

# Choice of an authoritative style when implementing a survival urgency-based strategic change

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## A middle manager's perspective

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### Abstract

**Purpose** – Extant research suggests that managing strategic change has become a key managerial function and this duty encompasses changes in organizational product-market boundaries and organizational structure among many related organizational activities. The need to achieve strategic change arises because of major shifts in the external environment and the subsequent need for the organization to remain viable and competitive in the changed environment. Therefore, the purpose of this paper is to investigate if middle managers are likely to adopt authoritative style while implementing strategic change when they sense organizational survival.

**Design/methodology/approach** – “Sensemaking” literature led to development of the authors’ hypotheses and these were tested using the responses of 117 middle managers. The authors used survey-based instrument to collect data and used regression analysis to explicate the responses of the middle managers.

**Findings** – Results indicate that when middle managers sense that the survival of the organization is at stake, they are likely to choose an authoritative style. The authors also investigated the moderating role of organizational commitment, strategic posture of the top management team, and hostile business environment on the relationship between perception of survival urgency and the choice of authoritative implementation style. Only organizational commitment moderates this relationship.

**Research limitations/implications** – The authors’ data collection was survey based and the authors used a single source for each questionnaire and this process may lead to possibilities of mono-method bias. However, steps were taken to reduce the resultant mono-method bias. The respondents are from a variety of industries and future research may focus on one specific industry.

**Practical implications** – The first implication of this study allows us to expand research focus on the adoption of authoritative style, a research area that is not explored very much. The second implication of the study is that middle managers tend to focus on their emotions when it comes to implementing strategic changes. Using arguments from sensemaking the authors show that the perception of need for survival or the perception that business environment is hostile will determine how strategic change could be implemented. Middle managers must be treated as more than just the implementers of the directives/fiats/orders/edicts that originate from the top.

**Social implications** – Role of middle managers in strategic change management is critical and the authors suggest that the perception of organizational survival at risk leads to choice managerial style by middle managers.

**Originality/value** – The authors have combined ideas from both the strategic management and organizational development fields to understand successfully the implementation of strategic change in a survival urgency situation. In the past, the strategic management literature focused primarily on understanding strategy formulation process, and the process of implementation was generally neglected. The respondents are from a variety of industries. The analysis indicate that membership to any one firm was not impacting the results obtained by the authors and as such allows for results to be generalized.

**Keywords** Middle managers, Organizational commitment, Strategic change, Authoritative style, Hostile business environment, Survival urgency

**Paper type** Research paper



## Introduction

Managing strategic change has become a key managerial function (Lüscher and Lewis, 2008) and this duty encompasses changes in organizational product-market boundaries and organizational structure (Lines, 2005; Lofquist, 2011) among other related organizational activities. The need to achieve strategic change arises because of major shifts in the external environment and the subsequent need for the organization to remain viable and competitive in the changed environment (Kotter, 1996). In turn, adoption of strategic change can provide long-term survival of a firm (Lüscher and Lewis, 2008). Strategic change requires alterations to an organization's approaches to relate to its environment by focusing inwards and changing its objectives or redeploying its resources or focusing outwards in redefining its customers or competition (Schilling *et al.*, 2012; Rajagopalan and Spreitzer, 1997; Van de Ven and Poole, 1995). While we realize that the term "strategic change" can be broad because the change may be both proactive and reactive, the drivers of the change could be personal greed of top management or genuine desire to improve the organization for many stakeholders. Second, change may focus on various aspects of an organization. However, for this study the term "strategic change" entails improvement in the fit among various components of the organization and its environment, such as between environment and strategy, strategy and structure, and/or strategy and culture (Cumplings and Worley, 1993). The initiation of a strategic change arises in response to either realized or anticipated changes in an organization's environment. In the literature review and hypotheses section this term is further discussed and the scope of the paper is defined to provide clarity for readers.

Strategic change can become complex and power driven (Lines, 2007). Therefore, creating and managing strategic change has been primarily considered a key function of top managers (Hambrick and Mason, 1984; Kotter, 1996). Historically, in their examination of the process of managing strategic change, strategic management researchers have concentrated on the role of top management in managing organizational change (Nutt, 1989, 1987, 1986; Bourgeois and Brodwin, 1984; Hrebiniak and Joyce, 1984). However in recent years, the strategic role of middle managers in the implementation of change has been highlighted (Rouleau and Balogun, 2011; Huy, 2011; Wooldridge *et al.*, 2008; Balogun and Johnson, 2004; Balogun, 2003; Dutton *et al.*, 1997; Floyd and Wooldridge, 1992, 1994). The strategic focus on middle managers is accentuated because in recent times middle managers are perceived as organizational linking pins, and their position "gives them the power to initiate new strategic initiatives, to support and accelerate strategy implementation, or to reduce the quality of implementation, delay it or even sabotage it completely" (Raes *et al.*, 2011, p. 102). It has been argued that the strategic importance of middle managers will continue to rise even as their operational contribution to organizations reduces with increasing numbers of flat organizations. Their strategic contribution will increase because firms are facing higher levels of complexity in the environment (Balogun and Johnson, 2004; Floyd and Wooldridge, 1994).

