

# Strategic Alignment In A Logistics Company

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## Abstract

**Background:** This study aimed to identify how strategic alignment occurs for the effective implementation of the strategy in a large logistics company.

**Materials and Methods:** Through the single case study, qualitative and quantitative analysis, the collected data through the questionnaire applied to the employees and the interviews carried out with managers and the senior management, were analyzed and correlated to the underlying theory.

**Conclusion:** (a) The formulation of the strategy is guided by the perspective of management and marketing analysis; (b) The unfolding of the strategy takes place through weekly and monthly meetings between management and managers; (c) The level of strategic alignment is high; and (d) Flaws were pointed out.

**Keywords:** Strategic Alignment; Strategy; Implementation of the Strategy; Failures.

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## I. Introduction

The concept of strategic alignment emerges as an essential component for the successful implementation of the strategy by enabling better integration between the formulation and implementation of the strategy<sup>1</sup> and has been a recurring theme of research among scholars and professionals in recent decades<sup>2, 3,4,5</sup>.

Theoretical models of strategic management suggest that strategic alignment occurs between the formulation and implementation of the strategy<sup>6</sup>, being increasingly difficult and complicated to achieve due to the dynamics of market changes<sup>7</sup> and the possibility of not having a full understanding of the strategy outlined by all members of the organization<sup>8, 9, 10</sup>.

Research in the databases of academic studies brings several studies conducted on the importance of strategic alignment in the implementation of the strategy and on how failures occurring in this process can compromise the organization's *performance*, pointing out that the theoretical void regarding failures occurring during the process of implementation of the strategy still exist<sup>1, 6, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20</sup>.

The studies by Ates *et al.*<sup>21</sup>, Heinzen and Marinho<sup>6</sup>, Teixeira and Carvalho<sup>15</sup>, and de Padilha *et al.*<sup>19</sup> point out the need to carry out research in a broader, inclusive and holistic way regarding the relevance of strategic alignment for achieving strategy implementation, considering from the point of view of senior management to the point of view of other hierarchical levels of an organization<sup>8, 9</sup>, and that consider the contribution of each individual in achieving the organization's strategic objective<sup>10, 22</sup>.

As the level of strategic alignment is an indicator for measuring the success of the strategy<sup>19, 23</sup>, it is believed that organizations need to carry out constant monitoring of organizational goals and objectives to promote the strategic alignment and the adequacy of the formulated strategy<sup>19, 20</sup>, repositioning in the market<sup>24</sup> and the investigation of failures during the strategy implementation stage<sup>6</sup>, considered by Haudan<sup>10</sup> the most critical step in the strategic process.

Although the logistics sector has undergone significant transformations at a regional (Southern Brazil) and national (Brazil) level, whether due to fluctuations in operational costs (diesel oil price policy, highway conditions and maintenance), or a reduction in demand for services of transporting loads of agricultural products, due to climate change (drought, fires, etc.), the sector showed a GDP growth of 3% in the second quarter of 2022 and 11.7% compared to the same period in 2021<sup>25</sup>. According to data published by CNTTL<sup>26</sup>, road transport is the main mode of cargo transport in Brazil and represents approximately 60% of cargo transported in the country.

Considering the importance of the sector for the economy and the suggestions for future studies that explore the strategic alignment process in a broader and more holistic way<sup>15, 19, 21, 22</sup>, this article seeks to identify: How does strategic alignment occur to achieve effective strategy implementation in a large logistics company?

Specifically, the aim is to: (a) describe the factors that guide the strategy formulation process in the organization; (b) identify the factors involved in implementing the organizational strategy; (c) measure the level of strategic alignment of the organizational structure with the effective implementation of the strategy; and (d) diagnose the level of strategic alignment in the organizational structure.

II. Theoretical Review

Strategy Formulation

Strategy can be formulated deliberately (the company prioritizes planning, direction and control) or emergent (the company adapts its strategy to changes in the competitive environment)<sup>27</sup>. The authors state that the fundamental difference between deliberate and emergent strategy processes is that, while the deliberate process focuses on direction and control, the emergent process opens up the idea of learning; in fact, it is possible to see these processes as complementary<sup>28, 29</sup>.

Several academics have defended the integration of deliberate and emergent approaches<sup>27, 30, 31</sup>. Although viewing strategy solely as deliberate or emergent may be insufficient, and organizations should use both approaches<sup>32</sup>, as the organizational environment dictates.

