

‘Firm resources for successful strategy implementation among multinational and local firms in an emerging economy: the case of Pakistan’

Abstract

Strategy implementation research in emerging economies still lacks a comprehensive and agreed upon body of literature. This study is conducted to explore the resources heterogeneity related to the successful implementation among local and multinational firms in Pakistan as an emerging economy.

In consideration of the exploratory nature of this research, forty semi-structured, in-depth interviews were conducted with managers from top or middle management levels. The respondents represented local and multinational firms from pharmaceutical, commercial banking, stationery, textile, and retail distribution sectors. The interviews were ‘active interviews’ and recognized as a ‘meaning-making’ exercise, involving both the respondent and researcher. In the absence of prior strategy implementation research in Pakistan, an inductive approach was utilized for an in-depth exploration in different organizational contexts. A pilot-study was conducted before the full-scale fieldwork to refine the data collection method.

The findings from the detailed thematic analysis indicate that contrasting resources portfolios exist amongst local and multinational firms for successful strategy implementation in Pakistan. These resources are bundled in thirteen resource groups such as top management, strategic reasoning, resources mobilization, human resource practices and head office management. The operating business environment for these firms in Pakistan poses peculiar problems, yet managers believed that the implementation success depends on factors internal to firms thus support the RBV logic in an emerging country context. Also, the implementation success factors are strongly associated with the nature of firm’s business (Multinational vs. local) as against to the firm’s industry. This further highlights the significant role of firm’s resources in successful strategy implementation. Finally, major implications are delineated for future research in other emerging economies.

Introduction

This study is a critical investigation of heterogeneous firm-resources for successful strategy implementation among local and multinational firms in Pakistan. Strategy implementation remains a key management challenge (Dobni, 2003) as effective implementation proves difficult in actual practice due to the coordinated efforts of individuals across firms (Olson et al., 2005). Managers know much less about the implementation process involved (Hrebiniak, 2006; Alexander, 1991). Implementation has received less research attention in comparison to strategy formulation (Chimhanzi, 2005). The literature on strategy implementation remains fragmented and in need to form an integrated view (Noble, 1999a; Shah, 2005). Despite the increasing importance of emerging economies in the international business (UNCTAD, 2003), the overall sum of strategy implementation research in emerging economies remains small, as most of the literature is based on the research in developed countries (Miller et al., 2004). An important trend in the implementation literature is to explore the success factors for strategy implementation (Thorpe and morgan, 2004). There is a lack of strategy implementation research in Pakistan and this paper fills this gap by exploring the implementation success factors via the interactions with senior executives in a wide range of firms. The paper commences with an overview of the existing knowledge of strategy implementation success factors, with a focus on emerging economies and Pakistan. The research design and methodology are then discussed and findings are presented. The paper concludes with implications for strategy implementation research and practice in other emerging economies.

Strategy - an elusive phenomenon

Strategy remains an elusive phenomenon, despite several decades of research. Early writers

like Ansoff (1965) do not even provide a definition of strategy. Mintzberg (1987) defined strategy in terms of five Ps, i.e. strategy as plan, pattern, position, perspective and ploy. These five Ps were discussed in detail by Mintzberg et al. (1998) alongside ten different schools of thought on strategy development, such as positioning, learning, emergent, and design schools. The dominant school of strategy formulation thought, i.e. positioning (Porter, 1980; Faulkner and Bowman, 1995), identified generic strategies pursued by firms to achieve competitive advantage and presented strategy development as a linear, one-time activity. On the other hand, Mintzberg (1978) emphasized that strategy development as a linear one-time activity is a mistaken belief due to the emergent nature of firm's strategies.

