Naval Shipbuilding Industry in Abu Dhabi and Complexity in Strategic Decision Implementation: an explorative qualitative research with a case-study approach

Final Dissertation

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Abstract

This paper explores the complexity of strategic decision implementation challenges and factors in the naval shipbuilding industry environment in two main naval shipyards in United Arab Emirates capital, Abu Dhabi. Naval Shipbuilding began in 1995 as a strategic decision in a strategic industry in United Arab Emirates, UAE, established in the capital, Abu Dhabi. It is considered to be a new industry due to its unique products—naval vessels, that is a business under the direct supervision of the local government. Such strategic decisions have been taken by Abu Dhabi government and many challenges have arisen—in strategy, and in strategic decision implementation. Hence, to gain an in-depth understanding, an explorative qualitative research was carried out. In-depth Interviews, researcher observations, literature and documentation research were gathered for this study. From the literature review, challenges were found to be: capturing new markets' opportunities, experience and technology, complex environment, strategy formulation, and implementation time estimation. Moreover, motivation, emotion, communication, and flexibility were noted to be main factors in successful strategic decision implementation. However, it was found the naval shipbuilding context has its own challenges and factors affecting strategic decision implementation. This qualitative research seeks to indentify such challenges, and factors from the field. Lastly, the analysis of the data revealed how the context affects the naval shipbuilding's industry's strategic decision implementation in Abu Dhabi, UAE.

Keywords*:* Strategic Decision, Strategy Implementation, Implementation factors, Complexity, Naval Shipbuilding, Abu Dhabi

Abbreviations

Alpha: a participative organization

BAE: a British Aerospace Systems Company

Barta: a Pseudo name for a major client program

Beta: a participative organization

CEO: Chief Executive Officer

COO: Chief Operation Officer

Delta: a Pseudo name for a strategic partner

Gamma: a Pseudo name for a strategic partner

GCC: Gulf Cooperative Council

GDP: Gross Domestic Product

GHQ: General Head Quarters

GRP: Glass Reinforced Plastic

HCT: Higher Colleges of Technology

IT: Information Technology

KIZAD: Khalifa Industrial Zone Abu Dhabi

MRO: Maintenance, Repair, and Overhaul

O & GC: Oil & Gas Companies

RND: Research and Development

TLCM: Through Life Capability Management

TMT: Top Management Team

UAE: United Arab Emirates

UK: United Kingdom

UPS: United Parcel Services

USA: United States of America

VP: Vice President

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Chapters Executive Summary

Background problem: Naval shipbuilding is a strategic industry to the Abu Dhabi government. Such an industry's future shall contribute to various aspects of Abu Dhabi's economy, vision, and strategy. Due to Abu Dhabi's newly established naval shipbuilding, it is facing different challenges in its business strategy, and how to implement it.

Purpose: The purpose of the Dissertation is to investigate what and how these challenges and factors affect strategic decision implementation in naval shipbuilding industry in Abu Dhabi.

Limitation: The Dissertation is limited to naval shipbuilding companies in Abu Dhabi that are few in numbers; three exist (at the time while the study was conducted) of which two agreed to participate in the study. Both companies' participants were selected from different levels— top, middle, and low management— in order to gain a deeper understanding in an effort to answer the research questions.

Method: In this Dissertation, both primary and secondary data were collected. The secondary data used has been evaluated and collected from the relevant literature. The primary data is collected by semi-structured qualitative interviews with top, middle, and low management levels of both companies in Abu Dhabi.

Findings: The research reveals a number of significant strategy challenges and factors affecting strategic decision implementation in the naval shipbuilding industry in Abu Dhabi.

Chapter One

Introduction

1.1 Introduction

Researchers often underestimate the difficulties involved in a strategy implementation study, (Atkinson, 2006). Despite its importance it still “suffers from a general lack of academic attention” (Gottschalk & Gudmundsen, 2009, p.55). Even in business organizations, a growing number of chief executive officers are concerned about implementation failure (Kargar & Blumenthal, 1994). Scholars and executive officers share common interests in developing a better understanding in the area of strategy implementation.

The business sector in the city of Abu Dhabi, the capital of the United Arab Emirates (UAE), is eager not to stumble into obstacles, or barriers perturbing their ambitions in applying successful strategic decision implementation practices. Due to its newly established maritime industry in the city of Abu Dhabi, executive officers and top management of this industry appreciate bridging the gap in the area of strategic decision implementation as to what challenges they expect to confront, especially if they are the first comers. They are also responsible for aligning their strategies with Abu Dhabi's local government 2030 economic-vision. Thus, the Abu Dhabi government has put in place a strategy that focuses on diversification (Nnamdi, 2011), which is derived from 2030 economic-vision. It will shift for a more industrialized economy other than the oil industry. This was one of many initiatives captured by the strategic decision made by H.H. Sheikh Mohammed Bin Zayed Al Nahayan, the Crown Prince of the government of Abu Dhabi, and the Chairman of Abu Dhabi Executive council, the highest local executive authority and is associated with the government's vision and strategy.

The dissertation is structured in accordance to Abu Dhabi University DBA Guide. It consists of six chapters. Chapter one presents an introductory of the dissertation exploring the context at which the research has been conducted in through briefing of the problem background and discussion, and presenting the purpose of the research. Chapter two presents the literature that was reviewed and the theoretical concept utilized from literature in relation to strategy implementation in view of complexity, challenges, and factors affecting strategic decision implementation in the shipbuilding industry in Abu Dhabi, United Arab Emirates.

