World Engineering & Applied Sciences Journal 5 (3): 92-100, 2014
ISSN 2079-2204

DOI: 10.5829/idosi.weasj.2014.5.3.1126

Organizational Culture and Organizational Conflict: Combined Effect on Effectiveness of Marketing Strategy

O.P. Okonkwo Adonai, C.C. Orga and E. Onuoha Charity

Department of Business Administration Enugu State University of Science and Technology, Nigeria

Abstract: Marketing strategy- research can be classified into content and process, with the former dealing with the specifics of a chosen or intended strategy: and the latter with factors that influence strategy formulation and implementation. Process issues have been under researched in the marketing strategy literature. Two key process variables that have been posited to affect market planning and performance are organizational culture and organizational conflict.Although anecdotal evidence exists regarding the combined influence of organizational culture and conflict on marketing strategy planning and implementation, these two constructs have not been researched in a single comprehensive model of marketing strategy effectiveness. This paper focuses on the combined effects that two organizational factors, culture and conflict, have on the effectiveness of marketing strategy formulation and implementation processes. Cooperation mediates the effect of organizational conflict on the implementation process. This research develops and tests a comprehensive theoretical model of marketing strategy effectiveness. The results will help managers develop specific kinds of cultures that could either discourage conflict and/or encourage cooperation, which would ultimately have an impact on the effectiveness of marketing strategy planning and implementation.

Key words: Marketing Strategy · Implementation · Market Planning and Organizational Culture

INTRODUCTION

Prior to the early 1960's, the main practitioners of strategic thinking were army generals. General Carl von Clausewitz wrote in 1830 what is still considered to be "the book" on war and dedicated over 60 percent of it to strategy. Since the late 1960s, strategic thinking has been one of the most important elements in the arsenals of most large American industrial businesses, with some practicing more than others. Now, nearly 30 years later, understanding why some strategies succeed and why others fail is the central theme in marketing and management strategy research. Many researchers have attempted to identify several key variables that affect performance. It was felt that organizational variables explained *twice* as much variance in profit as traditional industry structure variables. Nevertheless, research on the organizational context of market planning and performance has been sparse [1, 2 and 3].

The extant literature in marketing strategy has extensively investigated *content* issues such as sources of competitive advantage timing of market entry and resource allocation [4, 5, 6 and 7]. Unfortunately, research into process issues such as factors affecting".lie development and implementation of marketing strategy are less established. Two key process variables that have been posited to affect market planning and performance are *organizational culture* and *organizational conflict* [8, 9, 10 and 11].

Despite the centrality of organizational culture to marketing strategy issues, there has been relatively little scholarly study of its impact in a marketing context. It was suggested that greater attention be paid to organizational culture along with structural explanations for managerial effectiveness. Additionally, the development of a customer orientation within organizations is raising questions related specifically to organizational culture [12]. It was found that the underlying organizational culture is an important determinant of business performance.

However, there are very few studies that have empirically investigated the effect of organizational culture on the effectiveness of a marketing strategy. As the external environment is becoming more and more

Corresponding Author: O.P. Okonkwo Adonai, Department of Business Administration, Enugu State University of Science and Technology, Nigeria.

turbulent, managers are beginning to develop specific cultures that would lead to effective formulation and implementation of marketing strategies and thereby achieve better business performance. Therefore, understanding what kinds of cultures positively affects both planning and implementation of marketing strategies is critical to marketing strategy theory.

In a study sponsored by the American Management Association, found that managers "have a lively; growing interest in learning more about both the prevention and management of conflict the study concluded that chief executive officers, vice presidents and middle managers devoted approximately 26 percent of their time to managing conflict, which they rated as equal to or slightly higher in importance to other managerial activities. In fact top managers would like to generate consensus in terms of strategic planning and implementation rather than manage conflict in organizations. However, it is increasingly becoming accepted in the corporate and academic word that while conflict "on the one hand improves decision quality: on the other, it may weaken the ability of the group to work together empirically investigated the effect of conflict on the effectiveness of marketing strategy planning and implementation.

