The Ways Middle Managers Can Be Involved in the Strategy Process in a Dynamic Environment

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ABSTRACT

It is difficult to formulate and implement a strategy in a dynamic environment. In the past, various researchers have examined the role of middle managers in strategy. However, these researches have often ignored the environmental settings. This paper examines the ways middle managers can be involved in the strategy process in a dynamic environment in order to increase the organizational performance. Examining the existing literature has granted us diverse ways of participation by middle managers in the formulation or implementation of strategy. Middle managers can, for example, function solely as implementer of strategy, or can be actively participating in the strategy process. These roles have served as guidance during interviews exploring the impact of middle managers in strategy in a dynamic environment. This paper provides arguments why to involve middle managers in the formulation or implementation of strategy. I also present the effects that different ways of involvement can have on the organizational performance. These insights are interesting to top managements facing a dynamic environment. These insights can also serve as starting point for future research.

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Keywords
Middle managers, strategy formulation, strategy implementation, dynamic environment, involvement, participation

1. INTRODUCTION

The goal of this paper is to examine the ways middle managers can be involved in the strategy process in a dynamic environment in order to increase the organizational performance.

The traditional way of thinking about strategy making is that the formulation of strategy is the responsibility of the top management. The small group on the summit of the bureaucracy formulates the strategy on a top-down manner (Daft & Weick, 1984). In this paper I am going to research in what ways middle managers can be involved in the strategy process, and what the impact of their involvement is. Since the term strategy process is too broad, I tend to follow the distinction between strategy formulation and strategy implementation, made by Mintzberg (1990). This are two very different stages in the strategy process, and therefore the role of the middle manager in these stages differs. Thus, the role of the middle manager in both stages needs to be examined separately. In a dynamic environment there are a lot of changing factors which should be taken in to account when formulating or implementing strategy. Since the middle manager is closer to the operational floor I assume that involving the middle manager will increase the adaptability to the environment. Hence, the strategy will reckon with the latest developments in the industry, and the organization will thus perform better in a dynamic environment. Mintzberg and Waters (1985) emphasized that in stable and predictable environments strategy needs to be deliberate and planned, while in unstable, dynamic environments, strategy needs to be emergent. In this emergent strategy process the impact of the middle level managers is important as they are the first to recognize strategic problems and opportunities (Pascale, 1984). In the past, Burns and Stalker (1961) promulgated that organic organization structures are appropriate in a dynamic environment. These structures make decisions in a decentralized way. Organic structures are better equipped to deal with fresh problems and unforeseen requirements, which cannot be met by the rigid and task specific mechanistic structure (Burns and Stalker, 1961). Andersen (2004) confirms that a decentralized decision structure improves the organizational performance in a dynamic environment. Organizations facing dynamic environments can therefore improve their organizational performance by decentralizing their decision structure. Andersen defines decentralized decision making as *"a decision structure that allows important strategic influences to emerge from managers at lower hierarchical levels in the organization"*(Andersen, 2004, p.1274). Which he separated in two ways: managers as participators in decisions, and managers with distributed decision authority. Nevertheless, Andersen did not explicitly research the role of the middle manager. Burgelman (1983a) was one of the first researchers who elucidated the role of that particular lower hierarchical actor in the process of strategy making. After Burgelman there have been many studies exploring the role of the middle manager in the formulation and implementation of strategy (e.g. Burgelman, 1983a, 1983b, 1988, Wooldridge and Floyd, 1990, Floyd and Wooldridge, 1992, Bower, 1970).

As shown in the previous paragraph, research has been conducted on middle managers' involvement in strategy, and on decentralized strategy making regarding a dynamic environment. These decentralized decision making structures which allow the involvement of managers lower in the hierarchy. However, the studies on the involvement of middle managers in strategy have often ignored environmental settings.

On the other hand, studies on decentralized decision making structures in a dynamic environment have not explicitly investigated the role of the middle managers. Therefore, in this paper I am going to examine the role of middle managers in formulation and implementation of strategy in a dynamic environment. This includes both the ways middle managers can be involved in the formulation or implementation of strategy, and the effects of that manner of involvement on the formulation and implementation of that strategy.

This paper researches the following question:
What are the effects of the different ways middle managers can be involved in the formulation and implementation of strategy in a dynamic environment in order to increase the organizational performance?

Sub questions
Q1: What are the effects of different ways middle managers can be involved in the formulation of strategy in dynamic environments?
Q2: What are the effects of different ways middle managers can be involved in the implementation of strategy in dynamic environments?
Q3: Does the involvement of middle managers increase the organizational performance in a dynamic environment?

In order to examine this topic I will first turn to the existing literature on the involvement of middle managers in the strategy process. As I announced before; the term strategy process is too broad to examine, and I will research the role of the middle managers in the formulation and implementation of strategy separately. Hence, the theoretical review will follow this structure. Furthermore, I will also write a section on the decentralized decision making structure in dynamic environments. The theoretical review will grants us various ways in which middle managers can be involved in the formulation and implementation of strategy, and what the effects of their involvement is on the strategy process. Using this theory on the involvement of middle managers I will be able to create an overview of roles that middle managers can perform in the formulation and implementation of strategy. These roles will be used as guidance during the further stages of the paper. Interviews will be held in order to examine the effects of the various ways of involvement by the middle managers. The roles of the theoretical review will be investigated during those interviews, as I will elaborate on in the method section. I intend to interview researchers who will grant me theoretical insights on the topic, and middle managers who will cover the practical aspect of this matter. I will then analyze the results of the interviews per role as they will be defined in the overview of the theoretical section. By combining the different views of the interviewees on the different roles I will be able to analyze it in an organized way. Afterwards I will be able to draw conclusions regarding this topic on the basis of the theoretical review and the results of the interviews. In the end I intend to present theoretical and practical implications of my paper, will elucidate on the limitations of my research, and present starting points for further research.

