



Disseminating Strategy: A User's Guide

Your new strategy looks good on paper, it looks good in the executive suite. But what does it take for the work force to get it?

Britain's Prime Minister during World War II, Winston Churchill, once quipped, "However beautiful the strategy, you should occasionally look at the results." And as managers know, an important part of getting the results you want is ensuring employees "get" the strategy so they can carry it out.

In his latest research paper titled "[Embedding Strategy](#)", INSEAD Professor of Organisational Behaviour **Charles Galunic** explores how senior management can increase those odds of being able to "embed" strategy in the workforce. "We measure strategy embeddedness as basically two things," says Galunic. "One is: Do you understand the strategy? The second issue is: Do you accept it? Do you like the strategy? So when we talk about strategic embeddedness, there's this combination of understanding and accepting."

Galunic and Immanuel Hermreck, global head of human resources at Bertelsmann, studied data from a global media corporation's employee satisfaction survey which was conducted once every four years. The survey, which drew an 85 percent participation rate, yielding over 60,000 responses from its 363 business units, captures employee sentiment on aspects such as job satisfaction and the quality of supervisors. The survey also includes measures of strategic awareness and acceptance, which Galunic

and Hermreck used to form a composite measure of strategic embeddedness.

Top management should avoid cascading

The "strategy" in question here is not the overall corporate strategy, but that of the individual business units. "We're not talking about corporate strategy because people down in the organisation don't necessarily have to understand the corporate strategy," Galunic explains. "It is the business unit level strategy so it's at a level which you should be able to tell people what the strategy is and whether they are accepting it or not."

For that to happen, the strategy itself has to be communicated effectively. It is here that many companies often fail: senior managers communicate strategy down the organisation, leaving middle managers and supervisors to get the employees in line and implement the vision; the term is "cascading".

"The cascade is overused, and there's too much belief in it," laments Galunic. "I think lazy general managers, lazy CEOs, they like to cascade, 'Here's my strategy, I've spent all this time figuring it out, and I'm going to send this down to the troops through the next level of the organisation. They're going to spill it down to the next level,' and so on."

Visit [INSEAD Knowledge](http://knowledge.insead.edu)
<http://knowledge.insead.edu>

The end result by the time it reaches the workforce is often a garbled message, much like the childhood game of Chinese Whispers. Galunic argues that it is the responsibility of senior management to actively engage employees on strategy. And that “personal touch” will have more impact than expected.

Galunic’s research shows that senior management who engage better and gain the trust of employees are more likely to see those employees get the strategy. While nobody knows for sure if that came about through explicit communication about strategy, there is no doubt about the value of top management actively engaging the rank-and-file to secure strategic buy-in.

“Nobody has as much symbolic power as the general manager, as the head of that business unit. We humans are, in many ways, hierarchical. That lead figure has a lot of symbolic influence. So when that lead figure – he or she – when they come down and when they engage with employees and talk about strategy, I think it’s more likely to be believed and hopefully accepted.”

Middle managers

Strategic embeddedness would also be increased if there is two-way communication between top management and the rank-and-file. But that begs the question: what role do supervisors actually play in embedding strategy?

“Supervisors made no direct difference [to strategic embeddedness]. But we did a type of analysis called Mediation Analysis, which showed that supervisors have a strong indirect effect,” Galunic says. “The supervisors have an effect on the local job conditions. Where the supervisors are engaged, they’re doing their job in the eyes of their employees, the local job conditions are much more likely to be positive, and this drives engagement. So we must not dismiss the supervisors.”

In effect, Galunic’s research suggested supervisors were viewed by employees as part of the “environment”, becoming conduits for the day-to-day operational needs of the employees. In other words, supervisors can help strategic embeddedness by providing positive job conditions.

“Job conditions play a large role, as you might imagine. ‘Is my task clearly specified? Do I have the resources I need to do my job?’ When people like their jobs, often they like it because it makes sense in the greater scheme of things, or the teamwork, or certainly the development and training opportunities. We found that when people are positive about these things, they’re much more likely to be embedded in the strategy, which makes

Visit **INSEAD Knowledge**
<http://knowledge.insead.edu>

sense.”

Not everyone becomes embedded

In an ideal world, senior managers who actively engage employees on strategy, and who welcome two-way communication are more likely to have employees who “get” strategy. Add to that supervisors who help provide a pleasant day-to-day working environment that is in line with company strategy, and you have positive job conditions for employees. All this increases the likelihood of strategic embeddedness.

Galunic also pointed out various individual employee factors that could influence strategic embeddedness, such as tenure, an employee’s seniority, and compensation. “You would think that people who are longer in the organisation would clearly be at an advantage to understand and accept the strategy; we didn’t find that,” Galunic points out. “We’re not exactly sure why. It may be that people who are longer in a company, who’ve been there quite a long time, may see strategies come and go. Maybe they’re not on board with the latest fad, if you will, the latest strategy. Sometimes, convincing them may be more difficult.”

“We also looked at seniority, or level in the company. That was very powerful: the more senior you are, the more you buy into it. A lot of the disconnect was further down. Through other data that we saw within this company, the further down you go, the greater the chances for a substantial disconnect. People sometimes really have no clue what the strategy is. And I think leaders in the organisation don’t realise fully that it’s their job to be out there pounding the pavement, the hallways, making sure that people are on the strategy.”

“Getting” strategy: is it always necessary?

Is it necessary for everybody to buy into the strategy in order to do a good job? “No, not everybody has to understand the strategy,” concedes Galunic. “In an organisation that is highly modular, and the jobs are very disconnected from the big picture – fine, not everybody has to understand the strategy.”

“But I think we are living in a world where we expect people to work more on their own initiative. They have to take steps to fulfill customer needs, solve problems within the organisation. Often, guiding them along the way is what they believe to be the strategy of that business unit, of that organisation. If they don’t understand that, they may be working at cross-purposes to what you’re trying to do in the company.”

Charles Galunic is Professor of Organisational

*Behaviour and The Aviva Chaired Professor of Leadership and Responsibility at INSEAD. He directs the **Management Acceleration Programme**, part of INSEAD's portfolio of executive education programmes.*

*Follow us on twitter [@INSEADKnowledge](#) or Facebook
<https://www.facebook.com/Knowledge.insead>.*

Find article at

<https://knowledge.insead.edu/leadership-management/strategy/disseminating-strategy-a-users-guide-2448>

Download the Knowledge app for free



Visit INSEAD Knowledge
<http://knowledge.insead.edu>