

# Stimulating Strategically Aligned Behaviour among Employees

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ABSTRACT AND KEYWORDS	
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# **STIMULATING STRATEGICALLY ALIGNED BEHAVIOUR AMONG EMPLOYEES<sup>i</sup>**

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# **STIMULATING STRATEGICALLY ALIGNED BEHAVIOUR AMONG EMPLOYEES**

## **ABSTRACT**

Strategically aligned behaviour (SAB), i.e., employee action that is consistent with the company's strategy, is of vital importance to companies. This study provides insights into the way managers can promote such behaviour among employees by stimulating employee motivation and by informing employees, and by stimulating the development of their capabilities. The results of surveys conducted in three organisations suggest that, first, efforts by management aimed at motivating and informing employees (both managers and non-managers), and at developing their capabilities, each have an influence on SAB. Second, among the efforts to stimulate motivation among employees, providing a rationale for the strategy and an open communication climate have a stronger effect than participation in decision making and supportiveness. Third, the perceptions of the different types of managerial efforts influence each other. For this reason, the efforts have direct as well as indirect effects on SAB. Fourth, each of the efforts acts as a necessary condition for SAB to occur. Finally, the effect of informing efforts appears to be stronger for managerial employees than for non-managerial employees, and also for employees who have a better understanding of the organisation's strategy.

Key words: capability development, employee behaviour, information, motivation, strategic alignment, strategic change

# INTRODUCTION

The successful implementation of an organisation's strategy is essential for the optimal performance of the organisation (Noble, 1999). In many cases, strategy implementation does not merely involve adjusting organisational structures and control systems, but requires complex interaction processes between managers and employees (Skivington and Daft, 1991). The complexity of strategy implementation has increased in recent decades as companies increasingly provide their employees with greater autonomy and flexibility in doing their jobs (Ichniowski et al., 1996). Reflecting this complexity, Noble (1999, p. 120) defines strategy implementation as "the communication, interpretation, adoption, and enactment of strategic plans".

In this paper, we focus on the influence of different managerial efforts on the degree to which employees take initiatives to implement the company's strategic goals. Following Gagnon and Michael (2003), we term this type of behaviour "strategically aligned behaviour" (SAB), which is defined as "on-the-job actions that are aligned with the strategy" (p. 26). SAB can be seen as a subset of two types of employee behaviours which have been discussed extensively in the literature: (1) task performance or in-role behaviour, and (2) contextual performance or organisational citizenship behaviour. Task performance refers to "activities that either supported or directly contributed to the transformation of the organization's inputs to outputs", while contextual performance refers to "activities that supported the social and psychological context in which the organization's technical core was embedded" (LePine et al., p. 53). The key characteristic of SAB is that both of these types of behaviour contribute to the realisation of the strategy. However, Colvin and Boswell (2007) argue that behaviours by employees that are the most essential ones for implementing the strategy are not part of routine behaviour, and cannot be exactly prescribed. These activities involve discussing the strategy with others, coming up with initiatives that help implement it, and helping others to

implement the strategy. These behaviours relate to contextual, rather than task performance. Therefore, in this study we focus on contextual types of SAB. We further investigate the SAB of employees in general, but mainly focus on the SAB of managers, investigating the degree to which this behaviour is influenced by the activities of the managers above them in the hierarchy. According to Schendel and Hofer (1979), SAB by managerial employees generally fall into two categories: (1) interpersonal behaviour aimed at ensuring that their subordinates take the strategy into account in their day-to-day work (such as communicating about the strategy), and (2) initiating specific projects that effectively implement the strategy, like developing new product lines.<sup>ii</sup> Finally, SAB should be distinguished from employee involvement in the *formulation* of a strategy. In our study we consider the organisation's strategy a given, and focus on the contribution of employees (managerial and other) to its *implementation*.

Previous research has suggested that the degree of success in implementing a company's strategy is influenced by several factors controlled by managers (see Noble, 1999). These factors can be broadly distinguished into "hard" factors, related to organisational systems and structure (like roles and incentives), and "soft" factors, related to interactive processes between managers and employees (Dell et al., 2003; Noble, 1999). Regarding "hard" factors, research has shown that the company's internal reward and control systems determine the degree to which employees attach importance to the company's strategic objectives (Strahle et al., 1996), are motivated to behave in accordance with them (Gottschalg and Zollo, 2007), and are more likely to actually do so (Besser, 1995; McMullen and Shepherd, 2006). Studies focusing on "soft" factors showed that the degree to which senior management supports the company's strategy influences the degree to which individual employees accept the strategy (Caldwell et al., 2004) but not to the performance of individual employees in implementing the strategy (Noble and Mokwa, 1999). Furthermore,

Schneider et al. (2003) showed that employee training and development enhances employee understanding of the organisation's strategy, while Lee and Miller (1999) showed that training and development can enhance the effectiveness of strategy implementation at the aggregate firm level. Previous studies have also shown that the amount and accuracy of information concerning the strategy affects the degree of strategic consensus (Rapert et al., 2002) and the overall success of strategy implementation at the firm level (Hambrick and Cannella, 1989). Finally, studies by Sagie and Koslowsky (1994) and Ye et al. (2007) provided evidence that allowing employees to participate in decision making regarding strategy implementation leads to increased employee performance with respect to the strategy. On the other hand, in Noble and Mokwa's (1999) study, participation in decision making did not have a significant effect on the strategy implementation performance of managerial employees. Together, these studies suggest that different types of "hard" and "soft" managerial actions can influence the degree to which employees understand their organisation's strategy, the degree to which they accept the strategy, as well as the degree to which they actually take initiatives to implement the strategy (i.e., SAB).

In the present paper, we focus on the role of three sets of "soft" variables in stimulating SAB: (1) efforts to stimulate motivation, (2) efforts to stimulate capability development, and (3) efforts to inform employees. We focus on "soft", rather than "hard", factors, because soft factors are generally more important in determining implementation success (Dell et al., 2003). Furthermore, we chose these specific variables because they cover most of the "soft" factors discussed in previous research, and also because they correspond to three broad types of variables postulated as antecedents of employee job performance, namely "willingness", "capacity", and "opportunity" (Blumberg and Pringle, 1982; Mitchell and Larson, 1987; Peters and O'Connor, 1980). In this paper, we focus on employee *perceptions* of these managerial efforts as a proxy for the actual efforts.

Our research extends previous work on strategy implementation in three ways. First, we focus on the role of *individual managerial actions* in strategy implementation, whereas the majority of previous studies on strategy implementation have examined strategy implementation success at the firm level (see Noble, 1999). Second, our research primarily seeks to explain employee *behaviour*, namely, the degree to which employees take initiative to implement their organisation's strategy. Most studies that investigate employee responses to their organisation's strategy focus on either the *attitudes* of employees toward the strategy, i.e., strategic commitment (Caldwell et al., 2004; Gagné et al., 2000; Gottschalg and Zollo, 2007), or on employee *understanding* of the strategy, i.e., strategic consensus (Bowman and Ambrosini, 1997; Kellermanns et al., 2005). However, it is important for companies to know whether employees will actually take initiatives to implement the company's strategic initiatives. Employee consensus about, and commitment to, the company strategy is unlikely to automatically translate into a successful implementation. As is often demonstrated in social psychology research, people do not always behave in correspondence to their attitudes (e.g., Fazio and Zanna, 1981). Third, we include *multiple types of antecedents* of SAB, including not only motivation-related variables (efforts to stimulate employee motivation), but also variables related to capabilities (efforts to stimulate employee capability development) and opportunities (efforts to inform employees). Most of the previous studies that focused on the link between management actions and SAB have looked at only one type of antecedent, especially at antecedents related to motivation (e.g., Noble and Mokwa, 1999; Piercy et al., 2006). We specifically examine whether each of these three types of antecedents is *necessary* for SAB to occur, that is, whether one type of action can only be effective when the others are utilised to a sufficient degree. Such a phenomenon might explain some of the contradictory findings in the literature regarding particular types of motivating efforts like participative decision making (e.g., Noble and Mokwa, 1999; Ye et al., 2007).

## HYPOTHESES DEVELOPMENT

The theoretical model for this study is shown in Figure 1. Based upon past theorising and research, we argue that the efforts of managers to (1) stimulate motivation among employees to contribute to the implementation of the company's strategy, (2) stimulate the development of employee capabilities necessary to execute the strategy, and (3) inform employees about the strategy and their role in its implementation, influence the degree to which these employees behave in a way that supports the strategy (i.e., SAB). This is indicated in Figure 1 by the bold lines. We also propose that these types of efforts influence each other, indicated by the regular-styled lines labelled with letters "A" through "D". Through these mutual influences, we expect that the types of efforts also have indirect effects on SAB. Finally, we propose that the different types of effort each are necessary for SAB to occur. This implies that the efforts interact with each other, in the sense that the effectiveness of one type of effort depends on whether the other two are present. These interactive effects are indicated by the dashed lines.<sup>iii</sup> We elaborate on our model, and the hypotheses flowing from it, in the sections below.

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INSERT FIGURE 1 ABOUT HERE  
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### *Influence of efforts to stimulate motivation on strategically aligned behaviour*

One key antecedent of employee behaviour and performance is the degree to which employees are motivated to perform the tasks assigned to them (e.g., Blumberg and Pringle, 1982). What types of efforts can managers undertake in order to stimulate employee motivation to implement their organisation's strategy? Several authors have discussed such efforts (see Mitchell and Larson, 1987, for an overview). For example, Locke's (1978) goal setting theory posits that providing employees with clear, difficult goals increases their motivation and performance, because such goals give employees the feeling that management

trusts their expertise. However, later empirical studies regarding goal setting established that it is not only the goal that is important, but also the manner in which it is 'sold' to employees (Latham et al., 1988). When a clear rationale for the goal is provided, motivation and performance are at a higher level than when instructions are given without any justification. This is because explaining the rationale assures employees that the goals are worthwhile and attainable.