2. THEORETICAL REVIEW

2.1 Middle Managers' Involvement in the Strategy Process

2.1.1 Middle Managers' Involvement in the Formulation of Strategy

Burgelman did a lot of research exploring the role of middle managers as key actor in the strategy formulation process. He claimed that middle level managers are important in the creation of new strategies. Burgelman stated that *"dramatic changes in the corporate strategy of large, complex firms are likely to have been preceded by autonomous strategic initiatives at the operational and middle levels of the organization"* (Burgelman 1983a, p.67). To do so, middle managers should formulate clear, realistic and attractive strategies which they need to sell through political activities to the top management (Burgelman 1983a). Autonomous strategic initiatives at the operational level of the company provides the raw material for strategic renewal. It is then up to the middle level managers to conceptualize these initiatives into new strategy ideas, and sell them to the top management (Burgelman, 1983b). The operational level is the closest to the customer, and their insights could thus be involved in the strategy process via the middle managers (Barringer and Bluedorn, 1999). By active participation of the middle managers in the strategy process, avoids the potential of missing some good ideas (Burgelman, 1988). Bower also confirms the crucial role of the middle manager in the strategy formulation process. Bower concluded that the middle level managers *"are the only men in the organization who are in a position to judge whether [strategic] issues are being considered in the proper context"* (Bower, 1970, p. 297-298).

Wooldridge and Floyd (1990) tested two possible relationships between middle management involvement in strategy and organization performance; called path A and path B. Wooldridge and Floyd's path A refers to the impact of middle managers in the strategy formulation process, and their path B refers to the impact of middle managers in the implementation phase of strategy (figure 1). Path B will be described in the section about the middle manager's role in the strategy implementation.. Wooldridge and Floyd build on the ideas of Burgelman (1983a,b) and Bower (1970) when formulating their path A. Following path A, middle management involvement in the strategy formulation process will improve the decision making. Therefore the strategies will be superior and will result
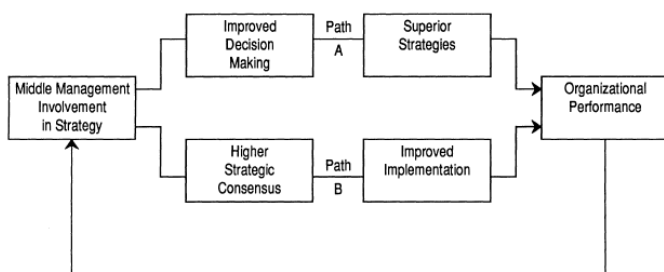
Figure 1. Theoretical Model of Middle Management Involvement in Strategy (Wooldridge and Floyd, 1990)

in a higher organizational performance.

Wooldridge and Floyd (1990) found moderate support for the relationship between involvement of middle management in strategy (in general) and the organizational performance. Kim and Mauborgne (1998) confirmed that participation leads to qualitatively better strategic decisions. The CEOs and middle-level managers interviewed by Wooldridge and Floyd (1990)

provide support for their path A. These middle managers confirmed the original thoughts of Burgelman (1983a,b). The middle managers claimed that their place in the company grants them a better position to propose, initiate, and evaluate alternative courses of action. The interviewed middle managers said that they were not dissatisfied with the deliberate strategic direction or objectives, but they often disagreed on the way these objectives were accomplished (Wooldridge and Floyd, 1990). Jelinek and Schoonhoven (1990) also claimed that the judgement of middle managers is essential when new initiatives are promoted within an organization. It also maximizes the diversity of viewpoints while formulating strategy because not only the top management is involved, but also other people from within the company (Lant, Milliken and Batra, 1992).

In 1992, Floyd and Wooldridge (p.154-155) described four strategic roles of a middle manager:

1.Championing alternatives: in this function of strategy, the middle-level managers develop alternatives to the current strategy and present them to the top management. These alternatives could come from the operational level. This role is based on research of Bower (1970) and Burgelman (1983a,b). In this role, the middle managers is involved in the formulation of strategy by selling important ideas to senior executives. This is in line with research conducted by, for example, Dutton (1995) and Dutton and Ashford (1993).

2.Synthesizing information: the middle managers function as a source of information to the top management. The middle-level managers are analysing their environment on threats and opportunities and report them to the top management. Research of Thompson (1967) lay the foundation for this particular role.

3.Facilitating adaptability: middle managers can make organizations more adaptive. In this role, middle managers are promoting initiatives from the operational level alongside the deliberate strategy. By doing this they nourish adaptability through organic arrangements.

4. Implementing deliberate strategy (this role will be explained in the implementation section).

Floyd and Wooldridge analysed whether particular roles would occur more often when an organization is following a particular strategy. In innovative strategies (prospectors) there is a higher level of championing, and a higher level of facilitating adaptively (Floyd and Wooldridge, 1992).

