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GETTING IT DONE: THE ROLE OF LEADERS IN BUILDING AND SUSTAINING AN EXECUTION CULTURE

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ABSTRACT

The presence of an execution culture in organizations is crucial to ensuring that strategies get carried out (Bossidy et al., 2000; Lee & Chen, 2007). This study attempts to describe how leaders are able to build an execution culture in six Philippine companies, using convergent interviews analyzed through the grounded theory lens. Results indicate an emergent execution culture building and development model composed of five leadership actions: inclusion of multiple levels in strategy planning, identification of roles and accountabilities, communication of directions, monitoring of implementation, and connecting performance to appropriate rewards. Also included in the emergent model are key actions of the leader, such as display of personal touch to motivate and develop people, leading by doing as well as championing of execution-supportive organizational values. The emergent model offers another way of looking at the execution culture development process, culturally nuanced from Western models.

Keywords: Culture, execution, grounded theory, leaders, strategy.

1.　Introduction

For an organization to execute strategies consistently and well, it has to have an execution culture (Bossidy et al., 2002; Lee & Chen, 2007). This includes the installation of a culture of discipline, a bias for action, an adaptive system, a conversation system among the elements within the organization, shared meaning, empowerment for followers, knowledge sharing, an operating paradigm, an adequate level of initiative, and an emergent strategy (Fontannaz & Oosthuizen, 2007); it also includes leaders being able to engender trust and openness, and ensuring that there are

managed conflict levels (Reid & Hubbell, 2005).

Research studies that trace leadership roles in culture-building include those of Schein (1983), Dyer (1982), and, in the Philippine context, Presbitero (2008). However, these studies focus on organization culture in general, with no particular emphasis on high performance or execution. On the other hand, Hanna (2013), Bossidy et al. (2002), McChesney et al. (2012), and Mellon and Carter (2014) wrote descriptions on how to develop an execution culture based on field studies and experiences, though largely situated within a Western context and focused primarily on top leaders.

This research hopes to contribute to existing literature, particularly on how an execution culture is created and sustained in businesses organizations from the perspective of a developing country such as the Philippines.

1.1 Review of literature

1.1.1 Culture affects organization performance

We understand organizational culture as "the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration" (Schein, 1984, p. 3) or "observable work habits and practices that explain how the organization really operates." (Hanna, 2013, p. 9)

There is evidence that organizational culture affects organizational performance positively (Denison & Mishra, 1995). This is specially so if the organizational culture includes traits like adaptability, sense of mission, employee involvement and consistency of perceptions about values (Gordon & DiTomaso, 1992; Wilderom & van den Bergh, 1998; Ojo, 2010).

But culture can also affect organizational performance negatively, particularly in instances when a strong culture—by gravitating toward the familiar—actually hinders needed changes from being made (Hanley, 2007).

Empirical evidence point to the fact that cultures form in workplaces (Chatman & Cha, 2003), but the question is whether the culture that forms is one that helps or hinders the organization's ability to execute its strategic objectives. Organizations must use their culture to fully execute their

strategy and inspire innovation and therefore organizational culture is too important to leave to chance.

How then can an execution culture—focused on positive organizational performance—be developed?

1.1.2 Building and developing an execution culture

In the first place, execution has to be embedded into the organizational culture, particularly in the behavioral norms and in the reward systems (Bossidy et al., 2002). Chatman and Cha (2003) described three levers for forming, strengthening, and changing culture. Successful organizations have used key managerial tools to leverage culture and performance: *Selecting people for culture fit; Socialization and training; and Reward systems.* They emphasized though that "an effective culture is closely related to business strategy. Indeed, a culture cannot be crafted until an organization has first developed its business strategy. The first criterion for using culture as a leadership tool is that it must be strategically relevant" (p. 21). In the Philippine scene, United Laboratories developed its *bayanihan* (community

cooperative spirit) culture which is a foundation for its business success, through steps undertaken by the leader. Using the CREATE framework Presbitero (2008) described the leadership actions to communicate desired values, role model desired behaviors, engage employees, align systems and structures to reinforce and reward desired behavior, train for necessary competencies and evaluate results. The organization's human resource management practices also aid in the development of the firm's culture (McKenzie, 2010).

It is a leader's primary role to develop and maintain an effective culture (Chatman & Cha, p. 32). This idea is echoed in the works of Hanna (2013), Bossidy et al. (2002), Mellon and Carter (2014) and McChesney et al. (2012), four examples that illustrate how an execution culture may be developed.

In Hanna's (2013) Organization Systems Model, the process focuses on the definition of strategy elements that are relevant to stakeholder needs, the design of systems to deliver the strategy, the identification of "organizational viruses" (p. 9) that can hinder the capability to deliver the strategy, the evaluation of the

organizational capacity to deliver lasting changes to produce the desired results, and the prediction of the purported new culture on the results.

Bossidy et al.'s (2002) Discipline of Execution model tackled seven essential behaviors leaders must exhibit: knowing the people and the business; insisting on realism; setting clear goals and priorities; following through; rewarding those come through with results; improving people through coaching; and knowing oneself. Also covered is the creation of a framework for cultural change, that is, making a performance-rewards link, defining values and beliefs, encouraging dialogue, ensuring commitment and accountability, consistently drilling people on the desired behaviors, and ensuring that the right people are put in the right jobs.

McChesney et al.'s (2012) 4 Disciplines of Execution model, on the other hand, wrote about leaders first focusing the organization on the wildly important goals so that more efforts can be placed on fewer priorities, then acting on the lead measures—those activities that lead to the achievement of the goal—rather than just the lag measures. The leaders then define the discipline of engagement by

keeping a compelling scorecard or system of metrics—one that people can use to tell if they are winning or not, then "create a cadence of accountability" (p. 77) —by installing a series of meetings to remind each other of accountabilities and responsibilities.

Mellon and Carter's (2014) Five-Step Guide to achieve the Strategy of Execution starts with Mobilizing the Village, where the leader must make sure top executive team completely buys into the strategy and is mobilized for action. The next step is to Gather the Elders, which means that the Elders— "very senior executives who sit alongside the CEO" (p. 41) —agree about how to execute the strategy. Then comes the step calling for powering up the feeling, and emotional intelligence is used "in creating strategic agility for your organization." (p. 86). This then leads to the next step, which is energizing people, meaning that leaders should not just cascade information but rather, allow open communication to facilitate understanding and engagement. Leaders should build an acceptable, easy-to-use performance management system that measures performance rather than

activity, then ensure endurance by building the base through training.

The four models described above differ in the specific process elements of the execution culture development models, their explanations about how changes in organizations are to be effected, and their definitions of which leadership actions or behaviors are most crucial. However, they have a common focus on important leadership behaviors, the value of communication, prioritized goals, clear accountability and organizational systems such as performance and rewards management to ensure that strategies get carried out. It would be helpful to know which of these elements and leader behavior may be applicable in another context, for example, a developing country.

1.1.3 Asian culture and its influence on strategy execution

Although there are similarities among people across cultures, it is also true that there are dissimilarities, as described in terms of cultural dimensions and leadership style preferences (Hofstede, 1993; House et al., 2004). In the study by House et al. (2004), one key finding was that leadership effectiveness is defined differently across cultures. For example, for a country like the Philippines, which in the study was slotted in the South Asia cluster, the effective leader is defined as charismatic, team-oriented, participative, and humane-oriented. These findings were similar to scores in the same descriptors coming from neighbor Southeast Asian countries like Malaysia, Indonesia, Thailand, and India, and also to Confucian countries like China, South Korea, Taiwan, Hong Kong, Singapore, and Japan.

Asian cultures are described as more collectivist—believing that people ought to belong to groups so as to be protected by them—rather than individualist. They tend to have higher power distance scores, meaning that they accept inequality in society, more than Nordic Europeans do (House et al., 2004). For example, workers in the Philippines distance themselves discernibly from their superiors, illustrating the concept of high power distance. They exhibit loyalty to in-groups, are guided by and adhere to group norms, illustrating collectivist behavior (Franco, 2014). Filipinos also expect their leaders to act as role models, to forge good relationships among employees, and to provide a

steadying presence as a caring patriarch, a "father" and authority figure. (Hechanova & Franco, 2012).