According to the literature, the most important factor that unites the deliberate and emergent approaches and that results in the formation of an efficient and effective strategy is the concept of “involvement”<sup>30, 33</sup>, management and review of daily activities that support strategy formation<sup>31, 34</sup>.

Regardless of the tool used to support strategy formulation, it is important to highlight the need to view the strategic process as a whole at the time of formulation, without forgetting that the strategy implementation phase must be considered from the first moment<sup>35, 36</sup>. For Martin<sup>37</sup>, making a distinction between the formulation and implementation of strategy can cause great harm to organizations.

Da Silva and Lepsch<sup>38</sup> mention that the moment of strategy formulation is the zero point of the strategic process and is responsible for the assertiveness of objectives and goals and for delimiting the content of the outlined strategy, which can occur in an imposed way (when the high management outlines the strategy and subsequently communicates it to lower hierarchical levels), or in a participatory manner (when a more open hierarchical structure is adopted), which involve a change in paradigm from the simplistic view of strategy that existed until then to a holistic and integrated perspective of the strategic process as a whole<sup>39</sup>.

Berman and Dalzell-Payne<sup>23</sup> point out that the focus of the strategic process, from the 2000s onwards, is on outlining strategies aligned with internal and external environments that follow the dynamism of the market. For the authors, working on a successful strategy is no longer just about planning, diagnosing and solving problems, it starts to demand greater connection from corporations to the strategy implementation processes.

Heinzen and Marinho<sup>6</sup> approach strategy formulation from the perspective of the scenario method (in which the projection of future conditions of the organization and the market guide strategic thinking). For the authors, the use of exploratory scenarios, simulated based on problem delimitation, identification of key variables and analysis of the internal and external environment, favors strategic management, making it possible through this method to provide the necessary support for the strategy formulation and implementation.

The strategy is not always formulated through a strictly formal and well-documented process. Based on the review of strategy formulation methods found in their literature review, Gavrilova *et al.*<sup>40</sup> classified strategy development methods according to the existing degree of formalization. The frame 1 summarizes the methods cited by the authors, with generic methods being those not exclusively related to strategic management, and domain-specific ones being those developed and used solely in this activity.

Frame 1: Classification of strategy formulation methods according to the degree of formalization

	Degree of Formalization					
	Informal		Semi-formal		Formal	
	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
<b>Generic</b>	Straight to the facts; heuristics, analogy, mountain climbing, algorithmic deduction, exhaustive search, split to conquer, analysis and synthesis, methods on the Delphi platform and Scenario method.	Map mental, Tree of goals, supporting infographics.	Diagrams in influence, Ihikawa diagram, map conceptualize it.	Tree of decisions, table decisions, AHP and ANP, Cognitive map.	UML Diagrams, i* and ER	Theory of games, Simulations, Markov Chains.
<b>Specific Domain</b>	<i>Design thinking</i> , Strategy as simple rules, Four phases of strategy.	SWOT Matrix, PEST Analysis, Analysis of the 5 forces competitive, Value chain analysis, Ansoff Matrix.	Methodologies SSA and SSM, Canvas, Maps Strategic.	SODA (Analysis and Development of Options strategic), Balanced Scorecard, BCG Matrix.	ARIS, Archimate, BPMN (Notation and Model Process of Business), TOGAF.	Promethee, DEA, Real options, Financial Modeling.

Source: Adapted from Gavrilova *et al.*<sup>40</sup>.

Onufrey and Bergek<sup>24</sup> point out that constant technological changes and the need for innovation and quick response have become both threats and opportunities for companies, compelling them to reconsider their

market repositioning strategies.

Miranda and Watkins<sup>41</sup> recommend that top managers should simultaneously formulate and implement the strategy, paying attention to short-term results, while at the same time being concerned with thinking about the company's strategies for the future.

The pandemic scenario promoted by COVID-19 brought new paradigms and paradoxes to the world of strategic management Amoah<sup>42</sup>. For the author, events like these, which cause extreme shocks to the environment, further weaken and expose organizations to failures in the strategic process. Nassani e Aldakhil<sup>43</sup> reveal that strategic orientation is positively related to companies' innovation capacity, as the association between strategic orientation and strategic alignment is stronger when companies are strategically flexible. A study carried out by Bettiol *et al.*<sup>44</sup> identified three strategies that can be adopted by companies to positively overcome the crisis caused by COVID-19: (i) perform different functions in the same market simultaneously; (ii) promote simultaneous entry and management of multiple markets; and (iii) exploit manufacturing knowledge to explore product and business model innovation.