For researchers to observe a successful achievement of strategic change in a given organization, it necessitates that the researchers examine the implementation process concerning this strategic change. Any implementation process requires a manager to install a planned change. We concur with Nutt (1986) that the process of implementation should be viewed as a set of steps to entice the stakeholder into lending support toward the planned change. These sequential steps are then used by a manager to obtain the backing, collaboration, and/or consent needed to ensure compliance with the planned changes. We further argue that understanding and explicating the managerial style that would gain backing and consent for implementing a strategic change is basic to understanding strategic change process.

The established literature on change process (not necessarily focused on middle managers) discusses several managerial styles for implementing change. For several years

now, most of them have been accommodated in a continuum, with one end representing “autocratic” or “authoritarian” style and the other end representing “democratic” or “participative” style. (Lewin, 1939; Tannenbaum and Schmidt, 1973). Several researchers seem to suggest that managers must favor a participatory style because an authoritarian style will induce resistance, ill will, and lack of loyalty among workers (Falbe and Yukl, 1992; Yukl and Falbe, 1990; Kotter, 1996). For instance, using a case study Lofquist (2011) demonstrated that the perceived “autocratic” managerial style doomed implementation of strategic change at the Norwegian Civil Aviation Authority. He argued that a perceived autocratic style led to diminished trust among organizational members toward the senior leadership. And the diminished trust in turn led to resistance against the strategic change, eventually leading to failure of the strategic change process. On the other end of the spectrum, a participatory style has historically been deemed beneficial for the organization because participatory style enlists multiple views of the environments faced by an organization. These multiple views and options allow for better communications and information sharing (Lester *et al.*, 2002; Sergeant and Frenkel, 2002) leading to better decisions concerning change management by organizations (Lines, 2007). The superior decisions may allow for successful implementation of strategic change (Muehlfeld *et al.*, 2011). However, the participative style might be desirable but impractical for many managers. A participatory managerial approach requires time for consensus building (Lines, 2007), may demand compromised solutions and might divert the organization from a specific strategic change plan. Researchers have argued that depending upon contingencies, at times authoritative or directive managerial style might be suited to implementing a strategic plan (Yukl and Tracey, 1992).

Particularly, Collins *et al.* (1989) found that although most managers liked the idea of a participative managerial style, they did not implement this style in practice. The gap between the conceptual need to adopt a participative style and the actual adoption of participatory style is intriguing. However, this disconnect has not been explored extensively in the strategic change literature. The present study, therefore, extends the idea presented by Collins *et al.* (1989) by examining adoption of authoritative style in practice where participative style is supposedly better for the organization. Specifically, we focus on middle managers and their choice of an authoritative implementation style in carrying out deliberate strategies (Lines, 2007). This study draws from “middle managers and sensemaking” literature (Ren and Guo, 2011; Maitlis and Sonenshein, 2010; Hope, 2010; Maitlis, 2005; Balogun and Johnson, 2004). We respond to the critique raised by Maitlis (2005) who asserts that there is a paucity of studies that focus on both sensemaking as well as change management. We develop our main hypothesis based on arguments around sensemaking concerning the process of strategic change in an organization and the choice of a managerial style for implementing strategic change. Additionally, it has been argued that in general when it comes to strategic change, the role of middle managers is de-emphasized (Balogun and Johnson, 2004; Huy, 2001, 2002). By focusing on middle managers and strategic change, our research is timely and relevant.

Furthermore, the research questions for this paper are two-fold concerning the strategic change process and choice of implementation styles for a middle manager. We attempt to establish: the relationship between a middle manager’s perception of the strategic change that needs to be implemented and the likelihood to use the authoritative style; the moderating role, using a contingency perspective as illustrated in Figure 1, of factors within the organization (such as emotions of middle managers as captured through organizational commitment), political realities (as captured through top management team’s (TMT) strategic posture), and external factors (such as hostile business environment).



Figure 1. Theoretical model

## Literature review and hypotheses

### *Authoritative style*

In the strategy management literature, Bourgeois and Brodwin (1984) identify four styles of approach toward implementation that include, in order, “commander”; “change”; “collaborative”, and “cultural.” According to these authors, each implementation style is an improvement over the previous one and in each style the CEO of the firm plays a different role. In the commander style the CEO is a rational actor whereas in the change style the CEO becomes an architect. Similarly, in the collaborative style the CEO is a coordinator and in the cultural approach the CEO is a coach. Similarly, Nutt (1986) describes four distinct styles used by managers in implementing change. First, “Implementation by intervention” involves a manager who calls for new performance norms and creates rationales for action in the minds of key people. Next, “implementation by participation” entails the initiation of the change process by a manager who forms a stakeholder group and delegates the process to this group. Third, “implementation by persuasion” involves using outside consultants who convince the manager on how best to effect the change. The fourth and final style identified by Nutt is “implementation by edict” in which the manager uses power and control and avoids any form of stakeholder participation. Based on the forgoing discussion, the “authoritative implementation style” used our present research borrows from approaches to include exploitive and benevolent authoritative styles (Likert, 1967), task vs people orientation (Blake and Mouton, 1964), edict issuance (Nutt, 1986), coercion (Kotter and Schlesinger, 1979), commander style (Bourgeois and Brodwin, 1984), power (Lippitt and Mackenzie, 1976), and assertive influence tactics (Kipnis and Schmidt, 1988). The principal aspect of each of these styles is the conspicuous use of authority through the issuance of directives and fiats.

