



## Strategy



# Why Isn't Your Strategy Sticking?

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**In 1992, Robert Kaplan and David Norton** identified [four barriers to effective strategy implementation](#): lack of understanding, lack of communication, disconnected incentives, and disconnected budgets. Over the decades, other experts have expanded on this list, identifying additional barriers including unaligned goals, insufficient resources, and inadequate performance tracking. Yet successful strategy implementation is still an ongoing struggle today. Are leaders simply not communicating well enough? Or does the intrinsic problem lie elsewhere?

The true problem lies not with the tactical aspects of strategy implementation, but psychological ones. When leaders think about the mindset needed to enact successful change, they need to first examine what will help shape perceptions. That is, they need to adopt a *contextual mindset* rather than an operational one — a mindset that looks at the entire organizational landscape and identifies the soft, hidden barriers that impede progress.

Here's how to shift from an operational to a contextual mindset so that you can better identify the hidden obstacles that may thwart your own strategy's implementation — and address them before they take root.

### **Understand the environment in which the strategy will live and operate.**

Strategy does not exist in a bubble, and the environment it operates in influences the organization's acceptance of it.

Here's an example from one of our clients. After months of work behind closed doors, they launched a new corporate strategy. The strategy introduction was met with reticence, doubt, and trepidation. This wasn't only because of a lack of communication, but also because of the organizational environment. For decades, the company had sustained a very rigid and hierarchical operation. Individual departments had little to no autonomy in decision making — even the smallest decisions had to be approved in advance by a steering committee. So, when the new strategy was announced everyone adopted a “wait-and-see” mentality and sat tight for explicit direction from leadership, rather than acting on it. There was no excitement about it, no buy-in.

To explore your own organizational context and identify potential strategy impediments, review your existing policies, procedures, and organizational structure. What creates barriers to action and decision-

making for employees? What would create confusion or cause second-guessing?

### **Understand the cognitive obstacles.**

Any organizational pain from previous strategies is never fully forgotten. This is referred to as historical baggage — past experiences, perceptions, and attitudes that influence the acceptance of change. In fact, these cognitive obstacles can stall implementation before a new strategy is even introduced.

Another one of our clients recently developed a new corporate strategy. Their department leaders were tasked with getting their teams up to speed, building excitement, and providing implementation guidance for their areas. However, this strategy was the fifth iteration in two years. Employees saw it as simply a fly-by-night plan. They already believed it would be no different than the unsuccessful strategies which came before it. People resisted buy-in for fear of investing effort into something that would change again in a matter of months.

This is another reason why you need to examine your own company's relationship with strategy — determining what has occurred in the past, the results of those efforts, and collective sentiment. Use a simple combination of surveys and qualitative interviews with managers and staff. What are people's past experiences with strategy implementation? What has caused issues before and why did those problems occur?

### **Address the unspoken doubts and elephants in the room.**

Once you have a lay of the land established, identify those concerns which came up again and again. Even if they seem illogical or petty, it is essential to proactively address these psychological barriers in a salient way, prior to beginning your strategy implementation. The key is to

recognize the issues, give them legitimacy, and provide clear reasoning and solutions.

Going back to our previous example, why would this latest version of an ever-changing strategy be different? First, openly admit what occurred in the past. Second, provide real-life instances and examples, validating the concern is fully understood. Third, illustrate key differences that confirm and authenticate a change in the current context. In this case, the entrance of a new competitor, along with changes in key executive personnel, were the catalysts for a renewed strategy commitment.

### **Follow through with necessary change.**

All of this will be perceived as lip service if your hidden barriers aren't genuinely addressed. However, some barriers may be more complicated to fix than others. For example, say through your examination, a specific person in the company is mentioned who has consistently derailed progress in the past. Depending on the individual and their role, there may be limitations in moving them or removing them. But this doesn't mean you ignore the problem and hope employees don't notice.

You may need time to determine a permanent solution, which might require multiple discussions, meetings, training, or the hiring of additional personnel. Rather than sustaining radio silence with employees until the situation is fully handled, provide a short-term stopgap. This could be something as simple as changing an approval process or shifting a person's responsibilities temporarily.

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It's insufficient to just share the goals and objectives of your strategy and hope implementation will succeed. Instead, focus on recognizing and addressing the historical context that influences employee behaviors and mindsets. This way, leaders can build legitimacy and shift

perceptions by eliminating hidden mental barriers — clearing the way for strategy implementation to take flight.

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