those involved in execution benefit directly, providing a stable and unifying motivator for long-term strategic success.

Corporate culture and strategic goals. The organizational culture of the company has been strongly built around an entrepreneurial spirit and a hands-on approach. Historically, the culture has been characterized by a strong reliance on individuals: trust in the entrepreneur(s) as a person(s) and confidence in the company's ability to provide employment and continuity. As the interviewee describes the early phase:

"In a way, there was trust in the person, in the entrepreneur, that they would be able to provide you with work and manage things."

During Beta's growth phase, the culture has remained fundamentally the same, but mergers and rapid expansion have introduced greater diversity. Companies and personnel from various backgrounds have brought their own practices, and maintaining a unified culture has required active management and communication efforts. As the interviewee notes:

"We are bringing in many different cultures, seven last year and six the year before. We are constantly kind of in a state of fermentation [i.e. continuous phase of change]."

Other significant factors outside the framework

Cross-unit collaboration & coordination. The interviewee emphasizes the importance of creating a shared sense of purpose across the organization to mitigate risks. In this context, employee ownership plays a critical role:

"We have over 60 key people who are shareholders. That really helps reduce silos and promotes shared success."

Equity-based ownership appears to balance individual interests with collective goals, creating alignment even in the face of hierarchical sensitivities or potential political friction.

External distractions and operational pressures. In addition to internal dynamics, the interviewee notes several external factors that pose concrete challenges to strategy implementation. A key issue is workforce availability, particularly in technical roles. In addition, geopolitical developments, especially the war in Ukraine, have had a significant impact on the company's operating environment. Regionally, the conflict has led to a noticeable decline in market activity in eastern Finland:

“The war in Ukraine has calmed down markets in eastern Finland significantly - even though earlier it acted almost like a driver for us.”

These fluctuations require differentiated strategic approaches and a careful recalibration of expectations. In addition to local market effects, the interviewee points out broader structural implications. The war has disrupted global supply chains, particularly in construction materials:

“Ukraine is like a black hole... when the war will be over, all the steel from across Europe and even further will go there.”

Combined with several slow years in residential construction in Finland, the result is a looming imbalance between future demand and supply of both materials and labour:

“We've hardly built any residential buildings for a few years now, and the demand in future is going to be massive. But at the same time, some of the workforce and know-how might also shift to Ukraine. We might be in trouble.”

4.1.3 Case company Gamma

Case Company Gamma is a Finnish consulting firm specializing in structural engineering and renovation. Headquartered in Helsinki, Gamma now operates in eight locations across Finland, providing services such as condition surveys, structural design, and project management. (Company web page n.d)

The interviewee has led the company since its foundation, has an extensive background in the construction industry. After two decades in senior leadership roles within a major

Finnish construction consultancy, he took on a new entrepreneurial challenge, which led to the establishment of Gamma in 2011. (Panel interview P3, 2024)

Clarity and precision in strategic foundations. Although the company does not have a formally documented strategy, strategic clarity and direction are nonetheless embedded in its everyday operations through a shared understanding and a few essential guiding principles. As the CEO explains,

“We don’t have a strategy nailed to the wall or carved in stone. If we made one today, it would already be outdated within a year.”

This sentiment reflects the interviewee’s scepticism toward rigid, traditional strategy processes. Instead, the company relies on an informal yet consistently practiced approach, which he describes as:

“Continuous strategic thinking rather than a formalized strategic process.”

In this model, strategic intent is maintained through recurring reflection, prioritization, and goal setting, rather than through static documentation. A concrete example of this practice-based strategy is the longstanding internal principle:

“I launched it ten years ago - 20% operating margin and 20% growth. Those are our guiding metrics.”

Leadership and management capabilities. In the case company Gamma’s model, leadership is understood as a dynamic process of collective engagement rather than a fixed position, fostering wide participation, organizational agility, and a deep sense of individual responsibility. Leadership at Gamma is intentionally decentralized and strongly rooted in a model of self- and community-directed management. The organization deliberately avoids traditional hierarchical structures and formal line management roles. As the CEO explains,

“We don’t have managers in the traditional sense; we have people responsible for services or project portfolios, but not formal bosses.”

Leadership is not assigned by title but emerges organically based on context, project needs, and individual initiative. Instead, leadership is expressed through transparency,

participation, and shared ownership. This reflects the case company Gamma's flat organizational structure in which leadership is not about status but about contribution and capability.

Communication and information flow. Communication is seen as a cultural cornerstone that enables transparency, inclusion, and strategic alignment. The organization promotes radical openness in its internal communication practices. Monthly company-wide meetings, referred to informally as "office meetings", provide a regular space for collective updates, announcements, and dialogue:

"We have our monthly all-staff meetings where we talk about all the new things going on and everyone is involved."

Rather than relying on formal communication channels to transmit strategic messages, interviewee emphasizes organic, everyday interaction at Gamma:

"We don't hold separate strategy sessions to communicate direction - strategic messages are rather a part of daily conversation."

The interviewee acknowledges that effective communication requires continuous effort, intentional design, and regular reinforcement. It emphasizes the importance of clearly and repeatedly informing employees about what is happening and why, rather than assuming shared understanding.

Resource allocation. At case company Gamma, the entire operational model is structured around project-based work. Both client assignments and internal initiative, including strategic development are organized as discrete projects. As the interviewee states:

"Projects are projects. Whatever they are, they are treated the same way."

One of the most critical challenges identified was the lack of a coherent project management process, which had begun to affect performance negatively. This issue was addressed through a targeted strategic development initiative that involved bringing in

external expertise and pairing it with internal resources to redesign and stabilize project practices.

The outcome was the establishment of a formal project management process, which has since become a central operational backbone:

“Now the process is in place, and all those chaotic Harakiri -projects are gone.”

Strategy awareness. Despite the absence of a formal strategic document, the interviewee believes that the strategic awareness is broadly shared across the organization. Employees can connect their individual responsibilities to the company’s overarching direction through a collectively internalized strategic identity. This shared understanding is continuously reinforced through everyday interactions, open communication, and a strong organizational culture. A central component of this internalized awareness is the company's long-standing commitment to sustainable construction. He emphasizes that this message remains highly relevant today and that its consistent presence over time has helped maintain shared alignment across the organization. As the CEO describes:

“It might sound cliché to some, but from the very beginning, since 2011, we’ve said we design sustainable, long-lasting buildings.”

Instead of relying on formal statements or strategic frameworks, the organization sustains alignment through ongoing dialogue and a sense of purpose embedded in its day-to-day operations. The CEO explains,

“We don’t write it down, we live it. People don’t need to be told the strategy; they already act on it.”

Guidelines for implementation. As Gamma does not operate with a written or structured strategic plan, strategy is implemented *“through doing”*, and decision-making happens organically through participation and shared responsibility.

“We don't have a development roadmap or a development director. Strategy here is just part of how we work every day”

However, Gamma has adopted the OKR (Objectives and key results) model a few years ago to guide implementation efforts across the organization. OKRs are applied at both the individual and team levels, serving as an informal structure that supports focus and accountability. While still in the early stages of adoption, the interviewee emphasized its role in translating intentions into measurable progress. As he further elaborates:

“Goal setting process is one of the key functions and the aim is to drive growth with the help of it.”

At the case company, strategic implementation follows an informal and pragmatic logic rather than being guided by codified processes or structured frameworks. While the company generates many development ideas, from strategic to operational, there is no shared mechanism for evaluating, prioritizing, or sequencing them.

Reward systems and strategy implementation. At case company Gamma, formal bonus schemes or performance-based incentive systems are not used to drive strategy implementation. Instead, the organization’s compensation model is grounded in the complexity of the job role and individual performance, particularly in terms of task difficulty and execution. As the CEO explains:

“The whole system is built on how demanding the tasks are and how well you perform in them. The idea of not using bonus systems is to avoid negative impact on the community and partial optimization”.

This approach reflects the organization’s commitment to rewarding meaningful contribution rather than hierarchical advancement or positional power.

In addition to performance-based pay, a select group of employees have been offered small ownership stakes in the company. This ownership model, however, is intentionally de-emphasized as a status symbol.

“I’ve kept quiet about the ownership program because I don’t want it to create inequality. Ownership doesn’t make anyone more important here.”

the interviewee remarks. Nevertheless, he acknowledges that in certain cases, even modest ownership shares have positively impacted engagement and retention:

“It clearly made a difference for some; it changed their mindset and increased their commitment.”

Corporate culture and strategic goals. The organizational culture in Gamma is strongly characterized by principles of self- and community-directedness and is widely seen as the foundation for effective strategic execution. The culture fosters a mindset of proactivity, customer-orientation, and continuous improvement which are the qualities that are embedded in everyday practices rather than formal statements.

The CEO’s long-standing presence since the company’s founding has played a key role in shaping and maintaining this cohesive cultural environment. This continuity has helped build a deeply rooted sense of purpose and alignment:

“We’ve grown together around shared values. People know what we’re here for.”

However, the interviewee also reflects critically on the potential downsides of such a tightly knit culture. He acknowledges that the strong sense of comfort and belonging may, in some cases, lead to complacency:

“It’s like a family here and that’s the good part. But sometimes I wonder if comfort makes us too content. It might be holding us back from pushing further.”

Other significant factors outside the framework

Consensus & Commitment. One of the findings from the case company Gamma interview with emphasizes the critical role of genuine dialogue and dissent in building consensus and commitment during strategy implementation. Particularly in the early stages of their company’s development, the interviewee recognized the dangers associated with excessive agreement among team members. While initial alignment may seem beneficial, he argued that it can lead to superficial consensus, suppress meaningful discussion, and ultimately weaken the quality of strategic decisions. He stresses that encouraging different viewpoints is essential for robust strategy formation:

“It is important to have a standpoint and the courage to disagree. Then the dialogue emerges; we twist and turn the ideas, and eventually, we are likely to find a shared understanding when we think about the future of the company.”

Moreover, the interviewee warns against a culture of artificial harmony, referring to it vividly as a situation where everyone superficially agrees to avoid conflict. He remarks:

"I hate that kind of 'coffee-pastry atmosphere,' where everyone is touchingly unanimous, and people are almost afraid to voice their real opinions for fear of offending someone."

Employee engagement and strategy formation. At case company Gamma, employees are active contributors to the emergent strategy formation and implementation. Strategy in this context is shaped through practice, interaction, and shared experience rather than dictated from above.

Strategic participation is built into everyday structures, such as monthly prioritization meetings and open communication channels. As the interviewee notes:

"If I have a hundred people who are internally motivated, we'll succeed at anything we choose to do."

Rather than viewing employees as implementors of strategy, in case company Gamma employees are treated as co-creators of it, positioning the organization itself as something continually shaped from within, and gently guided when needed.

