

A Review of Factors Influencing Strategy Implementation in the Public Sector: A Conceptual Framework

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This article presents a review of strategy implementation in the public sector. The findings show that several researchers have highlighted the need for a more comprehensive investigation of strategy implementation in the public sector, whereby specific public sector concepts should be considered. A framework for internal and external factors of strategy implementation is developed based on the available evidence. The framework includes recommendations for the the gaps addressed beforehand: 1. To link strategy implementation based on public sector concept with internal factors such as centralised, formalised and complexity structure, transformational and transactional leadership, formal and informal communication, and appropriate

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organisational culture, and 2. To consider the impact of external factors such as political and governmental regulation, resources from the budgeting system and technology infrastructure on the internal factors as moderators.

Keywords: strategy implementation, public sector, contingency theory, strategic management

1. Introduction

Strategic management involves all major activities and functions in an organisation to achieve its strategic agenda (Poister & Streib, 1999). It includes the formulation and the implementation of strategy (Macmillan & Tampoe, 2000). Strategy implementation, the final step in the strategic management process, is recognized as an important and complex management process (Barrows, 2014). While the importance of strategy implementation is recognised, it has been more than a decade since Yang, Guo-hui and Eppler (2010, p. 171) introduced the concept of strategy implementation, which they defined as “a series of decisions and activities affected by interrelated internal and external factors to convert strategic plans into reality in order to achieve strategic objectives”. The study of strategy implementation has evolved since, where authors have identified various internal and external factors to influence strategy. In order to investigate the various internal and external factors influencing strategy implementation, contingency theory has been used in previous studies. As Boyd (2015) suggested, contingency theory can explain the concept of “fit” in strategy implementation by identifying the internal and external factors particular to an organisation’s situation and needs: when the external factors of the organisation are recognised, their impact can be reduced by putting on appropriate internal organisational factors, hence creating a contingency fit (Volberda et al., 2012).

The evolution of strategy implementation has also encouraged public organisations to achieve their organisational goals (Jooste, 2008; Poister, Pitts & Hamilton Edwards, 2010). However, strategy implementation is contingent on a number of factors that are difficult to include in a complete quantitative model, making it difficult to test empirically. In addition, the research on the dynamics of strategy implementation in the public sector is still limited and in its early stages (Andrews et al., 2011; Andrews, Beynon & Genc, 2017), and there is little effort to solve the problems of

strategy implementation (Poister, Pitts & Hamilton Edwards, 2010). This calls for a more comprehensive investigation into strategy implementation in the public sector (Höglund et al., 2018; Rosenberg Hansen & Ferlie, 2016). Therefore, how should public managers know how to manage and stimulate strategy implementation? How can the contingent factors and external environment be included in a model to test it empirically? It can then be argued that empirical knowledge available to managers is challenging to apply and that more is needed to organise the literature into a coherent body of findings and lessons.

Despite advances in conceptual development, a cohesive empirical picture of how public sector implements strategy is still required. Abiding by the definition of strategy implementation, contingency theory is used as the theoretical backbone of this study as the theory emphasised the fit between the internal and external factors in influencing strategy implementation in the public sector. In this article, contingency theory is first reviewed. Then, the literature on strategy implementation in the public sector is consolidated. In doing so, we contribute to the literature by identifying the major gaps in strategy implementation literature, thus using the omissions to improve the strategy implementation framework by developing it based on the requirements of the public sector. Finally, the paper is concluded with contributions and future directions. Through the review of literature, the article addresses the following research questions:

1. How is strategy implementation conceptualised in the existing literature?
2. What are the internal and external factors influencing strategy implementation specifically in the context of the public sector?
3. How are internal and external factors related with strategy implementation?

2. A Review of Contingency Theory

Contingency theory stems from a critique of the universal approach that had dominated management science, where the idea of “one best way” is impossible (Linton, 2016). The theory of contingency results in fitting characteristics of the organisation to contingencies that reflect the situation of the organisation to achieve organisational effectiveness (Donaldson, 2001). Hence, contingency theory claims that no general guidance is suitable for all organisations to achieve effectiveness, as they differ in their environment (Fiedler, 1967).

In 2000, the Encyclopaedia of Management defined contingency theory as internal contingencies and environmental contingencies (Helms, 2000). These factors include inter and extra-organisational factors (Donaldson, 2001), contextual factors (Sila, 2007), and external environmental factors (González-Benito, 2002). Therefore, contingency theory emphasises that organisational outcomes are the result from a match between two or more factors (Islam & Hu, 2012). In addition, organisations need to achieve a “good fit” between internal systems and their external environment (Kulkarni, 2017). It can be said that an organisation contingency fit is high when the external environment is identified so that their impact can be reduced through the fit of the organisation’s internal organisation (Volberda et al., 2012). Adhering to contingency theory, organisations can improve the fit and alignment of their defined set of contingency variables to adapt to the changing external environment (McAdam, Miller & McSorley, 2019). This approach assumes that if management has decided to adopt certain practices, those practices have a logical fit with certain contextual factors (Romero-Silva, Santos & Hurtado, 2018).