### *Strategic change perceived as survival urgency*

Strategic change can be defined in a variety of ways. On one hand studies have focused on strategic change as a change in the single dimension of the organization. Examples would include a firm’s diversification portfolio, management of a merger or innovation management process (Joshi *et al.*, 2015). Other studies have focused on multi-dimensional aspect of strategic change (Zhang and Rajagopalan, 2010; Karaevli and Zajac, 2013). It may also be noted that there is a rich literature available that is complementary to strategic change and that is referred to as organizational turnaround. The original review of

turnaround literature was conducted by Pearce and Robbins (1993) who suggested that turnaround could be perceived as a two-stage process. These stages focused on retrenchment or strategic actions. Two recent review articles in this regard revisit these issues. For instance, Schoenberg *et al.* (2013) in a review of turnaround articles identified six categories of the turnaround strategies. Four of these were content based and two were implementation based namely, reinvigoration of firm leadership and culture change. Similarly, in a recent review of this literature Trahms *et al.* (2013) also identify three critical areas where the change or turnaround emanates within the organization. These are: managerial cognition, strategic leadership, and stakeholder management. Further their definition of turnaround allows us to interpret that strategic action (a kind of turnaround action) is indeed very similar to strategic change. Trahms *et al.* (2013, p. 1279) state: “Retrenchment actions, used synonymously with operating actions, are defined as a set of organizational activities undertaken to achieve cost and asset reductions [...] Conversely, strategic actions are those actions undertaken to change or adjust a firm’s domains and how it competes within those domains [...] With a logic of congruence, it was argued that decline resulting from operating issues (i.e. inefficiencies) requires operating actions (such as downsizing) for recovery, whereas recovery from strategic problems (i.e. misalignment of firms with their environments) requires strategic actions (such as new product introductions).” For the current study our focus will be on the strategic actions from a middle manager perspective. For the rest of the manuscript, we will refer to change actions as strategic change.

Specifically, we concur with Karaevli and Zajac (2013) that if a research focus is to understand the organizations efforts to move away from the strategic status quo either based on a firm’s past experience or changes in the industry standards indicating changes in the firms’ alignment with its environment, then there is no need to focus on one single action such as M&A or divestiture. Thus, we adopt a general framework of strategic change as proposed by Nadler and Tushman (1990). They define strategic changes as changes that have an impact on the whole organization and alter the basic strategy of the organization, and affect other organizational aspects such as structure, people, processes, and sometimes even the core values. This approach toward a general framework of strategic change is also adopted by other researchers in the literature. For instance, Mantere *et al.* (2012, p. 173) suggest that “strategic change represents a radical organizational change that is consciously initiated by top managers, creating a shift in key activities or structures that goes beyond incremental changes to preexisting processes [...] we conceptualize strategic change as a process that involves either a redefinition of organizational mission or a substantial shift in overall priorities and goals to reflect new emphases or direction.” For the present study, we build on the basic framework provided by Nadler and Tushman (1990) and their framework is reproduced in Figure 2.

As per Figure 2, when a change is strategic but reactive, Nadler and Tushman (1990) call it re-creation or others might call it a turnaround change. These changes are the most difficult and as such our focus is on these type of changes in the present study.

	Incremental	Strategic
Anticipatory	Tuning Changes	Re-orientation Changes
Reactive	Adaptation Changes	Re-creation Changes

**Sources:** Adopted from Nadler and Tushman (1990); California management review

**Figure 2.**  
Types of  
organizational  
changes

Partly because, as Nadler and Tushman (1990, p. 77) state: "Re-creations are riskier endeavors than reorientations if only because they are initiated under crisis conditions and under sharp time constraints. Further, re-creations almost always involve a change in core values. As core values are most resistant to change, recreations always trigger substantial individual resistance to change and heightened political behavior. Re-creations that do succeed usually involve changes in the senior leadership of the firm, frequently involving recruitment from the outside. For example, the reactive system-wide changes at US Steel, Chrysler, and Singer were all initiated by new senior teams." Thus we argue that their change called re-creation allows us to examine the survival of a firm, with middle managers engaged in politics as well as using their emotions.

Further, a strategic change is needed when an organization is going through challenges that threaten its very existence (Weitzel and Jonsson, 1989). When a firm's survival is threatened, the level of urgency to act is quite high. Thus, in the present paper our focus is on urgency due to the survival of the firm being in doubt (Braganza, 2002). A middle manager implementing strategic change would consider organizational survival critical (Thomas, *et al.*, 1993) and such a crisis-based (survival urgency) interpretation (sensemaking) of strategic change might reflect a higher risk of loss and time pressures to take actions (Schneider and De Meyer, 1991; Smart and Vertinsky, 1984). The urgency to act due to the time pressure experienced by managers to carry out changes is also discussed by Nutt (1987) and Bryson and Bromiley (1993) in the choice of implementation styles and in managing major projects. Researchers have argued that at times more importance is placed on survival perspective as opposed to the anticipatory perspective of strategic change (Dunphy and Stace, 1988).