Referring to the national Filipino culture, Jocano (1999) insisted that this can blend seamlessly into an effective organizational culture. He suggested the usage by leaders of principles like *kaugnayan* (identity), *karangalan* (pride), and *katapatan* (commitment) – in order to develop *malasakit* (selfless concern) of subordinates. In the same study, Jocano (1999) traced the traditional communication style that Filipinos use, starting from *pagsasangguni* (consultation), going to *paghihikayat* (persuasion), to *pagkakasundo* (consensus). He advised that leaders should also follow this communication pattern with their followers in order to achieve *pagkakaunawaan* (understanding) with them. Eventually, this will lead into *tiwala* (belief or confidence) of followers in their leader, and will lead *sigla* (enthusiasm), *kaya* (capability) and then to *kagalingan* (peak performance) on the part of the followers.

Apart from those mentioned above, there are other facets of Filipino culture that can be accommodated into the creation of a viable organizational execution culture. Pe-Pua and Protacio-Marcelino (2000) described that Filipino values are made up of colonial/accommodative surface values (like *hiya* or propriety, *utang na loob* or gratitude that may be repaid in the future, and *pakikisama* or companionship), confrontative surface values (like *bahala na* or determination, *sama/lakas ng loob* or resentment/guts, *pakikibaka* or resistance), core values like *kapwa* or shared identity, pivotal interpersonal values like *pakikiramdam* or empathy or shared perception and linking socio-personal values like *kagandahang loob* or shared humanity. Equally important are the societal values like *karangalan* or dignity, *katarungan* or justice, and *kalayaan* or freedom.

Pe-Pua and Protacio-Marcelino (2000) also described the Filipinos' penchant for indirect communication as being reliant on societal cues that they would have grown up with. In this context-heavy situation, one can surmise – especially for organizational leaders – the importance of having *pakikiramdam* (empathy) as a socially desirable organizational skill. Not everything needs to be said out loud; one must exercise empathy and mental role-playing ("What if

I were in his/her shoes? How would I feel?").

These studies affirm definitions of effective leadership practices as being culturally nuanced (Javidan et al., 2006; Ahlstrom et al., 2010; Perkins, 2009; Rowley & Ulrich, 2012) and contextual, or embedded in the societal and organizational norms, values, and beliefs of the people being led (Hoppe, 2007).

1.1.4 Leadership practices influence execution success

Leadership practices and styles have been found to be instrumental in determining strategy execution, with transformational leadership style listed as most important (Siddique, 2015). Strategic leadership practices exercised by top officials are very important in ensuring strategy execution (Jooste & Fourie, 2009), especially the effect of leader actions on successful organizational transformation (Min & Santhaparraj, 2011). In describing how a new leader may gain enough credibility to effect change in an organization, Min and Santhaparraj (2011) wrote: "The new leader has to earn his credibility through a series of actions taken that yield results. You can't

just talk people through when they are in trouble!" (p. 220). Strategy execution can also be assured if the leader has a relatively lower degree of desire for control (Lee & Chen, 2007).

Important leadership practices include the development of a strategic direction for the organization, the development of people, the proper utilization of the firm's distinctive competence (Min & Santhaparraj, 2011), the identification of clear responsibility and accountability (Hrebiniak, 2008), the definition of the organization's values, mission, and vision, as well as the driving of changes (Kaplan & Norton, 2008).

Leaders should be able to get emotional commitment from their employees, as this is the most critical element, in addition to the action of translating objectives into tangible projects, the presence of rules to clarify and align the personal to organizational objectives (Ayande et al., 2012) and the leaders' ability to manage paradox (Fredberg et al., 2008).

Employee commitment to the corporate vision, according to Slack et al. (2010) is linked to the perception of whether the department management—that

is., the leader heading the department—is similarly committed. This highlights the important role of middle management in translating plan to action.

1.1.4 Middle managers and strategy execution

Middle managers, not only the top leaders, have important roles to play, especially in the management of risks, the running of control systems, cost control (Ghorbal-Blal, 2011); the provision of emotional support (Huy, 2011); providing special expertise and access to vital information (Bass, 2000) and making sure that the organization performs according to the metrics that are deemed important (Al-Hakim & Hassan, 2011). They have also been shown to have a significant influence in making sure that followers adapt to an organizational culture, particularly one focused on market orientation (Lam et al., 2010), and that these followers develop trust in the organization (Zhang et al., 2008). Similarly, for culture change to be embraced by the followers, middle managers have to be convinced as to the viability of such change (Ogbonna & Wilkinson, 2003). Conversely, if the middle managers do not understand or do not relate to the culture, then its values stand

very little chance of being transmitted down the line (Valentino, 2004).

These findings, though, appear to contrast with those of Avolio et al. (2004), in their research on transformational leadership, structural distance and employee commitment. Avolio et al. described the moderating effect of structural distance on this relationship of transformational leadership and organizational commitment. This means that there is a greater effect of indirect superiors on followers rather than direct superiors on these same followers.

1.2 Research questions

To address a gap in the literature, particularly on how an execution culture may be built in developing countries with distinct values and traditions such as the Philippines and others in Asia, there is a need for a rigorous process of gathering data and analyzing local practice. To be clear, the purpose here is not, as Liden (2012) cautioned, to describe an overly indigenous process based on Southeast Asian culture. Rather, the aim is to start an inquiry whether the distinct values within this culture serve to influence how leaders

understand and implement execution culture.

This study aims to answer the following research questions:

1. What do top leaders of Philippine business organizations do to create and sustain an execution culture in these organizations?

2. What roles, if any, are played by middle managers, first-line managers and followers in helping create this execution culture?

3. How do Filipino values help or hinder in creating and sustaining an execution culture in these organizations?

1.3 Grounded theory as conceptual framework

This study focused on understanding the execution culture-building process from the viewpoint of top corporate leaders and other organizational leaders and members.

Grounded theory offers the most efficient way to analyze the data from disparate sources coming from disparate backgrounds, as it seeks to describe and make sense out of the different experiences of these people. The usage of more positivist methods like hypothesis testing and the employment of quantitative methods may not be appropriate for the study of leadership (Kempster & Parry, 2011) and this particular study on execution culture development, as the research questions would not have lent themselves well to a cause-effect research design (Barker, 2001).

As designed, the research questions would have resulted, as they eventually did, in vivid descriptions of execution culture development processes and leadership actions and roles. This fitted quite well into Kempster and Parry's (2011) description of the usage of ground theory in understanding observable and unobservable phenomena within the leadership concept. This would result in "the emergence of nuanced and contextualized richness within the organizational structures, relationships and practices" (p. 108). The usage of this lens is consistent with the description of the methodology by Charmaz and Henwood (2008), Age (2011), Breckenridge et al. (2012), and Green et al. (2010).

2.   Method

Convergent interviews was the method used to gather data in this research. The following main questions were asked, with supporting probing questions as needed:

1. What do you do as Chief Executive Officer to create and sustain an execution culture in (name of company)? Is there a process that you follow to make people implement the strategies? If so, how would you describe this process?

2. What roles, if any, are played by middle managers, first-line managers and followers in helping create this execution culture?

3. What roles, if any, are played by Filipino values in creating and sustaining an execution culture in this organization?

4. What have been or are still the most pressing issues or challenges when it comes to strategy execution in this company?

Fourteen executives and employees from three market-leading companies and twelve executives and employees from three non-market-leading companies participated in the study. These included three chief executive officers (CEOs) or chief operating officers (COOs) of purposively selected corporations that have manifested strong organizational success due to effective strategy execution. Since convergent interviewing was used, second-level officers and subordinates were also interviewed, with a minimum of at least four people in total within each organization. Following the process, these interviewees were nominated by executives who had been interviewed before. To provide a counterpoint to the themes that arose from the interviews with leaders in the well-performing companies, similar interviews were conducted with three top leaders and nine other members of lesser performing companies in similar industries.

2.1   Selection   of   participants   and organizations

The   six   corporations—three   well-performing and three lesser performing, or three market-leading companies and three non-market-leading   companies—were purposely   chosen   in   order   to   provide descriptions of leadership behavior that would   explain   the   emergence   or   non-emergence of an execution culture in these corporations.

In selecting organizations, a well-performing company had to be a Filipino-owned and -managed company in the Top 1000 in terms of revenues or assets. It also had to be a market leader—of the top three in the industry in the Philippines—in terms of market share, and has to have demonstrated consistent profitable operations for the last three years. These choices were validated using interviews with knowledgeable informants, consisting mainly of the Ateneo Leadership Studies faculty members and colleagues from the Ateneo Graduate School of Business.