In the past, contingency theory emphasised organisation structure to reach contingency fit (Donaldson, 2001). Theoretically, a good fit may be attained when there is a plan to change the organisation structure to keep pace with the environmental demands. Thus, organisations that aspire for fit in its organisation must continuously adjust their processes and fine-tune their structure (Shenkar & Ellis, 2022). While contingency puts an emphasis on the proper form of organisational structure to ensure organisational outcome, Luthans and Stewart (1977) state that conceptual framework for contingency theory can accommodate relationships between large number of operationally defined variables. Therefore, other than organisation structure, Pettigrew and Whipp (1991) state that the organisation’s environment and various features of the organisation’s internal context such as leadership arrangements and processes, the culture of the organisation, and the systems and dynamics of control and power in the organisation must be aligned together to achieve a good fit.

To date, contingency-based research has not developed enough to include various aspects of strategy implementation in the public sector. Therefore, contingency theory has the potential to specify the relationship between strategy implementation and organisational and environmental variables, as it helps incorporate the influence of a variety of variables that fits the surrounding circumstances and demonstrates an appropriate match on the application of strategy implementation. Simply put, contingency variables respond to their environmental context, which eventually creates a “fit” to

deliver an organisational outcome. This paper will hence focus mainly on the organisation's internal attributes and external elements towards attaining strategy implementation, justifying the adoption of the contingency theory as the central research tenet, as it proves notable to any other strategic management theories when it comes to strategy implementation.

3. First Research Question: How is Strategy Implementation Conceptualised in the Literature?

In this section, general ideas surrounding strategy implementation through the contingency lens are delved into before transitioning to a more focused discussion on the public realm. This distinction aims to provide clarity regarding the scope of this study's exploration.

While contingency theory has been used in many studies for theoretical development, it is infrequently applied in strategy implementation research. This view is supported by Boyd (2015), who indicates that strategy implementation frameworks tend to provide detailed evaluation criteria, but do not emphasise the notion of "fit" among the different components. Furthermore, Desmidt, Meyfrootd and George (2019) mention that the generalisability of contingency theory is lacking in the area of strategic management in the public sector.

On the subject of strategy implementation, even though Ivančić, Jelenc and Mencer (2016) claim that the research on strategy implementation is rarely conducted on implementation models, researchers have made substantial contributions to the framework of strategy implementation using internal and external factors as predictors. Okumus (2003) includes internal factors such as organisational structure and organisational culture. The author also adds environmental uncertainty as an external factor. Higgins' (2005) strategy implementation framework, the "Aligned 8's", comprises organisational structure, systems, styles of leadership, the staff of the organisation, strategy, shared values, and resources. Even though these frameworks demonstrate the relationship between contingency variables and strategy implementation, there are still limitations observed in the previous strategy implementation framework, which could still be upgraded under the assumption of contingency theory.

Some limitations include the tendency of these frameworks to focus more on internal than external factors. For instance, only a few studies analyse

the aspect of contingency theory that emphasises external factors (e.g.: Okumus, 2001; 2003; Schmelzer & Olsen, 1994). This view is supported by Haynes (2015), who claims that in the area of strategic management, previous studies had concentrated more on the organisation's internal processes rather than the external ones. Therefore, an improvement to the strategy implementation framework could be made by including external factors contingent on strategy implementation.

Other than that, previous framework of factors influencing strategy implementation did not explain the factors extensively. Only some frameworks (e.g. Skivington & Daft, 1991) of strategy implementation had defined organisational structure as specialisation and formalisation. The authors further add that organisational systems could be explained through resource allocation, evaluation, and employee training. In addition, Okumus (2003) gives detailed dimensions for each factor, such as power share, coordination and decision-making practices for organisational structure, along with organisational traditions, values, and standards for organisational culture. Explicating the factors in detail is one condition of contingency theory, whereby it allows to view organisational phenomena in a simpler manner (Cao, Huo & Zhao, 2015). Strategy implementation can then proceed, informed by contingency theory, by including the dimensions of each factor required in a framework of strategy implementation to serve as a detailed guideline.

Another limitation seen in the previous frameworks is that the relationship between contingency variables and strategy implementation has not been sufficiently elaborated. Only some studies, such as Higgins (2005), have shown that structure, systems, processes, strategy, shared values, style, resources, and staff are necessary to be aligned to attain strategic performance. Additionally, Okumus (2003) employs an approach that integrates internal and external factors with the strategy implementation outcome. Meanwhile, Pryor and colleagues (2007) propose the purpose of strategy, culture, and people to be aligned when implementing the strategy. The latest framework by Ivančić, Jelenc and Mencer (2016), based on Okumus' framework, has added that internal and external factors can moderate the process of strategy implementation. Although these frameworks have shown the importance of the factors being linked during strategy implementation, Olivier and Schwella (2018) argued that the boundary between the internal and external context is still indistinguishable. This is perhaps because strategy implementation is contingent on a number of factors that are difficult to include in a complete quantitative model, in turn making it difficult to test empirically (Poister, Pitts & Hamilton Edwards, 2010).