4.1.4 Case company Delta

Case company Delta is a Finnish construction consultancy company experiencing rapid growth, specializing in renovation projects and property development. Delta's business is divided into five key segments: design, project management, expert services, maintenance services, and industrial services. The company operates offices in Helsinki, Turku, Tampere, and Kuopio. Company was founded in 2018 by a group of experienced construction professionals, among whom the interviewee (co-founder & CEO) played a central role. (Company web page n.d ; Panel interview P4, 2024)

Clarity and precision in strategic foundations. At case company Delta, strategic work began during its founding phase, when the owners defined the company's mission and vision around goals such as industry leadership and employer appeal. Though not yet

formalized, this shared strategic orientation effectively guided early operations and supported rapid growth, forming the foundation of the company's long-term direction:

“Back in 2018 we held a core team meeting with the shareholders at the time, and that’s when we created what you might call mission- and vision-type objectives.”

Since its early years, Delta's strategic approach has shifted based on its growth stage and external factors. While core objectives remained stable, planning lacked consistency until the entry of a private equity investor prompted a more formalized approach. Today, the strategy has evolved into a structured and actionable framework, shaped by leadership and unit-level input, with tools in place for scenario planning and performance tracking.

Leadership and management capabilities. In its early years, leadership was strongly centralised. As the interviewee reflects:

“It’s pretty clear that things have mostly... been led by me, probably too much so.”

While this leadership style suited a smaller, more agile company, the need for broader managerial competence has become more evident as the organisation has grown. The recent integration of subsidiaries into the parent company led to a major organizational restructuring designed to support scalable growth. The new structure clarified business areas and regional divisions, enabling more distributed leadership. As the interviewee explains:

“We’ve built the organization in such a way... that we could grow to two or three hundred people without needing to change the structure.”

The new structure clarified business areas and regional divisions, enabling more distributed leadership. However, managing the human aspect of leadership continues to present challenges. As organizational complexity grows, the interviewee emphasizes that strong leadership must be supported by clear structures and a shared understanding of managerial roles, rather than relying solely on individual charisma.

Communication and information flow. In case company Delta, strategic communication is recognized as a central challenge during its current phase of growth. Although the company uses several communication channels, including monthly newsletters, intranet updates, internal documents, and team-specific meetings, these tools are not consistently leveraged for strategic messaging. Much of the strategy-related dialogue occurs during annual events, such as summer gatherings, where engagement levels are often low:

“At summer events, when we talk about strategic goals, at least half the people probably tune out while waiting in the buffet line.”

While communication mechanisms exist in case company Delta, they are not always effective in fostering strategic engagement, particularly when discussions are informal or disconnected from employees' daily experiences.

Resource allocation. At Delta, resource allocation is not seen as a major constraint, as structures support the distribution of strategic responsibility to business unit leaders. While the formal capacity exists, the effectiveness of implementation depends on leadership quality, with successful strategy execution relying on managerial competence and coordination:

“Right now, we actually have more resources than we need, especially all sorts of admin and management levels, kind of an overabundance really... but yeah, the resources are definitely there on that front.”

According to the interviewee, this surplus capacity is not seen as wasteful but rather as preparatory buffer for expansion that, nonetheless, requires purposeful activation to contribute meaningfully to strategic outcomes.

Strategy Awareness. Despite structured strategic planning at Delta, the internalization of strategy across the organization remains weak. The interviewee candidly states:

“Right now, our employees understand the strategy... poorly, very poorly.”

This is confirmed by employee survey feedback requesting better communication of the company's strategic direction. Leadership had assumed that the message had been conveyed, but strategic understanding had not sufficiently penetrated all organizational levels.

Guidelines for implementation. Delta's strategy implementation is driven more by clear responsibilities and shared intent than by formal procedures. Without a formal strategic roadmap, the process combines strategic framing by top leadership with delegated planning at the business unit level, allowing operational alignment through local contextualisation:

“We created the base within a tight executive group... and then handed it over to the business unit heads to specify it further, including metrics.”

The interview also reveals that senior leadership increasingly expects business units to take ownership of translating strategic goals into actionable plans.

Reward systems and strategy implementation. The company employs a collective reward system that links financial outcomes to the achievement of shared performance targets. Rather than offering individualised incentives, the organisation has opted for a unified model, where bonuses are tied to reaching overarching business goals such as revenue and profitability thresholds. This model reflects a desire to align the entire organization behind a unified strategic direction. However, the interview also suggests an awareness of the potential trade-offs: when rewards are distributed evenly, regardless of individual contribution or role, it may affect motivation, particularly among those who perceive their efforts as exceeding the average. As the interviewee notes:

“If it gets too complex, people don't understand what the reward is based on... and if those three rows back don't get any bonus even though they've worked all year, that definitely eats away at motivation.”

Corporate culture and strategic goals. The interview reveals a complex relationship between corporate culture and strategic goals, one shaped by growth, geography, and organisational history. As the company has expanded, differences in culture between

locations, teams and in diverging professional perspectives have become more apparent, sometimes creating friction that can hinder the achievement of strategic objectives. For instance, the interviewee notes that in the company headquarters, there have been tensions between different professional groups:

“You can see some chemistry issues between designers and project supervisors... it’s not the best dynamic.”

Corporate culture is also seen as highly sensitive to recruitment choices. Especially within smaller local units, the personality and attitude of one individual can significantly influence team dynamics, either enabling or impeding strategic progress. The interviewee stresses the importance of hiring individuals who align with the company’s values and ways of working:

“You can’t just insert someone into our culture and expect it to work... one wrong person can shift the culture more than the rest of the team can correct it.”

From the interviewee’s perspective, cultural cohesion is not a by-product, but a strategically cultivated foundation essential for effective strategy execution.

Other significant factors outside the framework

Consensus & commitment. The interview reveals that within the ownership group and core leadership, strategic consensus has traditionally been strong, perhaps even too strong. The interviewee describes a culture of alignment and agreement among the founding owners, which has enabled efficient decision-making but may have come at the cost of healthy internal debate.

While unanimity has supported clarity of direction, the interviewee expresses concern that a lack of dissent or alternative perspectives may limit critical evaluation, especially when facing pivotal decisions. This tendency toward silent consensus becomes particularly relevant in strategic turning points, such as when external investment opportunities arose. Despite efforts to create an open space for discussion, the interviewee recalls:

“Whenever I brought something like that to the table, no one really voiced opinions... I tried to invite reactions, but it was hard to get them.”

The interviewee seems to advocate a culture that better balances commitment with constructive disagreement. In his view, true strategic commitment includes the courage to question direction before uniting behind it.

External distractions and operational pressures. External shocks and market pressures have played a significant role in shaping the company’s strategic awareness and planning behaviour. The interviewee reflects candidly on how the war in Ukraine disrupted the sense of stability and exposed vulnerabilities in the company’s strategic preparedness:

“The war and that kind of situation... it came as a total surprise, and we weren’t prepared at all. Sure, no one can really prepare for war, but we hadn’t even considered that something like this could happen”.

The impact of the conflict, coupled with a weakening economic outlook in the construction sector, prompted a shift in mindset, from relying on optimistic forecasts to incorporating risk-based scenarios. The interviewee recalls that in early 2024, expectations were still high, but the market softened unexpectedly after the summer:

“We didn’t really consider scenarios early on, but after the summer downturn started, it became clear we needed them.”

According to the interviewee, these pressures acted as a wake-up call, reinforcing the need for more formalised strategy, strategic forecasting and adaptability. Rather than treating external disruptions as anomalies, the organisation has begun to institutionalise tools for monitoring change and recalibrating plans accordingly.

Cross-unit collaboration & coordination. The interview highlights progress in fostering cross-unit collaboration, but also ongoing challenges. As the company grows and expands geographically, maintaining cohesion has become more difficult. Despite structural reforms, cultural and operational silos remain a barrier. The leadership is actively working to dismantle these silos, especially as the company’s strategic model

requires flexible collaboration across both business functions and geographic locations. The interviewee stresses:

“At our size, it makes no sense to divide into silos...we need to work as one, across disciplines and locations.”

Cross-unit collaboration has been more effective in smaller regional offices where limited staffing necessitates close coordination. In larger offices, collaboration is more challenging due to cultural differences, communication habits, and entrenched work patterns. Although structural changes like a matrix model have been introduced, team dynamics and established routines continue to affect results.

4.1.5 Case company Epsilon

Case company Epsilon is a privately held Finnish construction company specializing in façade renovation and refurbishment, operating primarily in Finland’s key growth areas. (Company web page n.d)

Case company Epsilon represents interviewee’s latest entrepreneurial initiative, an effort to build a company that does things differently: with speed, clarity, and a hands-on approach to leadership. As the interviewee himself summarized this new venture:

“One more time, boys”

(Panel interview P4, 2023)

Clarity and precision in strategic foundations. Case company Epsilon does not have a formal written strategy, but strategic work is in progress with input from management and an external consultant. Although undocumented, strategic decisions have guided the company since its early stages, such as focusing on selected projects while excluding others. Strategic orientation is reflected in practical decision-making and goal setting, such as efforts to improve profitability and manage fixed costs. The interviewee

emphasizes that strategy should be practical, simple, understandable, embedded in daily operations, and provide clear guidance:

“When strategic language remains vague or symbolic, it risks becoming disconnected from the practical realities of daily work, undermining its role as a guiding framework for implementation”

He is critical of abstract or idealistic strategies that lack operational relevance, drawing from past experiences where vague rhetoric failed to drive real outcomes. These experiences have shaped his preference for tangible, results-oriented strategic thinking.

Leadership and management capabilities. Leadership at case company Epsilon follows an owner-driven model, with owners directly responsible for projects and strategy implementation. In this small organization, leadership is shaped by close relationships, hands-on involvement, and agility, allowing strategic decisions to be executed quickly without bureaucratic delays.

The interviewee draws on his experience in a large construction firm to emphasize the crucial role of middle management in strategy implementation. He observed that strategic initiatives often failed when middle managers lacked the competence or motivation to translate plans into action. In that organization, middle managers were responsible for interpreting and promoting strategy, but outcomes varied widely due to differences in capability and responsibility. As he noted:

“There were huge differences in the competence and the scale of responsibility of middle managers. Some had control over €12 million in projects, while others had €2 million. That creates a massive range in how well strategy can actually be executed.”

These lessons have shaped the leadership approach at Epsilon, where strategic execution is not delegated down the hierarchy but led directly by the owners through active, hands-on involvement.

Communication and information flow. At company Epsilon, strategic communication is informal and occurs through direct interactions between owners and staff. Rather than

relying on formal structures, strategy is integrated into everyday discussions, meetings, and events like the spring kick-off. These informal yet intentional conversations help maintain alignment and shared understanding without extensive documentation.

By contrast, in the interviewee's prior experience at a significantly larger organization, strategy was communicated through more formal channels, such as monthly meetings and presentation decks. However, the effectiveness of that communication was limited, as many employees felt disconnected from the broader strategic message:

"The strategy was introduced, but then it was mostly up to the units themselves... there was no real follow-through or ownership of what it meant in daily work."