#### *Survival urgency and the choice of authoritative implementation styles*

When a strategic change is proposed and middle managers need to execute the change it is likely that sensemaking about the strategic change by the middle manager occurs in the absence of top managers and shapes the implementation process that will be executed by the middle manager (Balogun and Johnson, 2004). Further, the middle manager engages in sensemaking based on her/his own history with the organization, personal ties, and personal backgrounds (Maitlis, 2005). This mix of background and history allows the middle manager to interpret the strategic change differently and take actions accordingly. Particularly, middle managers are likely to interpret the need for strategic change by the firm based on their interactions with others (including top managers) and then construct their own reality that would allow them to comprehend the world and act accordingly (Isabella, 1990; Maitlis, 2005).

When a middle manager construes that his/her firm faces a survival urgency, the manager is likely to experience pressure to take action. In this situation, it may be perceived that the resources as well as time to take action may be limited. Thus, decisive action is of essence for middle managers sensing such a survival urgency situation. It has been argued that under these circumstances, the use of authoritative styles is appropriate (Dunphy and Stace, 1988; Harvey, 1990; Pfeffer, 1992). Because a crisis threatens both the organization and the middle managers implementing the change, manager response lends itself to tighter controls, less participation, and reduced flow of information (Staw *et al.*, 1981). In addition, many managers may feel that they can solve the problem by "bluffing" assertiveness (Brass and Burkhardt, 1993). This, in turn, encourages the use of authoritative styles and inhibits the use of collaborative ones. By being assertive, the manager has more control over actions enacted quickly and without consultation with subordinates (Dunphy and Stace, 1988). Thus, the literature suggests that, to some extent, middle managers facing survival urgency tend to choose authoritative styles:

- H1. If middle managers perceive that the strategic change in the organization is due to survival urgency, the manager is likely to use an authoritative style to implement the strategic change.

*Moderating relationship*

In the tradition of the past studies on middle managers and change management (Beer and Nohria, 2000; Burnes, 2004; Huy, 2001; Nutt, 1986) we employ a contingency perspective. Stensaker and Langley (2010) suggested that the problem with a typical contingency perspective is that it tends to assume that change agents make objective analyses of the situation. We argue that if our contingency variables include the emotions (Huy, 2011) subjectivity exhibited by middle managers (Stensaker and Langley, 2010) we may overcome such criticism and introduce a more realistic representation of middle managers' actions and emotions in our study. To begin, we identified organizational commitment as a construct to represent the emotions (Huy, 2011) as well as "relational concerns" as listed by Stensaker and Langley (2010, p. 26). Second, we identified TMT's strategic posture as a construct to reflect the "political concerns" (Stensaker and Langley, 2010, p. 26). Finally, we linked the notion of achieving strategic fit with the construct of hostile external organizational environment (Huy, 2002; Kraatz and Zajac, 2001).

*Organizational commitment.* Commitment has been linked to employee retention and employee performance (Mathieu and Zajac, 1990; Meyer *et al.*, 2012). In addition, employee commitment is also recognized as a key ingredient in an organizational change effort (Bennis, 2000; Soumyaja *et al.*, 2011; Meyer *et al.*, 2007). Allen and Meyer (1990) defined organizational commitment as a psychological state that binds the individual to the organization. We argue that affective commitment (one of the three types of commitments) as defined by Meyer and Allen (1991) is representative of relational and emotional component of the current study because affective commitment refers to employees' emotional attachment to, identification with, and involvement in the organization. We argue that a middle manager's emotional attachment will be derived from his/her interaction with their fellow workers, and this in turn, generates a sense of his/her organizational reality (Isabella, 1990; Maitlis, 2005).

While studies have examined the direct relationship of organizational commitment on organizational outcomes such as absenteeism or individual effectiveness (Mathieu and Zajac, 1990), we were unable to find published research that focused on strategic change and adoption of authoritative style that also explored the moderating role played by employee's commitment toward the organization. However, it can be argued that an employee with a high degree of organizational commitment is likely to accept the need for organizational changes (Herscovitch and Meyer, 2002; Meyer *et al.*, 2007) and therefore it is possible to explore the moderating role of organizational commitment in the process of implementation of strategic change and the choice of authoritative style. Specifically, when a survival urgency-based strategic change is to be implemented, a middle manager with high commitment would see the need to act quickly at any cost (Nutt, 1987) so as to achieve the organizational goal of achieving strategic change. And if need be, this would suggest that they may choose authoritative style if their peers or subordinates do not join in their drive. Thus, their own higher level of commitment will lead them to become impatient with others who resist change and they will be willing to force their will upon the organizational members who are resisting the need for change. This is consistent with Herscovitch and Meyer (2002) who argued that commitment becomes important in a manager's willingness to go beyond the minimum requirements as stipulated by organization. Thus, the choice of authoritative style when implementing a strategic change due to survival urgency is likely to be strengthened when the middle managers possess a high level of organizational commitment.