From the perspective of contingency theory, the interrelated propositions between contingency variables and the outcome should be well-developed (Schoonhoven, 1981). Therefore, the contingency theory appears to be potentially prevailing when the relationship between the internal factors, external factors and strategy implementation in the framework are clarified.

The strategy implementation process is context-dependent, wherein the internal and external factors should be tailored according to the organisation's characteristics and environment. Contingency theory has been proven to benefit public sector research as it enables researchers to understand procedures and activities carried out in the government (Boyne, 2001; Mccourt & Minogue, 2001). In addition, it facilitates the comprehension of factors that are associated with the improvement of public services (Andrews et al., 2012) and enables the creation of optimise and effective public sector programs (McGrandle, 2016). Based on the conceptual description of strategy implementation used in this study, the framework should adhere to its own internal and external factors, based on the context. However, it could be further improved when the dimensions of the factors are included, and the relationship between the contingent factors with strategy implementation is clarified. Hence, contingency theory remains a plausible theory for assessing the fit of the internal and external factors on strategy implementation in the public sector.

In summary, the exploration of general strategy implementation through contingency theory has provided a foundation for understanding. The next section delves into the public realm, where attention will be directed towards identifying the internal and external factors influencing strategy implementation.

4. Second Research Question: What are the Internal and External Factors Influencing Strategy Implementation in the Public Sector?

Having established a foundation in general concepts of strategy implementation in the previous section, we now turn our attention to the nuances within the public realm. The subsequent sections will explore literature specific to this domain, shedding light on the internal and external factors influencing strategy implementation. While most literature on strategy implementation concerns the private sector, this section focuses on the main perspectives of strategy implementation in the public sector.

When implementing a strategy, public sector organisations are influenced by a unique set of internal and external factors (Niven, 2003). In this respect, according to Olivier and Schwella (2018), the role of public sector is distinguished by its legislation, responsibility and authority. Furthermore, a distinctive feature of public organisations is that they are subjected to political controls rather than market controls (Parker & Bradley, 2000). These controls imply that public sector organisations are influenced mainly by their external factors, including higher levels of government authority over political and financial resources (Andrews et al., 2012; Bryson & Edwards, 2017).

A recent study by McKinsey on the public sector found that 80% of management efforts to implement changes failed to meet their objectives. The research further indicated that in the public sector, factors such as committed leadership, communication, clear purpose and priorities, capability for change and coordination in delivery are among the disciplines needed for government transformation (Dillon et al., 2022). Other than that, there are many case studies in the context of public sector that have highlighted the importance of operationally defined variables pertaining to strategic success. McBain and Smith (2005) explored a case study of a public service organisation strategy in 2005 and revealed that communication between the political level and public managers is needed to ensure implementation success, along with the sense of ownership and adaptation of the strategy. A ten-year period panel case study of a new public management reform in 2016 involving five Danish public upper secondary schools found that during the implementation process, strategy has become more formalised and professionalised, suggesting that a new public management can significantly change strategic management in public organisations (Hansen & Jacobsen, 2016). Osborne and colleagues (2022) further indicated that the public services need to be developed in a way that allows communication with communities and users to create value.

Table 1 illustrates a more comprehensive view of the empirical research that was conducted in the domain of the public sector pertaining strategy implementation, with additional focus on the internal and external factors influencing the process.

Table 1: *Empirical research on factors influencing strategy implementation in the public sector*

Author(s)	Context	Leadership	Communication	Org. Structure	Org. Culture	Resources	Technology	Regulation & Policy	External environment (such as politics)
Boyne et al., 2004	UK local authorities	x		x		x		x	
Messah & Mucai, 2009	Government Tertiary Institutions	x	x		x	x		x	
Koseoglu, Barca & Karayormuk, 2009	Firms in Turkey		x	x	x		x	x	
Danaee et al., 2011	Iranian public organisations	x		x		x	x	x	x
Preuss, 2011	Government in West Midlands					x		x	
Kalali et al., 2011	Health service sector in Iran	x	x	x	x	x		x	x
Sial et al., 2011	Public sector in Pakistan	x	x	x	x	x			x
Mbaka & Mugambi, 2014	Water Sector in the government	x	x	x		x	x		x
Nkosi, 2015	Local municipality, South Africa	x		x		x		x	
Elbanna, Andrews & Pollanen, 2016	Canadian government organisations	x		x					x
Mazouz, Rousseau & Hudon, 2016	Public administrations			x	x		x		

Source: Author.