In addition to communication about the strategy as such, several studies have examined the influence of the more general construct of communication climate on employee motivation. Communication climate is defined in terms of three dimensions (Smidts et al., 2001, p. 1053): "openness and trust (candor) in communication, perceived participation in decision making (or the feeling of having a voice in the organization), and supportiveness (or the feeling of being taken seriously)". Smidts et al. (2001) showed that a stimulating communication climate increases employee identification with their organisation. This occurs because openness, participation, and supportiveness increase employees' sense of belonging to the organisation as they give employees the feeling that management regards them as a true member of the organisation (Smidts et al., 2001). Furthermore, communication climate enhances the benefits of being a member of the organisation, because it gives employees the feeling that they are valued (Smidts et al., 2001). In turn, employee identification can lead to greater employee efforts to implement the organisation's strategy (Lee and Miller, 1999). Consistent with these findings, research has demonstrated that allowing employees to participate in important decisions affecting the organisation leads to a greater employee commitment (e.g., Argyris, 1957; Sagie and Koslowsky, 1994), and also to a better employee performance (Ye et al., 2007). On the negative side, research on organisational silence has shown that when management does not stimulate employee participation and does not acknowledge employee opinions, a "climate of silence" is created, in which employees feel

reluctant to speak out on important issues (Morrison and Milliken, 2000). This in turn leads to a decrease in employee motivation and commitment (Bowen and Blackmon, 2003; Morrison and Milliken, 2000). Some studies have directly linked communication climate to SAB. Specifically, Edmondson (2003) found that communication climate positively influenced employee motivations to speak up to their superiors about problems that occurred while using a new work procedure. Gibson and Gibbs (2006) established that a good communication climate motivates employees of firms focusing on innovation to come up with actual innovations. Therefore, we propose the following hypothesis:

*Hypothesis 1:* Efforts of managers aimed at (1) providing a rationale for the company's strategy, (2) stimulating openness in communication, (3) enabling employee participation in decision making, and (3) stimulating supportiveness in communication, lead to more SAB by employees.

#### *Influence of capability development on strategically aligned behaviour*

In addition to motivation, a widely recognised antecedent of employee behaviour is the degree to which employees are capable of performing their jobs (e.g., Peters and O'Connor, 1980; Vroom, 1964). These capabilities may include skills, habits, and tacit or explicit knowledge (Schmidt et al., 1986). Naturally, the degree of SAB displayed by employees (both managerial and non-managerial) is also dependent on whether they have the capabilities necessary to carry out the required behaviour. These capabilities might include leadership and communication skills, planning skills, and knowledge and expertise in the disciplines to which the strategy relates (e.g. new product development or customer relationship management). Efforts by managers to stimulate the development of such capabilities may include formal or informal training programs aimed at providing knowledge and skills that are needed to implement the strategy, or providing resources that are needed to implement the strategy, such as information systems and service facilities (Heskett et al.,

1997, 2003). Colvin and Boswell (2007) argue that such efforts lead to more SAB. Therefore, we posit:

*Hypothesis 2:* The efforts by management to stimulate employee capabilities to execute the organisation's strategy through providing training and resources lead to more SAB.

#### *Influence of informing efforts on strategically aligned behaviour*

As argued by Blumberg and Pringle (1982), employees not only need to be motivated and capable, but they also need to be provided with the opportunity to perform a desired behaviour. Empirical studies have demonstrated that this opportunity is an important determinant of employee behaviour and performance (Kane, 1997; Stewart and Nandkeolyar, 2006). One important type of managerial action that provides this opportunity is the efforts by managers to inform employees about the company strategy (Colvin and Boswell, 2007). Peters and O'Connor (1980) show that a lack of the necessary information required to perform an assigned job is a common problem that impedes employee performance. According to Boswell (2006), two types of information are relevant in terms of implementing a company's strategy: (1) information about the strategy itself, and (2) information about the employee's role in the 'big picture' of the strategy. That is, in order to stimulate SAB, managers should inform employees about what the strategy entails on an abstract level and about the way in which they can contribute to its implementation. These informing activities are distinct from efforts to provide a rationale for the strategy, as discussed under "motivating efforts" (because the latter focus on "selling" rather than "telling"; see Latham et al., 1988), and from efforts to provide employees with knowledge and skills that are necessary to implement the strategy, discussed under "capability development". We hypothesise:

*Hypothesis 3:* The efforts of management to provide lower-level employees with information about the organisation's strategy (in general and regarding the role of employees in strategy implementation) lead to more SAB.

*Indirect effects of motivating efforts, capability development, and information*

Besides the effects we discussed so far, we expect the different types of managerial efforts also to have indirect effects on SAB. Specifically, we reason that a particular type of managerial efforts may not only directly stimulate or facilitate SAB, but can also enhance the degree to which employees perceive that management performs other types of efforts. That is, a particular type of efforts may also influence SAB because it influences the employee perceptions of other types of effort.

First, management's attention to the development of employee capabilities may increase employees' feelings that the organisation cares about their well-being (Lee and Miller, 1999). In turn, these feelings may stimulate employee motivation. An effort to develop capabilities can give employees the feeling that management is truly committed to actually implementing the strategy (Carter et al., 1999), which can also increase employee motivation. Furthermore, Bandura's (1997) self-efficacy theory suggests that the degree to which people *perceive* themselves to be capable of executing a task can be an important motivating factor because it stimulates them to persevere in the face of difficulties. A large number of empirical studies have confirmed that perceived capabilities, independently of actual capabilities, influence people's performance on several tasks (see Judge et al., 2007). Therefore, we expect that perceived management efforts to stimulate capability development will increase employee perceptions that managers try to motivate them regarding the strategy (see the arrow labelled "A" in Figure 1).

Second, efforts to develop capabilities related to an organisation's strategy are likely to increase employee understanding of the strategy, and of their role in implementing it.

Formal training and other activities aimed at stimulating the development of the employee capabilities to implement the organisation's strategy (e.g., mentoring) are likely to make that strategy more salient, thereby increasing employee understanding of it (Schneider et al., 2003). These types of activities can also function as socialisation mechanisms helping new employees to become familiar with organisational values (Chatman, 1989; Louis et al., 1983), thereby facilitating understanding of strategic objectives. Therefore, we expect that perceived efforts to stimulate employee capability development will also increase perceptions of managerial efforts to inform employees about the strategy (see the arrows labelled "B" in Figure 1).

Third, information about the organisation's strategy, besides providing employees with sufficient opportunity to perform the desired behaviours, can also reduce employees' feelings of uncertainty regarding their jobs (Bordia et al., 2004; Schweiger and Denisi, 1991). When employees feel less uncertain, they are more likely to feel committed to the organisation and more likely to perform better in their jobs (Hui and Lee, 2000; Schweiger and Denisi, 1991). In addition, research on goal setting showed that giving employees information about organisational goals stimulates their motivation to achieve these goals, because it stimulates their confidence that managers trust their expertise (Latham et al., 1988; Locke, 1978). Therefore, we expect that perceived efforts to inform employees about the strategy, and about their roles in implementing the strategy, will lead to more perceived motivating efforts (see the arrows labelled "C" in Figure 1).

Finally, we also expect that managers' efforts to inform employees about the strategy in general will increase employee understanding of their role in implementing the strategy. The reason for this is that employees who have more information about the strategy are more likely to develop an understanding of how to contribute (Boswell, 2006). Therefore, we

expect that efforts to inform employees about the strategy in general will increase perceived efforts to inform employees about their roles (see the arrow labelled “D” in Figure 1).

*Interactive effects of motivating efforts, capability development, and information*

In addition to the effects of the three types of managerial efforts on SAB (both direct and indirect), it seems likely that efforts aimed at motivating, developing capabilities, and informing each are *necessary* for SAB to occur. This implies that the three types of efforts will interact with each other, i.e., that the effect of any one of these types of efforts will be strongly diminished or even absent when the other two types are not present (Blumberg and Pringle, 1982). For example, when an employee is motivated to do something, but is not provided with the capabilities or the opportunity to do so, the motivation is unlikely to lead to actual behaviour. The lack of capability and opportunity then acts as a barrier for behaviour to occur. Vroom (1960) already demonstrated empirically that motivation and capabilities each are necessary in producing behaviour. Similarly, Bandura’s (1997) self-efficacy theory states that the influence of incentives depends on the degree to which people *perceive* themselves as capable of executing the desired behaviour. Conversely, Judge et al. (2007) showed that the motivating influence of this perceived capability is stronger when difficult goals are set (a factor known to influence motivation).

To the interactive effects of motivation and (actual) capabilities, Blumberg and Pringle (1982) added situational opportunities, proposing that opportunities are also necessary for performance, and therefore interact with both motivation and capabilities. Pringle (1994) tested this proposition empirically, but he only found support for the interactive effects of motivation and capability. This suggests that opportunity is not always essential for performance to occur, presumably because in many cases the opportunity is the same for all persons involved; however, opportunity would moderate the effects of both motivation and capabilities where substantial differences in opportunities exist between

different employees (Peters et al., 1982; Pringle, 1994). Therefore, we propose that managerial actions aimed at motivation, capability development, and informing, will interact with each other in their effects on SAB. Specifically, we hypothesise:

*Hypothesis 4:* The influence of managerial efforts to *motivate* employees regarding the strategy is stronger when (1) there are more efforts to develop employee *capabilities* regarding the strategy and (2) there are also more efforts to *inform* employees about the strategy (in general and regarding the role of employees in implementation).