### Strategy Implementation

The implementation of the strategy encompasses the set of actions necessary to achieve the organization's strategic objectives; therefore, it is necessary for strategic initiatives, changes in organizational structure, products, markets, etc. to occur<sup>45, 46</sup>. After all, as stated by Prieto and Carvalho<sup>47</sup> and Heracleous and Werres<sup>48</sup>, organizational performance is the result of the alignment of internal (strategy, structure, processes) and external (technology, market dynamism) variables and their interrelations. A theoretical proposition is that in the strategy implementation phase, there may be factors that determine the success or otherwise of its effectiveness<sup>49</sup>.

The alignment of attitudes of managers who work at the strategic level is one of the determining points for success in defining priorities and implementing strategy<sup>50</sup>. The alignment perceived by internal *stakeholders* generates commitment<sup>21</sup> provoking proactive behaviors that go beyond individual and selfish roles towards collectivistic and collaborative practices. Leading organizations in a dynamic environment focused on innovation<sup>23</sup> requires recognizing that strategy is not just a theory, but a complex process, which occurs from the outside to the inside of the organization, considering the present with a view focused on the future.

Success in implementing the strategy also depends on organizational capabilities<sup>51</sup> of translating the strategy into simple guidelines, which are easily communicated to work teams and achievable in the medium term<sup>50</sup> according to strategic priorities<sup>21</sup>. Strategy implementation therefore involves two main aspects: how to change the organization and what to change in the organization<sup>17</sup>.

Studies suggest that organizations should create what they call the "Strategy Realization Office<sup>52</sup>; or to structure an internal strategy realization committee; or hire a Project Management Office<sup>20</sup>; or make use of management maps<sup>22, 53</sup>. The providing actions aimed at the integrity of projects, monitoring activities, offering integration and communication between the areas and people involved, standardizing methods and instruments and promoting the alignment of proposed strategic objectives<sup>20</sup> to minimize failures in implementing the strategy.

For Amoo *et al.*<sup>54</sup>, the inclusion of strategy implementation in strategic planning and performance studies means that the entire chain of activities in the strategic process is being considered, drawing a complete and comprehensive conclusion about how strategic planning affects an organization's performance.

### Failures To Implement The Strategy

Failures to implement the Strategy can represent risks to the success of implementing the strategy, and it is essential that the organization maintains focus on monitoring its level of strategic alignment as a way of ensuring the implementation of the strategy and the achievement of strategic objectives<sup>19, 47, 55, 56, 57, 58</sup>.

Dunlop *et al.*<sup>59</sup> indicate that the resistance of organizations to changes, the lack of clarity in communicating the strategy, the return to old habits and the poor articulation between the elements that make up the strategy are factors that lead organizations to failures in implementing the strategy. Cândido and Santos<sup>60</sup>, as well as Galpin<sup>61</sup>, mention that the lack of alignment between organizational culture and strategy leads to failures due to the inability to adapt the strategy to environmental conditions and the changes necessary to sustain them over time.

Heracleous and Werres<sup>48</sup>, Alharthy *et al.*<sup>11</sup> and Vargas and Trez<sup>49</sup> report some factors that lead to failures: internal misalignments, errors in leadership and growth and execution strategies, lack of alignment between the strategy and essential competencies in the organization, as well as the priorities of managers and the profile of work teams.

The low level of commitment or understanding of middle and operational management levels<sup>21</sup>, the lack of clarity in the strategies outlined<sup>19</sup>, and the gaps that still exist between the concept and measurement strategy execution and its interconnectivity<sup>62</sup> are factors that can lead to failures in the strategy implementation process.

Heinzen and Marinho<sup>6</sup> and Cândido and Santos<sup>16</sup> mention that the high percentage of strategy implementation efforts that do not succeed is one of the biggest unsolved problems in company management.

According to the authors, implementation failure rates, over the period from 1994 to 2010, were 70 to 80%.

Radomska and Kozyra<sup>9</sup> state that the literature review on the topic shows that between 50 and 90% of strategies are not implemented or are implemented unsatisfactorily, as there is a lack of alignment between the plan drawn up and the activities necessary to execute it. them.

Ivančić *et al.*<sup>8</sup> report that the existence of differences in perceptions between hierarchical levels associated with the involuntary error of high-level managers<sup>10</sup> in believing that their role is completed when defining the strategic plan (since there is the possibility of not having a full understanding of the strategy outlined by all members of the organization) is a factor that regularly results in failures in strategic alignment.

MacLenan and Markides<sup>53</sup> suggest that studies bring to light the cause-and-effect relationship between possible failures in the implementation of the strategy and the activities carried out by each area of the organization.