Resource allocation. At case company Epsilon, resource allocation is a key aspect of strategy implementation. Operating under tight constraints, the company prioritizes carefully and makes forward-looking decisions, such as hiring staff in advance of future needs to ensure readiness despite limited immediate demand.

This proactive approach is shaped by the interviewee's experience in a larger organization, where strategy often failed due to a lack of skilled personnel rather than flawed planning. He emphasized that successful implementation depends on having the right people in place, especially in dynamic market conditions.

Case company Epsilon adopts a pre-emptive recruitment strategy to avoid talent shortages during strategic execution. However, ongoing operational pressures typical of small businesses continue to limit time, energy and focus for long-term development, making it difficult to fully leverage this proactive approach. As the interviewee notes:

"You should look at what the actual resources are, how much time there is, and then identify the most important ones properly, so that the limited time can actually be used to move things forward."

Strategy awareness. At case company Epsilon, strategic awareness is mostly limited to the ownership and a few key individuals. Without a formal strategy, the organization depends on informal communication. While core goals like growth and service focus are

broadly understood, the finer details of the strategy are not widely shared or clearly communicated.

Based on his experience in a large company, the interviewee observed that strategic awareness was often surprisingly low, even among senior managers. Strategy tended to stay at the top level and within presentation materials, rarely translating into everyday practice. Messaging was inconsistently reinforced, and there was a common but ineffective assumption that strategy would naturally cascade through the organization without clear connections to employees' daily work.

The interviewee emphasizes that strategic messaging must be directly connected to employees' roles to remain effective. Abstract or aspirational strategies risk being overlooked. In both small and large organizations, sustained understanding requires clear, relevant, and consistently reinforced communication.

Guidelines for implementation. In Epsilon company, formal guidelines for strategy implementation are minimal. The strategy process has largely been initiated through informal discussions among owners and key personnel without systematic rollout plans. The implementation relies heavily on ownership-driven leadership, where each project is led by one of the company's owners, and strategic decisions are translated directly into action through shared understanding and internal dialogue.

This lack of formal structure is not seen as a flaw per se but as a natural feature of a small and agile organization. Nonetheless, the interviewee acknowledged that without clearly defined roles, responsibilities, and implementation steps, there is a risk that strategic initiatives remain incomplete or inconsistently executed, especially when everyday operations dominate attention.

Reward systems and strategy implementation. At the case company there is no formal bonus system currently in use, but compensation-related considerations still play a role

in how strategy is supported and experienced across the organization. The company applies a basic incentive model tied to performance and role complexity, and while not heavily structured, it is guided by a shared understanding among leadership. The interviewee emphasized that reward systems must be designed with care, as they are “extremely sensitive instruments” that can quickly lead to dissatisfaction if perceived as unfair:

“It’s an extremely delicate instrument... it can very easily cause resentment.”

Interviewee explains that rewards are shared broadly, such as through pension fund contributions for all employees, or bonuses distributed as a proportion of salary once certain financial targets are exceeded. This model prioritizes team-level equity over individual performance differentiation, thereby supporting cohesion and reducing internal friction.

Corporate culture and strategic goals. The company is still in its early stages, with a growing organization and an evolving structure. As such, a clearly defined corporate culture has not yet fully taken shape. Nevertheless, there are active efforts to cultivate a shared culture through communal activities and informal gatherings. Events such as the company’s group trips to Tahko foster social cohesion and provide a platform for communicating the company’s strategic direction and core principles. Through these informal yet deliberate encounters, the foundations of organizational culture are gradually being established.

Importantly, much of the current staff, including the owners, share a long history together. This shared professional background contributes to a natural alignment in values, work ethic, and communication style. In this sense, while the company’s culture is still emerging, it is already underpinned by a form of tacit coherence rooted in common past experiences and a collective understanding of industry practices.

External distractions and operational pressures. At case company Epsilon, daily operational pressures often take precedence over strategic development. Although long-term improvement is valued, limited time and resources hinder the execution of strategic initiatives. Even promising ideas are frequently postponed, and without structured support or resourcing, many initiatives lose momentum or remain unfinished-

The interview underscores the importance of creating protected time and frameworks for development work. Without deliberate prioritization and resourcing mechanisms, strategic goals risk being repeatedly postponed, not due to lack of will, but due to the relentless pull of everyday business.

4.1.6 Case company Zeta

Case company Zeta is a Finnish construction contractor, operating in the Helsinki metropolitan area and specializing in pipeline renovations. (Company web page n.d) The interviewee is the founder of the company and currently serves as its CEO.

Clarity and precision in strategic foundations. Case company Zeta began its first formal strategy process three years ago as part of a broader quality development initiative. Aimed at supporting certification and improving operational clarity, the process included market research and customer interviews to define a realistic future vision and a concrete path to achieve it.

An external consultant facilitated the process and played a crucial role in guiding the discussions and ensuring coherence throughout. The interviewee particularly appreciated the consultant's ability to bring participants onto the same page and surface hidden tensions in a constructive way:

“He kind of pulled us onto the same line... explained something to me like, do you understand why this is important? Why this needs to be done this way?”

Despite a well-structured strategy process, implementation at case company Zeta remained incomplete. The strategy document was not actively used, and without

updates or follow-through, it failed to influence daily operations. The interviewee summarized the situation candidly:

“If we’re being honest, what happened was that after we got up from the table and the strategy workbook was finished, it pretty much stayed right there on the table.”

Leadership and management capabilities. The interviewee noted that the lack of clear responsibility for strategy implementation led to weak commitment. Despite a well-facilitated process, execution was hindered by broader structural and cultural issues, including unclear roles, inconsistent responsibilities, and the absence of frameworks to support strategic leadership.

The transition from entrepreneurship to leadership was described as a profound personal challenge. The interviewee reflected on the identity crisis that emerged when founding members had to leave behind hands-on technical roles and step into formal leadership positions, a shift that affected the entire leadership team:

“We were in a bit of an identity crisis - you go from being a technician to suddenly running a company... We’re no longer doers but start thinking about how a leader is supposed to act.”

Communication and information flow. Strategy communication was initially approached actively as part of the planning process. Employees were involved through workshops and surveys even before the strategy was finalized, with the goal of building early engagement:

“We held strategy workshops for the staff, asked for their input... We wanted to start implementing it before it was officially locked in.”

Weekly quality and team meetings served as a key communication tool, where one strategically important theme was addressed at a time, such as values, production processes, or documentation:

“In our quality meetings, we always brought up one topic... and discussed it together.”

This approach helped translate strategy into everyday understanding, but without follow-up or sustained leadership support, the practice faded. Communication remained fragmented and did not become a permanent, structured part of daily operations.

Resource allocation. External support and partial public funding were available during the strategy development phase, but resources for implementation remained insufficient. In a small organization, changes in ownership, personal life circumstances, and staff turnover inevitably affected the ability to follow through. A shortage of human resources often pushed the company into a survival mode, where long-term development gave way to short-term operational demands:

“We come up for air when we can, then dive back in again... it's a constant survival struggle.”

Strategy awareness. According to the interviewee, currently, the level of strategy awareness among employees is low, and the content of the strategy is not widely known. The situation is particularly challenging due to major internal changes, such as the replacement of the previous CEO. Amid such uncertainty, there is no clear understanding of the current direction:

“I think there are significant gaps. The staff knows there have been major changes, so we're not really in a place where anyone truly understands the current situation.”

Guidelines for implementation. A clear action plan and roadmap were created to support the strategy work. The process included well-structured workshops, during which step-by-step tasks were assigned, and a responsibility matrix was developed to define individual roles and ownership in the implementation. This briefly brought clarity and structure to operations. However, the real challenges surfaced once implementation began. The strategic plan remained detached from day-to-day operations and was never fully embedded into daily routines. While the plans themselves were sound, the organization was not adequately prepared to follow through. As the interviewee described:

“We agreed on how things should be done. But once we started executing, we weren't ready after all.”

The lack of a clear strategic ownership further fragmented the execution.

Reward systems and strategy implementation. The company implemented a performance-based reward system aimed at supporting strategy execution, especially among middle management. Tied to goals like quality, efficiency, and customer satisfaction, the system was intended to drive progress toward the company's long-term vision:

"We saw it as a way to roll out the strategy from top management to site management. A reward system was built around quality goals, errors, deficiencies - these were all part of our strategic objectives."

In practice, the reward system had little impact on daily operations and failed to drive strategic progress. Perceived unfairness, especially in a small company with tight margins, made the incentives feel ineffective and at times demotivating:

"If one team succeeds and another fails, it cancels out the achievement, and that feels really unfair."

Additionally, the prevailing company culture favoured mediocrity over ambition. The mindset that "good enough is enough" weakened the motivational power of incentives. While the system existed and was used to some extent, it was never fully integrated into daily operations.

Corporate culture & strategic goals.

"A broken company culture is like a cancer, it can be treated, but the tumours can come back."

The interviewee's statement reflects the deep cultural challenges within the company, which he traces back to leadership and unresolved disagreements among the owners. These tensions have shaped the organization's cultural foundation, creating patterns that are difficult to shift and that weaken strategic alignment. The interviewee sees corporate culture as both an enabler and an obstacle:

“Company culture is what either drains your energy or gives you energy.”

Although core values were defined during the strategy process, they have not been fully integrated into daily behavior. The disconnect between personal and organizational values, particularly among owners, continues to hinder strategic cohesion. The interviewee emphasizes that genuine cultural change is slow and requires shifting daily practices and confronting deep-rooted dynamics.

Other significant factors outside the framework

Consensus and commitment. In Zeta, strategic commitment was never fully realized despite formal agreements made during the strategy process. The interview reveals a deeper issue beneath the surface: a lack of true consensus among the founding owners. This misalignment eroded trust and ultimately weakened the internal foundation needed for successful strategy implementation.

“ When people don’t feel safe expressing their true perspective, that view remains hidden...metaphorically stuck under the table where it belongs on top. And when you can’t bring your own thinking into the open, it starts to pull you away from the shared strategy. That silence creates a wedge between you and genuine commitment.”

Although the strategy process included joint planning sessions and open discussions, the interviewee describes how real disagreements were often left unspoken. As a result, consensus was superficial and strategic unity fragile.

“People didn’t bring their true opinions to the table. And when no one says anything, we assume we agree, but really, we don’t.”

The interviewee sees conflict avoidance, stemming from differing owner values, as a major cultural barrier to strategy implementation. Without honest dialogue and accountability, harmful patterns persisted, and true alignment was lacking. Consensus was often confused with politeness or silence, leaving key assumptions unchallenged. These tensions undermined collaboration and left the strategy vulnerable to internal division, especially during external pressures like the construction sector downturn.