The combined effect of organizational culture and conflict on the effectiveness of marketing strategy planning and implementation has not been researched. Surprisingly, only anecdotal evidence exists regarding the combined influence of organizational culture and conflict on marketing strategy planning and implementation. No empirical investigation of the combined effect of the influence of organizational culture and conflict on the effectiveness of marketing strategy has been documented in the extant literature.

Review of the Related Literature: The literature on the process of marketing strategy formulation and implementation, [13] suggests that organizational culture can significantly affect organizational effectiveness. For example, it was found that organizations with more emphasis on the market culture achieve superior business performances. *Given that culture affects behavior in an organization, it is hypothesized to have cm effect on conflictual behavior and cooperation.*

Another segment of the literature on the process of marketing strategy formulation and implementation [14] suggests that conflict and cooperation can significantly affect organizational effectiveness. For example, [15] found that while a firm's strategic orientation affects the level of organizational conflict, conflict resolution mechanisms can significantly improve interdepartmental relationships and strategy implementation efforts. It was found that while dysfunctional conflict and deleterious consequences for the effectiveness of the strategy process and organizational performance, functional conflict improved both the effectiveness of the strategy process and organizational performance. Finally, it was found that cooperation in the strategy implementation process leads to effective and successful accomplishment of the tasks and thereby, achieves superior organizational performance.

However, given that the joint implications of organizational culture and conflict have not been investigated within the same context, there is a need to integrate and test them to gain a better understanding of their joint: effect on marketing strategy and firm performance. Against this backdrop, this study is the first in the literature to integrate the key aspects of organizational culture and conflict and to examine their effects on perceived outcomes of the strategies and organizational performance [16].

In general, the model suggests that the four dimensions of organizational culture (clan, adhocracy, market and hierarchical) are expected to directly influence the two dimensions of organizational conflict (cognitive and affective) and cooperation and indirectly the seven dimensions of marketing strategy planning implementation. Organizational conflict and cooperation are expected to directly influence the s dimensions of strategy planning and implementation respectively. Perceived outcomes of the strategy are expected to be influenced by the seven dimensions of marketing strategy planning and implementation. An elaboration of the theoretical rationale for these inter-relationships follows [17].

Organizational Culture: The field of organizational behavior offers a considerable and rich theoretical literature on organize culture. It was reviewed that more than 100 studies in organizational behavior, sociology and anthropology and defined organizational culture as "the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with the norms for behaviour organization reviewed five alternative theoretical paradigms for studying culture, each with unique marketing research implications. One such paradigm organizational cognition, has been developed relatively more than the others in terms of formal conceptual framework, specification of variables and operationalization of measures and is therefore the one used in this study. This perspective on organizational culture focuses on managerial information processing and views organizations as knowledge systems. The applicability of such a perspective to understanding culture and specifically its relationship to marketing strategy is discussed, proposed what is labeled a "competing values" model of organizational effectiveness. Quinn's well accepted description of organizational culture is chosen to guide this study, both because of its theoretical soundness in integrating cultures to other organizational components and its operationalization through a psychometrically sound instrument *The argument of organizational culture (as an attitudinal construct) having an impact on conflict and cooperation (behavioral constructs) is grounded in Cognitive theory and institutional theory.*

Two key dimensions define the four cultural aspects. These key dimensions represent a merging of two major theoretical traditions from the organizational behaviour literature, the systems-structural perspective and the transaction cost perspective. Due to the merging of these two streams, the weaknesses of each are compensated for by the strengths of the other. The four resulting culture aspects are labeled clan, adhocracy, market and hierarchy. A brief description of each is given below:

Clan Culture: Clan culture aspects are those organizational cultures that place primary emphasis upon human resources. These organizations have a family atmosphere and utilize regular personnel assessment to determine the morale of their members. Teamwork and cohesion are central values. Clan type firms empower their employees and practice a participative management style. Loyalty and tradition hold the organization together.