### **Strategic Alignment**

Strategic alignment is a topic in the field of Strategic Management studies, which is made up of different schools of thought<sup>63</sup> and is presented as the result of formulating the strategy, monitoring and controlling its evolution in the implementation process, mediated by entrepreneurial orientation and internal and external contexts.

It can occur by consensus<sup>56</sup> or horizontal/vertical<sup>22, 56, 62</sup>, and, at its core, organizational alignment requires shared understanding of organizational objectives<sup>65</sup> and can be defined according to its procedural, relational and strategic perspective<sup>66</sup>, with organizational performance being impacted by the perceptions and motivation levels of work teams<sup>67</sup>.

As highlighted by Kathuria *et al.*<sup>65</sup>: “Alignment requires a shared understanding of organizational objectives by managers at various levels and within various units of the organizational hierarchy [...]” and positively impacts organizational performance, potentially affecting perceptions and employee motivation and causing important effects on the behavior of the people involved<sup>65</sup>.

Karpovsky and Galliers<sup>68</sup> treat strategic alignment as a dynamic process, applied in order to concentrate efforts and produce better results, consisting of daily activities, which emerges as an essential component for the successful implementation of the strategy, as it enables better integration between the formulation and implementation of the strategy<sup>1</sup>.

The literature on strategic alignment indicates a set of attributes that can be used to measure the level of strategic alignment. These attributes are described in Table 6 and cover the different areas of strategic action, as well as discussing the importance of communication and engagement of employees at all hierarchical levels. They are also more explicit in the studies developed by Alagarja *et al.*<sup>69</sup>.

The propositions of Khadem and Khadem<sup>58</sup> and Prieto and Carvalho<sup>64</sup> are more aligned, however, they differ in one point highlighted by Khadem and Khadem<sup>58</sup>: people's participation in the strategic process is one of the points essential elements that favor the success of the formulated strategies. The authors propose the use of a single data collection instrument for the purpose of diagnosing the organization's strategic alignment, following a methodology based on the alignment proposed for the entire strategic process, from formulation to implementation of the strategy, which was adopted in the present study.

## **III. Methodology**

### **Nature, Type and Context of Research**

The strategy adopted in the research was the single case study, mixing the qualitative and quantitative approach to the data and providing analytical depth, as taught by Eisenhardt<sup>70</sup>, Minayo<sup>71</sup> and Yin<sup>72</sup>.

The object of study was a logistics company, headquartered in the South of Brazil, which, for the purpose of ensuring anonymity, was called Company Alfa. The selection criteria were: (a) operating in the national market; (b) have branches distributed throughout the national territory (due to cultural and behavioral differences that reinforce the need for internal strategic alignment); and (c) belong to the agribusiness distribution chain.

Company Alfa, family-owned, was founded in 1998 and serves the main cooperative agribusinesses and trading companies in the national market, following the paths that connect the agribusiness production chain. Currently, it transports large volumes of commodities, from the field to industry and from industries or cooperatives to ports, with soy, corn, sugar, fertilizers, limestone, soybean, corn and wheat bran being the main products transported.

The company has 563 direct employees, 150 of whom work at headquarters, 150 are drivers and 263 are agents and assistants who make up the staff of agencies spread across several states. The expansion of the portfolio of routes and services in 2005 allowed the company to extend its services to the States of Paraná and Santa Catarina, and four years later it opened the market to the State of Mato Grosso. In 2015, the company took an important step towards solidifying itself in the market, starting to operate in the State of Goiás and, in 2017, it included the State of São Paulo. Since 2018, the company has started to operate throughout the national territory,

having more than 180 branches strategically distributed.

In 2020, the company moved more than 500,000 trucks with revenue of R\$1.8 billion. Recently, Alfa Company started a new type of business, internally known as “franchises”. These franchises are actually contracted agencies that carry out all operational work related to transport, and may even outsource these services, which is in line with the study carried out by Bettiol *et al.*<sup>44</sup>, who suggest that companies expand their operating segments.

Alfa Company (headquarters) is responsible for all management of these agencies, including the human resources, accounting and financial departments. This type of contracting is an innovation for the company and the market, as it is a type of outsourcing of services.

#### IV. Study And Data Collection Attributes

##### Quantitative Approach

Through literary review and quantitative approach, A questionnaire was structured consisting of 26 statements, based on the set of attributes listed in the Frame 2. We chose studies carried out from 2016 to 2021, selected for their similar characteristics to the research proposed in this study and for their complementarity.