It then presents the research questions. Chapter three is the methodology. It presents the methodological approach; an explorative qualitative method; a business case study method (Leatherman et al., 2003) and that is supported by also by Flyvbjerg (2004), Gummesson (2006), and Yin (2003), used by the research while conducting the research, the data collection process, and data analysis method. Chapter four explores the findings emerging from the collected data. It is then followed by chapter five, the discussion and analysis, in which the research analyzes the collected data. Finally, the dissertation concludes with the summary, recommendations, and suggestions for further research in the conclusion chapter.

1.2 Problem Background

One of these decisions was to announce the establishment of the first Shipbuilding Company in Abu Dhabi so as to be the first naval shipbuilding and a premier commercial ship builder in Abu Dhabi and the UAE. The emirate's local government started to plan a strategy for the emergence of this new and, yet old industry. After the oil discovery, many known industries in the UAE have been abandoned either totally or at least partially. One of these industries is shipbuilding. Due to the stretched coastline across the gulf region, the shipbuilding industry was a participant in the economic development of the region. It contributed to the survivability of the indigenous population in many ways such as fishing, pearl exploratory, travel, and trading of goods. In 1995 the Abu Dhabi government decided to re-establish the shipbuilding industry in the emirate. Abu Dhabi's vision has encapsulated the necessity in evolving the previous generations' industry not as part of cherishing long lost traditions, but to make it a vital industry and one of the Emirate's economic developments. Even more, the Gulf region can minimize its dependence in such an industrial sector through the relying on overseas by creating it locally. Organization Beta was established on that date to be recognized as the first building block to represent the emirate of Abu Dhabi as a shipbuilding industry destination in the Gulf region.

It is due to Abu Dhabi's vision for 2030, which it is expected to create a long-term roadmap for economic progress for the Emirate through the establishment of a common framework aligning all policies, plans, and fully engaging the private sector in their implementation (Abu Dhabi economic vision 2030, 2008). In other words, Abu Dhabi's government looks at itself in what it will be in 2030 in terms of economic development, and how the private sector will align itself accordingly to meet the Emirate's policies and plans up to 2030. One of these sectors is the shipbuilding industry. Hence, the government of Abu Dhabi strategized to setup such a sector and support it in order to reach a state of independency. This sector in particular has only been in effect since 1995 through the establishment of Abu Dhabi Shipbuilding Company. It all began as an idea. Without ideas there is no context for strategy formulation and implementation (Chaharbaghi, and Willis, 1998).

1.2.1 Problem Discussion

It has been close to two decades since Organization Beta was established and, yet it has not positioned itself in the market as it should. Also, Porter (1996) advises that strategic positions should have a horizon of a decade or more, not of a single planning cycle. Whether Organization Beta implements its aligned strategy to meet Abu Dhabi 2030 economic vision, and as a consequence position itself, is yet to be seen. Until today, Organization Alpha's prime client is the UAE government, which supports the establishment of such an industry until it gains an acceptable level of sustainability and to survive without governmental support that will not, for sure, last forever. Of course the industry is wide open for new comers and competition which it might thrive, or deteriorate not only Organization Alpha but also it might diminish the vision set by the local government and lead to a catastrophic ending to such an industry. This dissertation shall try to explore in-depth the challenges impacting the implementation of strategic decisions in newly established industry. These challenges are directed towards obstacles, or barriers opposing the achievement of the strategic decision implementation. Through the proposed research method, new discoveries are anticipated to substantiate the difficulties in implementing strategic decisions that are contextual-specific. Therefore, the aim of this dissertation is to seek a better understanding on what the challenges are in implementing strategic decisions made by top, middle, and low level management in the shipbuilding industrial sector of Abu Dhabi in an effort for long-term sustainability of such industry as a contributor to Abu Dhabi's 2030 "potential" economic-vision.

1.3 Purpose of the research: The Implementation Challenge

The main purpose of this paper is to examine strategic decisions and their implementation challenges and understand their complexity through using the naval ship building industry in Abu Dhabi; the case study approach is comprised of examining two companies.

Strategic decisions are confronted and therefore delayed by impositions and interventions. They may even become distorted from their original intention (Mintzberg and Waters, 1985). In order to overcome such a dilemma, top management requires a better understanding on how they can penetrate into these barriers by identifying the success factors in implementing their strategic decisions. With the new economic-vision of the local government, the shipbuilding industry carries the burden to achieve the local government goals of the 2030 economic-vision. The expectation is not only to sustain the new industry but also to prosper in the time set by the government plan. They are responsible for formulating their strategy, deciding to execute, and implementing it successfully. They must be prepared to comprehend the strategy management long enough for the sake of the industry survivability in this new contextual environment. This is the beginning of a new industrial sector in Abu Dhabi. Its success will impact the long-term presence of the industry. "*Context, complexity, and connectedness are core competencies that future leaders must acquire"* (Ashridge Business School, 2008).

For instance, capturing new market opportunities, (Lacy et al., 2009) has been observed as a difficult challenge due to the global competition in such an industry. Also, developing new products requires both experience and technology in which they demand long-term decisions in both resources including human and technology. Even more, the imposition of the local government’s policies, for example Emiratization, is observed as a challenge (Nnamdi, 2011). Yet still, the researcher’s objective is to pursue new discoveries that are expected in their own specified context.