Adhocracy Culture: Adhocracy culture aspects are dynamic and entrepreneurial. These organizations scan the external environment regularly for opportunities to grow and innovate. The firm is creative and flexible and is often structurally decentralized. These firms are amenable to risks taken to achieve expansion through resource acquisition. The organization is held together through the group commitment to innovation and development.

Market Culture: Market culture aspects are driven organizations. These firms focus upon productivity and goal achievement. Their managerial emphasis is upon competitive action, efficiency and profitability. Goal clarity and direction outweigh relationships and conformity. The glue holding the group together is the task and its accomplishment. Transactions are governed by market mechanisms.

Hierarchical Culture: Hierarchical culture aspects place primary- emphasis upon order and control. These firms are often centralized in structure and strive for predictability through routinization and formalization. They place high importance upon permanence and stability. They tend to have extensive rule sets designed to encourage continuity and group cooperation. It is important to note that these culture aspects are modal or dominant ones rather than mutually exclusive ones. By implication, most firms can and do have elements of several aspects of cultures, perhaps between product groups even within the same strategic business unit (SBU). However, over time, one aspect of culture emerges as the dominant one.

Organisational Conflict: Conflict is certainly one of the major organizational phenomena. It has been observed that, no current investigation of how organizations operate is complete without an understanding of the significance of conflict and the techniques of its management. Robbins presented three philosophies of organizational conflict. The philosophy of conflict of the classicists was based on the assumption that conflict was detrimental to an organization and as such, must be reduced or eliminated. This stage was followed by the behavioralists' philosophy, which can best be described as the recognition that conflict is inevitable in organizations. They accept the presence of conflict and even occasionally advocate the enhancement of conflict for increasing organizational effectiveness. The philosophy of the interaction lists is the third philosophy, which is characterized by the recognition of the absolute necessity of conflict and the explicit encouragement of opposition.

In structural terms, organizational conflict is acknowledged as important *by* most theorists [17] in marketing, much of the work with conflict began in the late 1 960's. addressed by [2]. However, it is not yet well understood. While organizational conflict appears to be important for high-quality decisions, it also appears to be an impediment to cooperation [7]. Therefore, much of the management and marketing literatures can be divided into two perspectives of conflict. In one tradition, in which social integration and stability are emphasized, conflict is seen as disruptive, dangerous and indicative of underlying social pathologies. This tradition has been influential in American management circles and many

American managers regard conflict as a problem to be defused or suppressed as quickly as possible. Conflict management strategies from this perspective focus particularly on conflict resolution [8]. In another important tradition, in which social diversity and development are emphasized conflict is seen as energizing, creative and evidence of social dynamism. In this tradition, confect management strategies emphasize differentiation and conflict stimulation.

It is now recognized that conflict within certain limits is essential to productivity. Research has shown conflict to be multidimensional. Conflict can be *cognitive* (functional) to the extent to which it results in the creative solution to problems that otherwise would not have been possible. Little or no conflict in the organizations may lead to stagnation, poor decisions and ineffectiveness. On the other hand, organizational conflict left uncontrolled may have *affective* (dysfunctional) outcomes. Therefore the central theme is that too little manifestation of conflict is stagnancy, but uncontrolled conflict threatens chaos.