A lesser performing company had to be in the same or similar industry as the well-performing company, although they would be average or mediocre performers within these industries either in terms of sales, revenue growth, market share or profitability. References used here were publicly available documents about the companies. For these companies, the choices were made because of convenience, as key executives of these companies are known to either the researcher or his relatives or colleagues.

The researcher and some of the panelists identified CEOs of market-leading Filipino companies, and then these people were contacted via telephone calls and emailed letters, inviting them to join the study. For these leaders, an important qualification was that within the three-year time span of incumbency in the position, the organization should have demonstrated success in measures considered outstanding in their industry or business sector. All of the participants agreed to the research and were informed about the ramifications of the research, including possible publication.

Appendix A shows the detailed criteria for the selection of these leaders and companies. The list of participants, including other pertinent details about them, is in Appendix B, whereas descriptions of the companies are in Appendix C.

2.2 Use of convergent interviewing and grounded theory method

Williams and Lewis (2005) described the use of convergent interviews as invaluable for doing research on strategic issues because of its progressive nature—that is, it allows the research theme to emerge as a result of the successive and iterative interview process. In this case, the

successive interview method also allowed the phenomenon—the process of building and sustaining of an execution culture—to be viewed from several points: from the top leader and the followers. This method elicited a series of convergent and divergent themes that would allow researchers to contribute new insights.

The particular convergent interview method as described by Dick (1990) as well as grounded theory guidelines put forward by Charmaz and Henwood (2008) were used in this research.

Dick's (1990) convergent interview method was applied as follows:

1. Form a reference group: The researcher chose selected faculty of Leadership Studies and Graduate School of Business as the reference group, which then gave advice on the industries and corporations to be studied, the prospective interviewees, and how to structure the initial question so as to elicit optimal responses.

2. Define the information: Aside from the preliminary question like "How would you describe this company and its leaders?" it was also important to come up with suggestions for initial questions in order to get the interviewees to talk at some length. This question set was, "What do you do as Chief Executive Officer to create and sustain an execution culture in (this company), or to make sure that people follow the strategy that has been set forth? Is there a process that you follow to make people implement the strategies? If so, how would you describe this process?" The same initial question was given to all participants. In interviews where the interviewee was not the Chief Executive Officer, the question was reconfigured as "What does the Chief Executive Officer do to create and sustain an execution culture in (this company)?" Follow-up questions included: "What roles, if any, are played by middle managers, first-line managers and followers in helping create this execution culture? What roles, if any, are played by Filipino values in creating and sustaining an execution culture in this organization? What have been or are still the most pressing issues or challenges when it comes to strategy execution in this company?" In order to test the practicability of the prepared questions, and the usability of convergent interviews and grounded theory in this research, a pilot interview was

conducted by the researcher with one chief executive officer following the method as described above. No adjustments were deemed necessary, as a result of the pilot study.

3. Define the target population: This consisted of the leaders and members of the organizations who were chosen, based on the parameters set.

4. Inform the stakeholders: Participants were invited through letters, telephone calls, and emails to companies within the target population, informing them of the purpose of the study and assuring them of the confidentiality of their identities.

5. Choose the sample: The researcher began with the top leaders of the organization, then proceeded to the other interviewees identified by the top leaders on who would be most representative, but most unlike of the top leaders' views in some aspects.

6. Select interviewers: All interviews were conducted by the researcher.

7. Plan the interview: The researcher decided on the initial question, and then planned on subsequent questions in order to surface and clarify the answers to our research question. As noted above, the subsequent questions were wholly dependent on the answers to the initial question.

8. Conduct the interview: As noted by Dick (1990), it is important to keep the interviewee talking about the initial question for at least 45 minutes or an hour. This would allow the researcher enough data to ask subsequent questions. The researcher found out, however, that his interviewees would talk unimpeded only for around 20 minutes, and then would need to be prodded with follow-up questions in order to proceed. The researcher used a voice recorder, with permission from the participants, despite Dick's (1990) preference to the contrary. This facilitated transcriptions by research assistants.

Steps 9 to 11 of the convergent interview process—interpret the interviews, compare, review the process, and recycle—were done using the grounded theory lens. The 10th step, recycle, meant that the researcher went back to step 8 and conducted subsequent

interviews and kept on repeating until two subsequent interviews have added no significant information. Usually, no additional significant information were added by the fourth interviewees in each organization, so that was when the interview process in that particular organization would stop.

Consistent with the Charmaz and Henwood (2008) description of the grounded theory process, the transcriptions of the interviews done were coded in two phases, taking into consideration the description of the phenomena as culled from the interviews, the processions of which these phenomena are a part, and the theoretical categories under which they belong.

Transcription of the interviews was completed by the researcher. This was done by listening to the recording of each interview at least twice, in order for the researcher to re-familiarize himself with the context of the interview and the idioms used by the interviewee. Eleven of the 26 interviews were initially transcribed by two research assistants, but reviewed and corrected by the researcher by comparing the recording with the transcripts.

Initial coding was done on segment-by-segment basis, and essentially labelled what was happening, and of what process these actions were a part (Charmaz & Henwood, 2008). After that, the researcher proceeded to focused coding, where specific theoretical categories were assigned to the initially coded data (Charmaz & Henwood, 2008). Initial and focused codes were aggregated on a per company basis. This procedure was repeated as the researcher worked on the interview transcripts from one company to another, until all transcripts were coded.

The researcher did two sets of coding procedures, one set consisting of the well-performing companies and the other consisting of the less-performing companies. The purpose was to see if there would be differences in the descriptions of the processes from these two sets of companies.

The theoretical sampling portion of the grounded theory process was taken care of with the usage of convergent interviews. For the most part, the initial interviewee per company was the one who nominated the next interviewee, based on the guideline that these people have to have different

opinions and insights from the interviewees who preceded them. The process of asking the current interviewee who in the company would be the one with the opinion or insight most different from him or her was repeated until the saturation point was reached.

The usage of the convergent interview method also defined when the saturation point was reached, which meant that no other connections or properties of the theoretical categories could be found. Usually, this saturation point occurred at the fourth interview.

Memo-writing was done as coding per company was completed, but unlike in the initial and focused coding steps where there were two sets of codes made, the researcher only made a single thread of memos. This part of the grounded theory process, as described by Charmaz and Henwood (2008), fit the observations into the theoretical categories and helped develop the theoretical framework of the report. The researcher wrote memos as soon as transcripts of the interviewees were finished. Throughout the writing of the memos, he was able to make an iterative description of the emerging execution culture development process. He wrote a first draft of the results, and as the next interview transcripts came in, he was able to make further memos. He revised his earlier description of the emerging process, and then compared this with other theories and studies. The iterative process continued until all the interviews were analyzed. He was then able to come up with the final emergent model that is reported in this study.

Elliott and Lazenblatt (2005), wrote that memo-writing, in and of itself, is a cure against *a priori* researcher assumptions and thus, is a safeguard for reliability and validity. It ensures that the researcher focuses on the data rather than force-fitting observed phenomena into prepared categories.

2.3 Validation

The use of the convergent interview method precludes researcher bias, as by prompting the researcher to ask semi-structured questions, like in this study, the researcher was prevented from injecting his own personal observations into the interviewees' answers. The researcher's use of probing questions to explain reasons behind the divergent or different views of

interviewees—as well as the purposive search for such divergent views—also served to validate and refine the emerging explanations for the phenomenon. Similarly, the use of the grounded theory lens, specifically the memo-writing portion, ensured that the resulting model sprang solely from the data and not from the researcher.

The researcher used three levels of peer review in order to provide external validation for this study. A peer was given the transcripts, initial codes, and focused codes for the first four interviews in this study, and there was agreement regarding the codes. After that, the entire body of transcripts, initial codes and focused codes were given to two peers, and there was also agreement regarding the entirety of the codes. Simultaneous to the above, the entire body of transcripts was given to yet another peer, and she was asked to re-do both sets of codes, without any access to the codes already made by the researcher. Comparisons made between the researcher's codes and the re-done ones showed a more than 80% similarity.

2.4 Reflexivity

It must be noted that the researcher, aside from being a graduate school and college lecturer, is also a management consultant who has had prior experience in running business organizations. The researcher was acquainted with some of the interviewees, or had contact either with them or with their companies at earlier times in his career. All of these connections to the interviewees were either known to the interviewees or made known to them by the researcher.