Strategic decisions are confronted with barriers and obstacles (Al-Ghamdi, 1998). As early as this, his works concentrated on the aspects of obstacles and barriers that strategic decisions encapsulate. In order to overcome such a dilemma, top management requires better understanding on how they can penetrate into these barriers by identifying the success factor in implementing their strategic decisions. With the new economic-vision of the local government, the shipbuilding industry carries the burden to achieve the local government’s goals of the 2030 economic-vision. The expectation is not only to sustain such new industry but also to prosper in the time set by the government. They are responsible for formulating their strategy, deciding to execute, and implementing it “successfully”. They must be prepared to comprehend the strategy management long enough for the sake of the industry survivability in this new contextual environment. This is the beginning of new industrial sector in Abu Dhabi. Its success will impact the long-term presence of the industry. In contrast, the failure shall have an impact on the industry in particular, and the government’s 2030 economic-vision in general.

Chapter Two

Literature Review and research Questions

2. 1 Introduction

This chapter introduces the importance of research into strategic decision implementation in general, and the industrial sector in particular. It presents an understanding of the knowledge gap in the implementation of a strategic decision made in the industrial sector in the United Arab Emirates context. In addition, the chapter presents how the existing knowledge in academic body yearns for better understanding of the implementation part of strategies, strategic decisions, and how such strategies are realized in two parts— strategy formulation and strategy implementation. Such realization leads to an uneasy state to better understand the strategic decision implementation complex paradigm. This complexity arises due to the interconnectivity of both parts of strategy; formulation and implementation, and the context in which such a strategy is present. The chapter begins with a literature review exploring such a context to conceptualize a better understanding on how strategic decisions are implemented in such a context and what factors affect the implementation process. The chapter extends toward the characteristics of strategy implementation, and its challenges.

Then it concludes with the research questions and the context of the research area from the field in order to present the research environment and context.

2.2 Literature Review

"Context, complexity, and connectedness are core competencies that future leaders must acquire". (Ashridge Business School, 2008)

In the past, strategy implementation has been observed as a process that comprises monitoring and controlling events through to completion (Koontz & O'Donnell, 1959; Ansoff, 1965; Steiner, 1969; Cohen & Cyert, 1973). Later, Wernham (1985) has assumed implementation to be unproblematic and is always capable of achievement; it is simply a matter of monitoring and controlling events through completion. He then discovered that "implementation was found to be a highly complex and interactive process with many variables impinging upon it" (Wernham, 1985, p. 641). Wheelan and Hunger (1991) suggest that good strategy implementation will not only ensure the success of the strategy but also will expose a less appropriate strategy.

Still, strategy management literature: "tend(s) to assume too simple of a link between the development of strategic direction and its actual implementation" and more recently, our understanding of strategy implementation has been observed to "face a considerable challenge due to the lack of existing research" (Noble, 1999, p. 119), and to have a "significant need for more detailed and comprehensive models of strategy implementation" (Thorpe & Morgan, 2007, p. 660). Astonishingly, more than half of the strategies devised by organizations are never actually implemented (Atkinson, 2006). Still, studies have admitted to the difficulty in implementing strategies (Booz, 1989; Alexander, 1985; Ansoff & McDonnell, 1990; Dandira, 2011). As a consequence, discussions of whether managers “walk their talk”, “show word-deed alignment” or “adhere to their plans” have emerged. Vroom (2003) noted in his work a study performed by Nutt, (2002) of some 400 decisions that had been made by managers in medium to large size organizations within the United States of America, Canada, and Europe. He had interviewed key participants, who are decision makers, over a two-year period after the decision was made. Surprisingly, over fifty percent of the decisions taken by them failed. The decisions were never implemented, or subsequently unraveled during the observation period (Vroom, 2003).

2.3 Strategic Decision Implementation Factors

A knowledge gap still exists in the area of strategic decision implementation. The reason is that strategy implementation still suffers from a general lack of academic attention (Gottschalk and Gudmundsen, 2009). Despite the importance of strategic decision implementation to strategy execution process, much more attention is paid to strategy formulation than strategy implementation. This is why more approaches are being explored by scholars through their discussions. One approach is to study strategy implementation consistency, i.e., the alignment of an organization’s resource allocation decisions with its articulated strategy over time (Brauer & Schmidt, 2006). This requires attention to other factors as well as motivations (Sandt et al., 2001) and emotions (Weth and Starker, 2009). Flexibility is another factor that is involved in implementation. It is noted in the work of Steinhouse, (2010). Even more, Lenz, Galbbraith & Nathanson, Lorange, and Forman & Argenti (1981, 1978, 1982, and 2005) thought of factors that contribute to strategy implementation. Some factors might externally affect strategy implementation success.

These are the state of economy, industry characteristics, and the choice(s) of strategy (ies) themselves (Lenz, 1981). Others might be internal such as communication (Galbraith and Nathanson, 1978; Lorange, 1982; Mathieu & Zajac, 1990; Guffy, 1992, Kanter et al., 1992). Business communication researchers have become increasingly interested in the contribution of corporate communication to a company's ability to create and disseminate its strategy (Forman, Argenti, 2005).