Cognitive Conflict: When conflict is functional, it is generally task oriented and focused on judgmental differences about how best to achieve common objectives [11]. This type of conflict is called cognitive c*onflict* [14]. Cognitive conflict is inevitable in the decision making process because different positions see different environments. This perceptual diversity leads to conflict over how best to develop strategies. Cognitive conflict contributes to the strategy planning process because the synthesis that emerges from the contesting of the diverse perspectives is generally superior to individual perspectives themselves. It was found that cognitive conflict encouraged thorough evaluation of an alternative's underlying assumptions. Cognitive conflict also enhances cooperation. As team members debate their perspectives, they exercise voice in the decision process. Therefore, it is further proposed that conflict during the marketing strategy process will increase the effectiveness of marketing strategy formulation and implementation. Affective Conflict

When conflict is dysfunctional, it tends to be emotional and focuses on personal incompatibilities [13]. This type of conflict is called *affective conflict* Affective conflict seems to emerge in teams then cognitive disagreement is perceived as personal criticism and has the potential to more into a full-scale emotional conflict. For instance, it is likely that the criticism and debate necessary for cognitive conflict could be interpreted as political gamesmanship, where one team member tries to gain influence at the expense of another [11]. The resulting incredulity would trigger personal, affective conflict fostering cynicism, avoidance, or counter effort that could undermine the strategy planning process. Since the above factors can lower cooperation and coordination of marketing strategy activities effectively, they also lower the effectiveness of marketing strategy planning and implementation.

Co-Operation: As important as they are, high-quality strategies mean little if they cannot be implemented and successful implementation requires an atmosphere of cooperation within the organization [3] Child stated that "the implementation of strategies developed depends upon securing the cooperation of all the team members. [6], believe cooperation to be a major variable of interest in marketing and distinct from conflict. The importance of cooperation is supported by the findings of [9], who found strong evidence that cooperation among the team members results in superior implementation of strategies and thereby superior performance by firms. This active cooperation is important because strategic decisions are rarely articulated in full detail. To effectively usher a decision through the complex web of operational details of implementation, team members must cooperate with each other. Therefore, it is proposed that high levels of cooperation will enhance the overall effectiveness will process of strategic implementation.

Cooperation is also important because it reduces the likelihood that a particular strategy will become the target of cynicism or counter effort. In other words, cooperation will mediate the effect of cognitive and affective conflict on the implementation process. Therefore, following, it is proposed that cognitive and will positively affect the cooperation among the implementation team members, while affective conflict will negatively affect the cooperation among the implementation team members.

Strategy Formulation: The fields of management and marketing have been traditionally dominated by an emphasis on normative models of strategy formulation. These models describe the strategy formulation process as involving activities such as establishing goals, monitoring the environment, assessing internal capabilities, searching for and evaluating alternative course of actions and developing an integrated plan to achieve goals.

On the other hand, the process based approach decries the normative approach because the organizational decision maker is not a completely rational and calculating being; rather he or she develops strategies through messy, disorderly and disjointed processes around which competing factions contend. Strategic alternatives and their associated consequences are rarely known with clarity and choices, when made, are often of a satisfying nature - reflecting the discovery and selection of a satisfactory, rather than an optimal alternative [9] suggest that the "strategy development process is dynamic, operating in an open system where it is subjected to interferences, feedback loops, dead ends and other factors. Combining these two approaches, strategy formulation has been shown to affect organizational performance. [9], identified three elements of strategy formulation: Comprehensiveness, Situation Audit and Emphasis on Competitive Advantage(s).

Comprehensiveness and Situation Audit: These factors are focal issues of the normative models" school of strategy formulation. This school accentuates the idea of a rational approach to strategy formulation. These models involve the activities of establishing goals, explicitly analyzing the organizational strengths and weaknesses, considering the environmental threats and opportunities, searching for and evaluating alternative actions and plans and developing an integrated plan to achieve the goals. Documentation of the selected plan is also important and is a reflection of the organizational and personnel commitment to the formulation process. High levels of each of these two dimensions will lead to a successful strategy performance and organizational and managerial learning.