The second role, as proposed by Floyd and Wooldridge (1992), has also been highlighted by other researchers, like Nonaka (1994). Nonaka recognized the unique position of the middle manager as they key information source; *"These managers are at the intersection of the vertical and horizontal flows of information in the company. It is the middle manager that takes a strategic position at which he or she combines strategic, macro, universal information, and hands-on, micro, specific information" (Nonaka, 1994, p.32).* Pascale (1984) also contributes to this role the middle manager as source of information, since they recognize strategic problems and opportunities as first (Pascale, 1984). This role is interesting in this paper because indicating developments in the environment is crucial when you want to revise the strategy (Johnson, Scholes and Whittington, 2008).

The third role, the facilitator of adaptability, is also interesting for this research. Middle managers promote experimentation and autonomous initiatives in order to adapt to the changing environment (Floyd and Wooldridge, 1992).

2.1.2 Middle Managers' Involvement in the Implementation of Strategy

Wooldridge and Floyd (1990) questioned whether the involvement of the middle managers in the strategy process would increase the consensus about strategy among middle-level managers. This consensus would result in an improved implementation and therefore improved organizational performance. Wooldridge and Floyd believed that the higher the level of strategic understanding and commitment the smoother the implementation of strategy will be. Hence, when the middle managers are involved in strategy process, their understanding of the strategy would increase. Furthermore, the communication in the organization will be clearer as the deliberate strategy will be clarified by the middle managers throughout the company. In their research, Wooldridge and Floyd found moderate support for the relationship between the measures of middle manager's involvement in strategy with the commitment to strategy, understanding of strategy, and the consensus on strategy (i.e. path B). Nevertheless, they already found support for the relationship between the involvement of middle managers in the strategy process and the organizational performance. But there is no relationship between the level of consensus on strategy and the organizational performance. Nor did they find a relationship between middle management involvement in strategy and commitment to strategy. Wooldridge and Floyd failed to find significant support for their path B, and claimed that the improved organizational performance due to the middle manager's involvement should be linked to the superior strategy formation, i.e. path A (Wooldridge and Floyd. 1990). Later research conducted by Lines (2004) proved that participation in the strategic process leads to a successful implementation in case of strategic change. Following the theory of path B, Floyd and Wooldridge described, in 1992, one strategic role of the middle management that suits this relationship. An involved middle manager functions as an implementer of the deliberate strategy. Reid (1989) argues that most middle managers think of themselves as implementers of the top management's intention. In this role they are aligning the actual actions on the operational level to the intended actions of the deliberate strategy of the top management by various interventions. The middle managers reported that this role suited them more than the other three roles (Floyd and Wooldridge, 1992). Nonaka (1994) also studied on this role. Nonaka calls the middle managers *"a bridge between the visionary ideals of the top and the often chaotic reality on the frontline of the business. By creating middle-level business and product concepts, middle managers mediate between 'what is' and 'what ought to be"* (Nonaka, 1994, p.32). This role is particularly expected from middle managers in companies that face a relatively stable environment (Floyd and Lane, 2000).

2.2 Decentralized Decision Making in a Dynamic Environment

Wooldridge and Floyd (1990) claim that the environment of a company is affecting the strategy formation process. In case of a dynamic environment emergent strategies are advised. Research on strategy in various environmental settings learns us that in predictable and stable environments strategy needs be deliberate and planned, and in unstable, dynamic environments strategy needs be emergent (Mintzberg and Waters, 1985). In this emergent strategy process the impact of the middle level managers is important as they are the first to recognize strategic problems and opportunities (Pascale, 1984). This is where the third role, the facilitator of adaptability, is especially interesting. Here are the middle managers essential in promoting experimentation and autonomous initiatives in order to adapt to the changing environment. Facilitators of adaptability operate in an organic way, in which the subordinates are quite autonomous (Floyd and Wooldridge, 1992).

In Floyd and Wooldridge's second role (synthesizing information) do middle managers function as a source of information to the top management. In this role, the middle-level managers are analysing environmental threats and opportunities, and they report these to the top management. The other roles are also interesting in a dynamic environment. In the first role (championing alternatives) middle-level managers develop alternatives on the current strategy based on their view or on ideas from the operational level. These alternatives are presented to the top management by the middle manager. This is interesting in the light of decentralized decision making in a dynamic environment because in this paper multiple sources claimed that because of their position middle managers are in a key position to analyse the environment and react on it (Floyd and Wooldridge, 1992).

Burns and Stalker (1961), as discussed in the introduction, suggest that mechanistic structures are more appropriate in a stable environment, and organic structures are more appropriate in dynamic environments. Burns and Stalker find the mechanistic structures too rigid to cope with the changing environment. Organic structures are able to react and adapt to sudden changes in the environment. According to Burns and Stalker do organic structures result in a higher organizational performance than mechanistic structures when operating in a dynamic environment. Mechanistic structures are very bureaucratic and top-down ruled. Organic structures give the individuals in the organisation more autonomy; the decision making is decentralized. Organic structures are also less bureaucratic. The co-operating and communicating is often horizontal (Burns and Stalker, 1961).

Some characteristics of both the mechanistic and the organic structures (Burns and Stalker, 1961).