Al Zaabi and Pech (2015) found that communication is a significant factor in strategy implementation. in their study on strategic decision implementation in naval shipbuilding industry concluded *"Communications, such as timely forewarning, have significant importance and which could have been managed through a shipbuilding representative body so that implications of change could be discussed and evaluated. Only then can they be successfully implemented without causing disruption and managerial anxiety."*(Al Zaabi, Pech, 2015, p. 241).

One major factor is leadership dynamics (Schaap, 2012). The reason is that leadership role, strategy formulation, and strategy implementation are inseparable (Nicholls, 1994).

2.4 Implementation Complexity

Complexity is defined as the state or quality of being intricate because of multiple inter-related components (Wernham, 1985). It usually is a factor involved in a complicated process or situation (New Oxford American Dictionary). This complexity in implementing strategic decisions has been challenged by many scholars. Alexander, (1991) concluded that "*people overlook it because of a belief that anyone can do it, people are not exactly sure what it includes and where it begins and ends*" (Aaltonen & Ikavalko, 2002, p. 415).

The response to strategic complexity is advantageous to organizations. Vermaak, Steyn (2014) have mentioned in their empirical study on strategy complexity that organizations which responded with strategic complexity in a turbulent environment outperformed their peers as context may influence organization strategy choices in connection with the surrounding level of economic development in which the organization deal with.

Edmunds (2014) claims that challenges to strategic practices are associated with pattern of complexity and calls for better strategy-making in response. *"Complexity means that linking ways and means to achieve specific policy ends….it is often easier said than done."* (Edmunds, 2014, p.529). He argues that complexity in the context of strategy arises due to the external environment surrounding it and that in itself is neither static nor highly predictable as complexity is receptively subjected to multiple interpretations he also concludes that long-established models of strategic organizations and planning have struggled to adapt to the complexities that is because inflexibility and path dependency into aspects of their decision-making.

Mintzberg and Waters (1985 and 2006) made a significant contribution to the discussion. In recognition of the difficulties entailed in implementation, they designed a dynamic model in which complexity, flexibility and interference of various kinds take a central role towards molding the final strategy. According to this theory, strategy can be conceived in four stages: the “deliberate”, the “emergent”, the “imposed” and finally, the “realized,” (Mintzberg and Waters, 2006, and again cited in Haberberg and Rieple, 2008).

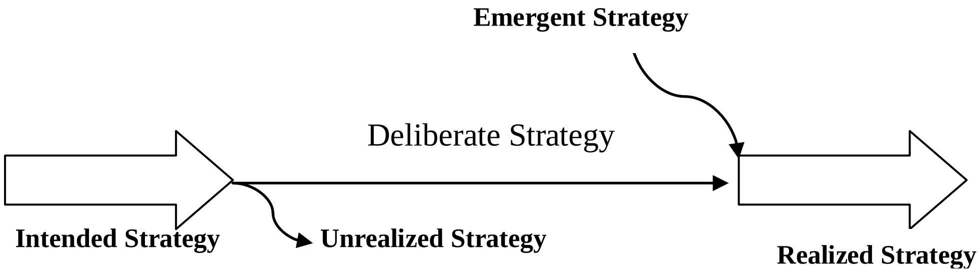

Figure 1: Mintzberg,H. Waters, J. (Nov.6 2006), "Of Strategies, Deliberate and Emergent," *Journal of Strategic Management* 6, (3), 257-272. (Originally published 1985).

This model describes an intended strategy as a planned response by upper management, and it is affected by factors which interfere with that by lower management and that it is not realized. This leads to an unplanned combination of strategic moves, deliberate strategy, and finally results in the realization of a strategy that is an outcome of so many variations that it barely resembles what senior management initially intended. Was the final outcome more the product of initial strategy or emergent strategy? (Pp. 50-51). It now evolves by what Wheelen and Hunger, (2012) have identified implementation to be "as the process by which strategies and policies are put into action through the development of programs, budgets and procedures," (p.15). In the case of the two Abu Dhabi ship construction companies, the investigation leans strongly in favor of emergent strategy, as the results will demonstrate.

In examining the reasons, a considerable weight must be given to the interconnectivity between leaders' decisions and their organizational strategy formulation and implementation. *"Our leaders really understood how to connect their operations to the bigger company strategy,"* according to Anne Schwartz, VP of Global learning and Development, UPS, USA, (Schwartz, 2011). This connection between top management's understanding and company strategy ensures decisions made in favor of their company operations. In all types of organizations, managers face a need to cope with difficult and complex situations in which they must make strategic decisions, such as entering new markets, developing new products, or acquiring or divesting businesses, so that an organization can function, adapt progress, take advantage of opportunities and overcome threats (Elbanna and Child, 2007).

As mentioned earlier, the complexity of the implementation process is due to the interactivity with many variables (Wernham, 1985). Majone and Wildavsky (1978) argue that formulation should also be seen as part of implementation, rather than preceding implementation. Understanding how this complexity works in implementing strategic decisions has been challenged by many scholars. Alexander (1991) concluded that "*people overlook it because of a belief that anyone can do it, people are not exactly sure what it includes and where it begins and ends*" (Aaltonen & Ikavalko, 2002, p. 415).

Warnock (2000) claims that the innovation in strategy implementation can be understood with three criteria that takes precedence over simplicity in business decision-making:

- The solution must be implementable;
- It must not produce unacceptable adverse consequences;
- And it must allow for flexibility.