Dissatisfaction with the Industrial organization view's (Porter, 1985) neglect of heterogeneity among firms & their resources led to the Resource Based View (RBV), a term coined by Wernerfelt (1984), which has roots in the work of Penrose (1959). The RBV holds that the competitive advantage of a firm is based on the distinctiveness of its resources (Johnson et al., 2005) and the competitive advantage potential of these resources depends on their value to firm, rarity and difficulty in competitor imitation (Barney, 2001). Hooley et al. (2005) identified resources as the combination of intangible and tangible assets and competencies possessed by the firm. These resources 'refer to the tangible and intangible assets, firms use to develop and implement their strategies' (Ray et al., 2004, p. 24) and also include capabilities, competencies, organizational processes and firm-attributes (Barney, 1991). RBV has been criticised for its excessive focus on firm's resources and lack of attention to the external environment (Porter, 1994), but recent empirical studies have provided good evidence in support of the RBV concepts (Ray et al., 2004).

Strategy implementation – Different perspectives

There are diverse views on the concept of strategy implementation in the literature. Noble (1999a) provided a detailed discussion on these views of Strategy Implementation - structural and interpersonal-processual. Structural view holds organizational structure, strategy content, control, and incentive mechanisms as drivers of implementation success (Hrebiniak, 2005). Although, these structural factors are important for implementation, Strategy Implementation has also been viewed as an interactive process within the firm involving leadership (Nutt, 1983), consensus (Dooley et al., 2000), strategy communication across the organization (Rapert et al., 2002; Hambrick and Cannella, 1989), and operational management and resources allocation (Cespedes, 1991). Piercy (1998) normatively argued for the temporal nature of implementation capabilities and recommended to take a broader view in implementation research incorporating both previous views of literature; a position endorsed by Noble (1999) as well.

Recent strategy implementation research

Recent research interest in strategy implementation is attributable to the seminal work of Noble (1999a), who gave a resounding call to direct more research towards implementation issues as he identified future research directions for based on a review of different streams of strategy implementation literature. Since then, there has been little and fragmented progress and much research is still desired to develop an agreeable body of strategy implementation literature (Shah, 2005).

Recently researched implementation issues include leadership (Schaap, 2006), organizational structure (Olson et al, 2005), inter-departmental interactions (Chimhanzi and

Morgan, 2005), project management (Jugdev and Mathur, 2006), implementation barriers (Hrebiniak, 2006; Hiede et al, 2002; Al), functional strategy implementation (Noble and Mokwa, 1999), framework development (Okumus, 2001), strategy communication (Rapert et al., 2002), consensus (Dooley et al., 2000), middle managers (Thorpe and Morgan, 2001), balanced scorecard (Atkinson, 2006), and control and incentives (Hrebiniak, 2005).

Strategy research in emerging economies is relatively new, but has substantial research potential (Cavusgil et al., 2000). Wright et al. (2005) identified resource-based view (RBV) as a major conceptual perspective for strategy research in emerging economies. They also emphasised that conventional strategy theories (derived from developed economies) need review in the light of empirical evidence from emerging economies. Similar to the trend in developed countries, most strategy research in emerging countries remains concentrated on strategy formulation (Haley and Haley, 2006) and strategy implementation research remains fragmented and rare (Shah, 2005).

A visible trend in this small body of strategy implementation literature in emerging economies is to conduct a deductive confirmation of strategy implementation issues (for example, Shah, 2005; Kaufmann and Becker, 2002). These studies have preferred to utilise previous implementation research conducted in developed countries for their research, thus leaving little margin for exploration of issues distinctive to emerging economies. This presents itself as another knowledge gap in the light of Wright et al's (2005) recommendation to review existing theories derived from developed economies based on emerging economies' evidence.

Pakistan is one of the emerging economies (Hoskisson et al., 2000) along with China, India and Bangladesh in the South Asian region. India (Pruthi et al., 2003) and China (Peng,

2004) have received much strategy research attention, whereas Pakistan remains under researched with regard to strategy and management issues (Khilji, 1999). There is no reported study of factors related to successful strategy implementation, amongst firms in Pakistan as an emerging economy. Similarly, previous implementation studies tend to focus broadly on firms within a single country thus leaving a theoretical gap for a comparative analysis of implementation success factors among local and multinational firms in an emerging economy context. In this backdrop, this study explores the firm resources related to successful strategy implementation among multinational and local firms in Pakistan and provides a qualitative comparison of the divergence present in implementation practices of local versus multinational firms.