- H2. The positive relationship between survival urgency strategic change due to the survival urgency and the choice of authoritative style will be strengthened in the presence of high levels of middle manager organizational commitment.

*Strategic posture of the top management.* Strategic posture relates to the risk-taking ability of the top management and being aggressive in responding to the external environment. When the TMT is extremely cautious and opposed to risk-taking, the strategic posture is low (Covin and Slevin, 1989). While prior research focuses on the direct impact of aggressive posture on a firm's competitive advantage, our focus is on the moderating role of aggressive posture on the relationship between strategic change due to survival urgency and the adoption of authoritative style by middle managers. We argue that under the "political concerns" or "need to please the corporate managers" (Stensaker and Langley, 2010, p. 26) perspective, middle managers will emulate their senior managers' behavior. The middle managers, however, must be able to observe and interpret the senior managers' signals. We believe that the display of aggressive posture by senior manager represents a signaling mechanism. A high level of forceful TMT posture provides signals to the middle managers that the senior managers are aggressively responding to anticipated strategic changes and would similarly, aggressively implement changes. If this aggressive stance requires sacrificing consensus building, then the middle managers, (in their bid to please the corporate managers in an attempt to manage their political concerns) will reduce the time required for consensus building. This reduced effort for consensus building by middle managers implementing a strategic change will result in a high likelihood to be authoritative:

- H3. The positive relationship between strategic change due to survival urgency and the choice of authoritative style will be enhanced by the presence of an aggressive strategic posture demonstrated by senior managers.

*Hostile business environment.* Researchers have proposed that unless "fit," or "alignment" with external environment is achieved (Joshi *et al.*, 2003; Kathuria *et al.*, 2007; Katila and Shane, 2005; Venkatraman, 1989), a firm is likely to lose its competitive advantage (Donaldson, 2001). A hostile business environment is generally interpreted as an unfavorable external condition (Zahra and Garvis, 2000) and includes either the presence of intense competition or a relative lack of exploitable growth opportunities (Calantone *et al.*, 2003; Covin and Slevin, 1989; Tatikonda and Montoya-Weiss, 2001). These lack of growth opportunities may arise due to rising competitive intensity in the industry or industry has matured and the service or products have become commodities and as such the profit margins are spiraling downwards or due to lack of growth opportunities, industry participants view the growth as a "zero sum game" and as such price wars become a norm. Such examples exemplify the perception of hostile business environment from a middle manager's perspective. In empirical studies Das and Joshi (2007, 2012) show that under a hostile business environment firms were likely to improve their innovativeness and that in turn enhances their strategic renewal. In the current study our focus is on how a hostile business environment moderates the relationship between implementation of strategic change due to survival urgency and the authoritative implementation style. It has been argued that an authoritative implementation style demands more resources by creating a need to respond urgently. However, the hostile environment provides limited resources and some middle managers may prefer to use the authoritative style (Dunphy and Stace, 1988; Nutt, 1989). Thus, we argue that as environment becomes more hostile it would enhance the positive relationship between strategic change due to survival urgency and authoritative implementation style:

- H4. The positive relationship between strategic change due to survival urgency and the choice of authoritative style will be positively moderated if the external environment is perceived to be hostile by the middle manager.



## Methodology

Our data collection process had two steps. First, we identified firms that would agree to participate in principle. Among the firms that agreed to participate, response rate of the middle managers within those firms was from 40 to 60 percent. A total of 20 firms located across the USA participated in the study (12 manufacturing and eight services). We collected a total of 117 usable responses (81 from manufacturing firms, 36 from service firms). Our sample of participating middle managers among the respondent firms was sufficient for the control of organizational and individual factors.

### *Operationalization of variables*

In this study, we employed a scenario approach by creating a case representing a survival urgency situation and then collected primary data using a questionnaire design. As such one limitation of our approach is that we do not have responses concerning a strategic change middle managers were involved but they are responding to a hypothetical scenario. The advantage of such approach is that all the responding middle managers have the same scenario but they may super impose their organizational climate factors (emotions and politics) as they see fit while proffering their choice of implementation style. The scenario situation to which the participants responded is reproduced in the Appendix. The survival urgency scenario was followed by three questions pertaining to the respondent's perception of whether the firm was facing a situation of survival urgency. In addition, items representing authoritative style, organizational commitment, strategic posture of the TMT, and perception of hostile business environment were interspersed in the questionnaire. All items in the survey used a Likert-scale of one through five and respondents were asked to provide a ranking for each of the items. The three-item dependent variable authoritative style was created using the literature from Bourgeois and Brodwin (1984), Kipnis and Schmidt (1988), Kotter and Schlesinger (1979), Nutt (1986), Lippitt and Mackenzie (1976), and Schriesheim and Hinkin (1990). A three-item scale of the variable survival urgency was developed primarily from arguments provided by Nadler and Tushman (1990) as well as Smart and Vertinsky (1984) that included both reactive actions as well as actions that could benefit the organization in the survival urgency scenario. The commitment construct was obtained using a four-item scale for the variable "commitment" from Allen and Meyer (1990) and Meyer and Allen (1991). All four of these items fit into the category of affective commitment that captures the emotional attachment of an employee to the organization. The three-item scale comprising the strategic posture of the TMT variable was modified from Covin and Slevin (1989) and Covin *et al.* (1993). Our three-item scale for the hostile business environment was also derived from Covin *et al.* (1993). The scenario situation to which the participants responded and the related questionnaire items are reproduced in the Appendix.