Frame 2: Attributes for measuring the level of strategic alignment

ATTRIBUTES	AUTHORS					
	PrietoIt is Carvalho (2016)	Khadem and Khadem (2017)	Kathuriaet al. (2007)	Teixeira It is Carvalho (2018)	Padilhaet al. (2019)	Kim et al. (2020)
Employees are aware of the company's strategy	X	X		X		X
Each employee understands how their tasks interact with the strategy	X	X	X	X		X
Strategies are implemented according to a schedule	X	X				
The implementation of the strategy brings the expected result	X	X				X
The implementation of the strategy is periodically reviewed	X	X				
There is common sense among employees at different hierarchical levels regarding strategic priorities	X	X	X	X	X	X
The flow of information between managers and employees is efficient	X	X	X	X	X	X
Flow changes are established between managers and subordinates quickly	X	X		X	X	
There is little collaboration between sectors	X	X	X		X	
Managers place the interests of the company above individual interests	X	X			X	
There is evidence of mutual collaboration and support	X	X	X		X	X
Employee skills are aligned with their job responsibilities	X	X	X	X		X
Employee skills are developed without the need for full-time supervision	X	X				
There is an effective process of developing skills and capabilities	X	X			X	
Employee behavior is consistent with company values	X	X			X	X
There is a system of punishments related to actions that go against the company's values	X	X				
Employee career growth is based on merit	X	X				
Employee compensation is directly related to results	X	X				
Managers are aware of vertical alignment as well as horizontal			X			

Source: Prepared by the authors of this article (2021).

The structured questionnaire was applied online, via Google Form®, between the months of November and December 2021, to 554 employees at the headquarters, with a margin of error of 5% and a confidence level of 95% as delimiters. The questions were separated into blocks, in accordance with the proposition of Khadem and Khadem<sup>58</sup>, and their content was validated by the board of directors of Company Alfa, with a view to ensuring understanding of the questions.

We chose to adapt the structure proposed by Khadem and Khadem<sup>58</sup> so that it was possible to group the data, in order to enable the analysis of variables that are interrelated in the same block. In the model proposed by the authors, the questions are subdivided into: Focus and direction (converted into Understanding of the Strategy by Employees), implementation of the strategy; Vertical Alignment; Horizontal Alignment; Values Alignment (these three grouped as strategic alignments in this chapter); and Rewards Alignment (converted into an Assessment and Rewards System).

The response alternatives were constructed using a 10-point Likert scale in order to measure individual perception of each statement. The questionnaire was presented to each respondent containing the questions randomly shuffled.

The quantitative data were tabulated in electronic spreadsheets, using Microsoft Excel® software and subjected to analysis using the simple descriptive statistics method, observing the means and standard deviations.

The level of strategic alignment was then calculated, using the average score obtained in each statement and the overall average score of the responses that resulted in the strategic alignment score, from the perspective of Company Alfa's employees.

### **Qualitative Approach**

In the qualitative approach, we chose to adopt an interview with a structured script with questions focused on the attributes brought up by the literature review, from the managers' point of view. The Frame 3 presents the questions used in the interview and the theoretical constructs addressed.

The structured interview consisted of 16 questions related to the strategic process and strategic alignment and was carried out with two directors and seven sector managers (medium hierarchical level of the organization), with a total of nine interviewees. The interviews took place individually, online, by video call on the Google Meet platform lasting an average of 45 minutes.

Respondents were invited to reflect on the evidence found in the questionnaire applied to employees, to validate the results, whose responses were audio recorded and later transcribed, these being the departments that participated: Board of Directors (CEO), Administrative Management, Finance, Commercial, Accounts Payable and Receivable, Billing, Accounting Tax, Franchise Accounts Payable.

The qualitative data, obtained through interviews, was subjected to the content analysis method, with the support of the MAXQDA software. The contents were organized into 40 units of analysis and fragments of the interviewees' speeches were categorized as a priori or non-a priori.

### **Data correlation**

Finally, based on content analysis<sup>73</sup>, the analysis categories extracted from the content of the interviews and the results of the questionnaires applied to the organization's other employees were correlated.

Through the similarity of information, necessary evidence was found to understand the current situation of strategic alignment in the organization, as well as the main points that can be configured as potential failures and/or barriers to the implementation of the strategy, which are presented in Table 1 in the Strategic Process section in the Perception of Managers.

## **V. Results Achieved**

### **Strategic Process in the Perception of Employees**

In this first block, the proposed questionnaire contained four statements that sought to obtain information that demonstrates the degree of understanding of the strategy, as shown in Table 1.