Working against the power structure. Although Zeta lacked a rigid hierarchy, power dynamics and ownership structures strongly influenced decision-making. Leadership behaviour was sometimes perceived as driven by personal positioning rather than shared strategic goals, with inconsistent follow-through and unclear responsibilities undermining trust and psychological safety. Informal influence often outweighed formal roles, limiting open dialogue and making it difficult to address disagreements.

Ultimately, these underlying power dynamics limited open dialogue and contributed to a culture of silence and hesitation - one in which strategic direction could be subtly redirected or stalled without explicit resistance, but also without genuine consensus. Over time, this lack of clarity and alignment escalated into deep fractures within the leadership team. Tensions that had long gone unaddressed culminated in the eventual dismissal of one of the owners, a decision that marked a breaking point in the organization's internal trust.

External distractions and operational pressures. Case company Zeta has faced ongoing operational pressures that have consistently sidelined strategic priorities. External challenges and limited resources have forced the organization to prioritize daily survival over long-term goals. Frequent disruptions, such as staff changes and shifting responsibilities, have made sustained strategic focus difficult, turning it into a luxury rather than a necessity.

Importantly, the interviewee does not use these pressures as excuses but rather reflects on how strategy demands stability, clarity, and time, conditions that were consistently out of reach:

“You plan to go this far this year, but if your energy drops, mentally or physically, you just don’t make it. You fall behind.”

In this climate, long-term development has been sacrificed for immediate problem-solving. Strategy has become reactive, driven by crises rather than coordinated by vision.

The recurring theme was not opposition to strategic thinking, but an organizational state that simply lacked the capacity to lift its head long enough to look ahead.

4.1.7 Case company Theta

Case company Theta is a Finnish construction consultancy firm specializing in project management services, operating primarily in the Helsinki metropolitan area. (Company web page, n.d.)

Clarity and precision in strategic foundations. The company's strategy was initially formulated in the early stages by the three owners. At that time, numerical targets were set for growth and profitability, and customer segments and service promises were defined. Although the strategy originated as a practical foundation for operations, it has evolved over time to reflect changes in business maturity and the market environment. Strategy implementation has been pragmatic and goal-driven but lacks strong systematization.

According to the interviewee, the strategic goals are updated continuously, which may undermine long-term consistency and clarity:

"It (the strategy) is updated continuously based on goals, but more through informal discussions, not formally."

Leadership and management capabilities. The interviewee describes himself as a visionary and ambitious leader. However, responsibility for development work disproportionately rests on his shoulders. Participation from other leadership team members in strategy implementation is weak: roles and responsibilities remain unclear, and some managers appear to "go along" without genuine commitment. Although leadership recognizes the importance of supporting strategy, limited time and a lack of structure prevent impactful engagement. A formal management team with defined areas of responsibility does not currently exist:

"There are no clear roles. Ownership of strategy isn't really shared."

Communication and Information Flow. Strategic communication is neither systematic nor embedded in daily routines. As the organization has grown, shared understanding of the strategy has weakened, particularly among newer employees. Communication has become fragmented, and strategic goals are not consistently conveyed. Discussions in team meetings often concentrates on operational issues, with limited emphasis on the rationale behind decisions or their strategic implications:

“When more people join, we forget to explain what we’re aiming for. It gets lost.”

The interviewee states that a need for a shared reporting channel or visibility into strategic progress has been identified.

Resource Allocation. Resource allocation has been a key barrier to strategy implementation at the case company. Senior leaders are heavily involved in daily operations, leaving limited capacity for strategic work. The organization’s reliance on individual efforts, lack of clear roles, and absence of standardized processes further hinder progress, with sales and development efforts overly dependent on a few individuals. Although the company has sought external consultancy support to help design and streamline core processes, the interviewee emphasized that realizing the firm’s ambitious growth targets will require tangible investment in structural capacity. However, he perceives a degree of hesitancy and risk aversion among the other owners, which has contributed to inertia and slowed strategic advancement:

“We fear investing in new hires, even when it’s necessary for growth.”

While structural challenges have persisted, a recent positive step is the hiring of a new team member to support administration, strategy, and sales. This development has improved optimism about the company’s ability to strengthen its structure and advance strategic goals.

Strategy awareness. Although growth ambitions are generally recognized, the core strategy is poorly understood, especially by newer employees. Without formal

mechanisms to link individual roles to organizational goals, strategic awareness remains fragmented, leaving many employees disconnected from the overall direction.

Although still a small firm with nine employees, the company has grown rapidly from a three-person consultancy within just one year, marking a significant organizational shift. The interviewee notes that alignment, once effortless, now requires intentional effort. Strategic communication can no longer rely on informal channels; instead, structured systems and regular internal dialogue are needed to embed the strategy into daily operations.

Guidelines for implementation. The organization lacks a clear framework for strategy implementation. Strategic efforts are reactive and driven by individual initiative, with unclear responsibilities, no timelines, and limited follow-through. As a result, development opportunities are often missed or delayed due to operational demands. The interviewee captured this informality by stating,

“We have no guidelines - it’s more of a ‘learn-as-we-go’ approach.”

This mindset may have been effective in the company’s early, founder-driven phase, but it has become increasingly inadequate as the organization has grown in size and complexity.

Reward systems and strategy implementation. At present, there is no overarching or systematically applied reward system that is explicitly tied to the company’s strategic goals. Instead, incentives remain situational and role-dependent, resulting in inconsistency and a potential misalignment between individual motivation and organizational direction. However, recently an ownership-based incentive model has been introduced in the organization to promote long-term employee commitment.

In addition to this, one employee operates under a billing-based bonus scheme, which has proven effective in specific recruitment and retention contexts, particularly for roles with clearly measurable outputs. While this bonus system is beneficial in certain cases,

it presents notable limitations as it may drive short-term individual performance, it can also foster behaviours that prioritize personal earnings over team collaboration or strategic alignment. As the interviewee explained:

“It’s a good servant but a bad master. It can lead to burnout or selfish optimization.”

Corporate culture and strategic goals. The company culture is generally described as positive and psychologically safe. Employees enjoy working together and maintain a friendly, collegial atmosphere. However, this cultural stability is accompanied by a noticeable passivity. According to the interviewee, there is a lack of collective drive, energy, and shared ambition among team members.

“It’s pleasant, but quiet. People get along, but I don’t feel the shared determination.”

While culture and brand are seen as potential strengths, they are not actively leveraged. According to the interviewee, leadership has made little effort to shape or support cultural development. Without intentional actions like team events or structured engagement, the culture remains passive and disconnected from strategic goals. The interviewee emphasized the need for proactive cultural leadership:

“We need more drive and shared ownership of the culture - it won’t shape itself. This will become increasingly critical as the organization continues to grow”.

Other significant factors outside the framework

External distractions and operational pressures. At case company Theta, daily operational demands have consistently hindered strategic development. Despite a strong desire for growth, limited time and capacity has led to delayed initiatives and a growing gap between vision and execution, key issue being the structural imbalance in responsibilities, with most owners heavily involved in project work, leaving little room for strategic focus. According to the interviewee, this approach is unsustainable:

“There’s no time for the everyday cultural or strategic work. Operations take over.”

The interviewee noted that owners, instead of focusing on scaling and strategic direction, are tied up with client work. Attempts to reduce this burden by hiring staff have faced resistance, as other owners fear overcapacity and rising fixed costs. Consequently, the company remains heavily person-dependent and operates reactively.

Consensus and Commitment. The level of strategic commitment has varied considerably among the owners. According to the interviewee, strategic objectives have been agreed upon verbally, but this agreement does not consistently translate into concrete action or sustained effort.

“Some people nod along to million-euro goals but don’t realize what it takes to get there.”

This disconnect between stated ambition and operational behaviour has led to frustration, particularly among those who are more committed to driving the company forward. The interviewee noted that although goals were co-created with input from key stakeholders, not all parties are contributing equally to their realization:

“We wrote these goals together, but not everyone is pulling equally.”

According to the interviewee, he carries a disproportionate share of strategic responsibility, as the founders are unevenly engaged and tend to focus on short-term execution rather than long-term development. Additionally, he expressed his concern that some team members view strategic goals as aspirational rather than actionable, leading to a cultural divide between those pushing for growth and those preferring stability. He emphasized the need for a collective decision on whether to pursue ambitious targets or allow for slower, organic development.

4.1.8 Case company Eta

Case company Eta was a Finnish engineering consultancy operating primarily in the Helsinki metropolitan area, providing design, consulting, and coordination services (Company web page, n.d.).

The interviewee is the CEO, one of the founding partners and is one of the two major shareholders. During the period described in this case, all three owners were still actively involved in the company. However, it is important to note that recently, two of the co-owners have exited the business, and the events described here reflect the dynamics of the earlier ownership structure (Interview Eta, 2025).

Clarity and precision in strategic foundations. Company Eta developed its written strategy about three years ago through a collaborative process involving external consultants and the management team. The strategy focused primarily on financial goals, such as revenue and profit growth. While these targets were clear and measurable, the interviewee noted that the strategy lacked broader qualitative or value-based elements. Although some quality criteria and values were documented in the strategy, their weight was minimal according to the interviewee. He described the strategy as more of a skeleton that still lacked flesh and substance. In addition, all the owners were not satisfied with the quality or content of the finalized strategy. Although the strategy was formally approved through a democratic process, there was no true alignment on its direction and according to the interviewee the goals were unrealistic.

Leadership and management capabilities. Leadership at Company Eta has been heavily concentrated in the hands of the CEO. While both the board and the management team were involved in developing the strategy, they withdrew from its implementation. The responsibility for communicating the strategy and leading development projects ultimately fell solely on the CEO. As the interviewee stated:

“They created the strategy themselves, but didn’t want to take it forward.”

This lack of follow-through from the management team meant that strategic initiatives and projects were left without shared ownership or structured support from teams or supervisors. Delegation and accountability structures were missing, and roles remained unclear. According to the interviewee, this placed an unsustainable burden on the CEO and significantly hindered implementation. The absence of distributed leadership,

combined with blurred roles and a lack of delegated responsibility, directly contributed to the failure to translate strategy into action according to the interviewee.

Communication and Information Flow. The interviewee acknowledges that communication of the strategy to employees has been insufficient. While there have been efforts to visualize strategic objectives, these initiatives have not become embedded in daily routines. As the interviewee laconically stated:

“The value poster hung on the wall for a while.”

Communication has lacked structure, and strategic themes have not been consistently reinforced in daily conversations. In practice, communication has been virtually non-existent.

The interviewee further reflects that the responsibility for strategic communication has fallen disproportionately on his own shoulders. No coordinated or shared process has been established, and instead, communication efforts have remained fragmented, incidental, and lacking the continuity required to support organization-wide strategic alignment.

Resource allocation. The resources available for strategy implementation were insufficient both in terms of time and mental capacity. The company had been experiencing prolonged internal conflicts, which eventually led to the departure of two co-owners. The leadership, particularly the CEO, was exhausted, and ongoing tensions drained energy and focus:

“If you’re constantly fighting windmills, it just wears you down.”