### *Statistical robustness*

*Common method bias.* While we realize that it could be a limiting factor in our study, we would like to highlight that in some research settings single-source informant may be the only realistic way to conduct the research (Podsakoff and Organ, 1986). Hence we implemented several recommended procedural and statistical approaches to diminish any potential common method bias (Podsakoff *et al.*, 2003). The five procedural steps that were applied in our research are as follows: we linked our survey instrument to the scenario presented and made sure that the responses were reflection of perceived firm behavior; we provided assurance of anonymity to respondents so that honest answers could be obtained; we attempted to diminish chances of socially desirable responses by assuring the respondents that there were no right or wrong answers; we made sure that periodically

the respondents were encouraged to provide thoughtful answers with reference to the scenario presented in the questionnaire; and we mixed items that were predictor and response variables to diminish any priming effect.

In addition to procedural remedies, we applied the statistical remedy of a single factor test (Parkhe, 1993). We carried out single factor tests to check whether a single factor emerges from factor analysis when all variables are entered together. Our results of factor analysis did not show a single factor; we obtained five factors when we entered all items together for factor analysis, and these were consistent with our study's constructs. We therefore assume a lack of common method bias.

*Model fit.* Confirmatory factor analysis on the five factors showed that the factor models had good fit ( $\chi^2$  value of 1.29 with  $p$ -value equal to 0.04, GFI = 0.905, IFI = 0.932, TLI = 0.887, CFI = 0.924, and RMSEA = 0.05) and as such low values on a few scale items did not compromise our research design and methods.

*Reliability analysis.* Since our scales were modified to suit our research needs we treated them as new scale development. The reliability of these scales was evaluated using Cronbach's  $\alpha$  value that ranged from 0.43 to 0.71 in our research. Normally, the  $\alpha$  value will be at least 0.7 or greater. Carmines and Zeller (1979) suggest that there are two factors that lead to a high value for  $\alpha$ ; inter-item correlation should be high and the number of items should be high. Cortina (1993) also provides similar reasoning. Anderson and Coughlan (1987) have also suggested that low  $\alpha$  values are possible if fewer items are used to create scales. As shown in Table I the  $\alpha$  values for all variables, except one, are greater than 0.5, indicating good reliability of scales for this exploratory research. To provide robustness, we also conducted composite reliability testing for all five constructs in our study. Composite reliability measures internal consistency of constructs (Fornell and Larcker, 1981). As reported in Table I, all constructs showed composite reliability greater than the acceptable level of 0.7.

*Validity analysis.* We carried out within-scale principal component analyses for all five constructs in our study. Our results showed eigenvalues greater than 1 and factor loadings greater than 0.55 for all five constructs, supporting unidimensionality (Hair *et al.*, 1998) and convergent validity (Ahire and Devaraj, 2001). Toward robustness of methods, we also analyzed convergent validity for all five constructs by computing the average variance extracted (AVE) score (Fornell and Larcker, 1981). An AVE score for a construct measures the AVE from its indicators relative to measurement error. As reported in Table I, AVE scores for all five constructs were greater or close to an acceptable level of 0.5, indicating near or more than 50 percent of variance of constructs were extracted from the indicators in our study. Our discriminant validity tests were supportive, as the square root of AVE of each construct was larger than the correlation between a given construct with another construct (Fornell and Larcker, 1981; Gefen and Straub, 2005). Furthermore, a more stringent discriminant validity test was also supportive, as AVEs of any two constructs were larger than the correlations between them (Gefen and Straub, 2005), thus establishing the robustness of our methods.

Variable	Mean	Median	SD	$\alpha$	Composite reliability	AVE
Survival urgency	3.37	3.33	0.779	0.63	0.773	0.554
Hostile business environment	3.38	3.33	0.687	0.52	0.739	0.493
Organizational Commitment	3.40	3.50	0.709	0.70	0.810	0.520
Strategic Posture of the TMT	2.68	2.67	0.845	0.71	0.784	0.569
Authoritative Style	2.67	2.67	0.743	0.43	0.723	0.466