## METHOD

To test our model, we collected data from three large companies via an online survey. Prior to conducting the survey, we held interviews with each company's top communication manager and director of strategy to determine the content of the strategies, both in the abstract and in terms of day-to-day work activities. We also examined documents about the strategies that these managers provided to us. The first company (Organisation 1) is a large multinational logistics company employing approximately 140,000 people. It consists of a headquarters and two divisions, which since a couple of years both operate under the corporate name. Before that time, the two divisions used separate brand names. The company's main strategic objective at the time of this study dealt with operational efficiency. Efficiency has always been important to the company, but recently the company defined it as its key strategy in order to cope with external market pressure and enhanced competition. For this reason, it was important that employees not only routinely tried to work as efficiently as possible, but also actively tried to look for ways to improve efficiency even more. The second company (Organisation 2) is an insurance company with approximately 6,500 employees. Contrary to Organisation 1, it is a local player concentrating its efforts on its home country and to a limited degree on the

neighbouring countries. It consists of a head office and six divisions. Most of these divisions are recently acquired companies and still operate under their own brand names. This company had recently introduced a set of key values in order to cope with growing pressure from society in terms of ethical business conduct. In addition, the company had recently made acquisitions and wanted to stimulate integration of the new business units into the organisation. Therefore, the values served a dual purpose: (1) stimulating ethical awareness and conduct among employees, and (2) increasing internal cohesion between the “old” and “new” divisions. Thus, although the values as such are abstract principles, their aim was to change concrete employee behaviours.

The third company (Organisation 3) is a large multinational electronics manufacturing company employing approximately 125,000 people. It consists of a head office and five divisions, all of which operate under the corporate name since several decades. This company recently introduced strategic plans to stimulate focus on the customer benefits of its products, rather than on technological innovation. This strategy implied (1) a fundamental shift in the focus of the company’s product portfolio, as well as (2) a need for more internal collaboration among the company’s divisions.

### ***Respondents***

Given that Organisation 1 wanted to focus the survey on its management-level employees, all of the company’s top and middle-level managers, excluding the top 250 which were involved in actually formulating the strategy. This population consisted of 2,923 employees in total. All of these employees were asked to participate in the study. Nine hundred and three actually participated, yielding a response rate of 30.9%. In Organisation 2, a random sample was taken of 2,513 employees, stratified according to business units and functional levels. The overall response rate was 35.8% ( $n = 900$ ). In Organisation 3, its management was interested in the opinions of higher-level employees, which included managers but also professionals. Therefore, a stratified random sample of 4,797 higher-level employees was drawn

from all six units. The overall response rate was 14.5% ( $n = 696$ ). The main reason for this relatively low response rate seems to have been the relatively complex strategy adopted in Organisation 3, making it more difficult for employees to answer all the questions. While this raises the issue of the representativeness of the samples, the goal of our study was not to generalize to the population of employees who work for this organisation, but to test whether the relationships between the constructs that we predicted would actually occur in reality. Therefore, we think that this possible response bias does not undermine the validity of our findings.

To provide at least some indication of the representativeness of the samples, we compared the samples with the populations of employees on some demographic data that were available. These were the division or subsidiary that the employees worked for, their country of residence, and their gender. One could expect that these variables could be related to non-response to the survey, which is a prerequisite for the variables to be considered relevant (Sharot, 1986). For example, it seems likely that people from some divisions or countries (e.g. the company headquarters or the company's home country) are more likely to participate in the survey than people from other divisions or countries, because they might identify more strongly with the organisation as a whole. For Organisation 1, these data were available for all employees in the population (top and middle level managers). For the other two organisations, data about gender and country did not exist for the population. However, Organisation 3 published percentages of female employees among its executives in its social responsibility report, as an indication of employee diversity. The available percentages for the three organisations are given in Table I. It can be seen that there is a reasonable correspondence between the samples and the populations with respect to the available demographic data. A few minor deviations are notable. In all three organisations, the sample seems to contain relatively many employees from the corporate headquarters. And in the samples for which data about gender were available, there

seem to be relatively few females in management positions compared to the population. However, these deviations seem to be insubstantial. Therefore, we think that we can conclude that the samples are representative of their populations, at least with respect to the demographic variables that were available.

Participation in the study was voluntary for all three organisations, and responses to the questionnaire were anonymous. This was also emphasised at the beginning of the questionnaire.

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INSERT TABLE I ABOUT HERE  
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### ***Measures***

Employee perceptions of managerial efforts were measured using formative scales. Briefly, in a formative scale, the underlying construct is defined by its items, while in a reflective scale, the items are reflections of the construct (Diamantopoulos and Winklhofer, 2001; Jarvis et al., 2003). Statistically, the weight of an individual item in a formative scale is determined not by the path from the construct to the item (as in a reflective scale), but by the path from the item to the construct. When there is more than one item, this implies that the weights are multiple regression weights reflecting the unique contribution of each item. In terms of content, this means that in a formative scale, each item should have a unique contribution to the construct, while in a reflective scale each item is interchangeable. In the case of our concepts, we define the different categories of efforts (motivating, capability development, and informing) as a collection of specific, unique efforts that together determine the category. For example, motivating efforts are defined in terms of four separate actions: providing a rationale for the strategy, openness in communication, employee participation in decision making, and supportiveness. Clearly, these are not interchangeable reflections of the same construct. Therefore, we think that formative scaling is appropriate for

our constructs. Traditional methods of examining scale reliability and validity, which are based on correlations between the items used to measure a construct, are irrelevant for formative scales; instead, we applied the following steps, as suggested by Diamantopoulos and Winklhofer (2001): content specification, indicator specification, assessing potential indicator collinearity, and assessing external validity. We will provide details on these steps for each measure below. We created scores for each construct by computing a weighted sum of the items corresponding to the construct. The weights were obtained by estimating a Partial Least Squares (PLS) path model (see Tenenhaus et al., 2005). PLS is an estimation method for structural equation models that is more suitable for formative scales than methods that rely on maximum likelihood estimation, such as LISREL (Diamantopoulos and Winklhofer, 2001). A PLS model always includes the relationships between items and their constructs as well as the hypothesised relationships between the constructs. This is because the weights of the items depend on their construct's relationships with other constructs (Tenenhaus et al., 2005). We used the programme PLS-GUI 2.0.1 (Li, 2005) for the estimation.

***Motivating efforts.*** First, following the first step prescribed by Diamantopoulos and Winklhofer, the *content* of motivating efforts was specified. Based on our discussion in the hypotheses development section (Hypothesis 1), we distinguish two main types of efforts aimed at stimulating motivation: (1) explaining the rationale for the organisation's strategy, and (2) communication climate. Communication climate is further specified as openness, participation in decision making, and supportiveness (Smidts et al., 2001). In agreement with these categories, we *specified the indicators* of the construct (Diamantopoulos and Winklhofer's second step) through four items each reflecting one of these dimensions, as well as two overall items measuring the degree to which managers and the internal media stimulate employees to be more involved with the company. The latter are items denoting the

overall communication climate (cf. Downs and Hazen, 1977; Gregson, 1990). Example items are “At [company], management is sufficiently involved in decision making” (participation in decision making), and “My direct manager motivates me strongly to be more involved with our company” (overall communication climate). These items were rated on three 5-point Likert scales. To assess *indicator collinearity* (Diamantopoulos and Winklhofer’s third step), we first examined the correlations between the items. These correlations were modest, ranging between 0.26 and 0.76 for the three organisations. Given our sample size, correlations of such magnitude are unlikely to lead to collinearity problems (Grewal et al., 2004). This was verified by examining the weights of the items in testing the model (Diamantopoulos and Winklhofer, 2001). If all items have the same sign, this implies that all items contribute to the construct and that there are no collinearity problems; this is also an indication of validity (Tenenhaus et al., 2005). Indeed, the weights for all six items were positive, although the items related to providing a rationale for the organisation’s strategy, and to an open communication climate, as well as the overall items related to motivating efforts of managers and internal media, had the strongest weights for all three organisations. Finally, Diamantopoulos and Winklhofer (2001) state that the *external validity* of a formative measure can be assessed by testing its relationship with another construct that is measured by reflective (rather than formative) indicators and that theoretically can be postulated to be related to it. Therefore, we looked at the path coefficient between the “motivating efforts” construct and SAB. As we discuss later in our results section, this relationship is significant and positive for all three organisations. Therefore, we can conclude that the scale has adequate external validity.

***Capability development.*** Based on our discussion in the hypotheses development section (Hypothesis 2), we *specified the content* of capability development efforts as (1) providing resources, and (2) providing training. Correspondingly, we *specified the indicators* of capability development efforts as two items related to resources and training provided to

apply the strategy in day-to-day work: “At our company we have sufficient resources to pursue our company's major goals, and “At our company we have sufficient training to pursue our company's major goals”. With respect to *indicator collinearity*, the correlations between the items ranged from 0.30 to 0.68 in the three organisations, which could not be expected to yield collinearity problems. In addition, the weights of all three items were positive. Finally, the coefficient of the path from capability development efforts to SAB was positive and significant in all three organisations, providing evidence of *external validity*.

***Informing efforts.*** Regarding *content specification*, we argued above (Hypothesis 3) that two types of information are relevant in terms of stimulating SAB: information about the strategy as such, and information about the employees’ role in implementing the strategy (Boswell, 2006). Following Smidts et al. (2001), we *specified the indicators* of information about the strategy itself as three items concerned with the degree to which employees felt that the company kept them sufficiently informed about the company’s strategy (through management and internal media). Example items are “My company keeps me sufficiently informed about our major goal to [description of strategic goal]” and “The internal media inform me extensively about our company’s major goals”. The correlations between the items ranged between 0.33 and 0.58, which again could not be expected to produce collinearity problems. The weights of all three items were also positive in testing the model, disconfirming *indicator collinearity*. We specified the indicators of information about the role of employees in implementing the strategy based on Parker and Axtell’s (2001) scale which measures the degree to which employees have an “integrated understanding” of their workplace, i.e., the degree to which they understand their role in the “big picture” and know what other departments do. We used four items dealing with the degree to which the company kept employees sufficiently informed about how their work relates to the tasks of other employees, and about how their work contributes to the overall strategy. An example

item is “I get enough information about how I contribute to the overall strategy”. These correlations ranged between 0.19 and 0.73, and all four items had a positive weight, again showing that there were no collinearity problems. Both types of informing had positive and significant effects on SAB (although not in all the organisations that we studied), providing some indication of external validity.