Emphasis on Competitive Advantage(s): This is a product of the resource-based theory of competitive advantage [1]. This theory holds that a competitive advantage must be sustained and must be difficult to be imitated or acquired by competitors. Further, firms are expected to develop competencies and emphasize them in die strategy making process. The emerging perspective on organizational effectiveness (e.g., Bourgeois and Eisenhardt 1988) suggests that high organizational performance also requires the simultaneous mastery of seemingly contradictory or paradoxical organizational skills. Thus, if a firm has two competitive advantages, which are seemingly paradoxical, it would *be difficult to imitate and hence would lead to high organizational performance. More emphasis on the core competencies and* capabilities of an organization would lead to high strategy performance. Formulating any business strategy requires the close coordination of the above mentioned activities across *many functional departments and work units within the* SBU, The process through which the managers explicitly recognize and perform these activities is critical for the effectiveness *of a strategy.*

Strategy Implementation: Several scholars have attempted to relate a great variety of organizational variables to the successful implementation of one or more strategies [4]. Some reflect the structure of the overall corporation, some reflect the structure, processes, or programs within separate functional or work units and some involve the characteristics of individual employees and their roles within the business. Implementing any business strategy requires the performance and coordination of a variety of tasks and activities across many functional departments and work units within the SBU. Good implementation has been directly linked to performance of a business unit [2]. [6], identified four factors of strategy implementation: Team Integration, Communication Quality, Resource Commitment and Consensus Commitment.

Team Integration: It is important to have a well-integrated team, because this would have a positive influence on the process of strategy implementation. A smoothly coordinated and well organized team is a key descriptor for integration high levels of interdependence among team members lead to higher levels of mutual understanding and support among the members [5]. The better the integration of the team, the better would be the implementation effort and therefore the outcome of the strategy.

Communication Quality: Full and complete communication of the strategy that is generated in the formulation process is necessary for good implementation of strategies and hence good performance of the business unit. Communication could be formal as well as informal. Continuous interaction among the key players is necessary to disseminate the information about the strategy. Barriers to communication decrease the amount and quality of communication and information exchange within the implementation team. Organizations that have systems that facilitate open and extensive communications among team members tend to show superior performance [2].

Resource Commitment: The role of resource commitment to organizational performance and successful implementation of strategies has been extensively discussed in the management literature [3]. Resources are described in terms of personnel as well as material (capital) resources. Any lack of resource commitment would seriously reduce the quality of the implementation of the strategy [17]. Resource commitment, in the form of personnel commitment, directly and favorably impacts the implementation of the strategy and thereto its outcome.

Consensus Commitment: Consensus commitment is the mental commitment of the team members to participate and share ideas and responsibilities of the task. The role of consensus commitment has also been extensively dealt with in extant research [9]. Many have argued that processes promoting consensus among team members are more likely to enhance organizational performance than processes that do not promote consensus [10] provided evidence that strong consensus commitment among members of the implementing team is of paramount importance to the organization. Although a high quality strategy could have been formulated, the functional managers could resist implementation of the plan due to their perceive self-interest. Hence, it is important to generate a mental (consensus) commitment in the implementation team, which would directly lead to a high level of performance. We now shift our focus to the key outcomes (or consequences) of the effectiveness of marketing strategy formulation and implementation.

Outcomes: There is extensive literature that links organizational culture, strategic planning and implementation to performance outcomes [14]. Traditionally, only financial outcomes that dealt with market share, market performance, market growth and profitability were studied. However, recently, other kinds of perceptual outcomes (learning) are also becoming popular.

Learning: It is asserted that one of the three shortcomings of extant research is the exclusive preoccupation with the financial payoffs from planning. They conclude that it is logical and necessary to expand the conceptualization of planning effectiveness to include *'process benefits.'* Hence, managerial or organizational learning is an important process benefit through which managers can consistently evaluate the quality of their strategic decisions.

Perceived Success: The perceived success of the strategy, in this study, refers to the perceived outcomes of strategies in term tangible, market based effectiveness such as increased market share, sales and profits. Given that the goal of marketing strategies to effectively and efficiently allocate and coordinate resources to achieve strategic objectives, such as superior market performance, we believe that higher quality marketing strategies will be related to higher level of market performance.

