

Psychological factors affecting strategy implementation in organisations. A review of related literature

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Abstract

The failure rate of strategy implementation in both public and private-owned organisations is a cause for concern across the globe. Extant literature reveals that almost 70% of the formulated strategies do not successfully get implemented by organisations for various reasons. Therefore, this paper reviewed literature on psychological factors affecting strategy implementation in organisations. The results of the review revealed employee motivation, commitment, competence, perception and attitudes as the main psychological variables which have an impact on strategy implementation in organisations. Thus, it demonstrated that psychological factors are also key determinants in any strategy implementation exercise in all organisations. It is, therefore recommended that, for a successful strategy implementation initiative in an organisation, psychological factors have to be considered.

Keywords: Strategy implementation, performance, motivation, commitment, competence