Major factors for Strategy Implementation success

A review of a rather fragmented implementation literature identifies some major factors as the requirements for successful implementation (Miller et al., 2004). The strategic planning with consideration of implementation requirements is mentioned as an important factor (Slater and Olson, 2001). Waldersee and Griffiths (2004) emphasised that while formulating strategy, it is important to analyse the existing skills within the firm. The allocation of sufficient resources for implementation purposes is significant in the sense that it allows managers to pursue relevant implementation tasks (Okumus, 2003). Olson et al. (2005) mentioned that the allocation of resources, both financial and human, has a bearing on the implementation. Decentralization and formalization have also been referred to as major success factors for implementation (Jaworski and Kohli, 1993).

Other major factors include regular and planned measurement (Kaplan and Norton, 1996),

flexibility to adapt to the changing implementation requirements (Subramanian and Nilakanta, 1996), clear strategy communication across the firm (Rappert et al., 2002), organizational commitment (Darden et al., 1989), the involvement of top-management in strategy planning and implementation, good leadership, follow-up on planned activities, realistic goal setting and candour of discussion on strategy issues (Bossidy and Charan, 2002), strategy consensus among the people involved (Dooley et al., 2000), inter-functional coordination and implementation related training (Shipley, 1994; Chimhanzi, 2004), the use of external consultants (Okumus, 2001), and the implementation-based rewards and control measures (Hrebiniak, 2006).

Heide et al. (2002) probed some of the barriers previously identified in strategy literature, including resource allocation, organizational culture, learning, personnel management, information systems, political factors, organizational structure and control systems. An interesting finding of Heide et al. is the emphasis that organizational factors act as barriers during implementation. Despite a lack of an explicit RBV position, implicitly it reflects on the predominantly internalized nature of strategy implementation in firms.

A number of gaps are evident in the strategy implementation literature. Firstly, there is a lack of explicitly claiming a conceptual position for the research conducted. Major conceptual positions in international business and emerging economies based strategy research include Transaction Cost theory, Resource based view (RBV), Institutional Theory and Agency theory (see Hoskisson et al., 2000; Peng, 2001 and Meyer and Peng, 2004). In order to pursue its research agenda, strategy implementation studies need to adopt a paradigmatic position in order to become a separate scientific discipline (Kuhn, 1970) and clearly research in international business context is no exception (Peng, 2001). It is

clear from the discussion of major success factors that these reflect on the internalised nature of strategy implementation and can be termed as firm resources, inline with the tenets of the resource-based view (RBV) of strategy.

Secondly, the lack of strategy implementation research amongst firms in Pakistan adds to an increasing imbalance of management research in India and China versus that in Pakistan (Khilji, 2002). The strategy researchers need to address this issue in future research (Wright et al., 2005). Finally, there is no reported study in the strategy implementation literature to provide a detailed comparison of implementation success factors in the multinational and local firms in an emerging country context. Against this backdrop, the key contribution of this research is to explore and compare the *strategy implementation success factors* amongst multinational and local firms in Pakistan. This research also explicitly adopts a resource-based view of strategy implementation in an emerging economy context, thus contributes significantly to the strategy research in emerging economies (Wright et al, 2005).

Strategy implementation and Implementation success– definitions

Drawing from the definitions used by Harrington and Kendall (2006) and Noble (1999a), the discussion of implementation capabilities and the RBV underpinnings (Piercy, 1998; Barney, 2001), strategy implementation is defined here as ‘the process of utilizing firm’s resources to successfully implement the intended strategy’. The implementation is considered as successful, if the strategic initiatives were fully implemented within the anticipated timeframe (Chimhanzi, 2004) and the implementation effort was recognised as a success in the firm (Noble and Mokwa, 1999), whereas failing to meet either of these criteria is considered as an example of unsuccessful implementation.