***Strategically aligned behaviour.*** Five items were used to assess the degree to which employee behaviour was in alignment with the company’s strategy (see Table II). As we discussed earlier, in our operationalisation of SAB we focus mainly on contextual, as opposed to task-related, behaviours. Several researchers have developed scales of contextual behaviours aimed at the organisation as a whole, i.e., of organisational citizenship behaviour (OCB) (Moorman and Blakely, 1995; Podsakoff et al., 1990; Van Dyne et al., 1994). We argued earlier that for those employees who are managers, SAB consists of (1) communicating about the strategy to their subordinates and (2) planning the implementation by developing specific projects. These two types of activity are also reflected in Moorman and Blakely’s (1995) scale of OCB. Therefore, the items we developed to measure SAB were inspired by this scale, particularly by the dimensions labelled “individual initiative” and “interpersonal helping”. The specific strategy that the items referred to was placed as a heading above the items. We treat these items as being reflective rather than formative, because LePine et al. (2002), in their meta-analysis of the OCB construct, provided evidence that OCB is a reflective construct. That is, OCB seems to be a general disposition to cooperate with others in the organisation which manifests itself through behaviour, rather than a collection of unique behaviours which together define the OCB construct. Because SAB generally involves taking initiative and other discretionary behaviours (Colvin and Boswell, 2007), we think it is justified to assume that SAB is a reflective construct as well. To avoid social desirability bias, we asked respondents to rate the extent to which most

members of their division performed SAB, rather than the extent to which they themselves performed these behaviours. Fisher (1993) has shown that this indirect questioning method is an effective technique in avoiding social desirability bias. All items were rated on 5-point Likert scales. We calculated the composite reliability of the scale in the manner recommended in the literature on PLS (Tenenhaus et al., 2005, Eq. 9). This reliability was 0.94, 0.92, and 0.95 for Organisations 1, 2, and 3, respectively, which is well above the recommended cutoff of 0.70.

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INSERT TABLE II ABOUT HERE  
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## RESULTS

We first tested our hypotheses about the relationship between managerial efforts and the SAB of individual employees using the data obtained from Organisation 1. We then used the data obtained from the other two organisations to validate the resulting model. In addition, we explored the differences between the organisations in terms of the effects of managerial actions, providing some insight into the conditions under which the different types of managerial effort influence SAB

### ***Results for Organisation 1***

The descriptive statistics and correlations of all of the constructs for Organisation 1 are shown in Table III. The means for most constructs are slightly above the midpoint of the scale (which is 3), while the constructs related to managerial efforts show moderate correlations with SAB scale (ranging from 0.31 to 0.40).

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INSERT TABLE III ABOUT HERE  
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To test our hypotheses, we estimated a structural equations model using PLS. Following the recommendations by Tenenhaus et al. (2005), we determined the significance

of the structural coefficients through ordinary least squares (OLS) regressions using the latent variable scores estimated through PLS. Similarly, as recommended by Chin et al. (2003), we estimated the interaction effects through moderated OLS regressions using the latent variable scores.

Given that perceptions of both managerial efforts and SAB can be expected to be related to other aspects of the work environment, it is important to control for the influence of these aspects to avoid testing spurious relationships. First, both perceived managerial efforts and SAB are likely to differ between the different divisions of a company because of differences in workforce characteristics or “hard” managerial factors such as policies and structure. Second, previous research has shown that gender, organisational tenure, and age influence employee attitudes regarding the company that they work for (Kreiner and Ashforth, 2004; Mathieu and Zajac, 1990). Third, Kreiner and Ashforth (2004) demonstrated that employee attitudes are influenced by job position: managers tend to identify more strongly with their organisations than non-managers. Therefore, we included division, gender, organisational tenure, age, and manager (vs. non-manager) as control variables in the model. For Organisation 1, for which the sample consisted only of managers, we examined the influence of being a director (higher level manager) versus a “regular” manager, instead of the influence of being a manager versus a non-manager. We based these distinctions on the information about of the respondents’ functional levels which they provided in the questionnaire.

In addition to these control variables, we also wanted to check to what degree respondents actually understood the strategy they were required to implement. We derived a measure of understanding from an open question about the meaning of the strategy in terms of the respondent’s day-to-day work, the answers to which we coded as either “right” or “wrong”. To do this we used a coding scheme based on information about the strategy

provided by the organisations. We also verified this scheme by asking managers from the organisations to review it.

The results of the model for Organisation 1 are shown in Figure 2. Regarding the main effects of perceived managerial efforts on SAB, we note that perceived efforts to stimulate employee motivation by management have a significant positive effect, as expected (Hypothesis 1). Efforts to stimulate capability development also have a significant positive effect on SAB, confirming Hypothesis 2. Efforts undertaken to inform employees of the strategy as such have a significant direct effect on SAB, but informing efforts regarding the employee's role do not (partially confirming Hypothesis 3).

Regarding the indirect effects of managerial efforts on SAB, we also found that perceived efforts to stimulate capability development has a significant positive influence on perceived efforts to stimulate motivation and on both types of perceived informing efforts. This implies that managerial efforts to stimulate capability development have both a direct effect on behaviour and an indirect effect, mediated by perceived motivating and informing efforts. Furthermore, both types of informing efforts have a significant positive effect on perceived efforts to stimulate motivation, and thereby also an indirect effect on behaviour. Finally, efforts to inform employees about the strategy as such have a significant positive effect on perceived efforts by the company to inform employees about their roles.

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INSERT FIGURE 2 ABOUT HER  
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As hypothesised (Hypothesis 4), there was a significant positive three-way interaction among motivating efforts, capability development efforts, and efforts aimed at informing employees about the strategy in general. This implies that the effect of each of the three types of efforts is diminished when either one of the other two is low. Specifically, Figure 3 shows that the influence of efforts to stimulate motivation on behaviour is strong when both efforts to stimulate capability development and informing efforts (regarding the strategy in general)

are high ( $b = 0.42$ ), but weak when efforts to stimulate capability development are low ( $b = 0.12$ ), informing efforts are low ( $b = -0.04$ ), or both are low together ( $b = 0.06$ ).

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INSERT FIGURE 3 ABOUT HERE  
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### ***Validation of the model for Organisations 2 and 3***

The model results for Organisations 2 and 3 are shown in Table IV. The results for Organisation 1 are also shown for comparison, as are the effect sizes of the significant coefficients. The latter are defined as the squared partial correlations between the independent variable and the dependent variable, holding all other variables in the model constant (Cohen, 1988). They can be interpreted as the percentages of variance in the dependent variable uniquely attributable to the independent variable. To determine the overall effects of the three types of managerial efforts across the organisations that we studied, we also conducted a meta-analysis following the procedure outlined by Rosenthal (1991). The results of this analysis are displayed in the last column of Table IV. It can be seen that across the three organisations, all types of managerial efforts had a significant influence on SAB. Second, the three-way interaction between the three types was significant, indicating that overall, all three types of efforts are necessary. Third, all effects of the three types of effort on each other that we expected were significant.

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INSERT TABLE IV ABOUT HERE  
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Notwithstanding these overall effects, several differences between the organisations are apparent. First, the direct effect of efforts to stimulate capability development on SAB is stronger for Organisations 2 and 3 than for Organisation 1, and also stronger for Organisation 2 than for Organisation 3. Second, the direct effect of efforts to inform employees about the strategy in general is weaker for Organisations 2 and 3 than for Organisation 1. Third, the

direct effect of informing employees about their role in implementing the strategy is significant only for Organisation 3. The non-significant effects of both types of informing in Organisation 2 might reflect the fact that the strategy in this organisation was rather straightforward to communicate (which does not imply that it was also straightforward to implement), because it consisted of a set of core values rather than a complex strategic plan. For this reason, fewer informing efforts could be required. This is confirmed by the frequency distribution for employees' self-reported familiarity with the strategy and the codes we assigned to employees' understanding of the organisation's strategy. In Organisation 2, 93.2% of the respondents indicated that they were familiar with the strategy, while 84.3% correctly described the organisation's strategy. In contrast, in Organisation 3, self-reported familiarity with the two considered strategies was 84.5 and 87.5%, while understanding of these two strategies was 42.7 and 47.8%. In Organisation 1, self-reported familiarity was 82.1%, and understanding was 74.2%. In Organisation 2, therefore, there may have been less need to inform employees about the strategy. In Organisation 3, the degree of understanding of the strategies was much lower than that in the other two organisations. This could explain our finding that the effect of informing employees about their role in implementing the strategy was only significant for this organisation.

Another noteworthy difference between the organisations is in the interactive effects of motivating efforts, capability development, and informing efforts. The hypothesised three-way interaction among the three types of efforts was not found for Organisations 2 and 3, but was evident in Organisation 1. This suggests that in Organisations 2 and 3, the three types of effort were not all necessary conditions for SAB to occur. However, in both organisations there are significant two-way interactions among the types of efforts. In Organisation 2, there is a significant positive interaction between efforts to stimulate motivation and efforts to stimulate capability development. Specifically, the effect of efforts to stimulate motivation on

SAB is stronger when employees perceive managers as providing a great number of capability development opportunities ( $b = 0.31$ ) than when they perceive management as providing few such opportunities ( $b = 0.14$ ; see Figure 4). In Organisation 2, there are no significant interaction effects involving managerial efforts to inform employees. It therefore appears that in this organisation, informing efforts regarding the strategy were not absolutely necessary for efforts to motivate employees or stimulate capability development to be effective. This is consistent with our finding that the main effects of informing are less significant for this organisation than for the other two.