The survey data indicates that employees understand the strategy proposed by the company, which constitutes one of the main factors that generate strategic alignment<sup>11, 19, 58, 60</sup>, contributing to the effective implementation of the strategy<sup>17</sup>.

The stratified analysis of the results indicates that employees allocated to administrative functions have a lower degree of understanding of the strategy (7.6), compared to employees in the operational area (7.9), and the drivers' score (8.6) may leave doubts as to whether it is not real, due to the low participation of drivers in the survey (of the 150 drivers who currently work at the company, only 30 professionals, which is equivalent to 20% of the total in this stratified sample, responded to the questionnaire).

From the perspective of time at the company (Table 2), it is noteworthy that the lowest standard deviation is found among employees who have been with the company for between 1 and 2 years, and the highest standard deviation found is found for employees who have been with the company for over 10 years.

This perception signals that employees who have been with the company longer have a more heterogeneous opinion than those who have been with the company for a shorter time, which may be a reflection of a reduced perception of involvement in the strategy, as time working at the company increases, the which is in line with what is brought by Ruiz and Reynoso<sup>74</sup>, when they state that the construction of meaning for the organization's strategic objectives is essential for promoting strategic alignment.

There is an incidence of a greater number of employees, with 1 and 2 years at the company, indicating turnover in the workforce, information later validated in interviews with managers who reported, unanimously, that they were seeking to adopt measures to reduce costs. Company turnover levels.

Mendes<sup>75</sup> points out that the difficulty in maintaining the same work team can compromise strategic alignment and reinforces that turnover brings with it the loss of tacit knowledge and expertise, which can negatively impact the company's productivity. Prieto *et al.*<sup>36</sup>, Alharthy *et al.*<sup>11</sup>, Cândido and Santos<sup>16</sup>, Galpin<sup>61</sup> and Da Silva *et al.*<sup>1</sup> argue that organizational culture and the internal environment can contribute as barriers to strategy implementation, which results in increased turnover.

The second block sought to obtain information about the implementation of the strategy. Six statements

were presented related to the execution of tasks and the training process existing in the organization. The synthesis of these data is illustrated in Table 3.

The average score of 8 points given by employees in relation to task monitoring suggests that this is carried out satisfactorily within the company. Performing tasks can be difficult, uncertain and even frustrating, requiring effort to constantly monitor their completion<sup>50</sup>.

Regarding the process of adjusting the organization, tasks between managers and subordinates, the data points to effective coordination of tasks by managers, together with their teams, evaluated with an average score of 8.3 points. Panico<sup>52</sup> says that managers with direct influence over the operational level must work with their teams to create strategic initiatives, prioritizing doing what matters most first, since no organization can do everything at the same time.

The statement related to training processes had the lowest average score (7.6 points), which suggests the need for managers to take action to further improve the processes. According to Cândido and Santos<sup>16</sup>, inadequate or insufficient training of employees in their new tasks proves to be a barrier to implementing the strategy.

The third block refers to the employees' perception of the strategic alignment that exists at Company Alfa. In this block, employees assigned the score that best reflected their perception of eight statements that sought to understand the current situation of strategic alignment in the organization, as shown in the summary presented in Table 4.

Analysis of this data allows us to understand that, from the employees' point of view, there is satisfactory internal strategic alignment in the company. As described by Prieto and Carvalho<sup>64</sup> and Collis<sup>17</sup>, strategic alignment is essential for the successful implementation of the strategy; and Padilha *et al.*<sup>19</sup> emphasize that internal strategic alignment is one of the most important factors for the implementation of the strategy to occur satisfactorily.

Strategic alignment is being perceived by Company Alfa's employees, even if empirically, which translates into better involvement with the tasks to be performed. As Ruiz and Reynoso<sup>74</sup> point out, operational-level employees need to be involved in the strategic process so that they attribute meaning to the strategic objectives outlined by senior management and develop strategic commitment to carry out their tasks in order to ensure that the formulated strategy is properly implemented.

Finally, the fourth and final block sought to understand the perception of Alfa Company employees regarding the employee evaluation and reward system, and the results are presented in Table 5. The data again points to a greater perception of drivers (8.6) compared to to employees in the operational (7.8) and administrative (7.6) areas, however, there is greater homogeneity in the general average of the perception of employees in the administrative and operational areas. Employees with longer tenure at the company also have a better understanding of the evaluation and rewards system.