The literature search demonstrates a striking imbalance, whereby it is apparent that the empirical studies mostly emphasise internal factors influencing strategy implementation. For instance, a study by Elbanna, Andrews and Pollanen (2016) has highlighted the involvement of leadership, particularly their commitment, knowledge, and priorities when implementing strategy in governmental organisations. They also mention that

the organisation's structure needs to formally plan the strategy in order to implement it. Similarly, Mbaka and Mugambi (2014) research suggests that a lack of support from leadership, along with a rigid leadership style of the departmental leaders and the redesign of its organisation structure are required to bring efficiency and effectiveness in strategy implementation in a local municipality (Nkosi, 2015). Communication is another factor that is deemed important to implement strategy in the government sector. Other than that, the delay of the public sector to keep in pace with technological infrastructure has become a major obstacle that greatly affects the implementation of strategy in public organisations (Mbaka & Mugambi, 2014). This implies that employees must be informed about the strategies and tasks that need to be performed.

While Table 1 shows that most studies include the internal factors, external factors are also important to consider in the public sector. For instance, few studies mention that the political and institutional constraint can hinder the public sector from achieving their goal (Iacovino, Barsanti & Cinquini, 2017; Ruberry, Grimshaw & Hebson, 2013). Nkosi (2015) argues that policy crafted by the government is vital for the local municipality to develop competencies for a strategy to be implemented. Same author further adds that financial resources are another factor that should be aligned with the strategy for it to be implemented. Preuss (2011) has also brought up issues such as policy-making and the level of available resources as crucial for delivering the country's strategy. Government policy, imposed on public organisations, is a source of a potential external political conflict which can lead to the inability of the public sector to implement their strategy (Danaee et al., 2011).

Several conclusions can be derived from the above-mentioned discussions about strategy implementation and its predictor variables, specifically in the context of public sector organisations. From the review of previous empirical studies, it can be concluded that the internal factors consisting of organisational structure, communication, leadership, organisational culture and technological infrastructure are among the most important variables to directly influence strategy implementation. Prior empirical studies also had little focus on external factors such as resources from budgetary system, and political and governmental regulation in connection with strategy implementation. Since these external factors have so far not been integrated thoroughly in a framework, it is then important to recognise these external factors as essential in influencing strategy implementation in the context of the public sector.

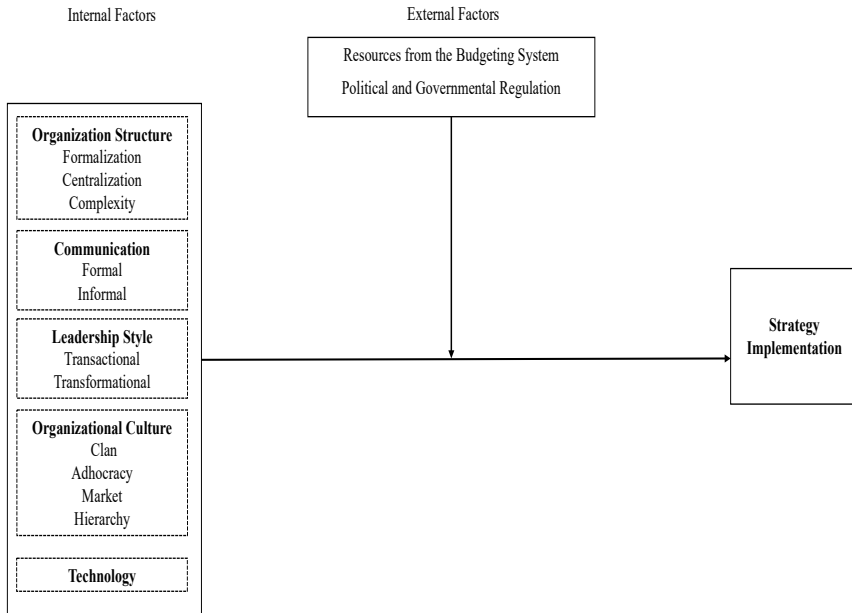
5. Third Research Question: How are the Internal and External Factors Related to Strategy Implementation?

The importance of strategy implementation in the public sector is recognised, whereas previous studies (Kanyua Bundi & Omwenga, 2016; Sial et al., 2011) have reported that the efforts to implement strategy in the public sector organisations were often futile. Furthermore, Bryson, Edwards and Van Slyke (2018) emphasised that strategy that is not implemented effectively in the public sector is hardly strategic. After delineating the factors that exert influence on strategy implementation, this section shifts to examining the interconnections between these internal and external factors and their impact on the implementation of strategic initiatives.

In the public sector, the influence of internal and external factors on the organisation is critical to consider for the organisational process to be successful (Boyne & Walker, 2010). This study contributes by taking a fresh perspective on factors influencing strategy implementation framework by focusing on the public sector, acknowledging the relevant dimensions and the relationship between the internal and external factors with strategy implementation. While the focus of the framework is more on identifying the internal factors, it is also important to note that the external factors play a role as a moderator to understand how they can impact the internal factors. This allows contingent factors and external environment to be included in a quantitative model to test them empirically.