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INSERT FIGURE 4 ABOUT HERE  
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In Organisation 3, there is a significant positive interaction between efforts to stimulate motivation and efforts to inform employees of their roles in strategy implementation. This interaction, shown in Figure 5, implies that efforts by management to stimulate employee motivation have a greater effect on SAB when there are many efforts by managers to inform employees about their role in implementing the strategy ( $b = 0.34$ ) than when there are few such informing efforts ( $b = 0.18$ ). In other words, motivating employees is only effective when management spends enough efforts to provide information about the way in which employees can contribute to the organisation's strategy. On the other hand, efforts to stimulate capability development do not appear to be necessary for motivating or informing efforts to be effective.

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INSERT FIGURE 5 ABOUT HERE  
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To examine whether the lower level of understanding of the strategy in Organisation 3 is indeed a likely explanation for these differences in results, we tested our model again for only those respondents in Organisation 3 who correctly understood at least one of the organisation's two main strategic objectives. The pattern of main effects was basically the

same as in the complete sample, but the effect of informing about employee roles on SAB was not significant anymore ( $b = .13$ ). This seems to confirm that a lower understanding of the strategy increases the importance of informing efforts. The direct effect of motivating efforts on SAB, was stronger than in the complete sample ( $b = .37$ ,  $ES = .09$ ). Also, none of the two-way interactions was significant, while the three-way interaction between motivating, capability development, and informing about the strategy was significant ( $b = .24$ ,  $ES = .01$ ). This pattern of interactions corresponds to that in Organisation 1. It seems, therefore, that our findings for Organisation 3 were indeed due to a number of respondents not understanding the organisation's strategy sufficiently. When looking at those respondents who did understand their organisation's strategy, it seems that all three types of effort *were* necessary for SAB in Organisation 3. How could this discrepancy be explained? We might extend our theoretical reasoning by supposing that whether each of the three types of efforts is indeed necessary for SAB to occur, also depends on the degree to which the other types of efforts are present. Particularly, those respondents in this organisation who had a relatively low understanding of the organisation's strategy might not perceive the development of their capabilities with respect to SAB as vital. One reason for this could be that those employees were less committed to the strategy. This conjecture is consistent with Zaleska and de Menezes' (2007) finding that employees who regard their organisation's training and development activities as useful are more committed to the organisation. However, we did not test the validity of this reasoning in our study.

On the other hand, there are other important differences between the organisations than the level of understanding of the strategy. Particularly, the sample for Organisation 1 contained only managers, the sample for Organisation 3 included higher level-employees (under which fall both managers and professionals), while the sample for Organisation 2 included all functional levels. Therefore, we tested our model again for Organisations 2 and 3

using only the management employees in the samples.<sup>iv</sup> The results of these analyses show that the main effects of the different managerial actions were largely the same as in the complete samples, with some exceptions. For Organisation 2, informing efforts about employee roles had a significant positive effect on SAB ( $b = 0.20$ ,  $ES = 0.05$ ), whereas they did not have a significant effect in the complete sample. This suggests that the absence of an effect of informing efforts on SAB for Organisation 2 seems to be also due to the non-management employees included in the sample. Therefore, it might be the case that managers attach more importance to knowing what the strategy means than non-management employees. For Organisation 3, the effect of motivating efforts on SAB was substantially larger than in the complete sample ( $b = 0.47$ ,  $ES = 0.14$ ), as was the effect of capability development on perceived efforts to inform about the strategy ( $b = .46$ ,  $ES = .21$ ). The effect of informing efforts about the strategy in general on SAB was still non-significant ( $b = -0.04$ ), while the effect of informing efforts on employee roles was slightly stronger than in the complete sample ( $b = 0.21$ ,  $ES = 0.05$ ). Furthermore, none of the interaction effects turned out to be significant, both in Organisation 2 and in Organisation 3. Given the fact that the number of managers included in these samples was not that large (152 for Organisation 2 and 220 for Organisation 3), it seems likely that this was due to a lack of statistical power. According to Cohen's (1988) sample size tables, a minimum sample of 617 would be necessary to be able to adequately detect an effect size of 0.01, approximately the size of the significant interaction coefficients reported in Table IV.

## **DISCUSSION**

This study shows that strategically aligned behaviour (SAB) by employees, which includes communicating about the strategy and taking initiative to make the strategy work, is directly stimulated by the efforts of managers to (1) stimulate employee motivation to

contribute to the strategy, (2) stimulate the development of employee capabilities needed to implement the strategy, and (3) inform employees about the strategy (both in general and with respect to their roles). The positive effect of efforts to motivate employees is consistent with findings by Piercy et al. (2006) that perceived organisational support positively influences employee role performance. While assessing the measures used in this study, we discovered that among the motivating efforts considered in the present study, providing a rationale for the strategy and being open made the greatest contribution to SAB; taking employee opinions and feelings seriously, and allowing participative decision-making were less influential (although still significant). This is consistent with Noble and Mokwa's (1999) finding that while employees appreciate autonomy (participative decision-making) in implementing a strategy, this by itself is unlikely to improve their implementation performance. On the other hand, results obtained by Ye et al. (2007) suggest that there is an effect of participative decision making on employees' performance with respect to the strategy.

Our finding that managerial efforts to stimulate the employee capabilities that are needed to implement the company's strategy had a substantial effect on SAB is consistent with the finding of Lee and Miller (1999) that capability development efforts increase the success of strategy implementation. Given that most strategic changes imply changes in employees' day-to-day work activities, managerial efforts to help employees to develop their capabilities are likely to facilitate employee initiatives to implement the strategy.

We also found that managerial efforts to inform employees about the organisation's strategy, and about their role in implementing it, significantly increase SAB. This finding is consistent with Boswell's (2006) finding that employee understanding of their role in strategy implementation significantly influenced their affective commitment toward the organization, as well as their turnover behaviour. Boswell also found that understanding of the strategy as

such did *not* influence employee commitment and retention. This discrepancy with our findings might be explained by the fact that Boswell did not examine employee behaviour with respect to the strategy. In addition, we focused mainly on higher-level employees, while Boswell investigated employees on all functional levels. While both types of informing efforts had a significant effect on SAB in our study, their effects were weaker than those of efforts intended to stimulate motivation and capability development. This is consistent with Blumberg and Pringle's (1982) predictions and Pringle's (1994) findings that capacity and willingness are generally more important drivers of performance than opportunity. One reason for this could be a lack of variance in the degree of opportunity in many situations (Pringle, 1994).

In addition to the direct effects of managerial efforts on employee SAB, we found that employee *perceptions* of the degree to which managers engage in the different types of effort influence each other. For example, when employees feel that managers make significant efforts to inform them about the company's strategy, and to stimulate the development of their capabilities, they are more likely to also feel that managers undertake significant efforts to stimulate their motivation regarding the strategy. The effect of informing efforts about the strategy in general on perceived efforts to stimulate motivation is particularly strong. This suggests that while informing efforts do not directly influence SAB as strongly as the other types of effort, they do have a strong indirect effect. This could also be explained by the fact that both informing and motivating efforts include communicating about the strategy (either by "telling" or by "selling").

We also found that all three types of managerial efforts were *necessary* for SAB to occur. This was indicated by a significant positive three-way interaction between the three types of effort. This finding is consistent with Blumberg and Pringle's (1982) predictions that motivation, capability, and opportunity are all necessary for employee performance. The

contradictory findings in previous research regarding the effects of participation in decision making may partly be explained by this interaction. In our study, efforts to stimulate employee motivation had a diminished effect on SAB when respondents perceived a low amount of either informing efforts or of efforts to stimulate capability development. This might explain why some previous studies did not find an effect of participative decision making, because respondents may have judged the efforts of their managers to inform them about the strategy, or to stimulate capability development, as insufficient.

The effects that we found differed slightly between the three organizations that we studied, suggesting potential boundary conditions for the effects of the three types of managerial efforts. In one organisation, neither of the two informing efforts had a significant effect on SAB. In this company, employee familiarity and understanding regarding the organisation's strategy were very high, presumably because the strategy was relatively straightforward to communicate. Therefore, it could be the case that employees already had sufficient information concerning the strategy to implement it. In the organisations in which one of the two types of informing efforts had a significant effect on behaviour, employee familiarity and understanding were substantially lower, presumably because the strategies were more complex to communicate in these organisations. Similarly, in the organisation in which familiarity with the strategy was already high, only efforts aimed at motivating employees and stimulating the development of capabilities appeared to be necessary conditions. In the organisation in which understanding of the strategy was relatively low, only motivating efforts and efforts to inform employees about their role in implementing the strategy were necessary. These findings are consistent with Pringle's (1994) suggestion that whether each of the three types of factors is indeed necessary, depends on the degree to which it varies among employees. If most employees have a good understanding of their

organisation's strategy, the differences among employees in the degree to which they feel management informs them about the strategy may be relatively small.

As we noted in our exposition of the results, another difference between the three organisational contexts was in the functional level of the respondents. The organisation in which employee understanding of the strategy was relatively high was also the organisation for which employees from lower functional levels were included in the sample. Indeed, in this organisation, there was a significant effect of informing efforts (specifically, of informing about employee roles in implementing the strategy) when looking only at the managers in the sample. This suggests that the functional level of employees is also an important determinant of the types of managerial effort that are most influential. It could be that employees at higher levels have a stronger need for being informed about the organisation's strategy.