The construction sector downturn intensified financial pressure. A proposal to reduce owner salaries to improve liquidity was rejected, leaving the company with limited flexibility and understaffed operations. One of the interviewee’s laconic insights into why the implementation of the strategy failed was:

“The biggest factor has been that the CEO is exhausted.”

A key challenge was that several co-owners were deeply involved in project work, limiting their participation in strategic implementation. This dual role blurred responsibilities and created a disconnect between operations and strategy. Although involved in creating the strategy, they did not support its execution, leaving the CEO isolated and contributing to overall stagnation.

Strategy awareness. Strategy awareness at Company Beta is low according to the interviewee. As the interviewee remarked:

“If you asked them (employees) now what our strategy is, I doubt they’d know.”

The strategy has not reach employees nor become embedded in daily operations, individual goals, or unit-level activities. There was no structured model from leadership to build strategic understanding, and the CEO felt solely responsible for communication. This has placed an additional burden on the CEO and contributed to a disconnect between the organization’s strategic direction and employees’ awareness and understanding of it.

Guidelines for implementation. When asked directly whether there were any clear guidelines for implementation, the interviewee was unequivocal:

“There weren’t any.”

Strategy implementation at Company Beta was fragmented and lacked clear structure. Although some concrete steps were taken following the strategy’s formulation, such as internal development days, trainings, and process descriptions, these actions did not evolve into a sustained implementation program. As the interviewee noted:

“We held a development day and organized some internal training sessions. So, in a way we did take some actions.”

These actions however, remained isolated efforts rather than parts of a coherent strategic framework.

Reward systems and strategy implementation. At Company Beta, the reward systems are not directly linked to strategic objectives. The organization has employed two types of incentives: an individual performance-based bonus tied to personal billing (used with only a few employees), and a company-wide profit-sharing scheme activated if profits exceeded a certain threshold. The strategic relevance of these incentives was limited according to the interviewee,

“It’s more of a feel-good kind of thing... it doesn’t really impact what people actually do.”

although the individual hourly billed work-based bonus was considered somewhat effective, but only among employees who were highly self-directed. It required autonomy and initiative and was not suitable for everyone.

Salaries and dividend distribution created tension among the now-departed owners, as those with smaller equity stakes felt undercompensated for their workload. Although not formally linked to strategic incentives, this perceived imbalance fuelled resentment, eroded trust, and ultimately weakened collaboration and commitment to the strategy. The interview indicated that the issue extended beyond financial compensation to deeper concerns about fairness, transparency, and recognition:

“They felt they were doing more but receiving less. That started to eat away at everything.”

Corporate culture and strategic goals. The interviewee describes the organizational culture at Company Beta as pragmatic, discussion-oriented, and grounded in engineering professionalism. Employees value structure, clarity, and established routines such as weekly work distribution meetings. There is a general openness to dialogue, and the culture supports day-to-day operational efficiency. The tone of the culture remains cautious and reserved. The company operates with a mindset shaped by technical pragmatism, or in the interviewee’s own words:

“We have this basic engineer -culture...We like meetings. It’s a culture that appreciates discussion and structure... not hype, but solid work.”

The interviewee finds it hard to assess culture's impact on strategy implementation due to the lack of structured efforts so far. However, with ownership conflicts now resolved, he sees a hopeful opportunity for a fresh start.

Other significant factors outside the framework

Challenges regarding organizational structure and decentralization. Eta has faced major challenges with unclear roles and responsibilities, leading to inefficiency and inconsistent execution. A deeper issue existed at the governance level, where the CEO, despite being a major shareholder and involved in strategy planning, was not on the board. This created a power imbalance, leaving him to implement a strategy shaped by others without formal decision-making authority:

“They basically did the strategy, but when it came time to act, they pulled back, and I had to carry it out alone.”

This disconnection between strategic authority and implementation responsibility has weakened both alignment and accountability. In the absence of clear delegation, shared ownership, and mutual support, the organizational structure has functioned less as an enabler and more as an obstacle to effective strategy execution.

Consensus & commitment. At case company Eta, strategy implementation has been critically weakened by a lack of true consensus and commitment among owners. While a shared understanding was achieved during strategy development, some owners later disengaged, exposing misalignment and viewing parts of the strategy as overly idealistic or unrealistic.

““I already knew we’d never achieve those kinds of targets. The revenue growth and profit goals were way too ambitious...but this is democracy, so I had to give in.”

The finalized strategy was ultimately a result of democratic decision-making, even though there was no true consensus on the targets.

Early fragmentation of leadership commitment led to divergent agendas and undermined strategic coherence. The core issue was a breakdown of trust among the owners, which eroded mutual confidence and reduced willingness to uphold shared responsibilities and long-term goals. Furthermore, internal disagreements were not addressed through open dialogue. Instead, unresolved tensions and limited transparency contributed to passive resistance and behavioural avoidance.

Working against the power structure. According to the interviewee, previously formal authority was held by the board, which included all co-owners except the CEO, even though he is one of the two largest shareholders. A disconnect between formal authority and operational responsibility has caused persistent tension and inefficiency. Strategic decisions by owner-operators have lacked corresponding accountability, leaving the CEO with implementation duties but limited influence. This imbalance has enabled obstruction, with owners prioritizing personal interests over collective goals, resulting in internal resistance. According to the interviewee, the lack of alignment has frequently manifested in intentional obstruction:

“People weren’t thinking about what’s best for the company, they were just trying to block each other.”

The lack of structural clarity has enabled internal power struggles, turning the governance model into a barrier to effective strategy execution. Without unity or respect for defined roles, strategic initiatives were directly obstructed. Despite formal approval, some owners disengaged from implementation and begun acting independently, undermining alignment and creating a fragmented dynamic that has weakened the company’s capacity for strategic execution. The interviewee explains that resistance among the owners was not addressed openly, but rather has manifested as passive opposition or, in some cases, active obstruction:

“Some started playing their own game.”

Instead of uniting around a shared strategic direction, individuals have pursued personal agendas, thereby eroding the collective commitment necessary for successful implementation. As the interviewee put it:

“We should be rowing in the same direction - instead, people started working against each other, even sabotaging the process, which at times led to reputational damage with clients.”

Leadership-level mistrust and sabotage have permeated the broader organization, negatively affecting its climate. In the absence of mechanisms to address resistance or resolve conflict, tensions accumulated over time and ultimately culminated in the conflictual departure of two owners from the company.

External distractions and operational pressures. Although the broader market situation in the construction industry has added pressure, it has not been perceived as the primary reason for the challenges in strategy implementation at Company Eta. According to the interviewee, the company could have adapted to external conditions more effectively if internal alignment had been stronger:

“You can live with this market, but the internal issues are what really drain your energy.”

Instead, day-to-day operations have become overwhelming, particularly for the CEO, who has simultaneously carried responsibilities for strategic direction, project execution, and organizational leadership within a fragmented governance structure. In the absence of effective delegation and clear role definitions, the boundary between strategy and operations has become blurred. As a result, urgent operational matters have consistently taken precedence over strategic priorities and persistent internal tensions, unresolved ownership conflicts, and a lack of role clarity have made it difficult for the company to respond constructively to external changes.

4.2 Cross-case analysis

In this chapter, the observations from the case companies are compared and reflected upon. The cross-case analysis is structured around the factors selected in the conceptual framework (table 2, p. 16). Furthermore, additional factors that emerged outside the original framework were included, provided they were identified in at least half of the companies studied (4 out of 8). The inclusion of these additional factors strengthens the validity of their relevance, particularly in the context of smaller companies, where they appeared prominently in the data, highlighting both the expected and emergent aspects of strategy implementation across companies of different sizes. In addition to analysing the occurrence of factors influencing strategy implementation within the case organizations, the findings are examined in relation to the academic literature.

The table below (table 9) presents the factors influencing strategy implementation in each case company. Based on the empirical findings, each factor has been evaluated for its observed level of impact on the company's strategy execution, using a scale where 2 indicates a strong influence, 1 a moderate influence, and 0 no observed influence. In addition to individual case data, average scores are calculated for each factor and grouped by company size to enable a cross-case comparison. This approach allows for the identification of both shared and divergent elements in strategy implementation across varying organizational contexts. In line with Langley's perspective, (Gehman et al., 2018, p.291), such comparisons may produce theoretical patterns in sequences of events across different organizations.

The following pages present a cross-case analysis of each individual factor, with particular attention to how these factors differ according to company size. This is followed by a presentation of the results derived from Table 9, highlighting the key patterns it reveals and what those patterns indicate.

Table 8. Key implementation factors mapped across case companies

Factor	Strat. found. (f1)	Leadership and man. (f2)	Communication (f3)	Resources (f4)	Awareness (f5)	Guidelines (f6)	Rewards (f7)	C. Culture (f8)	Org. struct. (f9)	Consensus & Commitment (f10)	Empl. engagement (f11)	Power structures (f12)	Distractions & Pressures (f13)	Collab. & coord. (f14)
Company Alpha	2	2	2	1	1	1	1	2	1	2	2	0	1	1
Company Beta	2	2	1	2	1	1	1	1	2	1	0	0	1	2
Average in large companies	2,00	2,00	1,50	1,50	1,00	1,00	1,00	1,50	1,50	1,50	1,00	0,00	1,00	1,50
Company Gamma	0	0	2	1	1	0	0	2	2	1	2	0	1	1
Company Delta	1	1	1	2	1	0	0	2	2	0	0	1	1	2
Average in medium-sized companies	0,50	0,50	1,50	1,50	1,00	0,00	0,00	2,00	2,00	0,50	1,00	0,50	1,00	1,50
Company Epsilon	0	1	1	2	0	0	1	0	1	1	1	0	2	0
Company Zeta	1	2	1	1	0	0	0	2	0	2	1	2	2	0
Company Eta	0	2	1	1	0	0	0	0	1	2	0	2	2	0
Company Theta	0	2	1	2	0	0	0	0	0	2	0	0	2	0
Average in small & micro companies	0,25	1,75	1,00	1,50	0,00	0,00	0,25	0,50	0,50	1,75	0,50	1,00	2,00	0,00
<i>Difference between large & SME/micro c. ave. (d1)</i>	1,625	0,875	0,25	0,00	0,50	1,00	0,875	0,25	0,25	0,375	0,25	0,75	0,50	0,75
<i>Difference between large & small & micro av. (d2)</i>	1,75	0,25	0,50	0,00	1,00	1,00	0,75	1,00	1,00	0,25	0,50	1,00	1,00	1,50
<i>Difference btw. large & small & micro C. ave. (d3)</i>	0,25	1,25	0,50	0,00	1,00	0,00	0,25	1,50	1,50	1,25	0,50	0,50	1,00	1,50

Notes:

Referred as key factor: 2

Factor has been identified as influencing the strategy implementation: 1

Factor does not appear to affect strategy

implementation:0

4.2.1 Clarity and precision in strategic foundations

Large companies exhibit a high degree of clarity and precision in their strategic foundations, having progressed from financially driven owner-led approaches to comprehensive and integrated frameworks. Alpha systematically strengthened its strategic foundations as the company grew, while Beta's acquisitions required increased formalization and raised implementation demands. In both companies, strategic foundations are deeply embedded in organizational structures and leadership practices.