**Table I.** Descriptive statistics, reliability, and validity

**Results**

In this study, we examined the relationship between perception of survival urgency and the choice of authoritative implementation style. We also investigated the moderating role of organizational commitment (representing emotions), strategic posture of the TMT (representing desire to manage political reality), and hostile business environment (representing subjective interpretations) on the relationship between perception of survival urgency and the choice of authoritative implementation style. We report the results of hierarchical regression in Table II. Among the control variables model (Model 1), of the levels from chairman, industry type (manufacturing or service), and number of employees as proxy for firm size, only number of employees was negatively significant with the choice of authoritative style and overall the model was not significant. The direct variables model (Model 2) tested the direct effect of our independent variable survival urgency on the choice of authoritative implementation style. We found Model 2 to be significant at  $F=3.135$  ( $p < 0.01$ ) with a significant increase in  $R^2$  ( $\Delta R^2=0.048$ ,  $p < 0.01$ ) as compared to the control model. In the all independent variables model, Model 3, we test the direct effects of not only the predictor variable (survival urgency) but include all moderating variables (hostile business environment, organizational commitment, and strategic posture of the TMT) as direct variables on the choice of authoritative style. Our Model 3, with direct effects of moderating variables, was significant at  $F=3.476$  ( $p < 0.001$ ) with a significant increase in  $R^2$  ( $\Delta R^2=0.082$ ,  $p < 0.001$ ). In our Interaction model (Model 4), we introduce three interaction terms of survival urgency with hostile business environment, organizational commitment, and strategic posture of the TMT. Our Interaction model was also significant at  $F=3.108$  ( $p < 0.001$ ) with a significant increase in  $R^2$  ( $\Delta R^2=0.044$ ,  $p < 0.10$ ).

*H1*, proposing a positive relationship between perception of survival urgency and adoption of authoritative style was supported. In Model 2 (Table II), we find that the direct effect of perception of survival urgency and the subsequent choice of authoritative style is significant (std- $\beta$  of 0.225,  $p < 0.01$ ). While we did not propose any other direct relationships for the moderating variables model (Model 3 in Table II), we found the relationship between hostile business environment and the choice of authoritative style to be positive and significant (std- $\beta$  of 0.214,  $p < 0.01$ ). In addition we also found that, unexpectedly, the relationship between organizational commitment and the choice of authoritative style was

Variable	Control model 1	Direct variable model 2	All independent Variables model 3	Interaction model 4
Levels from Chairman	0.130	0.102	0.133	0.118
Industry Type	-0.074	-0.111	-0.075	-0.078
Number of Employees	-0.176*	-0.199*	-0.168*	-0.219*
Survival Urgency		0.225**	0.203*	-0.948
Hostile Business Environment			0.214**	-0.036
Organizational Commitment			0.131*	-0.956*
Strategic Posture of the TMT			-0.139	0.330
Survival Urgency X Hostile Business				0.378
Survival Urgency X Commitment				1.779**
Survival Urgency X Strategic Posture of the TMT				-0.683
$R^2$	0.052	0.101	0.183	0.227
$\Delta R^2$	0.052	0.048**	0.082**	0.044*
Adjusted $R^2$	0.027	0.069	0.130	0.154
F-statistic	2.077	3.135**	3.476***	3.108***

**Notes:** <sup>a</sup>Standardized regression coefficients are shown. \* $p < 0.05$ , \*\* $p < 0.01$ , \*\*\* $p < 0.001$

**Table II.** Hierarchical regression results ( $n = 117$ ): using authoritative style as the dependent variable<sup>a</sup>

positive and significant (std- $\beta$  of 0.131,  $p < 0.10$ ). These results are discussed in detail in the next section. *H2*, *H3*, and *H4* tested the relationship between the interactions of survival urgency with the three chosen variables. Only *H2* was supported. The Interaction Model (Model 4 in Table II) shows that commitment levels do moderate the positive relationship between survival urgency and authoritative style and this interaction was positive and significant (std- $\beta$  of 1.779,  $p < 0.01$ ). In addition we also found a direct effect of organizational commitment and perception of hostile environment on the choice of authoritative style when middle managers are implementing strategic change that are based on the perception of survival urgency.

### Discussion and conclusion

The purpose of this study was to understand the reasons for adoption of authoritative style by middle managers when implementing strategic change. Thus, we build further on the often-ignored area of research regarding implementation of strategic changes in an organization and the role of middle managers in that process. Particularly, we explored why, if literature leans very strongly toward choosing a participative style, would any middle manager choose an authoritative style? Thus our focus was on the key antecedent/s and/or moderator/s, of choice of authoritative style. In general, the study found that middle managers are indeed more likely to choose an authoritative implementation style if the change to be implemented was due to perception of survival urgency for the organization. Our results support the findings of Collins *et al.* (1989) that not only are upper level managers but also senior level middle managers likely to use a more autocratic or directive style, especially when they perceive that the organization is facing danger in terms of survivability. From the moderator relationship, as hypothesized, we found that when middle managers exhibit high levels of organizational commitment, this commitment will enhance the positive relationship between strategic change based on perception of survival urgency, and the adoption of authoritative style. On other hand, though we did not propose so, presence of higher levels of organization commitment as well as perception of hostile business environment also directly induce the choice of authoritative implementation style. This finding may have some very interesting managerial implications.

### Implications

The implications of this research are twofold. The first part offers academic implications for further research in this less explored area. The second set of implications is relative to the viewpoint of a practitioner of management. In this research we offer an integrated approach to understanding the change process in an organization. We have combined ideas from both the strategic management and organizational development fields to understand successfully the implementation of strategic change in a survival urgency situation. In the past, the strategic management literature focused primarily on understanding the strategy formulation process, and the process of implementation was generally neglected. Only in the past decade or so have researchers been exhorting their colleagues on the need for understanding the implementation process.