A mix of English and Filipino languages were used. This enabled the interviewees to express themselves as freely as possible, using the language that they were more comfortable with. The researcher used a voice recorder and, despite the fact that interviewers gave permission, the presence of this device may have affected their answers and the way they answered.

2.5 Informed consent

Informed consent was obtained from all individual participants included in the study. They were all told that this was an academic study and results could be published. In addition, the researcher took care to disguise the names and positions of

the participants, as well as the descriptions of the companies.

3. Results and emerging themes

The results of the study point to a model of building and sustaining and execution culture that has similarities with the Western models described earlier. However there are some distinct features on the components comprising the model as well as the role of leaders in this process. The emerging pattern in the business organizations studied present the following components:

▪ Include multiple levels in planning: Leaders include multiple levels and functions so that people will buy into strategies and plans more easily.

▪ Communicate direction: Leaders articulate clear directions to the rest of the stakeholders, so that the people understand where the organization is going, what it will become and how it will get there.

▪ Identify roles and accountabilities: Leaders identify goals, accountabilities, and tasks of both units and individuals so they know precisely what is expected of them.

▪ Monitor what is going on: Leaders install systems and structures to control, are visible to monitor and give feedback on how people are performing, so they are able to adjust performance, adherence to the strategy or the strategy itself.

▪ Connect performance to appropriate rewards: Leaders build systems and procedures to make sure that meritorius performance is rewarded and below-par performance, sanctioned

The arrangements of these components was derived from the interviews. Although they were not presented in this manner by the interviewees, analyzing the flow of the procedures shared in responding to the questions allowed the researcher to draw the logical sequence and form them as steps in a cycle. This will be discussed in greater detail in another section.

One key feature in the formulation of this model is the identification of seemingly context-specific features that differentiates it from the aforementioned Western models. Although some of the components are similar (communication, identification of goals and accountabilities, monitoring and performance-reward link), one difference is the inclusion of multiple levels as early as the planning stage, which may be attributed to the importance placed on

group consultation in the Philippine and Asian context (Hechanova & Franco, 2012). Another key feature is on the three important conditions that have to be present in order for the model to work, anchored on the personhood of the top leaders and actions done by them. The importance accorded to or even dependence on them may be due to paternalistic nature of Philippine and Asian culture. The relatively high power distance between workers and organization and unit heads give leaders a certain level of acknowledged authority. They are supposed to know what is good for the organization. (Hechanova & Franco, 2012). Consequently, the leaders' giving their personal touch or attention to their followers has a positive effect on the engagement of the employees. As they are looked up to as authority figures, their being able to lead by doing serves as example of the desired behaviors. If the leaders are willing to work long hours and give up personal time to work, why should the employees not do so? Similarly when they promote execution-supportive organizational values, the weight of their action are seen as as reinforcement to the systeas and structure that are put in place. When the leaders demonstrate *malasakit* or

concern for people, then it resonates or creates a ripple effect among the members of the organization. Key to this promotion of values is an ability of the leader to read how to align organizational values with employees' own and this requires being accessbile and on the ground with the troops, *pakiramdam* in Filipino language.
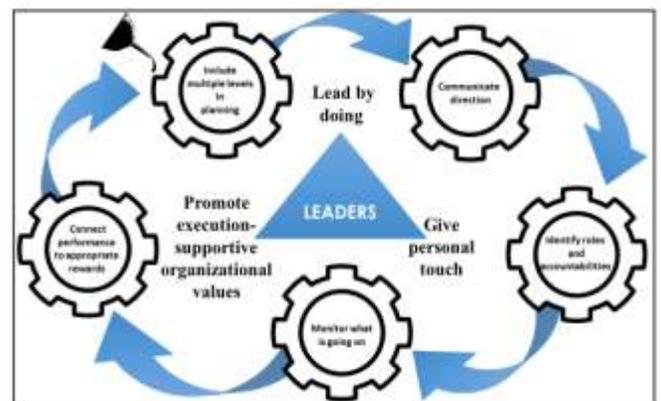

Figure 1

Grounded Theory Model of Execution Culture Creation and Development in Filipino Companies

Fig. 1, then, is a suggested model for how leaders build and sustain an *Execution Culture in Filipino Companies,* developed from the findings of this study using the lens of Charmaz and Henwood's (2008) grounded theory framework.

3.1 Steps in the execution culture building and sustaining cycle

The following sections describe how the model and its steps were arrived at.

3.1.1 Include multiple levels in strategy formulation, planning, and decision-making

All of the interviewees from the market-leading companies included this theme in their accounts. One of the respondent CEOs, for example, described the project conceptualization process in his company are "not very top-down." He continued:

"How did we get to that concept? Simply by me taking two people—in among our staff, my two assistants, actually—and told them, if you were to buy a condo, what kind of condo do you want? 'Ah, sir *gusto namin parang nasa* resort. *Gusto namin, bakit pa tayo aalis kung nakatira na tayo sa* resort (Ah, sir we want something that is would remind us of a resort. We want that, why will we go out to have fun if we were already living inside a resort?')"

It is a matter of personal preference, at least for another respondent COO, as well as a way to get people to accept directions and solutions:

"I don't like to tell them, '*Ito dapat gawin mo ha. Ito dapat gawin mo* (This is what you should do).' It's more, '*O ano ba yung* problem (What's the problem)? Present me the problem together with your solution.' And then we discuss the solution, if I would agree or if I would improve on the solution that you take. *Para may* buy-in *din* (So that there would also be buy-in)."

On the part of respondent CEO, the concept of inclusion was a realization that came about as a result of a commissioned study made by a consultancy group on the company 15 years ago. "You need to create a certain detachment between the board level and the operating business," he said. That was when the company consciously "made all the steps of empowering the . . . CEOs of the business."

3.1.2 Communicate directions to members of the organization

Thirteen out of the fourteen interviewees from the market-leading companies mentioned that there must be communication of directions to members of the organization – where organizations "cascade an overall strategy down to the execution," as one respondent put it. There may be big, corporate-wide events that will serve as venue for communication dissemination, such as what another respondent described: "We actually have a State of the Business where we do it mid-year and end-year. Where we show everybody what the performance is. As in, *everybody*. And what the directions are."

They may also be consultation meetings that serve dual purposes of planning and communication, "So, in the discussion process, and . . . and before executing any project, *alam na nila kung anong direksyon e* (they already know the direction)," as another respondent said. Still another respondent said that communication is constant:

"We communicate about the new project. So we have all different sorts of communications within the department. Anything in the company, I guess we have all the . . . written memos, the circulars, we have e-memos, we have the . . . our own internet within the company."

The various layers of managers also contribute in getting the directions across, as a respondent COO described: "We give clear directions. And then of course, since we have layers, so from management team, we cascade it to middle managers, they cascade it to frontliners."

3.1.3 Identify clear unit and individual goals and accountability

Eleven out of fourteen interviewees from the market-leading companies mentioned the identification of clear unit and individual goals and accountability as important in making sure that people in the company carry out the strategy. There are various ways that companies use in bringing these goals and accountabilities across, as described by the interviewees. For one CEO respondent, this should start with clarity of the vision of the top executive. She said: "*Kailangan* very clear ang goal *mo* at purpose *ng* company (Your goal and purpose for the company must be very clear). When you say, "Giving the right to everyone to be beautiful"—*lahat ay nasa*

mindset *namin* (that should be in everybody's mindsets)."

Most of the other interviewees described this part of the process in terms of knowledge of what to do in the assigned jobs, and making sure that goals and targets are understood. As another respondent said, "You design your organization and you have your processes that define a particular. . . work flow for each of the departments based on their expertise, or . . . discipline."

Goals and targets can be made part of a performance appraisal system, as another interviewee described: "*Pinasok na rin namin doon sa* appraisal system *nila yung* assignment and *yung* . . . target *nila* for . . .that year, *'no* (We already put into the appraisal system their a ssignments and targets for the year, right)."

The point to this linking of targets to performance appraisals is that, as a CEO interviewee said, "When you give them the decision-making process, then they should be able to take the flak if it fails . . . And we have to make sure that there is accountability."

3.1.4 Install information, control, feedback systems/structures to monitor performance

Thirteen of the fourteen interviewees from the market-leading companies mentioned that information, control, and feedback systems or structures have to be installed in order to monitor performance. As one respondent described it:

"As the year progresses, there is a mechanism wherein one will have to check whether the plans are actually translating to the results on a per-department, no. So in the middle of the year, there will be a review, but this will be on a more or less per department basis already. But obviously the end result will still be the numbers, the deliverables, as we call it . . . whether that's translating to the revenues, sales and profitability."