Among smaller firms, however, the picture is more varied, which supports the findings of Wolczek (2018) and Marikova et al. (2022) that only around 30% of SMEs have formalized strategies. While strategic clarity is generally less consistent, Delta, despite being a medium-sized company, demonstrates a notable shift toward formalized strategy through structured frameworks and scenario planning influenced by private equity ownership. In small companies, while the importance of strategy is acknowledged and some planning exists, it is mainly based on financial figures. This observation is further supported by Kelliher & Reinl (2009), who note that micro firms often face significant challenges because their strategies are largely based on the tacit knowledge of the entrepreneur, resulting in highly personalized, poorly articulated, and inconsistently implemented strategic approaches (Hrebiniak, 2006; Cater & Pucko, 2010; MacLennan & Markides, 2021). The findings of this study suggest that such patterns are not limited to micro firms alone but are also evident in small and medium-sized enterprises.

4.2.2 Leadership and management capabilities

In large case-companies, leadership appears to be professionalized and institutionally distributed. It evolves beyond the CEO and is supported by structured systems, including strategic expertise recruited to boards, which facilitates consistent and long-term strategic direction across the organization. In contrast, leadership in SMEs remains highly personalized and concentrated in the hands of founders or owners, with Delta as an exception. However, even in Delta, the interviewee noted that the ability of leaders to

motivate subordinates in the implementation of strategy was scarce and highly dependent on individual capabilities. This finding reinforces the observation by Beer and Eisenstat (2000) that individuals with the leadership capabilities required to successfully drive organizational change are relatively rare.

In contrast, smaller companies often exhibited leadership structures that were still evolving as roles and responsibilities were not precisely delineated, and when these are not properly established, strategy implementation and coordination become significantly more difficult, a dynamic confirmed by Hrebiniak (2006). According to Kelliher & Reinl (2009), the owner of a micro-enterprise is typically responsible for multiple roles and is regarded as the primary decision-maker within the firm. This observation is also applicable to both the micro and small enterprises examined in this study, where leadership structures remain underdeveloped. When a single individual is responsible for multiple roles while simultaneously engaging in day-to-day operations, strategic development and broader organizational advancement are often deprioritized or overlooked.

The key difference across company sizes lies in how leadership capacity is developed and distributed. Large companies tend to build leadership systematically across the organisation to ensure strategic coherence, while small firms typically rely on individual leaders, making them more vulnerable to capacity limitations that can hinder sustainable growth and organisational maturity. It is important to note that the interviewed managers from the larger companies as well as the medium ones, had several years more leadership experience than the other participants. An exception to this pattern is the interviewee from case company Epsilon, who has extensive experience in corporate leadership, but it remains to be seen whether he can leverage this experience effectively in the context of the current case company. One observation, however, offers a promising indication: within the company, the interviewee has clearly introduced the idea that resources must be allocated proactively and in advance to enable sustainable

growth. This was also recognized in the larger companies and is likely a lesson derived from experience.

4.2.3 Communication and information flow

Communication and its role in strategy implementation appeared limited across the case companies, regardless of size. Only Company Alpha had clearly recognised the importance of communication as a means of engaging employees in the strategy process. In contrast, Company Beta approached communication more as a formal obligation, with limited emphasis on strategic engagement. None of the companies had a formalized communication model; instead, communication practices were largely improvised and conducted in ways each company deemed appropriate.

In smaller companies, strategic communication was virtually non-existent. If the management of the case companies does not clearly understand their own strategy, providing clear strategic context to enhance strategic understanding (Li et al., 2010) becomes extremely difficult. A notable exception was the medium-sized Company Gamma, where communication was naturally embedded in everyday interactions, reflecting the principles of strategy-as-practice (Vaara & Whittington, 2012).

4.2.4 Resource allocation

Resource allocation was consistently identified as a critical factor for strategy implementation across all company sizes, but its organization and execution differed notably. In large companies, such as Alpha and Beta, allocation was systematic and embedded in formal structures. Leadership time, financial planning, and internal capability development were intentionally aligned with strategic goals, enabling sustained execution. Medium-sized firms showed more variation: Delta had sufficient formal capacity, but its effectiveness depended on active leadership engagement, while Gamma allocated resources through flexible, project-based routines without centralized planning. In small and micro firms, the importance of resource allocation was equally

acknowledged but harder to operationalize. Epsilon demonstrated proactive recruitment, whereas Zeta, Eta, and Theta struggled with chronic resource shortages, leadership strain, and lack of structured planning. While all firms viewed resource allocation as essential, only large and medium organizations were able to institutionalize it, whereas small and micro firms relied more on individual foresight and short-term adaptation. This reinforces Kelliher and Reinl (2009), the view of micro firms, where the owner/manager's capability to allocate resources effectively is critical to organizational success.

A key distinction between large and smaller companies relates to how resource allocation is structured and operationalised. While large firms have institutionalised systems that align financial planning and leadership time with strategic goals, small and micro enterprises tend to approach resourcing more informally, often relying on short-term decisions and individual judgement. These findings closely relate to resource allocation challenges identified in the literature, where smaller firms typically face more constrained resources than larger companies (Cohen & Kaimenakis, 2007). Although all companies recognised the importance of resource allocation, only larger and some medium-sized firms had the capacity to embed it into formal processes. In smaller firms, limitations were not always financial but often linked to risk aversion and reluctance to invest, suggesting that psychological factors can be just as constraining as economic ones.

4.2.5 Strategy awareness

Similarly, strategy awareness was low across all companies studied, irrespective of their size, which supports Kaplan and Norton's (2005) observation regarding the generally low level of strategic understanding within organizations. Among the companies studied, Alpha was the only case where employees were actively encouraged to ask questions, which is considered a significant builder of strategic awareness according to Šilenskytė (2020), and where feedback on the formulated strategy was explicitly sought from the staff. In most companies, although a basic understanding of strategic goals among employees could be assumed, there was little evidence of deeper strategic awareness.

Even where formal strategies existed, employees often lacked clear knowledge of them, and in firms where strategy was primarily owner-driven or informally documented, strategic understanding was weak, sometimes even among the owners themselves.

4.2.6 Guidelines for implementation

The findings across all companies studied largely support existing literature, which highlights the lack of clarity surrounding the employment of methods and processes that support strategy implementation (Markides & Markides, 2021). In large companies studied, strategy implementation is guided by structured systems where financial targets play a central role in steering actions and measuring progress. Strategic execution in large case companies is typically anchored in key performance indicators related to growth, profitability, and operational efficiency. No other formal guidelines were identified, even in Delta, which stands out among medium-sized companies for adopting elements typical of large firms, including structured planning, clear objectives, and formal tracking mechanisms. The small companies examined lacked such systems altogether. At Epsilon, execution is entirely owner-driven and informal. Zeta attempted to introduce a more structured approach, but this failed due to weak ownership commitment and poor integration. Small and micro companies displayed highly reactive implementation styles, with no defined timelines, roles, or follow-up procedures, making progress difficult to monitor or sustain.

The key difference between large and small companies concerns the presence of structured implementation systems. Large firms used formal guidelines anchored in KPIs and financial targets, whereas small and micro companies lacked such frameworks and relied on informal, reactive approaches that made consistent execution and progress tracking difficult.

4.2.7 Reward systems

Reward systems were found to have a negligible impact on strategic execution. While all the case companies had some form of incentive model in place, these were generally

perceived as "morale boosters" rather than meaningful drivers of superior performance. In smaller companies like Eta and Theta, billing-based bonus systems demonstrated a direct link to revenue generation; however, according to the interviewees, these models also carried significant drawbacks, particularly when applied to employees lacking strong self-management skills, thereby increasing the risk of sub-optimization. This finding supports Noble's (1999b) argument that rewarding performance based on specific functions can lead to a failure to contribute to broader organizational objectives. Overall, in small and micro companies, incentives were informal and often symbolic, and their connection to strategic objectives was weak or non-existent.

The key difference between large and smaller companies is the extent to which reward systems are formalized and aligned with strategic objectives. While large firms employed more structured and strategically integrated models, smaller companies relied on informal, symbolic incentives with limited connection to strategic goals. Despite differences in how reward systems were structured and applied, all case companies agreed that rewards play only a marginal role in shaping or sustaining strategic implementation.

4.2.8 Corporate culture and strategic goals

Organizational culture was perceived as a significant factor influencing strategy implementation across the case companies, a view also emphasized by Aaltonen and Ikävalko (2002), Amin (2024), Heide et al. (2002), Hrebiniak (2006), and Koseoglu et al. (2009). Case Company Alpha provided a compelling example of how a unified and cohesive culture can drive rapid and substantial achievements. However, both Alpha and Beta also highlighted the challenges of sustaining a coherent culture as the organization grows, with increased diversity making it more difficult to maintain the original cultural values. These findings align with the observations of Hrebiniak (2006), who argues that different units and functions within an organization may develop distinct subcultures. Similar challenges related to cultural divergence between units were also observed in Case Company Delta.

Case Company Gamma stood out as an exception in the study. Over the years, a unique and tightly knit culture has developed, strongly influenced by the founder-CEO, who has led the company since its inception. The culture is characterized by trust, openness, and a "family-like" community spirit. Nonetheless, the CEO himself acknowledged that such cohesion may have drawbacks, noting a risk of stagnation and a lack of entrepreneurial dynamism, as employees may become too comfortable within the existing culture.

In the smaller companies, efforts to build and reinforce organizational culture were still in their early stages. Although the importance of cultural development was recognized, it often remained secondary to the pressing demands of daily operations. This reflects Kelliher and Reinl's (2009) observation that smaller firms often lack formalized cultural guidelines. In contrast, Case Company Zeta illustrated how a strong but negative culture, characterized by low ambition and poor internal morale, can severely undermine strategic efforts. The interviewee expressed frustration at how difficult it was to reverse entrenched cultural patterns once they had become established.

4.2.9 Other significant factors outside the framework

Consensus and commitment. In large and medium-sized companies, consensus and commitment were clearly recognized as essential to successful SI. Interviewees in these firms had learned the importance of alignment through past experiences and had developed practices to actively build and maintain it, such as structured dialogue, inclusive leadership, and mechanisms for surfacing differing views.

A notable finding is the pivotal role of consensus and commitment among small company owners as Zeta and Eta demonstrate the organizational damage caused by conflict avoidance and a lack of shared strategic vision. The contrast between these cases reveals that the quality of internal communication and mutual commitment among decision makers is a critical determinant of implementation success., a finding that is supported by Koseoglu et al. (2009), who has found that the lack of consensus

among decision makers during the strategy formulation phase, is one of the most significant threats to successful implementation.