Another factor is the interconnectivity of leaders' decisions and their organization strategy—formulation and implementation. Schwartz (2011) provides a quote from a real-life context and that is "the importance that our leaders really understood how to connect their operations to the bigger company strategy" said Anne Schwartz, VP of Global learning and Development, UPS, USA. This connection between top management understanding and company strategy ensures that decisions are made in the favor of their company operations. In all types of organizations, managers face a need to cope with difficult and complex situations in which they must make strategic decisions, such as entering new markets, developing new products, or acquiring or divesting businesses, so that an organization can function, adapt progress, take advantage of opportunities and overcome threats (Elbanna and Child, 2007).

Successful strategic decisions enable an organization to maintain competitive postures, align internal operations with external environments and survive threats and challenges, while conversely, because of their magnitude, a single, poorly made strategic decision can lead to the demise of an organization and result in corporate embarrassment, steep economic losses for stakeholders or bankruptcy (Mueller, 2007).

2.5 Characteristics of Strategy Implementation

As with "strategy", there is no universally accepted meaning of "implementation." The definition is complicated by the existence of the three or four streams of work on the implementation noted and reflects their primary concerns. For management, implementation is "a revised set of decision processes incorporating (a proposed) solution" (Schultz and Slevin, 1975). It now evolves to what Wheelan and Hunger, (2012) have identified implementation to be "*as the process by which strategies and policies are put into action through the development of programs, budgets and procedures*" (p.15).

Various strategy management empirical studies of organizations have highlighted the vital importance of strategy formulation (Robinson 1980; Sexton & Van Auken; 1982 Robinson & Pearce 1983; Orpen 1985; Bahaee 1987; Bracker et al, 1988). This is because of the glamour associated with the studies of strategy formulation rather than implementation (Atkinson, 2006). However, strategy formulation is only one aspect of strategy management (Rhyne, 1986). Another aspect in strategy management is strategy implementation. Okumus and Roper, (1999) claim that great strategies are not worthy if they are not implementable.

Time (Schaap, 2012) also affects successful strategic decision implementation. Implementing a strategy requires more time than formulating one (David, 1989; Jauch & Glueck, 1988). One empirical study suggests that the time required to implement a strategy is around five to ten times longer than formulating it (Thompson & Strickland, 1987). And that is what Schoonhoven, (2003) call it “speed of implementation”. This requires persistence from top management to maintain the momentum until the strategic goals are achieved successfully through implementation and in a competitive time.

One of the rare points on which most observers of implementation agree on is the need for top management support (Ginzberg, 1978; Lucas, 1976). To some extent, an organization’s top management is seen as a supporting factor to strategy implementation; Wernham’s (1985) study has supported this view. On the other hand, there are various reasons which lead to implementation failure. Those reasons for failure may be outside managerial control, but partially they may well fall under management’s responsibility due to entirely poor planning and implementation (Jocumsen, 1998).

Top management looks into implementing strategic decisions because of its importance for organizational success. Early enough, it has been a topic of interest for many researchers. It is observed in the work of many scholars and researchers like Simon (1947, 1960); March &Simon (1958), Braybrooke & Lindblom (1963); Vroom, V.H. and Yetton, P.W. (1973); Pettigrew (1973); Mintzberg et al. (1976); Heller et al. (1983); Nutt (1984, 1993); Hickson et al. (1986); Eisenhardt (1989); Kriger & Barnes (1992); Papadakis *et al.* (1998); Johnson & Scholes (2002); Vroom, V.H. & Jago, A.J.(1988); It has emerged as one of the most active areas of current management research (Papadakis, 1998). Barbara and Stevens (2004) suggest that leadership and actions do make a difference. Moreover, Speculand's book, *Beyond Strategy*, specifically addresses the responsibilities of the leader in successful implementation (Speculand, 2011). However; Wheelan and Hunger (1991) suggest that good strategy implementation will not only ensure the success of the strategy but also will expose a less appropriate strategy.

2.6 Research Questions

The overall aim of the research is to investigate and explore the challenges in implementing strategic decisions in organizations, specifically in a new industry in Abu Dhabi. One of these new industries is the shipbuilding industry, and Organization Beta is the first seed.

The research questions are as follows:

RQ1*: What challenges does strategic decision implementation face in a new industry and how are they confronted?*

RQ2*: What context-centric factors affect strategic decision implementation and how are they confronted?*

These research questions' goal is to reveal in a real-life context of the strategic decision implementation in the newly established ship building industry in Abu Dhabi. In fact, local experience in terms of new establishment has nearly vanished, and hence these questions are aimed to fill in the knowledge gap and to project it towards other newly established industries in Abu Dhabi—in-line with its economic-vision of 2030.

2.7 Methodology

The research questions require an in-depth examination of the Shipbuilding industry's current situation in Abu Dhabi in order to identify the challenges and factors affecting strategic decision implementation. In this Dissertation, both primary and secondary data are collected. The secondary data has been reviewed and collected from the relevant literature. The primary data are collected by semi-structured qualitative interviews with top and middle managers from two shipbuilding companies in Abu Dhabi. Due to the difficulties in obtaining permission to interview participants, and numerous rescheduling of interview appointments, nine months of field work has been taking place in Abu Dhabi from December 2013 to September 2014. This period has been used for interview recording in order to gather relevant data, transcription, and participants' transcripts review and validation. A more detailed description of the chosen methodology is further provided in the following chapter.