Mechanistic structures	Organic structures
Appropriate in stable environments	Appropriate in dynamic environments
Specific tasks (division of labour)	Continual adjustment of the individual tasks through interaction with others
Centralized decision making	Decentralized decision making
Highly bureaucratic	Less bureaucratic
Communication merely vertically	Communication horizontally
Many rules and regulations	High level of autonomy
Task related knowledge required	Special, diverse knowledge required

Table 1. Characteristics of mechanistic and organic structures

Mechanistic structures are often linked with cost leadership strategies, and organic structures are suggested in a flexible, innovative and adaptive strategies (Wai-Kwong, Priem and Cycyota, 2001). Wai-Kwong et al. also suggested that in differentiation strategies (depending on new ideas, initiatives, adaptability and flexibility) a decentralized decision-making structure is preferred. The participation of middle managers can be of much use in such systems. Wai-Kwong et al. emphasized that middle-level managers can contribute with their insights, and improve strategy itself and decisions concerning its implementation. Therefore it is advised that middle manager do not only implement strategy, but they should also have the autonomy for championing alternatives and facilitating adaptability (roles highlighted by Floyd and Wooldridge, 1992).

Organic structures are characterised by decentralized decision making. In investigating the decentralized strategy making process, the work of Andersen (2004) provides us great insights. He confirms that using a less bureaucratic, or organic (using the terms of Burns and Stalker), decision structures and planning activities are associated with a higher organizational performance in dynamic environments. Subsequently, Floyd and Wooldridge (1994) also found that middle manager's upward-influencing behaviours contribute positively to an organization's competitive position. This decentralized decision making is defined as a structure that leaves room for strategic influence or participation by managers of lower hierarchical levels. Andersen (2004) shortly mentions the role the middle manager in as actor in the decentralized structure in his research. These lower level managers can participate in the decentralized strategy making in two ways. First, middle managers can promote their ideas to the top management. This is in line with the explained role of championing alternatives (Floyd and Wooldridge, 1992). Second, middle managers can have a certain autonomy and authority which allows them to try new initiatives to act in response of the changing environment. This second way is comparable to the third proposed role by Floyd and Wooldridge (1992) in which middle managers are facilitating adaptability. Their new initiatives can later become essential elements of the new strategy (i.e. championing alternatives), according to Burgelman (1983a, 1983b, 1988). With this authority middle managers do not need to ask permission of the top management, which increases the implementation speed. By doing this middle managers can quickly react to the environment. Because they are close to the operational level they are better informed about the environment, and therefore are able to make good decisions. This decentralized decision authority has a significant positive relationship to economic performance in dynamic environments which endure changing and unpredictable market conditions. Andersen was not able to relate participation in decision making to economic performance. He suggests that a reason for this might be that intensive participation in the decision making processes are relatively time-consuming and resource demanding. Therefore he assumes this might less effective in adjusting quickly to the changing conditions (Andersen, 2004). Wai-Kwong et al. also suggested that middle manager's involvement in the strategy making process of cost leadership strategies will result in increased costs (Wai-Kwong, Priem and Cycyota, 2001).

2.3 Overview of Theoretical Roles
In this section I will present a table of roles that results from the gathered theory on the middle manager's impact on the formulation or implementation of strategy. These roles represent the theory in a categorised manner. These roles

represent a different way of involvement of the middle manager on the formulation or implementation of strategy. The table includes the titles of the roles, a short description and the literature that is backing these roles. Upon these roles I will aim my interviews in order to examine the effects of the roles, and to examine which roles are more or less suitable in dynamic environments.

The roles formulated from the top to the bottom of table 1, have an increased influence by the middle managers.

Middle manager's role	Description	Theoretical background
Implementers of deliberate strategy	The middle managers are implementers of the deliberate strategy as created by the top management. Thus middle managers act as a bridge between the intentions of top management, and the reality on the operational level.	Wooldridge and Floyd, 1990; Floyd and Wooldridge, 1992; Lines, 2004; Floyd and Lane, 2000; Reid, 1989; Nonaka, 1994
Synthesizing information	Middle managers function as a source of information to the top management. The middle-level managers are analysing the environment on threats and opportunities.	Floyd and Wooldridge, 1992; Thompson, 1967; Nonaka, 1994; Pascale, 1984; Barringer and Bluedorn, 1999
Championing alternatives	Middle managers develop alternatives to the deliberate strategy, ideas which they present to the top management. They could also empower ideas of the operational level.	Burgelman 1983a, 1983b, 1988; Bower, 1970; Wooldridge and Floyd, 1990; Floyd and Wooldridge, 1992; Dutton, 1995, Dutton and Ashford, 1993; Andersen, 2004
Participators in decision making	The participation of middle managers in the strategy formulation process will lead to better strategic decisions. The middle manager's position in the company grants them a great oversight on the operational level.	Wooldridge and Floyd, 1990; Kim and Mauborgne, 1998; Burgelman, 1988; Jelinek and Schoonhoven, 1990; Lant, Milliken and Batra, 1992; Andersen, 2004; Barringer and Bluedorn, 1999
Decentralized autonomous decision makers	Middle managers have authority to take initiatives. In order to act quickly in response to the changing environment, without asking for permission from the top management. This role includes the idea of middle managers as facilitator of adaptability as proposed by Floyd and Wooldridge (1992).	Mintzberg and Waters, 1985; Burns and Stalker, 1961; Floyd and Wooldridge, 1992; Pascale, 1984; Andersen, 2004; Burgelman, 1983a