To understand how the internal and external factors are related with strategy implementation in the public sector, a conceptual framework is illustrated in Figure 1. This study's approach to strategy implementation is advancing the model introduced by Ivančić, Jelenc and Mencer (2016) by adopting a contingency approach to consolidate the internal factors and external factors, while updating several assumptions concerning the implementation process in the public sector.

Figure 1: *Proposed conceptual framework*



Source: Author.

5.1. Internal Factors

Andrews and colleagues (2012) stated that in contingency theory, identifying the complementary influence of the internal factors enables an organisation to progress. In this paper, the internal factors are defined as the central procedures taking place within the organisation. Therefore, based on the review, a number of key internal factors such as organisation structure, communication, leadership style, and organisational culture are important in strategy implementation in the public sector. As these factors are multifaceted, it is also important to consider their dimensions based on public organisations that can create optimal conditions to facilitate strategy implementation.

Centralised, Formalised and Complex Organisation Structure. Organisation structure in strategy implementation involves clarity of duties, task responsibilities, and authorities of each function in the organisation (Omondi, Ombui & Mungatu, 2013; Zaei, Yarahmadzahi & Abtin, 2013).

Pearce and Robinson (2007) claim that strategy implementation involves team-working and supportive role of each level of hierarchy in the organisation structure. It also requires the coordination of activities and control of the members of the organisation (Ahmady, Mehrpour & Nikooravesh, 2016). Therefore, when there is poor coordination among the functions and divisions across the organisation (Ivančić, 2013) and when the assignments and responsibilities are vague, this can lead to improper coordination between employees and conflicted decisions and actions (Hrebiniak, 2006). Furthermore, conflicted and misaligned organisation structures are found to be the cause of failure to implement the strategy (Mbaka & Mugambi, 2014).

In the area of strategy implementation, understanding the dimensions of an organisation structure may enhance the process through fast decision making (Atieno & Juma, 2015) and clear instructions, manuals, and organisational regulations (Janičijević, 2013). Research in the public sector has been using centralisation, formalisation and complexity to understand the correlation between organisational structure, organisational process and outcome (Andrews et al., 2009). Including these dimensions may enable an organisation to have an accurate, clear, and whole agreement in managing the organisation process and outcome ((Weber, 1968). Hence, understanding these three aspects can provide an appropriate organisational structure for the public sector's strategy implementation.

Formal and Informal Communication. Communication serves as a tool for explaining new responsibilities, duties, and tasks of the employees in delivering the strategic vision and themes (Mbaka & Mugambi, 2014). Past studies have proven that communication positively influences the implementation of strategy, especially when the communication is persistent and consistent for the employees to interpret and adopt strategies (Aaltonen & Ikävalko, 2002; Narayanan & Fahey, 2013). Other than that, it enables one to convey decision and facilitate the ordination for decision making to guarantee successful implementation (Huebner, Varey & Wood, 2008). In contrast, communication failure can negatively affect the organisation, which can lead to failure to implement the strategy (Jiang & Carpenter, 2013; Sterling, 2003).

In the public sector context, formal communication such as e-mails, newsletters, and staff meetings are mainly used within the organisation (McEvily, Soda & Tortorillo, 2014) as the communication system is part of the rules of government regulation (Widhiastuti, 2012). However, it was argued that informal communication that is practiced during meet-

ings, conversations, or any other avenues can produce a richer and more interactive discussion (Kraut et al., 1990), which helps convey massive information quickly generally in any organisation (Iosim et al., 2010). As a result, it positively affects the overall working environment and capacity by increasing the public sector productivity and performance (Saleem & Perveen, 2017). In the public sector, formal communication is the predominant type of communication, but the advantages of informal communication in facilitating interaction are justified. Therefore, it is important for the role of both formal and informal communication to be recognised during strategy implementation in the public sector.

Transformational and Transactional Leadership Styles. The responsibility of a leadership in implementing the strategy is emphasised by Marx (2015) and has been empirically proven in many studies (Brenes, Mena & Molina, 2008; Chemwei, Leboo & Koech, 2014; Crittenden & Crittenden, 2008; Latif et al., 2012; Maizura et al., 2016; Messah & Mucai, 2009; Rajasekar, 2014). This is evident since leadership in strategy implementation plays a role in imparting knowledge, motivation, and guidance to individuals and teams (Mapetere et al., 2012). Furthermore, leadership inspires, communicates, empowers and gives reward through people-oriented process when implementing the strategy (Thompson et al., 2011).