Chapter Three

Methodology

3.1 Introduction

The previous chapter presents the literature review, background of this study's questions and the research field and context. This chapter introduces the methodological framework of this research through the demonstration of the research methodology that was used, the research strategy, the data selection in a case study research, the data collection process, the data analysis method, case study method, and the data description of the interviews, and the interviewees.

3.2 Methodology

The methodology used in the research will be an explorative qualitative method; a business case study method (Leatherman et al., 2003), answering the research questions defined in the previous chapter. It is worth pointing out that this business case is unique since it is the first study to investigate the Abu Dhabi shipbuilding industry while addressing the challenges in implementing strategic decisions. Flyvbjerg (2004) concurs the use of the case study approach when the general problem is related to a strategic importance.

Furthermore, as observed in the literature, the reason that strategic decision implementation has been an interesting field for many years until today it is still complex as also noted earlier. Conducting a qualitative research could expose the complex nature of strategic decision implementation that is insufficiently captured by quantitative researches (Gummesson, 2006). Besides, Yin (2003) views that case studies are the preferred research strategy when a “how or why” question is being asked about a contemporary set of events over which the investigator has little or no control. Furthermore, Yin (2003) defines the scope of the case study as an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. This approach is also supported by Baxter and Jack, (2008) who claim in their research that a case study approach can provide relevant knowledge about complex phenomena within its real life context. It is also to gain an in-depth understanding of a case(s) and the interaction between the phenomenon and the case (Randolph, 2007).

In addition, Cassell & Symon (2005) state that the case study strategy is ideally suitable to explore the issues in depth and following in a new area. Also, the aim of using a case study methodology is to explore and deeply analyze the interconnectivity nature of strategy elements, namely strategy formulation and implementation to strategic decision implementation in a new context as well. Establishing a new industry is a unique case that requires investigation. Feagin et al., (1991) suggest that this methodological approach is ideal when a holistic investigation is needed.

3.3 Research Strategy

In order to uncover new knowledge by answering the two research questions, it is important to formulate a research strategy. Hence, the strategy for this Dissertation began with a literature review of the topic, strategic decision implementation. It is important to grasp the existing knowledge to better understand the topic. Thereafter, the research questions were agreed upon with the committee members during the proposal defense approval phase. Semi-structured interview questions (see Appendix 1) were also formulated based on the literature review and the consultation with Abu Dhabi University DBA committee members whom extensively modified the semi-structured interview questions. The modification has also improved the order of the questions and to adapt the approach of Patton's 6 type questions classification for interviews (Patton, 1987). Then, it is followed by data collection phase from Abu Dhabi shipbuilding industry. The industry consists, at the time of this dissertation, of three shipbuilding organizations. All three organizations were approached from Abu Dhabi shipbuilding industry; two agreed to participate in the research.

The results from both the primary and secondary sources of data will be analyzed and discussed in an effort to expose the important findings and results of the research. In addition, a conclusion will be drawn based on the findings as well.

3.4 Philosophical Assumptions

All research (whether quantitative or qualitative) is based on some underlying assumptions about what constitutes "valid" research and which research methods are appropriate, and in order to conduct and/or evaluate qualitative research, it is therefore important to know what these (sometimes hidden) assumptions are (Myers, 1997).

The case study approach is influenced by the following philosophical assumptions: ontological, epistemological, axiological, rhetorical, and methodological. The ontological assumption in this case study approach comprises the nature of reality of the Abu Dhabi Shipbuilding industry is fairly new and limited to a number of organizations—some private and some semi-government. Yet, all are under the supervision of relative security government institutions and this is due to the nature of their business—naval shipbuilding and weapon integration. Such organizations are by government initiatives encouraged to employ Emirati nationals although such initiatives are monitored by the government as it puts pressure on these organizations as shown by the literature reviews. Also, strategic decisions are seeped with secrecy. This is because the reality of such decisions involves governmental national security. The implementation process on the other hand is linked to the intended goals aimed at achieving its goals in due time. Many challenges arise as a consequence, which may allow for better understanding and room for interpretation to answer what and how questions and how it is looked at and perceived in the Abu Dhabi Shipbuilding industry. In addition, with such level of decisions, many challenges and effecting factors create an interwoven nature of complexities in implementing such strategic decisions. The existing literature presently argues the need for more explanation and this industry is recently getting more attention in the literature. This research will try to provide evidence from two Abu Dhabi organizations from the shipbuilding industry namely Alpha and Beta in an abductive approach. The goal is to present the findings from the participants' own responses. It is to investigate the reasons behind the nature of strategic decisions' implementation and the presence of any complexity issues. This assumption is supported by the literature, and the study will try to evaluate this assumption, find in depth the reasons, and, hence, the causes if there are any from a positivist point of view.

Epistemology refers to the assumptions about knowledge and how it can be obtained (Hirschheim, 1992). Guba and Lincoln (1994) suggest four underlying "*paradigms*" for qualitative research: positivism, post-positivism, critical theory, and constructivism (Orlikowski and Baroudi, 1991). The epistemological assumption of this research will be looked at from the field study by the examination of the interviewees' responses in these two organizations, Alpha and Beta, in reference to the nature of Abu Dhabi shipbuilding industry's reality and the literature available. This assumption pursued the same area of objective method that depends on the research findings, and tries to interpret the information and data gathered in this research along with its findings.