Summary of Literature: This study presented the development of a conceptual model of the combined role of organizational culture and conflict on the effectiveness of marketing strategy planning and implementation in organizations. The mediating role of cooperation is also discussed in detail. The model is developed based on the literature from several disciplines. Organizational culture and conflict are very important determinants of effectiveness of marketing strategies. Organizational culture is the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with the norms for behavior in the organization. There are four predominant aspects of cultures in an organization: Clan, Adhocracy, Market and Hierarchical. These culture aspects are dominant ones rather than mutually exclusive ones. By implication, firms can and do have elements of several aspects of cultures.

One of the important behavioral constructs in an organization is organizational conflict. A *conflict* exists whenever *incompatible* activities occur. There are two types of conflict: cognitive and affective. Cognitive conflict contributes to the strategy development process because the synthesis that emerges from the contesting of the diverse perspectives is generally superior to the individual perspectives themselves.

Affective conflict seems to emerge in teams when cognitive disagreement is perceived as personal criticism, which may further foster cynicism, avoidance, or counter effort that might undermine the strategy development process. Active cooperation among the team members is very important and this enhances the effective implementation of the strategy. Therefore, cooperation will mediate the effect of conflict on the implementation process. Organizational culture, conflict and cooperation affect the effectiveness of the planning and implementation of marketing strategies and hence their outcomes. Strategy planning has three dimensions: situation audit, comprehensiveness and emphasis on strengths. Strategy implementation has four dimensions: team integration, communication quality, resources commitment and consensus commitment. Strategy performance outcomes comprise perceived successes in terms of financial outcomes (market share, return on investments) as well as process outcomes (managerial and organizational learning).

DISCUSSION

This study has attempted to accomplish two tasks. The first task was to initiate the development of a comprehensive framework of the process of marketing strategy planning and implementation that would reflect the changing boundaries, structures and capabilities of organizations. Within this framework, a conceptual model of the combined effect of organizational culture and organizational conflict on the effectiveness of marketing strategies was developed. This model integrates key strategic organizational constructs in a single model and thereby introduces nomological relationships. The second task was to find some empirical corroboration of this model so that managerial and research implications could be derived. The discussion of the key findings of this research is organized around the components of the model.

Organizational Culture: Improving organizational culture assists in regaining competitiveness and revitalizing declining performances. The findings on aspects of organizational culture are theoretically consistent with the competing values model from which the conceptual framework was derived. More specifically, it is interesting to see that the competing values of the adhocracy culture outperformed those of the diagonally opposing hierarchy culture and those of the market culture outperformed those of the clan culture. Moreover, culture stressing entrepreneurship (adhocracy) had higher perceived successes of marketing strategies than those dominated by competitiveness (market), internal cohesiveness (clan) or by rules (hierarchy). Adhocracy and hierarchy aspects of culture inhibited conflict during the strategy planning processes, while market culture encouraged conflict. These mixed findings might be due to the scale of conflict that was used in this study. Sufficient discriminant validity was not found between cognitive and affective conflicts and hence a single construct was derived. Future research must overcome this problem of discriminant validity between cognitive and affective conflicts.

The process of strategy formulation was more effective in adhocracy and hierarchy cultures, than in market cultures. Adhocracy and clan culture aspects enhanced the role of cooperation during the strategy implementation process. Organizations with a dominant market culture had a negative effect on cooperation. This is not surprising as market cultures stress the need for competitiveness among the key players and the necessity to achieve a superior performance than other colleagues in the team. The same relationships hold true for the implementation of strategies also. The process of strategy implementation is smoother and much more effective in adhocracy and clan cultures than market cultures. Market cultures stress individualism over teamwork.