Research philosophy, design and methodology

Strategy implementation is a complex process (Noble, 1999b) and it was deemed as important to adopt a philosophical position enabling the interaction between the researcher and respondents to gather opinions of senior managers on implementation issues. Social constructionism accounts for the subjective reality due to the involvement of social actors (Saunders et al., 2003) and was adopted for this research. Research strategies and methods employed in research correspond with the philosophical positioning and the requirements of research aims (Bryman and Bell, 2003). Qualitative research strategy was used for this study, to explore the strategy implementation success factors via the interactions with senior executives (Silverman, 1998; Okumus, 2001, Heide et al, 2002). Senior managers, at firms operating in different industries, were considered as key informants on strategy implementation issues (Haley and Haley, 2006) due to their recognised role in strategy implementation (Schaap, 2006; Guth and Mcmillan, 1986), and the understanding of firm's strategy and performance (Olson et al., 2005).

In consideration of the qualitative and exploratory nature of this research, a series of semi-structured, in-depth interviews were conducted with senior executives (top-management or middle-management levels) representing firms from a broad cross-section of manufacturing and service sectors in Pakistan (Pharmaceutical, Commercial Banking, Stationery, Textile, Retail Distribution, Baby Care and Food Products). The firm was used as the unit of analysis (Easterby-Smith et al., 2002) and medium-to-large manufacturing and service firms were preferred due to their higher complexity and organizational development levels, in comparison to smaller firms. Eighteen firms with good market standings in their respective industries were contacted for respondent access through snowballing and personal referencing techniques (Bryman and Bell, 2003). Ten firms agreed to provide

respondent access, whereas others declined the invitation. Out of these ten firms, six were local and four were multinational firms operating in Pakistan. No more than two firms were researched in any industry so as to be able to achieve a higher level of diversity and subsequent analytical generalization. The RBV recognizes that no firm is similar to other firms in the same industry and therefore it was deemed appropriate to explore implementation success factors across a range of industries. 22 senior and middle managers were interviewed using a semi-structured interview guide.

The interview duration varied between thirty minutes to three hours and the interviews were audio-recorded (Silverman, 1998). A pilot study was conducted before the full scale research, to ensure the appropriateness of research approach and the data collection method (Baker, 1994; De Vaus, 1993). The pilot study led to several refinements in the interview guide and data collection process. It was recognised that interviews were ‘active’ interviews and a ‘meaning-making’ exercise that involved both the respondent and researcher for clearer understanding and explanations (Holstein and Gubrium, in Silverman, 2004). This approach thus rejected the seductive positivist stance of pure, fly-on-the-wall type interviews.

The respondents were assured of the data confidentiality and anonymity of respondents and their firms to ensure valid responses (Patton, 1990). The respondents were encouraged to explain in detail their understandings, opinions and accounts of events, but at the same time the researcher probed and queried on emergent issues to allow for clear interpretations while retaining the focus on implementation issues. In order to minimise the researcher and respondent bias, the respondents were encouraged to discuss their opinions and were allowed to elaborate in detail on success factors related to strategy implementation before

making any probes (Silverman, 1998). The researcher's tone of voice was kept neutral and respondents were encouraged to be candid in their discussions and probing questions were kept open-ended to avoid leading the respondents. Despite these attempts to eliminate bias during the data collection, it is unrealistic to expect complete removal of bias, because of the involvement of respondents and researcher in a constructivist paradigm (Strauss and Corbin, 1994; Miles and Huberman, 1994).

A rigorous and detailed thematic analysis (Fereday and Muir-Cochrane, 2006) was conducted as per the guidelines given by Braun and Clarke (2006). Braun and Clarke have proposed a six step process for conducting thematic analysis. These steps include the familiarization with the data, generating initial codes, theme searching, themes' review, defining and naming themes, and report preparation. The interviews were transcribed in verbatim (Bird, 2005), and then analysed in detail. It was a long and recursive process (Ely et al., 1997) involving movement across steps as the analysis progressed. This iterative nature of the data analysis led to keeping the coding and theme development closer to the context of the interviews, thus addressing the concerns levied against coding by the likes of Coffey and Atkinson (1996).