The researcher has looked at the shipbuilding industry in Abu Dhabi and how it implements strategic decisions and to what extent such implementation is really being carried out. In addition, the researcher anticipates pursuing the knowledge between the truth of the existing practice and the belief of the need for more in depth knowledge to better understand such a process.

The study focuses on participants' background, experience, work environment interactions, and Abu Dhabi shipbuilding industry as the means of the source of knowledge. Therefore, the case study will look in-depth by comparing the outcome of these two organizations so as to gain better understanding through data collection and interviews of the research questions.

The axiological assumption the researcher has is that the research process is independent and, in other words, it is value-free. This is due to the intention of examining the participants' responses as the outcome of the interviews might show a better understanding with the research of strategic decision implementation and with how the process is dealt. The research participants' life experience on how they feel toward this issue shall be looked at, documented, and collected during interviews.

The researcher managed the interviews to make sure that the participants described how they are affected by this issue. The research language shall be simplified to make the research readable to a greater audience. Interviewees were urged to share their emotions, inner feelings and worries. The written language of the research shall describe these aspects.

Other approaches such as narrative inquiry and phenomenology approaches are more into exploring an individual's life rather than an issue in a system. For example, the reality of strategic decision implementation might not be fully understood due to the social context since the participants will be both nationals and non-nationals. Action research can also be used and it will help in studying any issue in detail similar to the case study, yet it is different as the researcher is not involved in either of these two organizations in terms of a case study context. Grounded theory progresses toward developing a theory from a new field instead of understanding an issue such as the nature of strategic decision implementation in order to understand how the implementation process is taking place in this industry, what challenges arise, and what factors affecting it.

The researcher has chosen the case study approach since the Abu Dhabi shipbuilding industry social structure is comprised of many nationalities with a percentage of expatriates far exceeding the percentage of UAE nationals. Ethnography has not been the choice of approach in an effort to focus on the shipbuilding industry rather than the people in such an industry. Other groups' background is not being considered in this paper and thus, due to the time limitation, ethnography is not fit for the time available or for the questions of the research. The reason is that ethnography focuses on the work culture rather that attempting to understand the issues of implementation process of strategic decisions.

3.5 Data Selection in Case Study Research

In the work of Leech and Onwuegbuzie (2008), eighteen qualitative analysis techniques have been regrouped into four major qualitative data sources: observations, talk, drawings/photographs/videos, and documents. Two sources are anticipated by the researcher so as to gain access to the managers— interviews, and documents. The researcher intended to interview members of the top and middle level management associated with implementing strategic decisions.

3.6 Data Collection Process

The data collection process was performed in two phases:

i. Phase One: Organization Alpha phase, which involves data collection from Organization Alpha participants.

ii. Phase Two: Organization Beta Phase, which involves data collection from Organization Beta participants.

All interview sessions were held in each organization’s premises; and in either the interviewees' offices, or a reserved meeting hall. The interviews were scheduled in advance (see Appendix 2 for interview schedule). Although the interviews were scheduled ninety to one hundred twenty minutes, some interviewees took much longer than that in answering the questions, yet others the set time interval was sufficient. This was due to the volume of the knowledge interviewees had shared with the interviewer. After the interview session, every interviewee was given his/her transcript for last minute review in a week’s time.

3.7 Data Analysis Method

In practice, case studies are analyses of persons, events, decisions, periods, projects, policies, institutions, or other systems' studies holistically with one or more methods (Thomas, 2011). The data collected from the two interview phases in which it resulted in obtaining the transcripts. The transcripts shall be examined and analyzed by using an inductive approach. According to Morse, (2001), data analysis requires such interpretation that takes data to a level of abstraction that differs from the original data. It also leads to a distinctive feature of qualitative research— understanding from the data emerging as analysis proceeds (Morse & Richards, 2002).

Data collected are analyzed separately and then cross checked for patterns, categories, themes, and thematic linkages. Data collected from interviews is explored and cross checked for reoccurrences. Themes and meanings emerging during the process of data comparison could be generated in the development of the theory.

Following the recommendation of Germain, (2001), data are analyzed into four steps:

- The first step is coding the data. "Codes are labels assigned to units of meaning", Germain, 2001, p.296). Data is examined for codes identification and categorizing the data that is relevant to answer the research questions. The process of coding requires breaking the transcribed interview data text into segments, tabulating them into codes, and then labeling these segments by assigning units of meaning. The process of coding is essential in order to provide a direct link with the original data.
- Step two is to group or cluster codes that are close in meaning into categories.

- Step three is the development of conceptual categories. It is an important step in the process of analysis (Hammersley & Atkinson, 2005).
- Step four is the emergence of patterns and themes that could be the generation of the theory.

Emerging themes are considered fundamental for the analyses of qualitative data and its contribution to theory development is crucial (DeSantis & Ugarriza, 2000). It is what Morse & Field, (1995, p.139) describe thematic analysis involvement as "the search for and the identification of common threads that extend throughout the entire interview, or set of interviews."

According to Germain, (2001), the final analysis of the relevant data and the conclusions reached are the researcher's theoretical perspectives. It is the understanding and the interpretation of the researcher with an inductive approach.