The results also point to a below-average overall score for two factors related to understanding the strategy: knowledge about the company's plans for the future (7.6); knowledge about where the company wants to go (7.8). Strategic consensus can be achieved through specific actions related to internal communication, considering that the vertical organizational structure limits the free circulation of organizational information.

### **Strategic Process in the Perception of Managers**

There is consonance between the managers' perceptions when the unity in the content of the interviews is observed. This finding differs from the result brought by Prieto and Carvalho<sup>64</sup>, who identified in their study the existence of conflicting opinions regarding the strategy formulated in the company studied. According to Stepanovich and Mueller<sup>56</sup> and Prieto and Carvalho<sup>64</sup>, the existence of strategic consensus proved to be an extremely relevant factor for the successful implementation of the strategy.

Regarding the formulation of the strategy, all interviewees said that this process is carried out by the company's directors, together with the administrative management, with specific aspects subsequently discussed with the management of other sectors. This centralization of strategy formulation, at the highest hierarchical levels, is brought by Da Silva and Lepsch<sup>38</sup>, who report that strategy formulation can occur in an imposed manner, as senior management outlines the strategy and subsequently communicates to lower hierarchical levels.

The interviewees' reports corroborate the findings of Prieto and Carvalho<sup>64</sup>, who pointed out in their study that mid-level managers are more directly involved in executing the strategy than in its formulation. For Padilha *et al.*<sup>19</sup>, it is necessary to ensure that mid-level managers are fully committed to the formulated strategies, as they are truly responsible for disseminating the strategy in the organization and will only be able to establish high levels of alignment if they are strategically committed to the organization<sup>74</sup>.

The lack of these intersectoral meetings is perceived as a limiting factor in the understanding of strategies by internal *stakeholders*, who say they feel a lack of spaces to share experiences and tacit knowledge about the strategies formulated. In this sense, MacLenan and Markides<sup>53</sup> report that the limited participation of teams in the strategic process can compromise the success of strategy implementation and strategic alignment.

Interviewees also mentioned the need to improve internal communication and encourage intersectoral

cooperation practices, which depends on the formalization of the strategy formulation process. Informality in most internal processes is observed in all sectors. Each seems to adopt its own methodology and formulate strategies independently, which may be a reflection of the absence of intersectoral meetings.

Ates *et al.*<sup>21</sup> reinforce that the involvement of all managers jointly in the strategic process, from the formulation of the strategy, is one of the factors that contributes to the successful implementation of the strategy. MacLenan and Markides<sup>53</sup> bring a similar finding in their study having recorded that, managers of a myriad of companies in different countries reported having only an idea of the organizations' strategic objectives, not having clarity on how to achieve them.

The managers interviewed believe that, for the most part, employees know the organizational objectives and strive to reduce possible noise in inter-level communication as much as possible. This movement by managers is perceived as positive, considering that there are individualized meetings (weekly/monthly/quarterly) by sector to verify the achievement of established goals and, thus, managers understand the flow of information as satisfactory.

For managers, the habit of talking to the work team and involving people in discussing tasks and routines translates into cooperation at work, helping to improve processes and the degree of understanding of strategic information by all stakeholders.

Thus, managers realize that all employees are engaged around the company's strategic objectives and each manager feels free to reward the individual productivity of each employee. For Padilha *et al.*<sup>19</sup> and Da Silva *et al.*<sup>1</sup>, communication is one of the crucial factors for strategic alignment, as failures in this process can constitute barriers to the successful implementation of the strategy, as suggested by Cândido and Santos<sup>16</sup>.

There is no productivity remuneration policy formally established in the company, which is a decentralized practice based on subjective criteria on the part of each manager. The interviews revealed the importance of strategic alignment with a view to equating salary differences between work team members and generating greater engagement through practices that promote career growth.

Prieto and Carvalho<sup>64</sup> report that human capital alignment is only achieved when personal objectives, training programs and compensation policies are aligned with the company's strategies. The absence of a remuneration policy may be responsible for the below-average score (8.2) when measuring some attributes considered decisive for strategic alignment.

In general terms, the analysis of quantitative data and the aspects covered by the interviewees reinforces that the level of strategic alignment at Alfa Company is high. Much of this alignment is due to close communication, derived from the low degree of formalization of the strategy. It is clear, however, that Alfa Company needs greater integration between sectors to improve alignment between mid-level managers.

### **Correlation of Results**

Cross-checking the data allows us to understand that there is unity in the perceptions of employees and managers, even though different instruments and data collection techniques were used for each group of individuals. The correlation of quantitative and qualitative data and their relationship with the most recent theories highlights the high level of strategic alignment that exists at Company Alfa. The main findings are reported in the Frame 4, pointing out evidence of how the strategic alignment process occurs in the company.

