Marketing strategy and the efficacy of procedural justice: The mid-level marketing manager in industrial service firms

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A B S T R A C T

A principal challenge confronting the senior marketing team in B2B firms is how to ensure that the marketing strategies they develop are implemented effectively. The literature indicates that mid-level marketing managers’ perceptions of the procedural justice within the firm may be critical in this respect. However, there has been little empirical research on this issue. The authors develop and test a conceptual model of the key drivers and consequences of marketing managers’ procedural justice perceptions. The findings show that if mid-level marketing managers trust their senior marketing colleagues and simultaneously operate within moderately organic structures, then procedural justice will thrive. A consequence of this is more effective implementation of marketing strategy which, in turn, leads to increased market performance.

1. Introduction

“Procedural justice ...may be one of the linchpins that carry organizations into the tumultuous 21st century...where rapid change...become[s] even more a concern of organizational life” (Konovsky, 2000).

Senior marketing executives and their advisory teams within business-to-business firms rarely complain that the marketing strategies they formulate are flawed. Instead, managers commonly attribute the problems of their strategizing to implementation challenges (Neilsen et al., 2008). Against this backdrop, it is paradoxical that the significant investment in financial, human, and strategic capital associated with formulating marketing strategies far outweighs the effort given to execute these same strategies in firms. Described variously as the ‘elusive phenomenon’ of strategy (Bourgeois and Brodwin, 1984), the strategy ‘black box’ (Piercy, 2002), and the ‘implementation gap’ (Miller, Wilson & Hickson, 2004), the successful execution of marketing strategy has for some time been an issue of research interest and competitive value for academics (Chebat, 1999) and practitioners (Bower and Gilbert, 2007; PA Consulting Group, 2002) respectively.

To be considered effective a well-formulated strategy must be implemented successfully. Implementation effectiveness however, clearly depends on the appropriateness, feasibility and desirability of the strategy. Our argument is that through the development of competency in implementation—the ability to translate ideas into actions and generate positive outcomes—can provide a source of competitive advantage for the organization. A diversity of perspectives has been put forward in defining the concept of strategy implementation (Noble, 1999). Some researchers emphasise interpersonal and behavioural elements (e.g. Cyert & March, 1963; Franwick, Ward, Hutt & Reingen, 1994; Workman, 1993; Noble & Mokwa, 1999) but a review of the literature reveals few formal definitions of strategy implementation. We borrow from Wind and Robertson (1983) to define marketing strategy implementation as: the operationalization of a clearly articulated strategic marketing plan.

Importantly, within the strategy literature, it has been found that mid-level managers play a critical role in determining whether strategies are implemented successfully (see Floyd & Wooldridge, 2000; Guth & MacMillan, 1986). However, relatively limited empirical attention has been devoted to the factors that influence mid-level
marketing managers’ implementation success, despite these managers playing such a critical role in the success of marketing organizations (Bower & Gilbert, 2007; Noble, 1999). Importantly, research indicates that a pivotal factor determining employees’ implementation performance efforts may be their perceptions of the firm’s justice procedures (e.g., Kim & Mauborgne, 1991; Williams, 1999; Konovsky, 2000) in terms of the importance attached to the strategy, the clear communication of the strategy by top level managers and organizational buy-in (Noble & Mokwa, 1999).

We address this research gap by adopting an organizational justice perspective. In particular, in this study we develop and test a conceptual model of the antecedents to and marketing strategy implementation-related consequences of mid-level marketing managers’ procedural justice perceptions. We then discuss our empirical findings and the study’s contribution to theory, derive various implications for managers, highlight the study’s limitations, and point out several areas for future research.

2. Research context and theoretical premises

2.1. Mid-level marketing managers

Our definition of a mid-level manager; within the medium-large sized firms targeted; encapsulates employees within the middle tier of management, usually including lower executives who manage supervisors overseeing day-to-day activities. We focused on mid-level managers whose primary job responsibility is to manage the marketing activities of subordinates and to generate marketing reports for upper or top management.

As our study focuses on mid-level marketing managers, we capitalize on their central role in the initiation of strategic change (c.f. Mangaliso, 1995) and their role as important facilitators of marketing strategy implementation (Noble & Mokwa, 1999). Indeed, Bower and Gilbert (2007) found that mid-level managers have a powerful impact on the realized strategy of the firm and Wooldridge and Floyd (1990) find that mid-level marketing management involvement in strategy process as a whole can improve organizational performance. That is, while it is the senior marketing executive team that assimilates and makes sense of information for the marketing organization, it is the mid-level marketing managers who are the conduit for behaviors, actions, and information flows between the ‘operating core’ and the ‘strategic apex’ (Mintzberg, Lampel, Quinn & Ghoshal, 2003) of the firm. Furthermore, Westley (1990) asserts that the ability of any organization to be cohesive and effective depends on the structure and quality of communication between top level and mid-level employees. One set of communication habits and experiences central to the integration of all organizations are those of mid-level marketing managers in their encounters with the strategic decision making systems of their organizations.