Moreover, the results suggest that small firms, due to their informal structures, limited governance mechanisms, and strong interpersonal dependencies, are particularly vulnerable to interpersonal conflict escalating into broader organizational dysfunction, a risk that has been largely underestimated in mainstream strategic management literature as it offered no concrete examples of such dynamics.

A notable commonality across Zeta, Eta, and Theta, which emerged alongside the theme of consensus during the interviews, was the absence, or inadequacy of shareholder agreements. Zeta lacked a shareholder agreement altogether, Eta had agreements covering only some owners, and Theta had no agreement between its three founders. The lack of formal ownership governance significantly complicated conflict resolution and magnified organizational instability. (Interviews Zeta, Eta & Theta) The absence of formal shareholder agreements and structured decision-making processes in several companies further highlights how relational fragility can derail strategic efforts even in early-stage firms.

External distractions and operational pressures. External disruptions and internal operational pressures were found to significantly influence strategy implementation across all company sizes, as also confirmed by Wolczek (2018) in his study comparing strategy implementation challenges between large and smaller firms. However, these influences manifested differently. In large and medium-sized companies, external shocks such as economic crises, geopolitical events, and market fluctuations necessitated repeated strategic adjustments. While larger firms had structured systems to support resilience, maintaining long-term strategic focus under such conditions remained challenging. However, no substantial differences were observed between large and medium firms in this regard. In contrast, small and micro companies were more affected by internal operational pressures than by external shocks. Strategic work was often

sidelined by immediate demands, limited resources, and leadership entanglement in daily operations. This led to difficulties in delegation, prioritization, and continuity, with key individuals bearing disproportionate responsibility. Among smaller firms, this factor emerged as a clear and consistent barrier to strategy implementation, making it one of the most critical constraints to long-term development.

4.2.10 Differences between challenges of strategy implantation in companies of different sizes

As shown in table 8 (p.88), most pronounced differences between large and smaller companies (SME's & micro companies) (d1), appear in the strategic foundations (1,625), guidelines for SI (1,00), leadership management capabilities (0,875) and reward systems (0,875). Strategic foundations are well-established in larger firms, where they form a core component of corporate governance and leadership practice. Medium-sized firms begin to formalize strategy, as illustrated by Delta, while small and micro enterprises often operate with fragmented or informally developed strategies. Guidelines for implementation in large companies are formal, KPI-driven structures, while smaller firms generally lack systematic processes, relying instead on individual leadership and ad hoc mechanisms. Leadership and management capabilities followed a similar pattern: in large companies, structures and competencies were more formalized and supported by greater experience. In contrast, among smaller firms, these capabilities varied significantly, and their impact on strategy implementation was predominantly negative, particularly in small and micro enterprises. Large companies employ structured reward systems that support strategic goals, even if not viewed as primary drivers of implementation. Meanwhile, small and micro firms report minimal use of incentives and often see no clear link between rewards and strategy execution.

The differences between large companies and small or micro-enterprises (d2) were evident across several factors. The most significant gap was observed in the area of strategic foundation (1,75), followed by collaboration and coordination (1,50). In contrast, the differences in mean scores for strategy awareness, guidelines for strategy

implementation, corporate culture and structure, working against power structures, and external distractions and operational pressures were all 1.00. The factors described above (d1) explain the observed differences, regarding strategic clarity and guidelines for strategy implementation. A notable gap also emerged in collaboration and coordination, primarily due to the structural simplicity of smaller firms, which often lack formal departments or units requiring strategic-level coordination. Strategy awareness was more evident in large companies, where its relevance to implementation was acknowledged, while in smaller firms, it was largely absent, even among leadership. Similarly, corporate culture was not consciously addressed in small firms, whereas larger companies recognised its moderate importance. Structural differences were significant; large companies had more developed systems, whereas in small firms, the lack of structure contributed to limited strategic thinking and increased operational pressures. Power structures appeared in small firms as internal power dynamics among owners, especially where leadership consensus was weak. In contrast, large firms reported no such issues. Finally, external distractions and operational pressures were major barriers in small firms, where owner-managers were deeply involved in daily operations. In larger firms, these were acknowledged but seen as minor background factors.

Most significant differences between medium and small/micro companies (d3) were related to corporate culture (1,50), organizational structure (1,50) and collaboration & coordination (1,50), consensus & commitment (1,25) and leadership and management capabilities (1,25). Organizational culture, while a recognized factor in medium-sized firms, was typically downplayed by smaller companies, unless it became problematic. In organizational structure and coordination, medium firms benefit from more developed frameworks, whereas small and micro companies' flat hierarchies and size reduce the formal relevance of these factors. Consensus and commitment and leadership and management capabilities emerged as particularly significant in small and micro enterprises, where their absence often led to internal misalignment and strategic breakdowns. In medium-sized firms, these elements were more stable and actively cultivated, contributing to smoother implementation processes.

An additional finding is the consistency of resource allocation as an important (mean average 1,50 in all categories) factor across all company sizes, with similar levels of perceived importance. In other words, there were no observable differences in how critical this factor was considered across the different company categories. Although acknowledged as a critical or important factor in all cases, its operationalization differs significantly. In larger companies, resource allocation is structured and embedded into formal systems, functioning as a strategic enabler. In contrast, smaller firms often experience it as a barrier, constrained by limited capacity and informal planning processes. The way resource allocation is manifested reflects the leadership's capability to understand and anticipate the requirements for sustainable growth. In smaller companies, awareness of its importance was present beneath the surface, but it was often overshadowed by time constraints and internal conflicts.

This study set out to examine how the factors influencing strategy implementation differ between large and smaller companies. Although no definitive conclusions can be drawn from such a small sample, the findings show that these differences are best understood through the lens of organizational maturity, structural coherence, and leadership alignment, rather than company size alone, as the differences are rooted in fundamental organizational capabilities. Large companies benefit from institutionalized strategic foundations, formal structures, and distributed leadership, which enable consistent execution across the organization. Medium-sized firms occupy an intermediate position, where the presence of organizational culture, structure, and commitment creates more favourable conditions for alignment and execution. In smaller firms, by contrast, strategy is typically informal and person-dependent, which makes implementation reactive and exposes it to internal conflicts and subjective leadership dynamics leading to fragmentation between strategic goals and daily operations. This means that successful strategy implementation depends less on company size itself and more on the degree of structural and managerial maturity, which varies significantly within the SME category. In small and micro firms especially, implementation depends heavily on the Challenges

observed in small and micro-enterprises, which were not present in medium or large companies, were primarily rooted in internal conflicts between owners, particularly concerning consensus and commitment. These tensions often escalated into power struggles that significantly hindered or even prevented strategy implementation. These findings highlight the importance of value alignment and clearly defined roles among owners in small enterprises. Much like a partnership, founding a company requires mutual understanding and shared expectations. Formal agreements, such as shareholder contracts, can help prevent conflicts by clarifying responsibilities and decision-making structures in advance. In the studied cases, owners had assumed implicit trust and harmony, but the absence of explicit frameworks became problematic when strategic disagreements arose. Especially when time, money, and personal investment are at stake, perceived unfairness can quickly escalate into conflict.

The findings highlight limitations in the use of standard size-based classifications, such as those defining SMEs, when analysing organizational behaviour. Variation within each size category, particularly between firms at the lower and upper ends, can be as substantial as the differences between categories. This is particularly important in the context of strategy implementation, where organizational characteristics and internal structures often matter more than headcount alone. Furthermore, industry-specific factors, such as subcontracting practices in construction, may further blur the relevance of formal size definitions. These considerations suggest a need for more refined segmentation approaches when examining firm behaviour across different organizational sizes.

The table 9 below illustrates the level of understanding and execution of strategy and its implementation within the case companies, referencing the taxonomy proposed by Šilenskytė and Smale (2021, p.515). Large companies, along with the medium-sized company Delta, fall under the 'O-level' category, characterized by a more structured and formalized approach. However, Gamma, a medium-sized company with a strong strategy-as-practice orientation, is categorized at the 'I-level', characterized by intuitive

and emergent strategic behaviour. At the *ideological level*, the interviewees from the small companies appeared to align with the 'A-level' perspective, following the logic of planning followed by implementation. However, in practice, strategy implementation in these organizations was more embedded in everyday activities, resembling the characteristics of the 'I-level'

Table 9. Taxonomy of SI in the case companies

	Taxonomy	O-level	A-level	I-level
Company Alpha		x		
Company Beta		x		
Company Gamma				x
Company Delta		x		
Company Epsilon			(x)	x
Company Zeta			(x)	x
Company Eta			(x)	x
Company Theta			(x)	x

This table reinforces the findings of the study in that, for instance, Delta was structurally and strategically more like large companies, whereas Gamma clearly stood out within the medium-sized category by strongly aligning with an emergent approach to strategy. However, characteristics related to strategy implementation varied considerably even within these taxonomy-based categories, demonstrating that it is organizational characteristics, not company size alone, that shape strategic behaviour. This further reinforces the notion that the SME category should not be treated as a homogeneous group when examining factors influencing strategy implementation and their manifestation within firms. The substantial internal variation within this category has clear implications for the dynamics of strategy implementation, as the analysis reveals that the SME label conceals significant internal diversity.

5 CONCLUSIONS

This thesis investigated a phenomena of strategy implementation by comparing its manifestation in small and larger firms, addressing a research gap where existing studies have predominantly focused on medium-sized and large organizations. Although the practical execution of strategy has increasingly gained scholarly attention (Weiser et al., 2020; Amin, 2024), small and micro enterprises, despite representing 99% of firms in the European Union, (table 1, p.8) remain underrepresented in academic research (O'Regan & Ghobadian, 2002).

Small firms, characterized by informality, flexibility, and resource constraints (Cohen & Kaimenakis, 2007), execute strategy differently, often relying on intuition, rapid adaptation, and personal leadership, whilst facing vulnerabilities tied to limited resources and dependency on key individuals (Kelliher & Reinl, 2009; Kearney et al., 2019). Thus, actionable insights into strategic implementation within these contexts are scarce. This study contributes to the field by extending knowledge on strategy execution beyond large organizations and offering new perspectives on how strategic practices unfold across different organizational scales.

The research question guiding this thesis is how success factors and challenges of strategy implementation differ between large companies and smaller firms. To address this question, the study has identified the success factors and challenges in strategy implementation from the literature and compared these factors and their connection between firms of different sizes. The study identified key factors contributing to either success or failure in strategy implementation from the existing literature [research objective 1]. Factors were selected based on their frequency and prominence in prior research as critical determinants of successful strategy execution (table 2). These factors were established as the core framework for the empirical analysis. In addition to the main factors identified from the literature, the study also acknowledged supplementary factors outside this framework to ensure a comprehensive perspective.