Findings and Discussion

The thematic analysis of the firm resources enabling successful strategy implementation among local and multinational firms in Pakistan generated thirteen major themes of resource groups. These firm resources highlight that in actual practice strategy implementation is not a purely structural in nature. These implementation success resource groups are inline with Piercy's (1998) normative discussion and include both interpersonal and structural factors thus supporting the RBV logic as a theoretical basis for understanding

the strategy implementation. Each firm differs in terms of its resources portfolio (Barney, 1991) and it was evident that even multinational firms differ from each other and thus RBV appears to be a highly appropriate theory to determine the resources superiority or inadequacies (Page and Decastro, 2001) for successful strategy implementation.

Interestingly, twelve out of thirteen themes of resource groups exist in both local as well as multinational firms though the composition within each resource group differs significantly for local and multinational firms. It is also interesting to note that being a multinational does not necessarily guarantee a firm's success in any industry, although multinational firms seem to be more reliant on interpersonal processual elements than the local firms. Local firms rely more on the structural resources for successful implementation (Figure – 1). Major differences exist in resources related to top management, strategic reasoning, resources mobilization, organizational systems, middle managers, performance management, human resources, and implementation efforts. Local firms in Pakistan are apparently more centralized around the top management thus require significantly more involvement and efforts from top management. This centralization means that the middle management at local firms in Pakistan has only a role to implement the strategy as outlined by the top management.

Middle managers seem to have no role in strategy development at local firms in Pakistan, as top management perceives that only they can formulate the right strategy. The personal involvement of top management in the actual implementation is a sign of weaker middle management. This top-down approach is a barrier to successful implementation at local firms in most instances, and these firms need to increase middle managers involvement in strategy planning. Whereas multinational firms have a strategy process that seems to

involve middle managers in the strategy development as well, enabling top management to follow-up with functional heads only.

Top management at multinational firms need to communicate effectively with corporate head office and the international management. The top management at two multinational commercial banks differ significantly in terms of their effective communication with head offices, and thus have a marked difference in overall implementation success at each bank. The Middle Eastern bank suffers from the inability of the local president in Pakistan to effectively communicate the operational issues and problems faced by the bank. This inability led to lack of investment approvals at key times by the head office resulting in poor growth over the period of last five years. The top management at a multinational pharmaceutical firm successfully communicated the need for having generic medical drugs in Pakistan and got the funding, support and approvals to localise the firm's strategy enabling its successful implementation.

Strategic reasoning refers here to the strategy selection and how the strategy choices are developed for successful implementation. There is complete divergence among local and multinational firms, as strategic reasoning emanates largely top-down approach of strategy making at local firms whereas multinational firms show a combination of top-down and bottom-up approach. The involvement of middle managers in strategy dialogue, organizational consensus, good business idea, head office guidelines, fit with the firm's culture are perceived as key strategic reasoning related resources at multinational firms contributing towards successful implementation. The idea initiation by the top management, and middle management's understanding and communication down-the-line are perceived as important at local firms.