Table 2. Overview of Theoretical Roles

3. METHOD

Qualitative research was conducted in the form of interviews in order to examine the involvement of the middle manager in the formulation or implementation of strategy in dynamic environments. Qualitative research, compared to quantitative research, gives richer insights on the topic of interest. Nevertheless quantitative research will be requested in the discussion section for further research as it has the ability to increase the validity of the results (Belk, Fischer and Kozinets, 2012). The qualitative research has been conducted by interviewing two experts in the field of strategy, and two former middle managers of companies who were subject to practice of the real world. By interviewing them I involved both the theoretical view and the practical view on this matter. The experts in strategy were found within the University of Twente.

I will now briefly introduce the interviewed experts:

Expert 1: this interviewee is an associate professor of strategic entrepreneurship at the University of Twente. He is strategy lecturer, consultant and writer, using on his scientific knowledge and insights for strategic purposes. Due to his knowledge he is very suitable to interview.

Expert 2: this is an assistant professor in the field of Human Resourse Management at the University of Twente. His research focuses on the attitude of employees towards organizational changes. He therefore has a lot of knowledge on involvement, commitment and consensus during organizational changes. Besides, organizations that tend to adapt to a dynamic environment need to change often. Expert 2 also has practical experience as he has worked 5 years as an consultant at Capgemini Consulting and has dealt with large companies. Even though he is not an expert on strategy specifically, he has enough knowledge to be suitable for an interview.

The interviewed middle managers acknowledged that they are used to operating in dynamic environments. Hence, they were subject to the topic in practice. In order to create consensus on the definition of a dynamic environment, I will quote Wiklund and Shepherd: "*Dynamic environments are associated with high unpredictability of customers and competitors and high rates of change in market trends and industry innovation (Dess and Beard, 1984; Miller, 1987a,b). In such dynamic environments where demand constantly shifts, opportunities become abundant and performance should be highest for those firms that have an orientation for pursuing new opportunities because they have a good fit between their strategic orientation and the environment*" (Wicklund and Shepherd, 2005, p.77).

I will now briefly introduce the middle managers:

Middle Manager 1: this interviewee is a former middle manager of Corus, which is currently a part of Tata Steel Europe. The steel market has intense competition from all over the world. Technology is very important in this market. This makes the company's environment complex and dynamic.

Middle Manager 2: the second interviewed middle manager is a former middle manager of Koninklijke Grolsch N.V. He has over 25 years of experience as middle manager in the events branch of the company. When he was assigned there was just a little market for these events. Currently this market is immense. He has been facing a fast growing and very dynamic market. Therefore he is an excellent candidate for my topic of research.

Using the theoretical data of the existing literature I have created an overview of roles (table 2). These roles represent the ways in which middle managers can be involved in the formulation or implementation of strategy. During the interview I asked the interviewees semi-structured questions. The questions I prepared are semi-structured in order to reveal the thoughts of the interviewees on these particular roles. In addition, the interviewees were asked to which degree middle managers should be involved in the context of a dynamic environment. Although the questions were semi-structured it left enough freedom to fully capture the opinion or perspective of the interviewees (Belk, Fischer and Kozinets, 2012).

The interview with Expert 1 was done using Skype, and recorded digitally. The other three were interviews in person, which were recorded by a voice recorder. The transcription of the interviews was done using Microsoft Word. Analysis of the questions was done manually. After the transcription I have coded the data per question relating to the roles as proposed in the overview of section 2.3. This left me with a clear overview of the opinions of the interviewees on these roles. In the following section I will present the results accordingly and afterwards I will be able to draw conclusions on the roles of middle managers in the strategy process in a dynamic environment.

4. ANALYSIS

The questions of the interview were in line with the overview of roles as presented in section 2.3. As announced before, I will also use these particular roles as structure during the analysis of the interviews. I will provide sources to the results in the next section. Whereas a interviewee is not indicated as source, it does not imply that this interviewee does not agree on this statement. Since the interviews were only semi-structured the interviewees answers were divergent. One interviewee may address one particular effect, and another comes up with a complete different effect. When statements are presented in the next section, a source will indicate its origin.

However, before analyzing the first role, I want to elaborate on what the interviewees said about their experiences of strategy in general. This general information is useful since it indicates the current role of middle managers in strategy, and provides a context to this.

The interviewees acknowledged that the top management usually formulates strategy (expert 1, expert 2, middle manager 2). However, this differs per company. There are companies that include key middle managers from within the company to join them during the formulation (middle manager 1). In general, they agreed that the top management formulates strategy in large companies. Small and medium enterprises often include more middle managers in the process. A reason for this is that the group top managers are frequently middle managers in a small or medium enterprise. When a company grows, middle managers will be excluded more often from the formulation of strategy (expert 1, expert 2). The top management are generally formulating the strategy and the middle managers are the ones to implement the strategy. Middle managers translate the global directions of the top management into realistic plans (expert 1, expert 2, middle manager 2). The interviewees from the practice argued that middle managers should give interpretation to the broad directions of the top management, and should get the freedom to do so. This space is often not granted by companies (middle manager 2). The top management frequently excludes the thoughts of lower and middle managers, and therefore projects are often failing in practice (middle manager 2).