These monitoring systems may vary. For a CEO respondent: "*Kaya* (That's why) I'm using the Balanced Scorecard . . . using the Balanced Scorecard in monitoring their performance. *Minomonitor ko sila, mayroon akong* daily – daily ko indicator lang e (I really monitor them, I have daily indicators)."

The most commonly mentioned monitoring system was meetings. For one respondent, the review meetings of various departments in his company occur at fixed intervals:

"And I know for a fact, without it being on my schedule, I know Sales will be meeting here with the Production Planning team and the Logistics people to talk about last week's sales and this week's . . . "

Human resource systems were also mentioned as part of the monitoring cycle: "We have a semi-annual, so every six months, we have our own performance evaluation," said an interviewee. From another respondent: "Appraisal. Uh, monitoring, appraisal, management, *tsaka* (and) empowerment *din* (also), sir."

Monitoring performance always constitutes comparisons against standards, such as what were mentioned by the interviewees above. Another respondent described how this happens in the new product development process: "There are gate valves that are set up. For example, when you run an internal test on a hedonic scale of nine, your product is a five, you will not launch it. So the valve—gate valve—closes. We develop another one."

Monitoring systems can also be simple, such as what was mentioned by a COO respondent: "So we had to change the logo of about 175 branches. So *meron kaming malaking* (we had a big) board. '*Saan na tayo dito* (Where are we on this thing)?' We had to change 137 airconditioning units. *Meron kaming* (We had a) board."

3.1.5 Use appropriate reward systems to drive performance

Ten out of the fourteen interviewees from the market-leading companies mentioned the use of appropriate rewards, as well as sanctions, in order to drive performance. The link between rewards and performance is clear, as commented by a CEO interviewee: "The way our compensation structures are set, it really pays for results rather than, you know, good plans or the like." This is also the case with her company, according to another respondent: "If this is the plan, if it has been implemented according to what has been expected *o kaya mas maganda* (or if you exceed the expectations), you get rewarded to that. And we make sure that *yung* rewards *mo* (your rewards are) tied up with

kung ano yung pinapagawa mo (what you were supposed to accomplish) in the first place."

The reward may be a direct consequence of a favorable action, such as an incentive for meeting a quota, as what another CEO respondent narrated:

"Give them a quota. *Bibigay ko yung suweldo mo, itong suweldo mo, pero yung suweldo mo* (I will give your salary, here's your salary, but your salary) does not correspond to a day. *Suweldo mo* (Your salary) corresponds to a piece of work. Beyond that piece of work, *i-prorate natin* (we will prorate)."

It can also mean faster career growth, according to another respondent: "We fast-track people who really, you know, who really we think that really deserve to be promoted and awarded."

Rewards can mean one-time incentives for good performance, like the customized wish program a particular CEO respondent devised for her company:

"Binibigyan namin ng wish, yung magandang (We grant the wishes of those who have good) performance. *Yung*

magandang performance (If you have a good performance), you can have a wish. *Pag* performer *ka* (If you are a performer) this month, next month *anong* wish *mo* (what will be your wish)? *Bibigyan namin sila* (We will grant that wish for them)."

The interviewees also deemed sanctions as important, especially as a consequence of sub-standard performance. This was from another respondent: "And sorry *ka* if you haven't delivered in the last few years, regardless if you're the smartest guy in the room, I may have to ask you to go. So performance. Delivery of performance is very, very crucial."

3.2 Sequencing the steps of the execution culture development cycle

The researcher arrived at the sequence of the steps partly through the order of presentation by the interviewees and partly through logical analysis. This was an iterative rather than a straightforward process, made clearer to the researcher as he sifted through the transcripts and the codes while writing his memos.

One of the CEO respondents represented one of the clearest ways that the steps within the cycle could be identified:

"Of course, first, you have to have the right people. Second, so that means you have to have clear goal-posts. '*Ano ba yung plan*? (What is the plan)?" Third is you have to be able to measure. Fourth, you have to be able to control. So that requires IT . . . IT (information technology) and financial controls, '*no*. Compared to five years ago, we have much better . . . much better information systems, much better finance and accounting support. We can tell the profitability by factory, we can tell the profitability by plant, we can tell the profitability by SKU (stock-keeping units). We can reach the point when we can tell the profitability by customer, right?"

From the above, the researcher discerned that parts of the cycle include having clear goal-posts, or what he referred to in this study as the identification of clear unit and individual goals and accountability; as well as having controls and measures, or what he referred to as the installation of information and feedback systems and structures.

This particular respondent's mention of the importance of having the right people, or what was referred to in the analysis as recruiting the right types of people, did not find much convergence with the other interviewees from the market-leading companies, and so this was subsumed into another step which will be made clear later.

It is the conduct of training and development programs, mentioned by nine out of twelve interviewees from the non-market-leading companies, which can be subsumed under the step of installation of information and feedback systems and structures. This is because systems like this, like the other Human Resource Management systems and policies—performance management, career development, succession planning, and employee relations—can serve as information tools as well as tools that can boost performance.

Coming from the step of installation of information and feedback systems and

structures, the logical next step would be using appropriate reward systems to drive performance.

As noted in the analysis in the previous sections, all of the interviewees in the market-leading companies noted the importance of inclusion of multiple levels in strategy formulation and planning. While some strategic management books like David (2009) will make clear distinctions between the formulation and execution portions, to most of our interviewees, the interviewees, especially those from the market-leading companies, inferred that planning and strategy formulation go hand-in-hand with ensuring the success of strategy execution, so the way the former is done will have an impact on the other. For one of the CEO respondents, this is because: "There's strategy and planning but it's not unduly . . . long. Maybe there's a strong execution bent. The timeframe between strategy and execution is short." Another CEO respondent mentioned this step of inclusion of multiple levels in strategy formulation as the first step in the building of execution culture: "First of all, many of the strategies that we have are strategies derived from our own people. Unlike some companies, it's not very top-down." He

explained further why he felt that a top-down approach may not be inclusion-friendly: "You can have a culture from top. But . . . the group may not be as cohesive. So it's going to be very difficult for newcomers to . . . to be part of the group, to jell, if it's top down. So it's more participative."

A COO interviewee talked about the importance of employees becoming convinced of a plan's effectiveness presumably because they were part of the planning:

"Meron yung puwede kang mag-dictate, pero puwede rin namang (There are times when you can dictate, but there are times when a decision can be) collective, *puwede rin naman na* (it can be) collaborative. *Iyan* (There). So, I'm more . . . well, depending on the situation, like since I said that the problem is on the execution, so normally *ang tingin ko diyan* (my thinking is that,) it's the buy-in *e. Di ba* (Right)? They have to have ownership of the action plan. So *usap tayo* (let's discuss). *Pag-*

usapan natin (Let's have a discussion)."

For these reasons, the researcher identified the step of inclusion of multiple levels in strategy formulation and planning as the first step in the building and sustaining of an execution culture.

It is here in this step that we can include recruitment and selection of the right types of people, as organizations will need, as a respondent pointed out, "strong leaders who understand and appreciate what we are doing" —especially if the organization is premised on entrepreneurship, empowerment, and inclusion.

Again, following the flow of logic, after strategies and plans have been formulated, albeit by a group composed of many levels and functions, the directions and strategies still have to be told to the rest of the organization.

This, then, will constitute the second step. In this research, the researcher identified this step as communication of directions to the organization. This may be done town-hall meeting-style or cascading information level by level.

3.3 Essential conditions for the model to work

The process in the model as described above is a cycle in practice—thus, the arrow connecting the proposed first step in the process, "include multiple levels of people in the strategy planning process", and the fifth step, "connect performance to appropriate rewards." This means that a completed process necessarily leads to another, informing that subsequent process based on what had been experienced previously.

It may appear that some components in the model reflect similarities with the Western models. Still, the cycle alone does not give the complete picture, as certain conditions surfaced as essential enablers for the model to work. Specifically, as culled from the interviewees, at least three additional actions of leaders make the difference in how members of the organization are mobilized to support the execcution. As discussed earlier, in the Filipino tradition and work culture, the leader is patriarch and authority figure. As such, there is much dependence on how he interacts with employees to evoke trust, organization commitment and even

citizenship. The Filipino term *malasakit* is freely given when an individual feels emotionally connected to other members, especially to the leader. At times it is given in appreciation of, or in exchange for what is perceived as receiving genuine concern and care.