Yet another potential explanation for the inter-organisational differences might be in the degree to which the different strategies had far-reaching consequences for the day-to-day work activities of their employees. In Organisations 1 and 2, the changes implied by the strategy were relatively minor. The strategies of these organisations mainly involved an increased focus on what the companies had already been doing, namely working efficiently and working ethically, respectively. In Organisation 3, on the other hand, the strategy involved a fundamental refocus of the company's product portfolio. This might have led to a greater reluctance of employees to accept the strategy, which could also be an explanation for the finding that in Organisation 3, efforts to stimulate capability development were less essential for SAB to occur. For example, Caldwell et al. (2004) found that the effectiveness of management actions aimed at involving employees with a strategic change was weaker for changes that had vast consequences for day-to-day work activities. It might be the case that a similar mechanism was at work here.

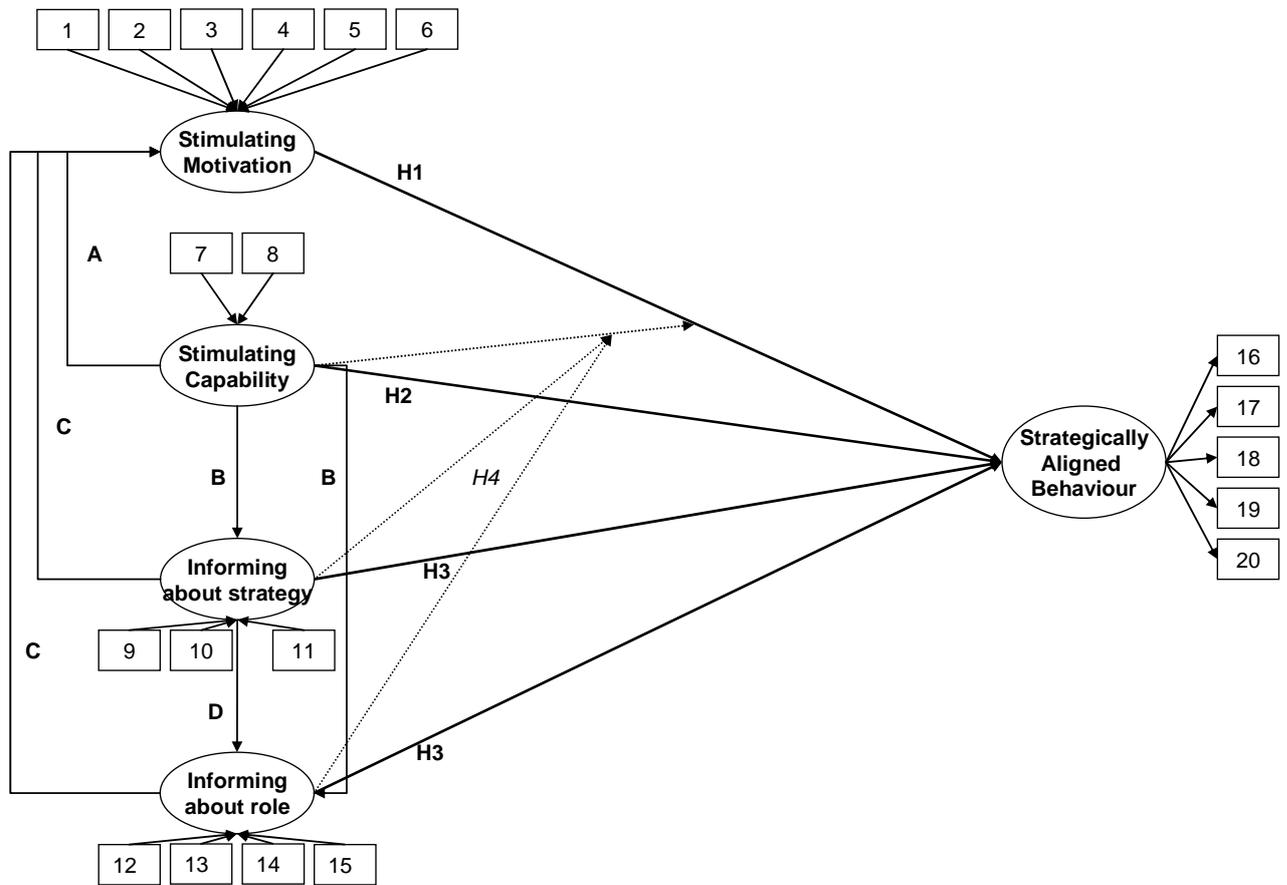
One possible limitation of these conclusions concerns the presence of common method bias in our results, i.e., variance between the perceptions of managerial actions and SAB that is due to the fact that these constructs were measured in the same questionnaire (Podsakoff et al., 2003). For example, respondents might have tried to be consistent in their answers throughout the questionnaire, or they might have avoided giving answers that could put themselves in an unfavourable light (social desirability bias). We tried to limit the latter possibility by not asking respondents directly about their behaviour, but by indirectly inquiring about the behaviour of their colleagues (Fisher, 1993). To avoid other possible sources of common method bias, we took care to keep questions simple, specific, and unambiguous. In addition, we separated the measures of managerial actions from those of SAB by inserting questions related to familiarity and understanding of the strategy between them (Podsakoff et al., 2003). However, to completely eliminate concerns about common method bias, future studies should examine the effects of managerial efforts on SAB when these constructs are measured through different sources. For the interaction effects that we found, we can exclude the presence of common method bias with more confidence. Evans (1985) demonstrated that spurious interaction effects due to this type of bias never account for more than 0.5% of the variance in the dependent variable. The percentages of variance explained by our significant interactions were all approximately 1% (see Table IV).

Another limitation was that in our theoretical reasoning, we implicitly assumed that the effects of the different managerial efforts would be mediated by the actual motivation, knowledge and capabilities of employees. However, except for employee understanding of the strategy, we did not measure these mediating variables. Therefore, we do not know whether employee motivation, knowledge, and capabilities were actually the reasons why the different types of managerial efforts influenced employee SAB.

Finally, it seems likely that the managerial efforts that we identified as primarily relevant for stimulating employee motivation (providing a rationale for the company's strategy and the general communication climate) are necessary, but not sufficient, conditions for motivation to occur. As Colvin and Boswell (2007) argue, employee motivation to contribute to the organisation's strategy also depends on the consistency of compensation systems with the company's strategy (i.e., extrinsic motivators), and the degree to which the strategy matches with employee values (i.e., intrinsic motivators) (cf. Gottschalg and Zollo, 2007). In our discussion with the managers of the organisation that we studied, it appeared that for Organisations 1 and 2, these conditions were sufficiently fulfilled. However, this was less the case for Organisation 3, in which the strategic change was more complex. Therefore, it might be the case that the intrinsic and extrinsic motivators acted as omitted variables in our model for Organisation 3.

Our findings suggest that to stimulate employees (either managerial or non-managerial) to take initiatives to contribute to the implementation of the organisation's strategy, managers should make sufficient efforts to stimulate employee motivation regarding the implementation of the strategy, to stimulate the development of the capabilities needed to implement the strategy, and to inform the employees about the strategy. Management can try to motivate employees by explaining the rationale behind the organisation's strategy, by allowing employees to have a say in important decisions, by taking their opinions and feelings seriously, and by stimulating an open communication climate. Capability development can be stimulated by workshops and trainings, by more informal socialization efforts, or by providing resources like information systems. Informing can be done through a number of channels, such as meetings, internal media, or informal face-to-face contacts. However, our results also show that it is unlikely that any of such efforts will succeed when applied in isolation. For example, it seems likely that efforts to inform employees about the

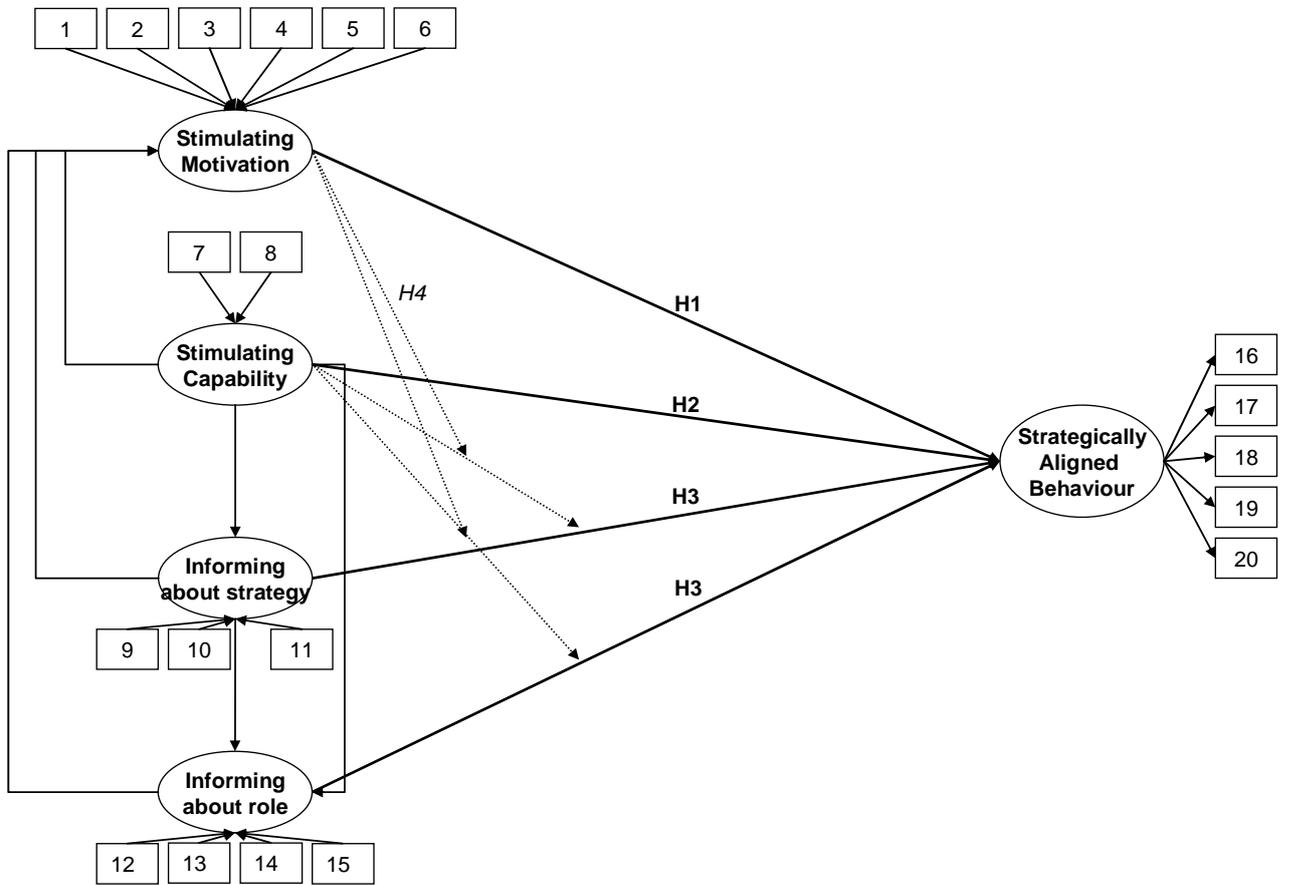
strategy, which are not accompanied by efforts to stimulate their motivation them or to facilitate capability development, will not translate into SAB. In fact, our results suggest that all three of these activities are necessary, as the effectiveness of one type of action is slight when the other actions are not engaged in full. Therefore, not only should managers pay attention to all three of these types of actions, ideally they should also track in some way the success of these actions. Based on our results we could also reason that the timing of the activities is important. For example, when employees have already been adequately informed about the company's strategy, it might not be necessary to continue informing them at the same level of intensity. Instead, in such cases management should focus on stimulating employee motivation and capability development. Conversely, when employees know hardly anything about the strategy, it might be too early to focus on stimulating capability development as employees might not yet see the relevance of these capabilities. We did not test the significance of such timing issues in our paper, however. They might be an interesting avenue for future research, for example by conducting a longitudinal case study in one or more organisations, in which the effects of the different types of managerial efforts are evaluated over time.