Figure -1 Success factor themes and their composition

Themes of resource groups	Composition at local firms	Composition at multinational firms
Top Management	Personal involvement in implementation Agreement of all partners Strategy and reasoning communicated to middle managers Leadership vision and drive Provision of required resources Strong Support for the strategic initiative Follow up at various levels Interest in the strategic initiative Personal involvement in implementation Agreement of all partners	Follow up with functional heads Interest in the strategic initiative Commitment to the strategy Middle management engagement in strategy formulation Leadership vision and drive Reliable and professionally sound Effective communication with International top Management Provision of required resources Support for the strategic initiative Follow up with functional heads
Strategic Reasoning	Middle Management's understanding and communication down the line Idea initiated by the top management Need felt by the top management	Localised customization Involvement of local managers in strategy dialogue Local top management's involvement Organizational consensus Head office guidelines Fit with business culture Good business idea
Organizational Structure	Responsibilities Clarity Inter-functional coordination Minor authority/ decentralized implementation	Sufficient people Major authority for decentralized implementation Inter-functional coordination Responsibilities clarity Strategic Restructuring
Resources Mobilization	Resources Availability Existing Human Resources Access to new Human resources Firm's own equity Access to financial institutions Resources allocation Match with top management's orientation Top mgt's authority Sufficient Resources allocation Ad-hoc Approvals Budgeting	Resources Availability Existing Human Resources Access to new Human resources Resources slack at local level Access to large financial institutions Access to head office funds Resources allocation Strategy requirements Sufficient resources allocated Risk assessments Budgeting Contingent cushions
Organizational systems	Development of organizational systems Top management's orientation towards systems Procedural documentation Policies documentation	Information systems Policies documentation Procedural documentation Developed systems across international operations Development of organizational systems Learning and knowledge sharing
Performance Management	Control measures Monitoring team Top management's follow-up Middle management's follow-up	Goals for each organizational member Follow-up by middle management Performance culture Follow-up by local top management Monitoring by head office Control measures Attractive rewards program
Middle Management	Implementation consensus Involvement in implementation planning Professional sense of achievement Implementation efforts Task allocations down-the-line	Follow-up and monitoring Strategy consensus Task allocations down-the-line Implementation consensus Implementation efforts Contd...

	Follow-up and monitoring	Rewards motivated Involvement in strategy and implementation planning
Human resources	Skills (Order takers, executioners, experienced and operationally sound)	Conflict Management Rewards - performance link Human Capital development Operationally sound entrepreneurial Managers Succession and Career planning Separate HR function
Project Management	Task piloting inter-functional coordination Multi-project follow-ups Project champion Agreed project plan	Task piloting inter-functional coordination Agreed project plan Multi-project follow-ups Functional champions
Strategic communication	Clear communication of desired objectives	Diversity of opinions and power influences Interactive dialogue and candour of discussion Clear communication of strategic objectives
Realistic Planning	consideration of implementation requirements consideration of firm's implementation potential Contingency planning Involvement of implementers in dialogue	consideration of implementation requirements consideration of firm's implementation potential Contingency planning Involvement of implementers in dialogue Risk assessment Mutual goals development at head office and local levels Localisation assessment
Head office management		Knowledge sharing gained from international experiences Confidence on local top management Financial liberties given to local management Decisions and approvals at right time
Implementation Efforts	Strict timelines Clear roles, responsibilities identification Job security orientation	Strict timelines Clear roles, responsibilities identification Performance driven Goals and objectives discussed and mutually agreed Right people in right jobs Rewards Motivated

Recognizing the critical role of people in the implementation of strategies multinational firms far exceed local firms. Local firms appear to give lip service to human resource management, whereas multinational firms have extensively worked on succession planning, performance management, rewards development and training & development of human capital. Multinational firms seem to benefit from their international development programs that develop their human capital for implementation and operational excellence.

Local firms do not have a clear training program or agenda; maximum training envisaged is temporary and short term in nature. Local firms seem to implement their strategies through their experienced managers that have become operationally sound due to their experiences.

Resources mobilization refers to resources availability both from internal as well as external sources and the resources allocation. Multinational firms benefit from the resources slack at local subsidiary as well as head office levels; they also have access to very large financial institutions for resources funding. Local firms seem to operate with organizational equity and or family funds. Some local firms have access to large financial loans based on their good market reputation thus enabling successful implementation. Overall, the local firms have less financial resources to pursue aggressive strategic options in comparison to multinational firms. This resource slackness (financial and human) at multinational firms is perceived as critical for successful implementation.