Organizational Conflict: The major problem of this study was the lack of discriminant validity between the two hypothesized constructs of cognitive and affective conflicts. Hence, a combined construct, named as conflict, took the shape of dysfunctional conflict consistent with extant research and as hypothesized, conflict had a negative effect on cooperation [16]. Conflict also had negative consequences on the processes of strategy formulation and implementation and thus on the perceived outcomes of the strategy [15]. The presence of conflict in the strategy formulation team did not allow them to emphasize their organization's core competencies and competitive advantages. It also led to the development of superficial and sketchy strategies. As hypothesized, organizational conflict did not have a direct effect on the implementation of strategies, but was mediated by cooperation. Not surprisingly, conflict negatively affected team integration and communication quality.

Since the relationship between conflict and other organizational factors is more complex, it is important that further research be clone so that this complexity could be analyzed and understood.

Co-Operation: Cooperation has emerged as a key construct in organizational decision making [11]. Consistent with extant research [12], this study found strong evidence that cooperation among team members results in superior implementation of strategies and thereby superior perceived performance of these strategies. Following, cooperation had the maximum impact on team integration, followed by communication quality, resource commitment and consensus commitment. Therefore it is abundantly clear that in order to effectively implement a decision, team members must cooperate with each other. This reduces the likelihood that a particular strategy will become the target of cynicism or counter effort.

Strategy Formulation: The effectiveness of the strategy formulation process has not been given much importance in the marketing literature. This is clue to the assertions of several scholars that the process of strategy planning is inherently messy, dynamic and subjected to individual whims and fancies. However, this research hypothesized three dimensions of the process of strategy formulation: comprehensiveness, situation audit and emphasis on competitive advantage(s). High levels of these three dimensions lead to highly effective marketing strategies.

Of these three dimensions, it was found that comprehensiveness had the maximum impact on both the perceived success of the strategy and the managerial learning in the organization. Comprehensiveness is defined as the extent to which organizations attempt to be exhaustive and/or inclusive in making and integrating strategic choices. It was found that more comprehensive strategies have a higher likelihood of being perceived as successful.

Managers also learn from such strategies and thereby make sure that the next strategy will be as, if not more, comprehensive than the current one. Situation audit had an impact on the perceived success of the strategy. Situation audit is defined as the extent to which the organizational strengths and weaknesses and the environmental opportunities and threats are explicitly, thoroughly, systematically and rigorously analyzed and evaluated during the strategy planning process. Since this is a routine activity that ever-manager indulges in (or thinks that he or she indulges in), it does not enhance the managerial learning in the organization. Many organizations motivate their managers to perform a situation audit even without considering the consequences. Therefore, they simply perceive it to be an important and effective step in the formulation process. Thus we see that situation audit impacts only the perceived success of the strategy, an; not then managerial learning in the organization. The resource-based theory of competitive advantage holes that firms must develop and sustain competencies in their chosen fields of marketing operations.

Therefore, organizations that emphasize their core competencies in the strategy planning process would fir; their strategy to be effective and thereby successful. This study found that managerial learning is affected be the level to which core competencies are emphasized during the strategy planning process. As they develop more strategies, they would learn to lay more emphasis on the organizational competencies. Also, they would be inclined to perceive these strategies to be more successful than others. However, in this study, we did not find any effect on the perceived success of the strategy. Are there any mediating affects that could account for this finding? More research needs to be done in order to investigate this interesting finding.

Strategy Implementation: In extant research, good implementation of strategies has been directly linked to the performance of a business unit [11]. However, no study explicitly stated the various dimensions of the process of strategy implementation. This research hypothesized four dimensions of the process c: strategy implementation: team integration, communication quality, resource commitment and consensus commitment. High levels of these four dimensions lead to highly effective marketing strategies.

Of these four dimensions, it was found that resource commitment had the maximum impact on both the perceived success of the strategy and the managerial learning. Resources are generally described in terms of personnel as well as material (or capital) resources. It was found that the right kind and amount of resources are important for the perceived success of the strategy. It was found that a low commitment of resources would affect the level of learning in organizations and would thereby inhibit strategic change.