**Legend of indicators**

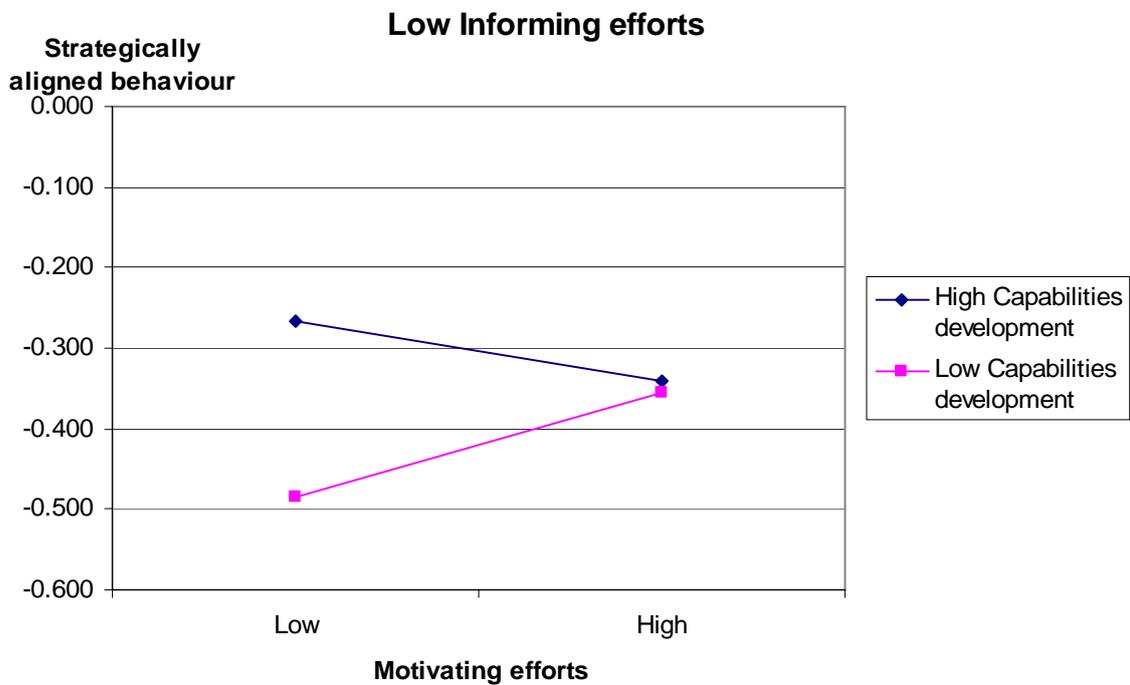
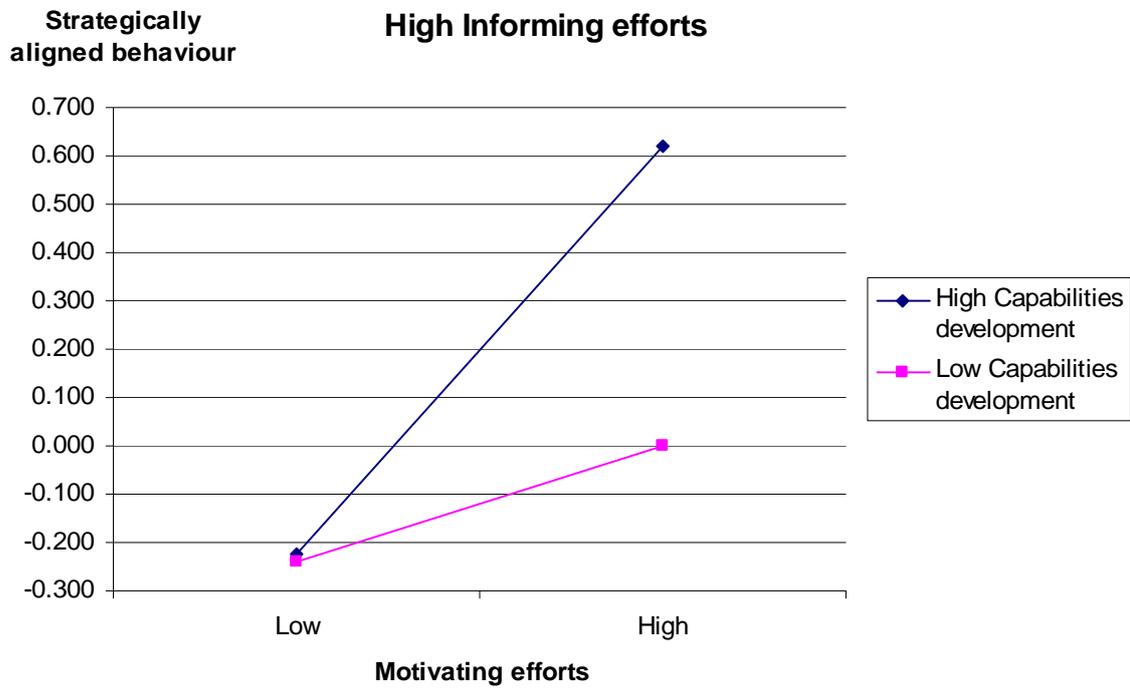
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|---|---|
| 1. Explaining the rationale               | 12. Employee's work in organisational context |
| 2. Openness                               | 13. Contribution to performance               |
| 3. Participative decision making          | 14. Contribution to overall strategy          |
| 4. Supportiveness                         | 15. Information from other divisions          |
| 5. Manager stimulates involvement         | 16. Discussing the strategy                   |
| 6. Media stimulate involvement            | 17. Explaining the why                        |
| 7. Sufficient resources                   | 18. Taking initiatives                        |
| 8. Sufficient training                    | 19. Helping colleagues                        |
| 9. Internal media: about overall strategy | 20. Helping their employees                   |
| 10. Management: about overall strategy    |   |
| 11. Management: about specific strategy   |   |

**Figure 1. Research model**



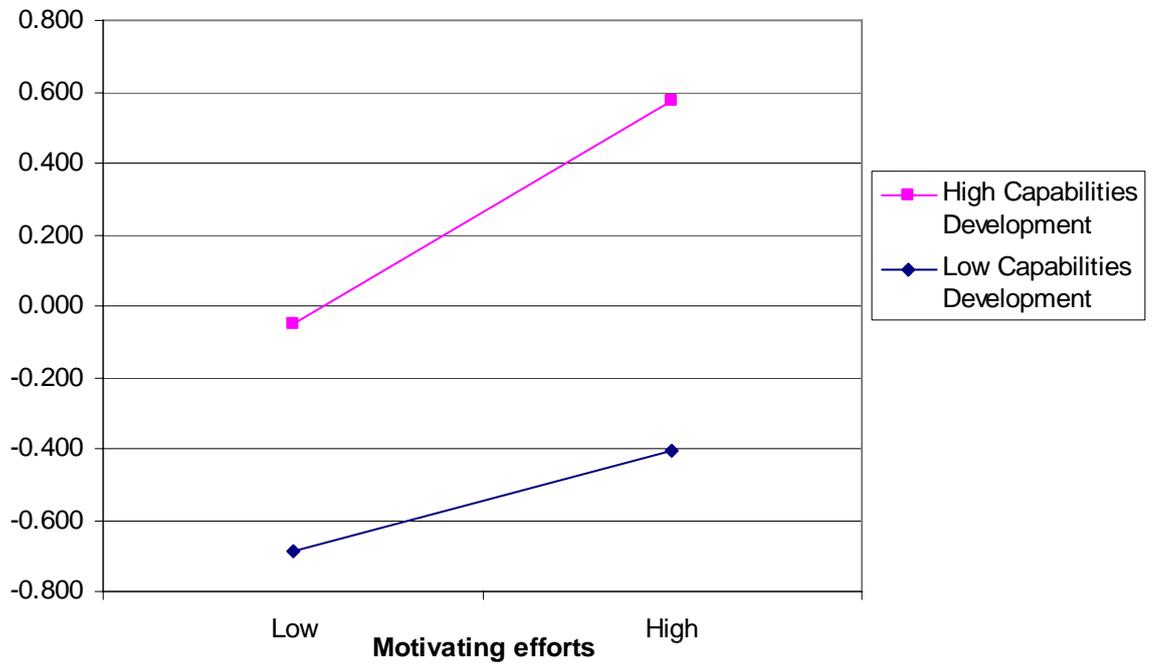
**Figure 2. Results of the model for Organisation 1**

All coefficients displayed are significant at the 1% level (for main effects) or at the 5% level (for interaction effects).