Similarly resource allocation at local firms needs to be matched with top management's business orientation and vision so that the resources considered as sufficient by top management are allocated. Multinational firms seem to manage the resources allocation more on the basis of strategy's requirements, risk assessments of country's situation and firm's objectives and contingency plans. Budgets seem to be the universal document showing the financial spread allocated, though multinationals and successfully implementing local firms seem to follow it more religiously than those facing obstacles in successful implementation. This is reflected in the ad-hoc approvals for resource allocations at most local firms. Multinational firms seem to build the contingency cushions in their implementation plans so that ad-hoc approvals are minimised.

Organizational systems at multinational firms are more developed and refined in comparison to local firms. Local firms lack major information systems for most organizational functions, lack the benefits of international learning, and knowledge sharing mechanisms of multinational firms. In today's knowledge economy, knowledge management has become critical (Wong, 2005) and multinational firms in Pakistan benefit from the knowledge management mechanisms. Local firms though have a strong affinity to learn, yet failed to establish proper knowledge management mechanisms, thus the knowledge remains in the control of top management.

The role of head office management is peculiar to multinational firms. The resources that contribute towards successful strategy implementation in this group include knowledge sharing, showing confidence in local subsidiary's top management and decisions at the right time. The authority given to the subsidiary management and responding to the localised needs in timely manner by the international head offices of multinationals have serious implications for successful implementation and if not managed properly, can seriously hamper the implementation and subsequent results.

As evident from the above discussion, the local and multinational firms need to adopt different approaches based on their resources portfolio for successful implementation. These findings endorse the views of Noble (1999a) that both structural and interpersonal processual factors contribute to successful implementation even in an emerging country context. Also supported is the argument for the temporal and skill specific nature of implementation related resources (Piercy, 1998). On the other hand it differs from the findings of Okumus (2001), Hrebiniak (2006), and Dooley et. al. (2000) that neither of structural and interpersonal processual factors is sufficient for successful implementation.

This shows that broad research studies (see Okumus, 2001; Shah, 2005; Alashloo et al., 2004) that do not differentiate the requirements for successful implementation on the basis of firm's nature of business (local or multinational) and present a generalized outlook of success factors for implementation are misleading. Also Pakistan seems distinctive with reference to policy and procedural documentation as resources both for local and multinational firms. The respondents emphasised both as success factors for strategy implementation. Another important distinctive resource sub-group is that of resources availability among firms in Pakistan, albeit with different compositions for local and multinational firms. This clear identification of resources availability super cedes the traditional resources allocation actions identified in existing literature (Olson et al., 2005) and shows that resources availability and access to new resources are critical for implementation success in an emerging economy context.

Implications and conclusion

The findings from this study have significant implications for similar strategy implementation research in other emerging economies. Firstly, it clearly reflects that taking a composite view of local and multinational firms on strategic issues is misleading. Strategy implementation studies need to clearly segregate multinational firms from local firms in their analyses to better understand the implementation processes (Noble, 1999a) in practice. This does not necessarily mean that multinationals are superior to local firms in terms of having more resources, as each firm has a distinctive resource pool. Although multinational firms seem to fare better in terms of successful implementation due to a balanced structural and interpersonal processual approach towards implementation. Secondly, the RBV concepts have clear relevance to strategy implementation as the firm

resources in similar resources groupings have roles at different phases of implementation process. The RBV, if used as a basis of implementation research then the conventionally divergent streams of structural and interpersonal-processual research in strategy implementation literature can be integrated to advance the field.

Thirdly, local firms in Pakistan need to improve their resource competitiveness particularly in terms of strategic reasoning, middle management, implementation efforts, and organizational systems for successful strategy implementation. Finally, there needs to be more studies on strategy implementation in emerging economies. This study highlights some major differences in how local and multinational firms implement their strategies in Pakistan, yet more studies are needed to form a definitive view on such differences and the underlying reasons across emerging economies.

In conclusion, this study attempts to go some way towards addressing the gap of implementation studies in many emerging economies and identifies the divergence in the implementation practices among local and multinational firms in Pakistan. Certainly, this study confirms RBV as an appropriate theory for conducting future strategy implementation research in emerging economies.

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