Through the multiple-case study approach, the research examined how the identified factors manifested in the strategy implementation practices of the selected firms, to address research Objective 2: to compare the success factors and challenges across companies of different sizes. The empirical investigation focused on how factors, such as strategic foundations, leadership and management capabilities, communication, resource allocation, strategy awareness, guidelines, reward systems and corporate culture, played tangible roles in shaping strategic actions across the cases. Furthermore, the study remained open to discovering new influential factors beyond the initial framework, allowing for the observation of company-specific practices and contextual challenges that had not been extensively covered in previous research.

A key observation emerging from this study is that, although medium and small companies are often grouped together under the SME category, the findings indicate substantial differences between these two groups regarding strategy implementation. Moreover, small companies more closely resemble micro firms in terms of organizational characteristics and the factors influencing strategy implementation. This alignment underscores the need to differentiate more clearly between size segments within the SME spectrum in both research and practice. Moreover, the empirical evidence underscores the importance of informal leadership structures, resource constraints, and the centrality of individual decision-makers in shaping strategy execution in smaller firms. The insights offer practical value by highlighting the unique challenges and leverage points for strategic development in small business contexts. Thus, the thesis succeeds in advancing both theoretical understanding and practical relevance, providing a foundation for more tailored strategy practices within small and micro enterprises. Overall, the study also reinforces recent theoretical developments that view strategy implementation as a dynamic socially embedded process rather than a rigid top-down activity (Weiser et al 2020; Sharma and Sharma 2022).

5.1 Theoretical contribution

According to Eisenhardt (Gehman et al., 2018, p.291), a theory consists of key concepts, the connections between those concepts, and the rationale that ties them together, all aiming to offer a broad explanation of a particular phenomenon. This study confirms and extends several well-established findings in the literature on strategy implementation in SMEs. It supports the widely recognized view that strategic implementation in small and micro firms is typically shaped by informality, limited resources, and strong dependence on owner leadership. The findings of this study align with observations of prior research, which has characterized these firms as flexible but structurally fragile, with strategic processes often guided by the intuition, experience, and personal decision-making of the owner-manager (Wolczek, 2018; Kelliher & Reinl, 2009; Kearney et al., 2019). Instead, it tends to evolve through everyday practices and reactive decision-making, closely linked to the individuals in charge. While it supports agility, it also increases vulnerability, as implementation often depends on a single person's initiative and capacity. This study offers a novel insight not widely addressed in the existing literature by showing that in many small and micro firms, strategic leadership is shared among multiple owners. In such cases, authority is not clearly defined or hierarchically structured, but rather negotiated continuously, which makes strategy implementation in small firms more complex and less predictable than previous research has typically assumed.

The findings also reinforce the view that resource limitations pose a substantial barrier to strategy execution in smaller firms. The concept of "resource poverty" (Kelliher & Reinl, 2009) is clearly reflected in the empirical findings, as limited time, staffing, and financial capacity repeatedly led firms to prioritize immediate operational concerns over long-term strategic goals. Strategic activities were often postponed or abandoned in response to pressing day-to-day demands, confirming earlier observations by Skokan et al. (2013) and Wolczek (2018). Importantly, the dynamics of a micro companies described in Kelliher and Reinl (2009) and Kearney et al. (2019) were found to apply equally to both small and micro-enterprises in this study.

Strategic consensus is defined as the extent to which members within an organization share similar perceptions and agree on key strategic priorities (Rapert & Garretson, 2002). This study, however, highlights that in small and micro firms, the most significant barriers to strategy implementation can arise among the owners themselves. The empirical evidence shows that conflicting visions, varying degrees of consensus and commitment, and unresolved disagreements over the company's strategic direction frequently led to internal tensions. In several cases, these tensions escalated into conflicts that severely delayed or entirely obstructed the implementation of strategy. Although Koseoglu et al. (2009) emphasize the relevance of ownership-level consensus, this study brings new empirical clarity to its implications by illustrating how the absence of alignment among owners can significantly hinder or even prevent the implementation of strategy.

Ultimately, this study contributes to the theoretical understanding of strategy implementation by showing that widely accepted models are not directly applicable to the context of small or micro-enterprises and the factors must be interpreted considering the specific dynamics of smaller firms. Strategy implementation, therefore, is not simply about cascading plans or aligning departments, but about navigating interpersonal dynamics, building trust, and managing limited capacity among a small group of key decision-makers. This perspective calls for a rethinking of how strategy implementation is conceptualized across different firm sizes and highlights the need for frameworks that account for the embedded, relational, and resource-constrained nature of small business environments.

5.2 Managerial implications

The findings suggest that organizations must differentiate between genuine external disruptions and internal operational pressures when designing strategic implementation processes. Large companies must maintain structures for dynamic strategic reassessment even amid operational success and growth, while medium-sized

companies should strengthen strategic resilience and perhaps institutionalize formal scenario planning to better anticipate sudden shifts in the environment. For small and micro enterprises, it is essential to establish systematic strategic processes and solid strategic foundations, as noted by O'Regan and Ghobadian (2002), strategic planning has a positive impact on firm performance. To ensure effective strategy implementation, these firms must develop explicit frameworks for resource allocation and leadership delegation. Findings also highlight the need for firms, regardless of size, to proactively create structures that protect strategic focus from being overwhelmed by operational pressures. To succeed, especially small and micro-organizations must focus more on acting strategically rather than merely reacting tactically to operational challenges, particularly when growth ambitions necessitate scaling operations beyond the founding team's operational reach. In addition, they must recognize that operational overload is often a leadership design issue, not merely a market constraint.

Furthermore, for smaller companies, it is critical to establish clear responsibilities and ensure the distribution of leadership knowledge across individuals. This managerial suggestion aligns with Noble's (1999b) view that successful strategy implementation depends on the presence of a dedicated individual who provides clear direction, leads the process, and upholds accountability.

Findings related to the dynamics of ownership consensus and commitment indicates that leadership teams must actively foster environments where dissent can be expressed constructively, allowing consensus to emerge through critical engagement rather than through superficial agreement. The findings also suggest that when establishing a company, it is advisable for the founders to formalise their relationship through a shareholder agreement and furthermore, any new owners should also be required to sign this agreement upon joining.

5.3 Limitations and suggestions for future research

Although this thesis aims to focus on factors influencing strategy implementation, the scope of the topic combined with the use of eight case studies introduces limitations, particularly in terms of depth and balance between description and analysis. As Eisenhardt (Gehman et al., 2018, p.292) notes, multiple-case studies face a distinct writing challenge due to page limits, which often constrain the level of descriptive detail. However, in this thesis, the number of cases has in fact necessitated a relatively extensive amount of descriptive content to provide sufficient context for interpretation. Related to the page limit, another limitation of this research is that a wide range of factors influencing strategy implementation were examined simultaneously. While this approach enabled a broad overview, it may have limited the depth of analysis. A more nuanced understanding could potentially be gained by focusing on individual factors, or smaller groups of related factors, identified, for example, through the findings of this thesis, and studying them in greater detail.

One limitation of this research is that only a single individual was interviewed per case company. Although the interviewees were either founders or key founding members, the perspectives of all owners were not captured. Consequently, the findings reflect the views and perceptions of individual participants rather than a comprehensive account of the collective ownership perspective. It is also important to note that this study does not reveal how these factors have factually influenced strategy implementation, but rather how their impact has been perceived.

Furthermore, since all case companies examined in this study operate within the construction industry and are based in a single country, these contextual limitations should be acknowledged. Future research could expand the understanding of differences between strategy implementation practices by exploring firms from different industries and across diverse national contexts.

An interesting direction for future research would be to examine how micro company owners build consensus and the role open dialogue plays in this process. Given that micro enterprises employ over 30% of the EU workforce (table 1, p.8), this focus has clear societal relevance and potential impact on business outcomes. As shown in this study, not all owners voice their opinions equally during strategic discussions. In small firms especially, it is essential that all owners genuinely support strategic decisions, not just appear to do so. This line of research could also be extended to larger organizations by exploring how leadership teams align their views in strategy formation.

Yet, another valuable direction for future research would be to examine the role and significance of shareholder agreements in the establishment of micro-enterprises. Although this study did not specifically set out to investigate this aspect, the findings clearly highlight that in the absence of such agreements, conflicts and crises among owners tend to escalate and become significantly more difficult to resolve. Investigating how formalized ownership structures, particularly through comprehensive shareholder agreements, can mitigate relational breakdowns and enhance organizational resilience would offer important insights for both entrepreneurial practice and policy development.

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Appendices

Appendix 1. Interview questions

- Revenue 2024:
- Employees 2024:

General status and background of the strategy

1. How do you understand the concept of strategy? There are various perspectives on strategy, and I would like to learn from your experience.
2. Does your company have a strategy, and if so, how and when was it developed?
 - a. In your view, how does the size of the organization influence the strategy development process (small/large company)?
3. Has your company identified measurable objectives in its strategy?
 - a. How do you think the setting of strategic objectives differs between small and large companies?
4. Is the current strategy still valid and in use?

Strategy implementation and practical challenges

5. How has the strategy been put into practice?
6. Were clear guidelines created or available to support the implementation, or how was the implementation initiated?
 - a. In your opinion, do smaller companies need less formal guidance than larger ones, or vice versa?
7. What factors do you think support or hinder the implementation of the strategy
 - a. Could you give a concrete example and explain how it related to the size or structure of the company? (Differences between large/small.)

Key factors in strategy execution

8. What resources and support were available for strategy implementation?
 - a. How were resources allocated and managed to enable implementation?
 - b. Based on your experience, how does the availability and management of resources differ between larger and smaller companies?
9. Additional question: co-operation between units
 - a. [Follow-up prompt to be defined based on interview flow]

10. How has the strategy been communicated within the organization? (If it is a smaller company, has the strategy been communicated, and if so, how?)

a. What tools were used?

11. How does the communication approach differ between small and large organizations?

12. How well do employees in your organization understand the strategy and its content?

13. How does company size affect how easily strategic awareness spreads and how well the strategy is generally understood? Why?

14. How have management and supervisors supported the strategy and motivated employees?

15. How much active leadership involvement do you think is needed?

a. How does the role of leadership/management in strategy implementation differ between small and large companies? (Top management/middle management)

16. How are reward and incentive systems related or not related to strategy implementation in your company? How much ownership is held by key personnel?

a. In your experience, are reward systems more effective in advancing strategy in small or large companies?

17. How has organizational culture either supported or hindered strategy implementation? a. How does company size influence the role of culture in strategy implementation?

Other factors influencing strategy implementation

18. How do the following factors affect strategy implementation from your perspective? (You may choose the ones you find relevant, and we'll discuss them further.) a. How do these factors manifest in the company when comparing smaller and larger firms?

- External disruptions and business pressures
- Ongoing strategy review and updates
- Inter-unit cooperation and coordination
- Organizational structure
- Shared vision (consensus) and commitment
- Employee involvement
- Power distribution in the organization ("power play")
- Organizational resistance to change