The congruence of managers' reports with the scores given by employees is visible in all the factors analyzed. This proximity between the impressions of all hierarchical levels reinforces the score obtained for the level of internal strategic alignment, since there were no significant discrepancies between the points of view portrayed in the research.

There is even consensus regarding the needs perceived by managers and employees. This fact can be evidenced by the lower score given by employees, relating to training processes and pay-for-performance policies and growth opportunities in the Company, when compared to managers' reflections. In these points, in particular, it is clear that Company Alfa's managers noticed the same shortcomings, having reported seeing opportunities for improvement in these aspects.

Another notable factor is the lack of knowledge of processes in other sectors among all individuals. This need to better understand the Alfa Company as a whole emerges in the analysis of the score of 7.6 points, referring to the training processes and the managers' reflections, which point out the need to allocate moments for the exchange of experiences between all sectors. The study conducted by Padilha *et al.*<sup>19</sup> demonstrated that the existence of deficiencies in managers' skills or poor vertical communication are two of the main barriers to implementing the strategy.

It is also worth noting that the analysis of the data obtained through the questionnaires administered and the reports from the interviews corroborate the findings of Teixeira and Carvalho<sup>15</sup>. In the study by these authors, they observed that, despite the use of different media for strategic communication, verbal communication, face to face, between managers and employees proved to be the most effective, and was also identified as the preferred form of communication from the point of view of the employees of the company studied.



Based on the analysis of the summary of results, it can be seen that strategic alignment at Alfa Company occurs essentially in the interpersonal relationships existing in the organization. The relational aspects present in the findings of Khadem and Khadem<sup>58</sup>, Sull *et al.*<sup>50</sup>, Alagarja *et al.*<sup>69</sup>, Galpin<sup>61</sup> and Padilha *et al.*<sup>19</sup> are evidenced in the units of analysis of qualitative research and quantitative data.

## VI. Final Considerations

During the interviews, it was possible to understand how the growth process of the Alfa Company was done. The company provides logistical services applied to agribusiness and achieved success during the 25 years of operation in the national market, based on financial liquidity and constant attention to its cash flow, which moves high amounts to make operations viable.

This growth strategy provided leverage for the company's annual revenue, providing transport services in all Brazilian states, with its expansion determined by the exponential growth in the volume of transport provided by the acquisition of other transport companies that were facing financial difficulties.

### Suggestions for Future Studies

Studies that bring to light, the cause-and-effect relationship, between possible failures in the implementation of the strategy and the activities carried out by each area of the organization, already suggested by MacLenan and Markides<sup>53</sup>, would serve as a guide for companies that face difficulties in implementing your strategy

Multiple case studies can refine this theorizing by grounding it in a broader empirical context. As suggested by McAdam *et al.*<sup>4</sup>, future research efforts could further develop the model applied in this study.

It is also suggested that new studies be carried out in companies in the logistics segment that cover subsidiary units in other states. Such an extension would help promote understanding of the interactions between headquarters and operating agencies and their substantive effects on the cognitive processes of internal alignment<sup>4</sup>. It is also suggested that new studies be carried out on the relevance of strategic alignment in organizations, carried out in a broader, inclusive and holistic way, as pointed out by Ates *et al.*<sup>21</sup>, Heinzen and Marinho<sup>6</sup>, Teixeira and Carvalho<sup>15</sup>, Padilha *et al.*<sup>19</sup> and adopted in this study.

### Difficulties/Limitations Encountered

Regarding the application of the questionnaire, initially there was difficulty in engaging employees, which is why the company's intervention was necessary, providing an employee who went from sector to sector requesting that the questionnaire be answered by everyone by the established deadline.

The date chosen by the authors to carry out the research was not a very favorable period, as the number of employees was reduced due to vacations, and active employees were overworked, also taking on the tasks of colleagues on vacation.

Drivers' engagement in answering the questionnaire was lower than expected. The justifications given were that they would not have the means to access the electronic form due to restricted or no internet access on the roads and the lack of understanding of the questions asked in the survey form sent. Even with the low adherence to responses from these employees, the study was not compromised, however it is understood that greater adherence on the part of these professionals would have enabled deeper and more detailed analyzes to be carried out.

Finally, two directors did not participate in the interview, which restricted the scope and analysis of the results obtained, given the relevance of their positions within the company (Fleet and Finance Director) and the perceptions that would have emerged regarding the implementation process, guidance and strategic alignment of the company.

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