Even though previous studies prove that strategy implementation is dependent on leadership, the broad scope of leadership study has resulted in a fragmented approach when explaining leadership in an organisational context (Chapman et al., 2016). Lewin, Lippit and White (1939) identify autocratic, democratic, and *laissez-faire* leadership styles. Others have identified situational leadership (Hersey & Blanchard, 1991), directive, supportive, participative and achievement-oriented leadership styles (House & Mitchell, 1974). However, Parry and Bryman (2006) argue that leadership study was predominately focused on transactional and transformational leadership in the past years. According to Andrews and colleagues (2012), enhancing public sector organisations through appropriate leadership is crucial. Therefore, Orazi, Turrini and Valotti (2013) provide an in-depth analysis of the leadership in the public sector by highlighting the importance of integrating transformational and transactional leadership styles in ensuring the desired outcomes, recognising accomplishments, performance, and increasing motivation in the public sector. In addition, these two styles are seen to have a positive effect on public sector outcome (Barth-Farkas & Vera, 2014; Wright & Pandey, 2010; Zeb et al., 2015). Consequently, the outcome of these two leadership styles

should not be ignored, especially in strategy implementation in the public sector.

Appropriate Organisational Culture. From the perspective of organisational strategy, organisational culture can be a driver for an organisation to reach the direction of the desirable strategic development (Lapina, Kairisa & Aramina, 2015). It acts as the employees' values, beliefs, and behaviors for them to achieve organisation goals (House et al., 2004) that will directly enhance their intrinsic motivation to work towards the achievement of the organisation's strategy (Alamsjah, 2011). For this reason, having an appropriate organisational culture is observed in many studies to have a positive influence on strategy implementation (Chemwei, Leb-oo & Koech, 2014; Crittenden & Crittenden, 2008; Heide, Grønhaug & Johannessen, 2002; Koseoglu, Barca & Karayormuk, 2009; Rajasekar, 2014). Thus, Kalali and colleagues (2011) find that organisational culture that is not acceptable to the strategy can be a major hindrance to the strategy being implemented in the public sector.

Nevertheless, organisational culture has a fragmented perspective that reflects an organisation. For instance, it can be bureaucratic, innovative and supportive culture (Wallach, 1983). Furthermore, Daft (2005) categorizes culture as adaptability, bureaucratic, achievement, and clan culture. In the public sector, adopting an organisational culture that reflects flexibility and entrepreneurialism can lead to managerial reform (Parker & Bradley, 2000), while innovative and result-oriented culture has proved its significance in implementing and embedding management initiatives (Harrison & Baird, 2015). Despite the various organisational cultures identified by researchers, Yozgat and Şahin (2013) argue that the organisational culture that reflects one management behavior might not suit another organisation. Although the public sector has largely been related to hierarchy culture that emphasises rules, procedures, and stability (Parker & Bradley, 2000), it was found that a clan culture has a more positive outcome in the public sector (Panagiotis, Alexandros & George, 2014). Other than that, it was argued that in order for the public sector to become more efficient, the organisational culture should be moving towards entrepreneurial (Quinn & Courtney, 2016). In order to consolidate the different types of culture, Fisher and Wilmoth (2017) suggest four main types of organisational culture that consist of clan, adhocracy, market and hierarchy dimensions in order to evaluate the effect of organisational culture on an organisation's outcomes. Therefore, these cultural dimensions appear to be quite relevant to the public sector and could possibly offer a distinct advantage in strategy implementation.

Technology Infrastructure. Duncan (1995) describes technology as tangible resources in the form of platform technologies and telecommunications. Bueno and Salmeron (2008) argue that technology includes dimensions such as communication, cooperation, management support, and training. Regardless, technology infrastructure was found to be crucial to the whole operation and activities side of the public sector (Boynton, Zmud & Jacobs, 1994). Much of the current literature has suggested that technology plays a role as a moderator in an organisation by strengthening the firm's performance (Chakravarty et al., 2013; Kmiecik, Michna & Meczynska, 2012), service performance (De Burca, Fynes & Brannick, 2006) and enhancement of dynamic capabilities (Sher & Lee, 2004). In a more recent study, it has been shown that the use of technology such as cloud deployments improves information management, flexibility of work practices but also, at the same time poses risks such as loss of control and lack of data ownership to the organisations (Jones et al., 2019). Public agencies that have been moving towards "smart government" and "digital government" by utilising websites, open data, social media, government analytics, big data, artificial intelligence, and emerging technologies like blockchain and the Internet of Things, emphasize the need for organisational and policy changes alongside technological advancements (Criado & Gil-Garcia, 2019). Even in the area of strategy implementation, technology infrastructure has helped the role of leadership to implement it (Palladan, Abdul Kadir & Chong, 2016) and befitting the employees in delivering the organisation objectives (Ponchirolli, 2007). In the public sector, technology infrastructure is seen as a tool for public sector employees to execute organisational strategies. In the organisational context, the availability of technology is perceived to expedite strategic activities, streamlining government processes and enhancing the delivery of public services. Additionally, alignment between employee behavior and the availability of technology is deemed essential, considering technology as a facilitator that requires a proper understanding and perception of the system in strategy implementation in the public sector (Amin, 2023). Therefore, a practical approach would be to acknowledge technology infrastructure as an important internal factor that influences strategy implementation.