3.3.1 Lead by doing

Leading by doing is a condition within the model simply because it is not an action that fits into the process sequence. It is deemed to be important, and may occur at any point within the process. This was gleaned from the interview results, where all of the interviewees talked about leading by doing in the context of leaders being able to demonstrate what and how tasks must be done.

All 14 interviewees from the market-leading companies mentioned the importance of this theme in the execution process. "People follow what leaders do, and not what they say," was how a CEO respondent said it.

"What leaders do" can mean that leaders do the actual tasks that other people are supposed to be doing, but somehow have not done so yet, as what was described by a CEO respondent from a real estate development company, in dealing with his problem of grass-cutters who had not done as ordered: **"**So I went down, slept there for one week. And cut the grass myself."

This can also be defined as demonstrating how tasks are done, as was described by a staff respondent:

"Siya din yung nagkokontak, then *binabato sa amin.* So *parang mayroong* support like scaffolding, like *mayroon na siyang . . . gina-*guide *niya kami. Lalo na pag* it's a new idea, and then slowly *tinatanggal na lang niya yung* help *niya, para kami na ang bahala sa mga* execution and planning (She does the contacting, then she gives the contact to us. She provides support much like scaffolding does to a construction site, like she guides us. Especially if it's a new idea, and then slowly she removes her help, so that we will be the ones in charge of both execution and planning)."

This can also mean actions that leaders do in order to show that they are in

touch with what is happening in the business. According to one respondent who's an active marketer:

"You have to do the field work. You have to go on field. You have to go to the *palengke* (market). *Iyon* (That's it). *Masusunog ka* (You will get sunburned). So it's like that. Like probably the Director of Production, *si* Arnold, he goes to the plants. And he knows how the boiler works."

A CEO interviewee described it in her own way: *"Una, nandoon ako sa* store. *Umiiikot ako sa* store *e*. In a week, *dati talagang* three stores in a week *pumupunta ako tsaka binibisita ko iyan e* (First, I am in the stores. I go around the stores. In a week, I used to go to and visit three stores in a week)."

This also extends to how leaders are able to teach people certain work values that can help make execution better and faster, such as integrity and productivity. A COO respondent said:

"And, at the end of the year, at the end of the day, *sasabihing* (they will say)*, 'E wala ka namang nagawa e.' Di ba* (But you were not able to do anything. Isn't that so)?' So*, kung*

ano yung sinabi ko (what I will say)*,* it's very important for me *na gagawin ko* (that that is what I will do). That's the first thing *na* (that) to bind them all together *na* (that) I have my word of honor."

3.3.2 Give personal touch to connect

The interviewees understood this theme of "personal touch" —a term used by one of the respondents—to mean the usage of a leader's personal qualities to endear him or her to the employees, as a way to encourage, motivate or develop them.

Although it was not possible to fit this leader's personal touch in as a step because it was not possible to pinpoint exactly where in the process this had to occur, the researcher had to put it into the execution culture-building and -sustaining model owing to the number of interviewees that mentioned it. It was decided to put this as a condition within which the execution process had to occur.

Ten out of the fourteen interviewees from the market-leading companies mentioned that leaders use their personal touch in order to connect with, develop and motivate people. From the point of view of somebody working in the trenches, like one

of the staff interviewees, the effect can be very motivational:

"Makaka-receive na lang kami ng (We may receive a) text directly from the President . . . President and Vice President. So *ganoon po* (that's it). *Doon lang namin nalalaman na naappreciate nila yung ginawa naming pagpupuyat* (That's when we know that our staying up the whole night was well worth it)."

One of the respondents, talking about her brother, the company's President and CEO, had this to say: "Like every time we hit a certain high, an all-time high for sales, *si* Larry will email, "Congrats, guys!" *Siyempre ang buong barangay, kilig* (Of course, the whole team will be tickled pink)!"

Showing the leader's personal touch may be deliberate, as in the case of a CEO respondent: "That's why . . . to the extent possible, we try to be casual, we enjoy going on drinking sessions, you know. We bring them out. We get outings and night outs. If only to show them that the position that we have in the office is an artificial position."

A COO respondent also talked about how he strives to do this deliberately:

"Nakikita ko yung (I am able to see the) development. Until *umabot siya ng* (it reaches) 100. And then *pag* (when) 100 *na siya* (is reached), ' O, very good *ha*! *Naayos mo siya ha* (You were able to fix it, huh). *Kaya lang ayusin natin yung iba pa* (But you still need to fix the others).' *Ganoon* (That's it), visibility is very important."

A middle manager interviewee, talking about her boss, the Chairperson and CEO, talked about why she would strive to make herself visible to her employees: "I think it's the motherly figure in her, that she would always want her people to see *na* (that), 'O, I'm your chair . . . more than your chairman, I'm the mother of the company. I will always . . . ' She's that, e. *Na* (That) 'I will always be here'."

This was similar to the fatherly mien affected by the Chairman of a real estate development company, as described by one of the executive respondents: "In fact, even the Chair, *pagka may nakita siyang ano* (if he sees something awry), he will talk to you. *Parang bida, parang anak* (Like father to

son). '*Ito, mas maganda siguro ginawa nating ganito, ganyan* (It may have been better if things had been done this way). Next time . . . '"

3.3.3 Promote and reinforce execution-supportive organization values

Similar to the treatment of leader's personal touch and the leader's action of leading by doing, promoting execution-supportive organizational values can be seen as a condition within which execution culture can be created and can grow and develop.

All of the interviewees mentioned values, Filipino or otherwise, that served to support the building and sustenance of an execution culture. While there was no agreement whether Filipino values should be emphasized, all agreed that employees should know what the organization's values are, and that they should act these out in their work lives. In terms of values that were deemed important, these can be summarized as: emphasis on productivity, meritocracy, empowerment, innovation, integrity, belongingness, and respectful treatment of people. The last two values are typically associated with Filipino or Asian culture.

A CEO interviewee, for instance, mentioned Filipino values like *malasakit* (concern for others and for the organization) and even defined it as "something that you give out of your free will and you do that because *karapat-dapat mong bigyan ng malasakit e* (the concern is truly deserved by the other)."

Still others, like a staff respondent from a real estate company, mentioned: "Very strong *ang* Filipino values *natin*. *Yung* sense of belonging (Our Filipino values are very strong. This sense of belonging)." An interviewee from a food company had this to offer:
"Relationships are very important. And for a company like us, we take relationships very, very seriously and I think the reason why we are quite strong in the Philippines is because we operate in multiple levels of relationships and try to build meaningful relationships."

Other respondents, like an executive interviewee from a food company, had this to say about respect and smooth interpersonal relations: "*Nandodoon lahat iyan e* (It's all there). So . . . but we do not over-emphasize that. Remember, we are a multinational now." Another respondent from the same company gave an

explanation of the place of values in his company: "The values are not necessarily hinged on Philippine culture but what is right and what makes sense. What makes business sense. That. More of that."

There were interviewees like the respondent from a beauty products retailer who even talked about nationalism as one of the important values: "We'll always be very proud that it's Filipino-made, *o kaya* (or that, at least it's) Filipino-initiated."

One of the common facets of the organizations that came out from the interviews with the market leading firms was the emphasis on speed. According to one respondent, "Ah, *hindi* bureaucratic *yung* [company] *e* ([The company] is not bureaucratic). We… get approvals so quickly, *'no*." A CEO respondent had this similar comment: "We don't spend too much time blaming people if things go wrong. Problem of over-analyzing. It's based on moving. I mean, just get over it and move on."

Also talking about the same company as above, another respondent spoke about the primacy of action over elocution: *"Parang hindi nabuhay dito yung mga bolero lang. Magaling magdakdak. Tignan mo sila*; they don't survive (It's like, those who are just good in bluffing do not live long here. Especially those who are just good in blustering. Look at them: they don't survive)."

The interviewees also emphasized the facet of meritocracy. Talking about his company, a CEO respondent said, "It's more participative. And the thing that we have here is that we don't care about age, we don't care about length of service. If you're good, you're good. If you stayed with us for six months, and you need . . . we feel that you can be promoted, you'll be promoted *ahead* of *anyone* else. And we've done that."

Despite the emphasis on performance, some interviewees also described efforts at instilling happiness and satisfaction. Said a Human Resource executive interviewee, the company tries to " . . . make them feel that it's happier to work here. Even other companies can offer them higher salary. So we . . . we capitalize on that, on the relationship." This echoed what an earlier respondent said about the importance of fostering relationships in the workplace, which can be considered a Filipino value.