Team integration has a positive influence on the process of strategy implementation. High levels of interdependence among team members lead to higher levels of mutual understanding and support among the members and thereby high levels of managerial learning. Team members 'learn from each other and offset each others' deficiencies by providing a complementary effect. This study did not find any support for the effect of team integration on the perceived success of the strategy.

This might be perhaps be because while a team is necessary, in order to complement each member 5 deficiencies, it might also inhibit and suppress healthy competition and decisiveness among them. This might lead to a low perception of achieved success. Good communication quality is also very important to the success of the implementation effort (and the strategy). High levels of communication quality lead to better exchange of information within the team. This study found that information on the current status of the strategy leads to a high perceived success of the strategy.

Finally, consensus commitment is the mental commitment of the team members to participate and shire ideas and responsibilities of the task. Following many research studies, this study also found that promoting consensus in the team leads to higher perceptions of strategy success.

REFERENCES

1. Alderson. Wroe 1965. *Dynamic Marketing Behavior.* Homewood, IL: Richard D. Irwin, Inc.
2. Alston, Lee J. and William Gillespie, 1989. Resource Coordination and Transaction Costs: A Frame for Analyzing the Firm/Market Boundary, Journal of Economic Behavior and Organization, 11(2): 191-212.
3. Amason, Allen C., 1996. Distinguishing Effects of Functional and Dysfunctional Conflict on Strategic Decision Making: Resolving a Paradox for Top Management Teams, Academy of Management Journal, 39: 123-148.
4. Amason, Allen C. and D.M. Schweiger, 1994. Resolving the Paradox of Conflict, Strategic Decision Making and Organizational Performance, International Journal of Conflict Management, 5: 239-253.
5. Anderson, James C. and David W. Gerbing, 1988. Structural Modeling in Practice: A Review and Recommended Two-Step Approach. Psychological Bulletin, 103(3): 411-423.
6. Anderson, James C. and James A. Narus, 1990. A Model of the Distributor Firm and Manufacturer Firm Working Partnerships, Journal of Marketing, 54 (January): 42-58.
7. Anderson. Paul F., 1982. Marketing, Strategic Planning and the Theory of the Firm, Journal of Marketing, 46 (Spring): 15-26.
8. Anderson. Erin, Leonard Lodish and Barton Weitz, 1987. Resource Allocation Behavior in Conventional Channels, Journal of.Marketing Research, 24 (February), 254-62.
9. Andrews. Jonlee and Daniel C. Smith, 1996. In Search of the Marketing Imagination: Factors Affecting the Creativity of Marketing Programs for Mature Products, Journal of Marketing Research, 33 (May), 174-187.
10. Ansoff, Igor H., 1965. Corporate Strategy. McGraw Hill, New York.
11. Ansoff. Igor H., J. Avner, R.G. Brandenburg, F.E. Portner. and R. Radosevich, 1970. Does Planning Pay? The Effect of Planning on Success of Acquisition in American Firms, Long-Range Planning, 3, 2-7. 89.
12. Armstrong, J., Scott and Terry, S. Overton, 1977. Estimating Nomesponse Bias in Mail Surveys, Journal of Marketing Research, 14 (August): 396-402.
13. Assael. Hem7 1968. The Political Role of Trade Associations in Distributive Conflict Resolution, Journal of Marketing, 32 (April): 21-28.
14. Assael, Henry, 1969. Constructive Role of Interorganizational Conflict, Administrative Science Quarterly, 14(December): 573-75.
15. Bagozzi, R.P. and L.W. Phillips, 1982. Representing and Testing Organizational Theories: A Holistic Construal. Administrative Science Quarterly, (September), 459-S9.
16. Bagozzi, R.P. and Y. Yi, 1989. On the Use of Structural Equation Models in Experimental Designs, Journal of Marketing Research, 26: 271-28-1.
17. Barclay, Donald, 1991. Interdepartmental Conflict in Organizational Buying: The Impact of the Organizational Context, Journal of Marketing Research, 2 (May): 145-1 59.