5.2. External Factors

According to Milliken (1987), the complex and dynamic dimensions of the external environment are the most significant determinants of uncertainty. Hence, it is important for an organisation to be designed so that

it can sustain its stability and predictability despite undergoing different levels of uncertainty (Weick, 2004). In this paper, external factors are defined as the uncertainty factors outside the organisation in which the public sector has barely any control over. The literature suggests three external factors in the context of the public sector: resources from the budgeting system, political context and governmental regulation due to their distinct and unique significance when it comes to implementing strategy in the public sector. In addition, they are treated as moderator to extend the concept from Ivančić, Jelenc and Mencer (2016) that recognises external factors as moderators. Furthermore, treating them as moderators follows the very essence of contingency theory that usually use moderator variables to explain how the external factors impact the internal factors during the strategy implementation process.

Political and governmental regulation. The political condition in the public sector significantly shapes the operation of constitutional systems, influencing power dynamics and goal achievement. Bozeman (2004) asserts that all organisations, including public agencies are subjected to external political influences. Political condition impacts not only the short-term focus on bureaucrats, but also the decision-making process and control of internal and external affairs within the public sector (Moynihan & Pandey, 2005). Furthermore, political condition in the public sector is made up of a complex web of actors in authority networks. Therefore, the emergence of new actors or initiatives in the authority have an effect and pose a challenge to the agreed policies and priorities, suggesting contradictory goals and the need to balance contradictory social interests by different public actors.

Political condition is also closely intertwined with governmental regulation (Osborne & Brown, 2005). The jurisdiction of local government agencies is subject to control by external powers through laws, regulations, executive orders, administrative rules, or judicial decisions. This dependence on administrative decisions and external control makes public sector activities susceptible to political constraints and short-term policy focus, limiting their effectiveness and ability to pursue long-term strategies (Reddick, 2012; Höglund et al., 2018).

In connection to strategy implementation in the public sector, political and governmental regulations have been tested as a moderator as they play a crucial role through laws and legislation (Li et al., 2017). According to the study, governmental regulation can supervise the behavior of the organisation to participate in organisational activities (ibid). Moreover,

it has a role in allowing or preventing the structure of the organisation from achieving long-term goals to ensure the success of the public sector (Moynihan & Pandey, 2005; Rainey & Steinbauer, 1999).

From the discussion above, it is apparent that the public sector is influenced by external political forces and governmental regulation, since these can shape organisational operations, impact the decision-making process and exercise control of internal and external affairs, making them crucial moderators in strategy implementation.

Resources from budgeting system. Effective resource allocation is paramount for organisational success, encompassing both tangible elements like equipment and finances, and intangible aspects such as time and human resources (Fernandez & Rainey, 2006). In the public sector, budgetary resources provided by the central government serve as foundational means for acquiring resources and enabling administrative and technical capacities in organisations (Fry, Stoner & Hattwick, 2004; Fernandez & Rainey, 2006). In addition, the use of resources to provide public services in the public sector is dependent on the higher level of government such as the politicians (Boe & Kvalvik, 2015) whose political behavior in the public sector can create inefficiency in distributing budget (Yılmaz, Özer & Günlük, 2014). Despite these challenges, linking budget resources to strategic goals is vital for realising intentions and funding project delivery (Poister & Streib, 2005; Preuss, 2011). Regardless, the public sector needs to link the resources in the budget precisely to the achievement of the strategy to realise its strategic intentions, hence maximising its effectiveness (Poister & Streib, 2005).

In the context of strategy implementation, appropriate allocation becomes crucial, as inadequacies can impede the full execution of strategic plans, hindering organisational progress significantly (Barnat, 2014). Resources from the budgeting system also enable an organisation to carry out the organisation structure such as the responsibility and duties, and the organisational culture such as working procedures used to implement the approved programs (Pedraza, 2015). Moreover, allocating resources can be used to establish specific goals of the internal factors for strategy implementation (Stukalina, 2016). Ultimately, budgeting constraints force the public sector to find ways of doing their work without adequate financial support (Arnold & Loughlin, 2013).

In light of these considerations, resources from the budgeting system are identified as an external factor as the amount of funds received by a public sector agency is dependent upon the degree of political, administra-

tive and economic uncertainty. Therefore, it becomes an imperative to investigate how internal factors align with and adapt to the limitations of resources from the budgeting system during strategy implementation.

6. Conclusion

It is important for the framework of strategy implementation to be built based on its environment. Largely because the operation of an organisation is influenced by its own context (Olivier & Schwella, 2018). The findings of this paper can add to the existing literature on strategy implementation in the public sector by introducing several contributions. As contingency theory is based on the fit of various contingency variables, this study fills in the gap by describing a range of internal and external factors that influence strategy implementation in the context of the public sector. Several dimensions of the internal factors were also introduced as a part of viewing the internal factors as simpler components in the context of the public sector. In addition, the conceptual framework recognizes that the public sector operates in a less stable environment during strategy implementation. Hence, the conceptual framework shows that the internal factors necessary for the public sector to implement strategy can be moderated by its external factors during strategy implementation. By connecting both the internal and external factors as an interrelated factor, organisations can learn how to become more effective and respond to changes imposed by the external factors.