3.4 Role of middle and frontline managers

The interviewees' views about the role of middle and frontline managers were varied. Some of the roles were about monitoring, such as what one respondent said: "Ah, for Documentation, *siya yung pinag-ooversee* (she's the one who oversees). *Nag-mamanage ng mga tao* (Managing people). Making sure *na ginagawa nila yung work nila* (that they're really doing their work)."

Another respondent also had a similar comment: "Ah, for example, sir, *para doon sa mga makakatanggap ng* (for those who receive) Notice to Improve Performance *na* memo, ah, we always, we always want that immediate superior should be the one to discuss performance *doon sa tao* (with the individual)."

Some of the roles were about feedback-gathering because, like what a CEO respondent said: "Most of the time, they're the ones giving us what really the scenario outside."

Other roles had to do with using people management skills to the fullest, in order to encourage people to stay on, like what another CEO respondent said: "Why allow it when you can provide a vent? Every day that vent should be open. Let them boil. I mean, let them vent. *Makikinig*

ka lang naman e (You will merely listen anyway)."

In summary, while all of the interviewees acknowledged that the middle and frontline managers in their organizations play significant roles, these roles were seen as largely in support to those done by top leaders. The roles were deemed to be important, to be sure, but were not described as being particularly distinct from roles played by top leaders. The middle managers' roles can be summarized into: *standards-setting, problem-solving, people management, and being conduits of information.*

4. Discussion and conclusions

This study tried to answer the main research questions of what roles leaders play in building and sustaining an execution culture in the organization, the roles that middle managers play in such an endeavor and whether Asian and Filipino values affect the development of an execution culture. This section will discuss the details of the proposed model and its theoretical implications.

4.1 Appraising the emergent model

The first step of leaders' including multiple levels in strategy planning means was understood primarily as a means for people to buy into these strategies and plans in order to facilitate execution. The researcher found out that while this was mentioned unanimously by the interviewees from market-leading companies, this received scant attention from the non-market-leading companies. In contrast, the interviewees from the non-market-leading companies were more concerned about convincing principals about the viability of the strategy.

This may be a recognition that the market-leading companies in this particular study have leaders who value participation from subordinates more than those from the non-market-leading companies, who may have leaders with more of a top-down style. It may also mean that in these particular market-leading companies, the leaders are more attuned to the change management practice of consulting people on the changes that are about to happen (Hechanova & Franco, 2012). This can also be viewed from the vantage point of using a collectivist approach rather than an individualist approach to execution, which is more akin to Southeast Asian culture (House et al., 2004; Hofstede, 1993;

Javidan et al., 2006). Case studies done on Filipino organizations that had undergone successful organizational change efforts showed that eliciting employee participation helped generate workable ideas and fueled employee buy-in – this, despite the usual employee expectation that leaders would not want participation but would insist on having their way (Hechanova & Franco, 2012).

This first step is different from the identified first and second steps in Mellon and Carter's (2014) Five-Step Guide to achieve the Strategy of Execution, which called for getting the assent to the strategy of the top leaders of the organization and gathering the senior executives in order for them to agree on how to execute the strategy. On the other hand, this idea of getting buy-in from people who would be executing strategies appears to be similar to Ayande et al.'s (2012) conclusion that leaders should be able to get emotional commitment from their employees to the organization's objectives. It also echoes Straw et al.'s (2013) notion that getting buy-in from people within the organization is "absolutely critical in moving from imagination to reality." (p. 62)

The method of inclusion of people in strategy formulation and planning also appears to be proceeding from the progression of communication that Jocano (1999) described—going from *pagsangguni* (consultation) to *paghihikayat* (persuasion) to *pagkakasundo* (consensus). The very nature of including multiple levels of people in planning is a form of consultation, which then leads to higher forms of understanding. It is important to note, though, that Filipino leaders have to balance this solicitation of ideas with being able to provide clear directions, as over-reliance on employees' ideas may be construed by employees as weakness on the part of the leaders (Hechanova and Franco, 2012).

The second to the fifth steps of the cycle were common to interviewees from both the market-leading and non-market-leading companies.

The second step signifies that leaders communicate clear directions to the rest of the organization, so that the people can understand where the organization is going, and what it is going to become. This mirrors, to a large extent, conclusions reached by Min and Santhaparraj (2011) and Kaplan and Norton (2008) that leaders have to set the strategic direction for the organization. But more than merely setting directions, leaders have to be mindful, as Straw et al. (2013) pointed out, and as this research suggests, of how they communicate visions and plans. It is not only a matter of communicating what the plans are, but why these plans are necessary in the first place. As mentioned earlier, this is an important task for Filipino leaders to take, as Filipino workers, even as they like to be consulted, have to feel that they are "effectively led" (Hechanova & Franco, 2012, p. 173).

The third step means that leaders have to identify goals, accountabilities, and tasks of both units and individuals within the organization so that they will know precisely what they are supposed to accomplish, similar to findings made by Hrebiniak (2008). This is convergent with execution culture-building steps found in McChesney et al. (2012), except in the emphasis on wildly important goals. This emphasis was not apparent in our study, except in the interviews with two respondents from the beauty products retail company.

The fourth step of leaders being able to install systems and structures to control,

monitor, and give feedback on how people are performing so they will be able to adjust their performance is the one that has most in common with Hanna (2013), Bossidy et al. (2002), McChesney et al. (2013), and Mellon and Carter (2014). This includes human resource systems like performance management and training and development; information technology and financial management systems to keep track of performance; and various other types of monitoring systems, tools, and structures, similar to those described by Hegland et al. (2010) and Kaplan and Norton (2008).

The fifth step posits that leaders build systems and procedures to make sure that good performance will merit rewards and below-par performance will result in sanctions. Bossidy et al. (2002) were particularly adamant about this, framing this as an important component to ensuring that cultural change will eventually be made.

With regard to the conditions for the execution culture development cycle to work —leading by doing, promoting execution-supportive organizational values, and leader's giving of personal touch – these were where the interviewees from the market-leading and non-market-leading companies had the most differences, particularly the first two conditions mentioned.

It was clear from the interviews, particularly those from the market-leading companies, that they understood that leaders had to lead by doing. This may mean that they have a better understanding of the positive side of paternalism, that of a father being able to provide a good example to his children (e.g., Rowley & Ulrich, 2012; Hechanova and Franco, 2012), than those from the non-market-leading companies, who tended to behave in ways opposite to what they preached. It was apparent from the examples given by the leaders that there was an undercurrent of the value of *hiya* or propriety (Pe-Pua and Protacio-Marcelino, 2000) that was used in order to make followers pay attention to the example of their leaders—sort of like saying, "If I as leader can do this, why can't you?"

The study also brought out the importance of the leader's personal touch, the usage of a leader's personal qualities to endear him or her to the employees, as a way to encourage, motivate or develop them; and execution-supportive organizational values and culture.

This emphasis on the leader's personal touch appears to be similar to the descriptions by Pe-Pua and Protacio-Marcelino (2000) of the socially acceptable values of *pakikiramdam* (empathy) and *kagandahang loob* (shared humanity). It may also related to the Filipino and Southeast Asian understanding of power distance, where there is an acceptance of one's relative place in a hierarchy (Franco, 2014). The act, therefore, of leaders of reaching out to motivate, encourage, and get to know ordinary people may be understood as empowering and inspiring. Talking about the founder of the market-leading food company, one respondent said, "He will say . . . he calls me, 'Mr. Eustacio.' (Chuckles) 'What do you think?' he will ask that. Not always, but he will. So you appreciate that they ask that of mere mortals like us."

Straw et al. (2013) wrote about the need for leaders to offer praise in order to sustain the execution process. While this offering of praise is part and parcel of the leader's personal touch as described in our study, it should be emphasized that personal touch, as described in the interviews, had to do with the leader's being able to provide presence to his or her followers, providing

pakikiramdam (empathy) and *kagandahang loob* (shared humanity), as emphasized by Pe-Pua and Protacio-Marcelino (2000).

It is not enough in the Filipino context, therefore, to feign goodwill. This has to be seen as proceeding from one's heart. That in itself could be construed as motivational. That is the heart of the Filipino concept of personal touch.