We shall now examine what the interviewees said about the roles as proposed in the overview of section 2.3.

4.1. Middle Manager as Implementer of Strategy

This is seen as the primary task of the middle manager, as stated before. When as middle manager is simply implementing what he or she is told by the top management a great deal of input is excluded from the strategy formulation process (expert 1, expert 2, middle manager 2). When a middle manager is excluded in the strategy formulation he will have little commitment towards the strategy (expert 1, middle manager 1, expert 2). This causes a less successful implementation of the strategy. In this scenario the creativity and rational competences of the middle managers are not used, supported or promoted (expert 1, middle manager 1, expert 2). Because of this, middle managers won't be able to react to unexpected situations, and solely rely on the strategy as formulated from above. And if middle managers need to make decisions this will cause middle managers to choose for an alternative that is (only) beneficial to that particular business unit. Which frequently is not in line with the company's strategic direction (expert 2). The deliberated strategy, therefore, needs to be clear and complete. In case of a good, clear and complete strategy this way of running an enterprise could be quick (expert 1). This swiftness could be useful in a dynamic environment. However, in practice leads the exclusion of important practical information often to a failing deliberate strategy (expert 2, middle manager 2).

4.2. Middle Manager as Source of Information

This is often, accompanied with the third proposed role, seen as the second most important task of the middle manager. The middle manager is responsible for the implementation of the strategy and grants feedback to the top management. This information about the implemented strategy can be used in revising the strategy (expert 2, middle manager 2). Middle managers are closer to the reality of the market. They are capable of analysing the environment and scanning it for threats or opportunities. In large companies the top management is often too far from the reality, and therefore they need information in order to formulate realistic strategy (expert 1, expert 2, middle manager 2). Good information is crucial during the formulation of strategy (middle manager 1). Middle managers are the right persons to do so (expert 1). It is impossible for the top management to include the opinion of every single employee, but including some key middle managers is often possible. This will ensure that the strategy is up-to-date (expert 2). Multiple interviewees revealed another important factor given this role of the middle manager in a dynamic environment. Middle managers are exposed to many kinds of developments. Some need to be reported to the top management as possible threat or opportunity, and others are not important to the business. In this case the middle manager needs to be aware of what is important for the strategy of the company. The middle managers need to be able to look at these developments from a strategic point of view in order to recognize and filter the important developments (middle manager 1, expert 2, middle manager 2). In order to realise this point of view, middle managers need to be qualified. I will continue about these qualifications of the middle managers in later on in the analysis. As far as this role goes the middle manager is only granting the top management information. The interviewed former middle managers claimed that they would want more influence in the strategy formulation process, and really discuss these matters. Only giving information is not beneficial to their commitment towards the deliberate strategy.

The given input should also show some results. When it appears that the information is not used, the middle managers won't have that much of commitment, and will lose the incentive to deliver useful information (expert 1, middle manager 1, middle manager 2). Whereas information is really important in a dynamic environment (expert 2, middle manager 2).

4.3. Middle Manager as Champion of Alternatives

Not only do the middle managers in this role deliver information and explain threats or opportunities, the middle manager now also presents ideas for strategic improvement. In this role the middle manager's creativity is promoted (expert 1, middle manager 1). But that depends on the results of the middle manager's input. When there is no follow up on the input of the middle manager the middle managers won't have an incentive to propose ideas. This way of participating in the strategy formulation will cause commitment, but also depends on the follow up that will be given to the input. When the middle managers actually see their contributions back in the strategy, they will have great commitment towards it (expert 1, middle manager 1, expert 2). Reviewing all the presented alternatives will take time, but it will grant a great deal of information. The middle managers are very close to the actual business environment. They are often in direct contact with the workforce. This is where the deliberate strategy is put to practice, and where it's effect will appear. Important information concerning the revision of the strategy can be found there, and can be brought up by the middle managers (expert 2). One interviewee introduced a potential drawback. When such a system is controlled poorly by the top management a particular political climate could appear in which the middle managers will act out of self-interest instead of the company's interest. A great project could be of importance in a middle managers carrier, for example. Or a middle manager could be fighting to increase the budget of his business unit, or to protects his own or another's position within the company (expert 2). But when managed well, such a system is generally seen as very beneficial for the middle manager's commitment, creativity, and quality of the strategy.

4.4. Middle Manager as Participator in Decision Making

Middle manager 1 told that the company he used to work for had strategic episodes. These strategic episodes were meetings in which the top management and various key middle managers were discussing the company's position in the market, and reflecting on the current strategy. During this meeting a couple of middle managers were actively participating. The middle managers brought up opportunities and threats, and discussed their influence of these developments on the company. The middle managers were able to give realistic and practical input (middle manager 1). Hence, the created solution would have a smaller chance of failing in practice. Furthermore, the participation in the strategy formulation will increase consensus and commitment towards the strategy (expert 1, middle manager 1, expert 2, middle manager 2). Moreover, given the fact that middle managers of all different business units are present, and they will explain their views, the understanding they have of the various business units will increase (middle manager 1). Even though, the effect of this way of involvement still depends on the results from the delivered input. If no results are shown, the middle managers will lose their incentive