2.2. Procedural justice

Clearly, there is a need for research into those factors that can influence marketing strategy implementation success. One key driver of the quality of mid-level marketing managers’ implementation efforts is likely to be managers’ procedural justice perceptions. Organizational justice plays an important role in helping to build effective work groups (Cropanzano & Schminke, 2001). Therein, justice appeals to managers and employees alike who perceive this concept as a unifying value, bolstering commitment while increasing their willingness to perform well in their work tasks (Konovsky, 2000).

The theory of procedural justice is based on the work of Thibaut and Walker (1975), and developing this further, Kim and Mauborgne (1997) suggest three criteria that generically encompass the theoretical domain of procedural justice at the firm level: engagement; explanation; and, clarity of expectations. Engagement means involving individuals in decisions that affect them by both asking for their input and allowing them to refute the merits of one another’s ideas and assumptions (Thibaut & Walker, 1975; Leventhal, 1980; Greenberg, 1987; Folger & Konovsky, 1989; Sheppard & Lewicki, 1987). It has also been found that perceptions of justice and contentment with results are enhanced if a sufficient opportunity is given to managers to voice their ideas (Thibaut & Walker, 1975). This is only the case, however, when the employees perceive that top management has considered their ideas. Managers want procedures that allow them to feel that they participated in developing a decision that will affect them. Consequently, procedural justice includes the extent to which representatives of the organization ask for and use employee input, engage in two-way communication, give employees opportunities to challenge decisions, are familiar with employees’ work, and consistently apply standards or rules (Fields, Pang & Chiu, 2000; Folger & Konovsky, 1989; Lind & Earley, 1992). Managers who are more involved in decisions not only see the process in a more favorable light, but also act in ways that make the process more effective (Collier, Fishwick & Floyd, 2004). Engagement communicates management’s respect for individuals and their ideas, while encouraging refutation sharpens collective thinking and builds better collective wisdom.

Explanation means that all employees involved in strategy implementation and affected by it understand why final decisions are made as they are and why individuals’ ideas and inputs may have been overridden in ultimate decisions (Folger & Konovsky, 1989; Bies & Shapiro, 1987). It also serves as a powerful feedback-loop that enhances learning. Empirical research confirms that the practice of explaining procedures enhances the justice of the procedures themselves and the outcomes resulting from them (Greenberg, 1990). As top management explain their ultimate decisions, procedural justice enhances individual cognitive confidence in the decision-making process and builds cognition associated with belonging and loyalty. Indeed, certain researchers have demonstrated that procedural justice judgments have positive effects on various higher-order attitudes such as commitment (Alexander & Ruderman, 1987; Brockner, Grover, Reed, DeWitt & O’Malley, 1987), outcome satisfaction, and compliance with outcomes (Thibaut & Walker, 1975) and social harmony (e.g., Tyler & Griffin, 1989).

Lastly, clarity of expectations means that before, during, and after decisions are made, employees have a firm understanding of what is expected of them and what the new ‘rules of the game’ are (Folger & Konovsky, 1989; Kim & Mauborgne, 1997; Netemeyer, Brashear & Boles, 2004). Although the expectations may be demanding, employees should know from the beginning by what standards they will be judged and the penalties for failure. To achieve processes characterized by procedural justice, what matters is that expectations are transparent. When people clearly understand what is expected of them they can more easily focus on the job at hand. Taken together, these three dimensions collectively determine procedural justice in strategic decision making (Kim & Mauborgne, 1998).

3. Conceptual framework and development of hypotheses

Many aspects of organizational functioning exhibit features of ‘context’, ‘process’, and ‘content’ (Ketchen, Thomas & McDaniel, 1996). In this conceptualization, we employ such a framework to explain how marketing strategies can be more effectively implemented. Context describes the internal landscape in which organizational processes are performed. The process thereby generates an outcome—content. Here, we conceptualize the context as the mid-level marketing manager’s trust in the senior marketing executive team and the extent to which the firm exhibits the properties of an organic structure. Process aspects are characterized as procedural justice, consisting of engagement mechanisms, explanation activities, and the clarification of expectations. Finally, by way of content, we examine
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