This article provides important insights into the internal and external factors that influence strategy implementation in the public sector. The evidence presented enables strategy implementers in the public sector to understand factors that are relevant to implement a strategy in the public sector. There are two pieces of evidence for practices derived from this article. Firstly, public managers should focus on cultivating appropriate internal factors for strategy implementation. This research suggests that both transformational and transactional leadership styles are important levers for strategy implementation in the public sector. Secondly, public managers can use knowledge of strategy implementation to reduce the impact of external factors by enhancing their internal factors. Political and governmental regulation can influence the culture in the public sector to be more adhocracy and market oriented.

While the constructs in the proposed framework might not be unique, it is felt that their applicability, the potency and the relationships among

the constructs might vary in the public sector. As with any framework, the proposed conceptual framework may have limited applicability as it only refers to public sector organisations. Furthermore, this study has investigated a limited subset from a large group of internal and external factors of strategy implementation and since public management is an extensive field, this study may be affected by other exogenous factors such as competitors, users' literacy, available social capital, collective trust in public institutions, a well or poor developed community, etc. This warrants future research attention to how other factors can be incorporated and considered in a conceptual framework of strategy implementation in the public sector. However, the strong point of the proposed framework is the holistic approach which unites various factors of strategy implementation in the public sector. Future work may extend the framework into hypotheses to give it an empirical assessment.

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A REVIEW OF FACTORS INFLUENCING STRATEGY IMPLEMENTATION IN THE PUBLIC SECTOR: A CONCEPTUAL FRAMEWORK

Summary

The aim of this paper is to propose a framework of strategy implementation that could be more relevant to the circumstances prevailing in the public sector. This paper used systematic review method to assess previous literature on factors influencing strategy implementation that have more relevance on public sector and then proceeds to propose a framework of strategy implementation for public sector. Based on the available evidence, a framework of internal and external factors of strategy implementation is developed. The framework includes a recommendation from the gaps addressed beforehand: 1. To link strategy implementation based on public sector concept with internal factors such as centralised, formalised and complexity structure, transformational and transactional leadership, formal and informal communication, and appropriate organisational culture, and 2. To consider the impact of external factors such as political and governmental regulation, resources from the budgeting system and technology infrastructure on the internal factors as moderators. An implication of this is the possibility that both managers and policy implementers in the public sector understand factors that are relevant when implementing a strategy in the public sector. There have been studies on the application of contingency approach in the area of strategy formulation in the public sector, but not in the strategy implementation. Thus, this study is considered as one of the few studies that identify factors that influence strategy implementation based on the requirement of public sector.

Keywords: strategy implementation, public sector, contingency theory, strategic management

PREGLED ČIMBENIKA KOJI UTJEČU NA PROVEDBU STRATEGIJA U JAVNOM SEKTORU: KONCEPTUALNI OKVIR

Sažetak

Cilj ovog rada jest predložiti okvir za provedbu (implementaciju) strategija koji bi bio prikladniji okolnostima koje prevladavaju u javnom sektoru. Dok postoje studije koje primjenjuju kontingencijski pristup na formulaciju strategija u javnom sektoru, onih koje se bave primjenom kontingencijskih teorija na njihovu provedbu baš i nema. S obzirom na to, rad predstavlja jednu od rijetkih studija koje se bave identifikacijom čimbenika koji uvjetuju implementaciju strateških dokumenata u javnom sektoru te time odgovara na uočene potrebe. U radu se koristi metoda sustavnog pregleda postojeće literature kako bi se adekvatno vrednovali čimbenici koji utječu na provedbu strategija u javnom sektoru te, na temelju toga, predložilo novi konceptualni okvir za njihovu implementaciju. Okvir je razvijen na temelju dostupnih dokaza, a sadržava unutarnje i vanjske čimbenike utjecaja na provedbu strategija. U njega su također uključene i preporuke koje adresiraju nedostatke uočene u pregledu dostupne literature. Prvo, potrebno je provedbu strategije povezati s unutarnjim organizacijskim čimbenicima poput centralizirane, formalizirane i kompleksne organizacijske strukture transformacijskim i transakcijskim vodstvom, formalnom i neformalnom komunikacijom te prikladnom organizacijskom kulturom. Drugo, potrebno je uzeti u obzir utjecaj vanjskih čimbenika kao moderirajućih varijabli (kao što su politički i regulacijski okvir, proračunski resursi, tehnološka infrastruktura) na unutarnje čimbenike. Korištenjem ovog okvira omogućava se da menadžeri i osobe koje implementiraju određenu javnu politiku razumiju čimbenike koji su relevantni pri provedbi pojedinih strategija u javnom sektoru.

Ključne riječi: provedba strategije, javni sektor, teorija kontingencije, strateško upravljanje