In light of the academic research agenda, the first implication of this study allows us to expand research as it focuses on choice on authoritative style, a research area that is not explored very much. The second implication of our study is that middle managers tend to focus on their emotions when it comes to implementing strategic changes. Using arguments from sensemaking we show that the perception of the need for survival or the perception that business environment is hostile will determine how strategic change could be implemented. Middle managers must be treated as more than just the implementers of the directives/orders/edicts that originate from the top.

*Limitations*

As with any research there are limitations to this study. Our data collection was survey based and we used a single source for each questionnaire and this process may lead to possibilities of mono-method bias. Though steps were taken to reduce mono-method bias, it may still pose a slight threat to the construct validity in the present research. Another issue is that, in an effort to find data points that are random, we requested responses from 20 firms. The respondents are from a variety of industries and include both manufacturing and services sectors. The sample is uneven, however, in terms of the number of respondents per firm (we received as many as 65 responses and as few as five responses per firm). Once again, though control variables indicated that membership to any one firm was not impacting the results, we feel that a balanced sample could be more representative and results could be better generalized.

Another limitation may arise as we are focused on the choice of an authoritative implementation style but we are not subsequently examining if indeed the choice leads to better performance. This is partly due to our method of data collection where middle managers were asked to respond to a scenario approach rather than asked to relate to a situation that they were involved with, in their organization. Future research can overcome this limitation when actual strategic change is examined rather than a hypothetical scenario. However it is important to note that both the strategic change literature and turnaround literature focus primarily on top management when it comes to implementation. There is a dearth of literature that focuses on the role of middle managers in light of strategic change and the present study lead the path to reduce this void.

*Future directions*

Notwithstanding the limitations noted above, our examination and the assessment of styles chosen by middle managers extends the research stream on middle managers and their role in strategy implementation. This study will provide momentum to amplify future work in this under researched area. Several suggestions emerge from the conclusions and limitations. First, given time and resources, researchers need to examine a real change process rather than create hypothetical scenarios as done in this study. As mentioned earlier, while this may seem like a limitation of the current research it builds incremental knowledge about the styles that are preferred by middle managers to implement a survival urgency strategic change. Of course the next step would be to examine the impact of such an implementation style on firm performance. In a further exploration researchers may consider case studies of a few organizations in which they can observe not only middle managers but also their superiors and subordinates. This will remove both the self-report bias and the mono-method bias acknowledged in this study. Second, we focused only on an authoritative implementation style and did not focus on participative style. Thus, future researchers need to focus on all possible implementation styles. Third, the scope of this research was restricted to only one of the four strategic roles performed by middle managers, as proposed by Floyd and Wooldridge (1994): implementing deliberate strategies designed by the top managers. The remaining three are synthesizing information, championing strategic alternatives, and facilitating adaptability. Future research may include all other strategic roles and compare whether the predictability of the implementation styles remains the same or changes. We feel that under different strategic roles the predictor variables may change.

To summarize, this study successfully linked the change perceptions with the use of authoritative style. This research also shows that middle managers are critical to the implementation process in any organization, as they consider many variables in selecting their implementation styles. If continued, this research stream promises to explain the "how" mechanism of a change process.

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**Further reading**

- Milliken, F.J. (1990), "Perceiving and interpreting environmental change: an examination of college administrator's interpretation of changing demographics", *Academy of Management Journal*, Vol. 33 No. 1, pp. 42-63.

**Appendix**

Construct	Indicator (five-point Likert scale)
Survival urgency	This company needs to implement planned change immediately The change will require personal effort and sacrifice on your part The planned change is critical to the division's survival
Organizational commitment	I talk up my division/SBU to my friends as a great place to work I would accept almost any type of job assignment in order to keep working for this division/SBU I find that my values and the division/SBU's values are very similar This division/SBU inspires me to perform to the best of my ability on the job
Strategic posture of the TMT	My division/SBU's top managers direct R&D toward development of new products/services We invest more heavily in R&D than our major competitors Compared to our major competitors we have a high rate of new product/ services introduction
Hostile Business Environment	Competitive intensity is high in my division/SBU's industry Severe price wars are characteristic of my division/ SBU's industry Low profit margins are characteristic of my division/ SBU's industry
Authoritative Style	In this case, I have been given full authority and I would announce to everyone that I will be introducing the customization program In this case, I would indicate to the subordinates that I have support of other subordinates regarding the planned change In this case, I would formally appeal to higher authority to back up my requests regarding the planned change

**Table AI.**  
Questionnaire items

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**Scenario that was read by all the responding middle managers prior to being asked to respond to the survey**

Arion Tele-Systems: Assume that YOU are the Manufacturing Manager for Arion Tele-Systems Division, that produces tele-communications equipment as part of a diversified firm. Arion has been profitable for the last three years. After a weekly staff meeting this morning Arion's Group Vice President (G-VP), corners you to discuss expanding a new project: customized production. Currently, only a small part of Arion's business comes from systems designed for the unique needs of a particular customer. This customized production is located in the Engineering Department. The G-VP states that in order to be more efficient Arion should incorporate customized production into your department. Initiating customization in your department will take about 6 to 9 months. The G-VP has learnt from experts that the market will take an important turn (toward customization) in two years, so you need to complete the change within 18-20 months.

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