The idea that promoting execution-supportive organizational values and culture is needed to support the execution culture development process, on the other hand, is similar to conclusions in studies made by Denison and Mishra (1995), Gordon and DiTomaso (1992), Wilderom and van den Bergh (1998), Ojo (2010), Epstein et al. (2010), Cater and Pucko (2010) and Bossidy et al. (2002).

It should be noted that, while the interviewees did not arrive explicitly at a consensus regarding the importance of Filipino values in the development of an execution culture, they implicitly admitted to the importance of particular values such as those enumerated by Jocano (1999) and Pe-Pua and Protacio-Marcelino (2000). This may point to at least some vestiges of Filipino culture as being supportive of the development of an execution culture in

organizations. On the other hand, it should be noted also that interviewees from the non-market-leading companies, there were major problems with regard to clashes in terms of values and culture. It may not be surprising then, that these companies have not yet succeeded in topping their markets, simply because the leaders still have to agree on what values to encourage.

The interviews showed that middle managers, as well as frontline managers, play important roles in the development of an execution culture. The roles are similar to those cited by Ghorbal-Blal (2011), Huy (2011), Bass (2000) and Al-Hakim and Hassan (2011).

It was not apparent from the interviews if the middle and frontline managers have roles that are markedly different from those of top executives. On the contrary, the roles cited were mostly supportive of initiatives of top executives. The results appear to support Avolio et al.'s (2004) findings that there is a greater effect of indirect superiors on followers rather than direct superiors on these same followers, particularly in the emphasis on the personal touch of leaders—top leaders, more often than not—as a condition for the execution culture development process to prosper. But this is a point that needs further investigation.

Nonetheless, it may be a signal that, at least in these particular companies, the concept of paternalism is deemed to be important, consistent with Filipino and Asian tradition. While the middle and frontline managers are still considered authorities and must be followed, what are more important are the actions of the top leaders of the companies. The middle and frontline managers' importance are seen as a reflection of the authority of the top leaders. This dovetails quite nicely into the earlier assertions of the importance of the leaders' personal touch and their being able to lead by doing.

4.2 Future directions

The researcher believes that the emergent grounded theory of execution culture-building and development can be used as basis for further study and research. For instance, an instrument can be developed from the data provided in order to test the emergent model quantitatively. The model that will emerge from this quantitative research then can be claimed to have more generalizability.

Further studies can also be done on parts of the model, like the pre-conditions of the leader's personal touch, leading by doing and execution-supportive values.

The results of this study came from interviews of mostly top-level executives. It may also be helpful and interesting to come up with a similar study, this time focusing on followers' perceptions of how leaders, particularly top leaders, are able to build and sustain an execution culture.

With regard to practical applications, the proposed model can be used as a starting point for discussions in training programs and educational courses on strategy execution, human behavior in organizations and other leadership or management development programs. It is hoped that the model can also be used to improve actual leadership practices in the Philippines and Southeast Asia, and eventually lead to better execution and corporate performance.

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Appendix A

Common qualifications of top leaders and corporations chosen in the study

Top Leaders	Corporations
Male or female Occupying positions like Chief Executive Officer, Chief Operating Officer, President, Managing Director, Executive Vice President, or General Manager	Filipino corporation: domiciled in the Philippines, has predominantly Filipino stockholders, and has Filipino founders or managers
Should have tenure in the position-at-interest of not less than three years Should either be presently occupying the positions or should have occupied the positions within the last five years immediately preceding the present top leader Have to have started and finished at least one strategic change program in their organizations within their tenure	Should be in the same or similar industries

Appendix B

Research study participants[1]

Name	Gender (M/F)	App. Age	Current Position	Company	Industry
Chad Uy	M	51	President	Kingdom Land Inc.	Real Estate Development
Rico Lavadia	M	50	Senior Vice President – Property Management	Kingdom Land Inc.	Real Estate Development
Dick Gorgonio	M	50	Vice President-Human Resource & Administration	Kingdom Land Inc.	Real Estate Development
Jasmine Flores	F	30	Marketing Communications Specialist	Kingdom Land Inc.	Real Estate Development
Dr. Rhoda Chang-Doronila	F	60	Chair & Chief Executive Officer	B-U-T, Inc.	Retail and wholesale distribution – beauty products
Rolly Dorado	M	45	President & Chief Operations Officer	B-U-T, Inc.	Retail and wholesale distribution – beauty products
Gerry Morial	M	40	Vice President-Marketing	B-U-T, Inc.	Retail and wholesale distribution – beauty products
Queenie Farrales	F	40	Human Resource Manager and Chief of Staff	B-U-T, Inc.	Retail and wholesale distribution – beauty products
Larry Tan	M	50	President & Chief Executive Officer	Worldwide Foods Corp.	Food manufacturing
Noli Martin	M	48	Executive Vice President-Managing Director, Branded	Worldwide Foods Corp.	Food manufacturing

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[1] Names of participants and their companies were disguised to protect their identities.

			Consumer Food Group		
Edgar Tuano	M	57	Vice President-Marketing Division, Branded Consumer Food Group	Worldwide Foods Corp.	Food manufacturing
Teddy Eustacio	M	40	Vice President-Marketing, Snackfoods, Branded Consumer Food Group	Worldwide Foods Corp.	Food manufacturing
David Lo	M	60	Senior Vice President-Manufacturing, Technology and Quality, Branded Consumer Food Group	Worldwide Foods Corp.	Food manufacturing
Marie Tan-Ong	F	35	Business Unit General Manager, Foreign brands, Branded Consumer Food Group	Worldwide Foods Corp.	Food manufacturing
Armand Vicente	M	55	Senior Vice President-Co-Chief Operating Officer	Heartland Homes, Inc.	Real Estate Development
Mico Kho	M	35	Vice President-Marketing	Heartland Homes, Inc.	Real Estate Development
Marita Sevilla	F	35	Vice President-Loans	Heartland Homes, Inc.	Real Estate Development
Kristina Kho-Santos	F	30	Marketing Manager	Heartland Homes, Inc.	Real Estate Development
Christian Ang	M	40	General Manager	Diva Sales Corp.	Retail and wholesale distribution – electronic products
Cris Cruz	M	35	Area Manager	Diva Sales Corp.	Retail and wholesale distribution – electronic products
Lloyd Quezon	M	35	Operations Head	Diva Sales Corp.	Retail and wholesale

					distribution – electronic products
Janice Gaviola	F	40	Senior Manager – Audit and General Affairs	Diva Sales Corp.	Retail and wholesale distribution – electronic products
Giselle Aguila	F	60	President & Chief Executive Officer	Glacier Island Ice Cream, Inc.	Food manufacturing
Red Tobias	M	35	General Manager	Glacier Island Ice Cream, Inc.	Food manufacturing
Milette Roxas	F	45	Accountant	Glacier Island Ice Cream, Inc.	Food manufacturing
Gina Cardona	F	45	Purchasing Officer	Glacier Island Ice Cream, Inc.	Food manufacturing

Appendix C

Description of participating companies

Worldwide Foods Corporation ranked within the top 50 in the Top 1000 companies for fiscal year 2013, and was one of the top three food companies on the list. Worldwide Foods is a market leader in consumer food manufacturing and distribution, particularly in savory snacks, ready-to-drink tea, chocolate and candies. It has strong market positions in biscuits, noodles, coffee and other beverages.

B-U-T, Inc., is the largest operator of beauty product specialty retail stores in the country.

Kingdom Land, Inc. is a market leader in mid- to low-cost housing and is a majority-owned subsidiary of UniversalMega Corporation, one of the three largest real estate development companies in the Philippines. Kingdom Land claims to have pioneered township developments, or self-contained communities of homes with their own school, sports, church and retail facilities; transport-oriented developments, or condominiums attached to or near mass transport facilities like the Light Rail Transit and the Metro Rail Transit; and urban resorts, or condominiums designed with leisurely urban living in mind, with easy access to sports facilities.

The non-market-leading companies are Glacier Island Ice Cream, Inc., Diva Sales Corporation, and Heartland Homes, Inc.

Glacier Island is the manufacturer of Glacier Ice Cream, and currently distributes only in selected supermarket outlets and restaurants in Metro Manila.

Diva Sales Corporation is mainly a retailer of consumer electronic products, operating brand store concepts and audio-video specialty stores. It also has an institutional sales division called DivaPro that sells prosumer cameras and presentation electronics equipment directly to corporate accounts.

Heartland Homes, Inc. is a real estate company operating in Central Luzon that focuses on building single-detached housing units within gated communities.