to come up with ideas or comments (middle manager 1), will lose commitment towards the strategy (middle manager 1), and there probably won't be consensus (middle manager 2). Theory often states that including middle managers in the formulation stage of strategy will increase the complexity of the formulation and will often make the process slower (expert 1, expert 2, middle manager 2). However, expert 1 indicates that recent studies counter this statement: *"it is often said that the involvement will increase the complexity, and that it takes even more time. However, recent studies show that involvement of middle managers will save time during the implementation of strategy"*. So even though participation costs time and money during the formulation, it saves time and money during the implementation. For practical reasons the amount of participators in a physical meeting needs to be limited. Digital participation can be a solution to this problem. Nevertheless, the interviewees claimed that the input middle managers are able to give will result in a good and realistic strategy (middle manager 1, expert 2, middle manager 2).

4.5. Middle Manager as Decentralized Autonomous Decision Maker

In this role the middle manager has authority to take initiatives without asking permission of the top management. The interviewees agreed that this role could work in practice (expert 1, expert 2, middle manager 2). The top management will have to state broad directions which the middle managers will work out and implement (middle manager 1, expert 2, middle manager 2). The top management in large companies are often unaware of the reality on the operational level. Thus, the middle managers are the right persons to translate the broad directions in to practice (middle manager 2). Yet, the middle managers need the freedom to do so . This is often not granted by the top management (middle manager 2). In this role the middle managers are allowed to make decisions based on their own judgement alongside of the deliberate strategy. In order to guarantee that these decisions are in line with the strategic direction of the company, the middle manager should be well acquainted with these strategic directions and should support them (expert 2). The commitment towards the company's strategic direction will insure that no decisions will be made that only support one particular business unit and thus support the company's strategy. Nevertheless, the freedom of the middle managers needs to be monitored and controlled (expert 1, expert 2, middle manager 2). Another drawback from this role is that it could involve a certain political climate. The authority can be used in self-interest. Therefore it is very important that the middle managers have commitment towards the strategy (expert 2). The interviewees acknowledged the fact that this way of decision making provides swiftness in the decision making. Swiftness that could be of great value in a dynamic environment (expert 1, middle manager 2).

4.6. The Role of Middle Managers in a Dynamic Environment

The interviewees granted interesting and in depth insights on strategy formulation and implementation in a dynamic environment. A dynamic environment requires quick reactions from the company in order to keep up with or even outperform the competitors. In the role of implementer the strategy is formulated top-down. A very top-down and centralized manner of formulating and implementing strategy could be very quick. And when formulated well (i.e. clear, complete) it could be very

effective (expert 1). Nevertheless, the interviewees claim that the involvement of middle managers can assure that the strategy has a smaller chance of failing in practice (expert 2, middle manager 2). In a dynamic environment you have to be aware of the developments in the environment, and make sure that the right information is included in the strategy formulation (middle manager 1, expert 2, middle manager 2). The involvement of middle managers is one way to do so. The interviewees recognize the key position of the middle manager in this situation (expert 1, expert 2, middle manager 2). The middle managers are often exposed to the developments of the environment, and it is crucial that the middle managers report the relevant developments to the top management (expert 2, middle manager 1, middle manager 2). As said before, middle managers need to be qualified to recognized relevant developments, analyse information, and report ideas to the top management. It is requesting different competences from the middle manager than just implementing the strategy. The middle manager needs to be acquainted with the strategy, and need to be able to look from a strategic point of view towards developments in the environment. Using this point of view, the middle manager will be able to select and analyse particular relevant developments and present a clear and complete report to the top management. Furthermore, in a dynamic environment the company needs to be flexible. The middle managers will need to implement many changes, and need to be competent to do so. Middle managers changing the business units will face resistance that they need to cope with. They also need to cope with uncertainty (middle manager 1, expert 2).

When a dynamic environment requests a rapid response the company needs to act swift and clear (expert 1, middle manager 2). This implies that there will not be time for prolonged strategic episodes. A very centralized or very decentralized decision making structure is then advised (expert 1). Even though, information is still crucial in such an environment (expert 2, middle manager 2). Therefore the company needs to have a good and great flow of information. As said quite often before, the middle managers could be of great value here. Yet, there are other ways of gaining information, but it depends on the context of the company. Various new technologies give the top management the opportunity to gain a great deal of information without the interference of middle managers. For example; systems that record and analyse data can do the tasks middle managers do (expert 2). But that dependents on the company's context. Middle managers could also act as decentralized decision makers which provides a quick response to the environment. However, it is important that these decisions are in line with the strategic directions of the company (expert 2). The middle managers need to be qualified to bear these responsibilities, and need to be able to judge and handle properly (middle manager 1, expert 2, middle manager 2).

5. CONCLUSION

This paper examined the effects of different ways middle managers can be involved in the strategy process in a dynamic environment in order to increase organizational performance. A summary of the theoretical review leaves us multiple roles. Using the opinions of the interviewees I will now draw conclusions on these roles, which will answer our research question.