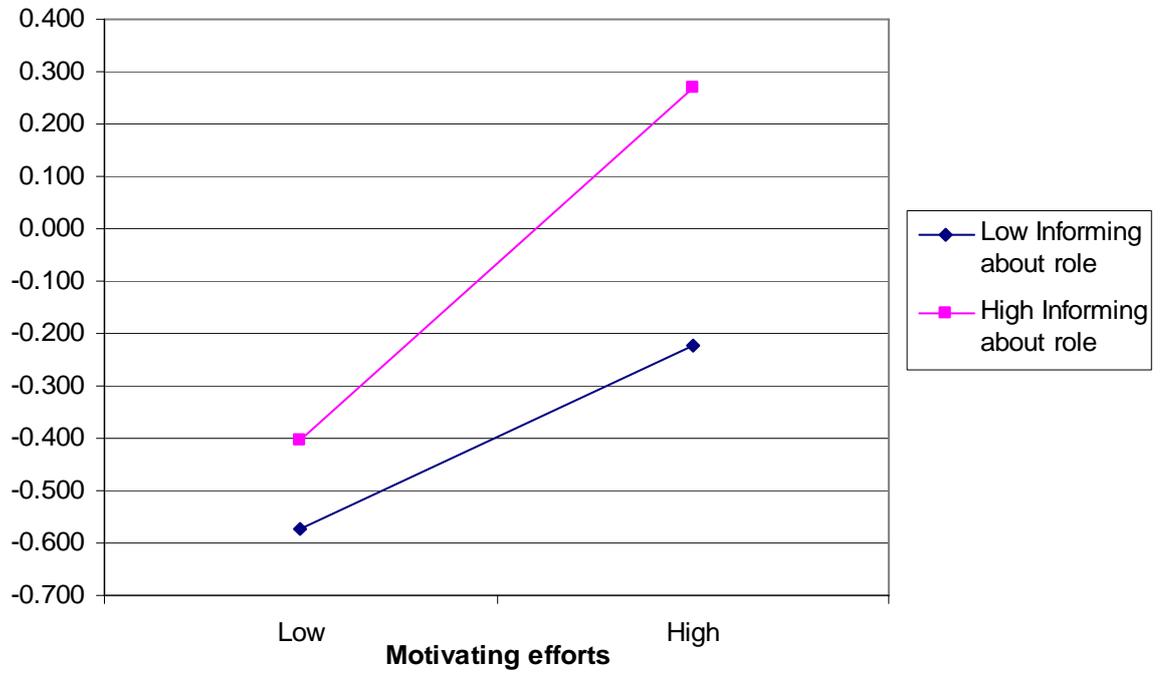
**Figure 3. Interaction between Motivating efforts, Capability development, and Informing efforts (Organisation 1)**

**Strategically  
Aligned Behaviour**



**Figure 4. Interaction between Motivating efforts and Capability development (Organisation 2)**

**Strategically  
aligned behaviour**



**Figure 5. Interaction between Informing about role and Motivating efforts (Organisation 3)**

**Table I. Comparison between samples and populations.**

		<b>Organisation 1</b>		<b>Organisation 2</b>		<b>Organisation 3</b>	
		<i>Population</i>	<i>Sample</i>	<i>Population</i>	<i>Sample</i>	<i>Population</i>	<i>Sample</i>
<b>Division</b>	Headquarters	5.5%	7.3%	3.5%	5.2%	0.9%	4.2%
	Division 1	49.9%	45.7%	12.3%	11.3%	11.7%	12.5%
	Division 2	44.6%	47.0%	2.2%	2.9%	6.7%	9.9%
	Division 3			6.2%	7.2%	13.8%	10.8%
	Division 4			50.6%	49.2%	22.0%	26.9%
	Division 5			4.4%	5.8%	24.6%	25.9%
	Division 6			20.8%	18.3%	20.2%	9.9%
<b>Country</b>	Organisation's home country <sup>v</sup>	68.8%	64.1%	-	-		
	Other countries	31.2%	35.9%	-	-		
<b>Gender</b>	Male	71.6%	75.5%	-	-	94.0% (executives)	97.4% (executives)
	Female	28.3%	24.5%	-	-	6.0%	2.6%

**Table II. Items measuring SAB**

1	Most of my peers actively discuss this major goal amongst themselves
2	Most of my peers actively explain the WHY behind this major goal to their employees
3	Most of my peers actively take initiatives to pursue this major goal in their daily activities
4	Most of my peers actively help colleagues to pursue this major goal in their daily work
5	Most of my peers actively help their employees to pursue this major goal in their daily work

**Table III. Descriptive statistics and correlations (Organisation 1).**

	Mean	St. dev.	1.	2.	3.	4.
1. Motivating efforts	4.52	1.00				
2. Capability development	3.87	1.00	0.431			
3. Informing about strategy	4.23	1.00	0.626	0.375		
4. Informing about role	3.89	1.00	0.622	0.350	0.542	
5. SAB	3.79	1.00	0.400	0.306	0.395	0.342

Table IV. Model comparison among the three organisations

			Organisation 1		Organisation 2		Organisation 3		Overall (meta-analysis)	
	Independent variable	Dependent variable	Path	ES	Path	ES	Path	ES	ES	
<b>Main effects</b>	Motivating efforts	SAB	.17**	.01	.22**	.04	.26**	.04	.03**	
	Capability development	SAB	.12**	.02	.40**	.16	.29**	.10	.08**	
		Motivating efforts		.16**	.05	.11**	.02	.12**	.03	.03**
		Informing about strategy		.34**	.12	.31**	.09	.33**	.11	.10**
		Informing about role		.17**	.03	.16**	.03	.21**	.05	.03**
	Informing about strategy	SAB		.21**	.03	.05	(n.s.)	.07	(n.s.)	.01**
		Motivating efforts		.37**	.16	.44**	.22	.56**	.35	.20**
		Informing about role		.46**	.20	.29**	.08	.33**	.11	.12**
	Informing about role	SAB		.08	(n.s.)	.07	(n.s.)	.15**	.02	.01**
		Motivating efforts		.36**	.16	.30**	.12	.22**	.07	.11**
<b>2-way interactions</b>	Motivating x Capability development	SAB	-.08	(ns)	.09*	.01	-.08	(n.s.)	(n.s.)	
	Motivating x Informing about strategy	SAB	.06	(ns)	-.05	(ns)	-.03	(n.s.)	(n.s.)	
	Motivating x Informing about role	SAB	-.00	(ns)	.02	(ns)	.08*	.01	(n.s.)	
	Capability development x Informing about strategy	SAB	-.03	(ns)	-.03	(ns)	.02	(n.s.)	(n.s.)	
	Capability development x Informing about role	SAB	.02	(ns)	.01	(ns)	-.01	(n.s.)	(n.s.)	
<b>3-way interactions</b>	Motivating x Capability development x Informing about strategy	SAB	.08*	.01	.05	(ns)	.00	(n.s.)	.01*	
	Motivating x Capability development x Informing about role	SAB	-.05	(ns)	-.03	(ns)	.00	(n.s.)	(n.s.)	
<b>Overall model fit</b>	R <sup>2</sup> for SAB (including interactions)		.27		.34		.36			
	R <sup>2</sup> for Motivating efforts		.53		.46		.56			
	R <sup>2</sup> for Informing about strategy		.20		.13		.12			
	R <sup>2</sup> for Informing about role		.33		.17		.23			

\*\* : p < .01; \* : p < .05.

Because statistical power is generally lower for interactions than for main effects (Cohen, 1988), we used an alpha of 0.05 for the interaction effects and an alpha of 0.01 for the main effects. In addition, the main effects reported are those obtained in the model without interaction effects, as main effects cannot be interpreted as such in a model in which significant interaction effects are present (Jaccard et al., 1990). Similarly, the two-way interactions reported are those obtained in the model without three-way interactions.

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## Notes

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<sup>ii</sup> In the remainder of this paper, when we talk about “employees”, we mean the people whose SAB we are investigating (who are mainly, but not exclusively, managers). When we talk about “managers”, we mean the managers above the level of these focal employees.

<sup>iii</sup> We have here chosen to display these interactions as the moderating effect of efforts to stimulate capability development on the influence of efforts to stimulate motivation, which is in turn moderated by informing efforts. From a statistical viewpoint, interaction effects are symmetrical, in that a hypothesis predicting that A moderates the effect of B is statistically equivalent to a hypothesis predicting that B moderates the effect of A (Ping, 2001). In addition, we propose that all types of managerial efforts are necessary for SAB to occur. Therefore, our choice to depict the interaction in this way is essentially arbitrary.

<sup>iv</sup> We thank an anonymous reviewer for this suggestion.

<sup>v</sup> Because in Organisation 1, there were relatively few respondents for each country outside the organisation’s home country, we only provide the percentages for home country versus other countries here.

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