When a middle manager is simply the implementer of strategy his knowledge is excluded in the formulation phase. The interviewees recognize this as a lost opportunity since the middle managers can impart relevant information. Nevertheless,

this top-down approach is not taking much time, so a quick response to the dynamic environment can be assured. In order to perform in practice the deliberate strategy needs to be clear and complete. Middle managers will have less commitment towards a top-down formulated strategy. This will cause the implementation to be less successful. When facing a dynamic environment, companies needs to be aware of the developments outside and inside the company. Middle managers are in the ideal position to notice developments on the operational level of the company and to report their findings to the top management. This finding is in line with earlier studies of Barringer and Bluedorn,1999; Pascale, 1984; Floyd and Wooldridge, 1992. The right input is very important in a dynamic environment, and will increase the organizational performance. This statement is backed by for example Wooldridge and Floyd's path A (1990). .Middle managers give feedback on the current strategy or analyse environmental threats and opportunities. But the middle managers need to qualified to recognize strategic relevant information from inside or outside the company in order to do so. In general, middle managers need different qualities when operating in a dynamic environment. They need to be able to challenge resistance when adapting the company to the environment, and they need be able to judge and decide properly. When the middle manager is only providing information, and is not participating in the decision making, there will not be much commitment towards the deliberate strategy either. Especially when there is no follow up to the input he gives. When a middle manager is championing alternatives to the top management his creativity is promoted. This also depends on the follow up that will be given to the input. Given a dynamic environment it could be very useful to the top management when the middle managers not only analyze the environment but also come up with potential solutions to a certain development. This would certainly increase the organizational performance. But once again this requires certain qualities of the middle manager. However, the position of the middle manager gives him the unique position to review the strategy and come up with improvements (as often stated in the theory). This kind of involvement will create great commitment when the middle managers input is taken into account. Even though it should be management well. There is a chance that a political climate will appear, and that could influence the company and its strategy. Wooldridge and Floyd already warned for the potential political climate in 1990. Another way the middle manager could be involved in the strategy formulation is as participator in the decision maker. Middle managers could actively participate and discuss the strategic direction in, for example, strategic episodes. During these meetings middle managers are able to state developments in the environment and together they can discuss a suitable and realistic solution. It is often stated that this kind of participation is quite complex and costs time. This drawback has also been brought up by Andersen (2004). However, expert 1 claims that the consensus and commitment will save time in the implementation phase, and will provide a smooth implementation. In a very dynamic environment this type of involvement could be too slow. In that case a very centralized or decentralized decision making structure is advised. In this centralized decision making structure there is little room for the middle managers participation. They could still provide crucial information. In a decentralized decision making structure the authority lies in the hands of the middle managers. The top management sets strategic directions, and the middle managers put this to the practice. The top management in large enterprises is often unaware of the reality of the operational level. Therefore middle managers should translate the broad strategic directions in to practice. Because of their authority middle

managers have the permission to handle on their own. This can be quite important in a dynamic environment because it increases the company's adaptive speed. Which will increase the organizational performance. However, the middle manager needs to be able to analyse and judge properly. The middle manager needs to be aware of the deliberate strategy in order to make decisions that are in line with the deliberate strategy.

There is no particular style of involvement that is always suitable in a dynamic environment. A clear centralized or decentralized decision making structure can be very swift. This could be both result in good organizational performance in a very changing environment. The middle managers can be of much use in dynamic environments because they can provide essential information. This paper discussed various ways to do so. In order to analyse the environment and identify crucial developments of strategic importance they need to be able to view the environment from a strategic point of view. That requires different competences from a middle manager. Also do middle managers need to cope with uncertainty while operating and resistance while changing the business. This paper does not serve one particular answer, but exposes interesting insights on the topic.

6. DISCUSSION
6.1. Theoretical and Practical Implications

Many researchers have provided theory on the involvement of middle managers in the strategy process. The existing literature in the field of strategy as practice on this topic does not consider environmental settings. Floyd and Wooldridge (1992) already acknowledged the urgency to examine the middle manager's involvement in various environmental and competitive settings. Also Andersen (2004) recognized the need for research on the middle manager's influence and involvement in the strategy process in a broader environmental context. In this paper I have provided some interesting insights on the role of middle managers in the strategy formulation and implementation in dynamic environments. This could be used as a starting point in future research.

This paper is also useful for companies that face a dynamic environment. Even though I did not deliver one solution, I have presented various factors to take into account when a company is operating in such an environment. It contains reason to involve middle manager as it can increase the organizational performance. Yet it also presents potential drawbacks of the involvement of middle managers and different ways of involvement.

6.2. Limitations and Further Research

This paper's conclusions are based on four interviews. Future research could interview more top managers, middle managers, or researchers in order to increase the validity of the findings. However, due to a restriction in time, and multiple rejections, I have only interviewed this little. One thing that needs to be taken into account is that this is a very subjective matter. There have been written a lot about strategy, and everybody has their own opinion towards this. In addition, the common thoughts from the theoretical and practical field often change. Since I have only been able to conduct four interviews, its implications may be limited.

The presented conclusions are drawn by interviewing researchers and middle managers from the Netherlands. Thoughts and practice about this topic can differ between countries or markets. The two middle managers were operating in different markets. The interviewed researchers were both

from the University of Twente. It could very well be that these colleagues share the same thoughts, and interviewing a professor from another university would have granted different insights. However, with only four interviewees it is hard to generalize any conslusions. Future research is requested to broaden or improve the validity of the findings. Case studies can also give interesting and quantifiable insights on the practical side of the topic.

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