In comparison to quantitative research, the obtained data of this research is considered highly subjective and the influence of the research is also considered fundamental to the analysis (Hammersley & Atkinson, 2005). The researcher keeps himself highly aware of any self-influence on the contexts of the interpretation of the collected data, and during the final analysis all the way to the conclusions. At each step, the researcher discusses the outcome with his committee members in an effort to minimize such personal influences.

3.8 Case Study

Bryman and Bell (2007) refer to case study design of a single or few cases where the complexity of the nature of the case is the focus of the study. The case study design has been widely used within the field of business administration and management research. However, known limitations are associated with case studies such as validity and generalization. According to Bryman and Bell (2007), the purpose of the case study is not to generalize the results to a larger population, but rather to focus on the cases and their distinctive contexts. The researcher's choice to study two cases is to allow for better comparison and contrasting of the outcome of the research.

3.9 Interviews

Due to the newly established naval shipbuilding industry in Abu Dhabi, a limited number of companies exist. Identification of participating organizations and their respective interviewees are done by assigning each participant with a pseudonym. Only two companies were willing to participate in the study: organization Alpha, and organization Beta.

Interviewees were chosen to be top and mid-level managers in order to accomplish a better understanding of the challenges in strategic decision implementation and associated factors affecting such implementation.

Qualitative interviews have been chosen to be the primary source of data because it is much less structured (Bryman and Bell, 2007). The interview questions were of semi-structured nature to allow the respondent to answer as desired, yet at the same time to guide the interviewee to a series of questions that the researcher focuses on during the interview session.

Interview questions were emailed to participants prior to the interview session to ensure rich answers and to limit the surprise factor once asked and to gain as much data as possible.

Although the interviews have been conducted in English, it is a second language to the interviewer, and the majority of interviewees. However, to increase the reliability of the respondents' collected data, all interview sessions have been digitally recorded, transcribed and sent to the interviewees for a final check, clarification, addition/subtraction, or amending along with the contrast questions resulting from the interview sessions to further uncover meanings. Then transcripts are approved for data analysis. Each interview lasted approximately 80 minutes on average. All interview sessions were conducted in the office of the participants' organization or in a nearby meeting room reserved for the interview by the interviewees as it was the wish of the interviewees to conduct interview sessions in-office. All of the interview sessions were scheduled in the afternoon as per the interviewees' work schedules.

3.10 The Interviewees

The organizations selected for the research are the results of direct contacts with organizations' CEOs' offices to gain access and obtain permission to interview. Three organizations were contacted, two of which agreed to participate and allow top and mid-level managers to be interviewed. Such levels are associated with organization strategy, strategic decisions made, and implementation of such decisions. It is important to choose relevant positions and titles within both organizations to minimize the risk of misrepresentation due to lack of knowledge on the research subject and in order to increase accuracy and validity to their gathered data during the interview session.

Due to confidentiality, the names of organizations and names of participants shall not be revealed and disguised names shall be used. Moreover, both organizations were presented with consent forms in order to give an assurance that no identity information shall be published. Both organizations have agreed to participate under the condition of keeping all data confidential. Hence, these organizations shall be named hereafter Organization Alpha and Organization Beta. This is due to the sensitivity and the nature of their business. Participants were chosen by the organization yet the researcher requested that such participants be from top and middle level management. Organization Alpha agreed for four participants. As for Organization Beta, it agreed for six participants. All participants were presented with consent forms for reassurance.

To understand the attitudes, opinions and actions of the individuals involved in each case, the "abductive research strategy" was adopted to generate new theory from a "low stance" position (Blaikie, 2000, p.241). This involves the "interpretivist" approach because it constructs new perspectives out of the interviewees' everyday experiences, in their own language and according to their own social and organizational realities as they understand or interpret them. Pech (2010) commented that such perspectives can be re-combined to create a new overall understanding or "social meaning" and that these are bound to lead to variability which points to "a constant state of change" (p.73). In this case, employees lend their views of the implementation of strategy and so they contribute to the investigation's findings on the complexity of strategy implementation. Their involvement in ship building strategy as well as actual construction means that they are the most relevant actors on that particular stage, and their considered opinions are worth collecting. This provides data from which new theory can be produced (See Yin, 1993).

As such, social phenomena "*cannot reflect the empirical world with complete accuracy*" (Pech, 2010 p.75). A number of employees are therefore required because they will interpret their worlds of work through different experiences as well as from the view point of different cultures and habits. “*We cannot set out with just a single view of the role of concepts in social research*” (Blaikie, 2000, p.130). To which Yin adds, “*Inquiry is value-bound, not value-free*” (Yin, 1993, p.61). In actuality, this means that the researcher has had to have extensive contact with the employees in order to attempt to obtain perspectives on their world of work, particularly with regard to their strategies.

The interviewees are as follow:

Organization Alpha: four participants; CEO (Jay), Advance Programs Director (Lee), Fleet Operation Manager (Joe), and Head of Design department (Guy).

Organization Beta: six participants; CEO (Mike), Vice President materials and IT (Sam), Programs Director (Moe), Senior Program Manager (Jeff), Strategy and Corporate Planning Senior Manager (Sue), and Purchasing Senior Manager (Frank).

Chapter Four

Results and Findings

4.1 Introduction

The previous chapter presented the methodological approach that was used to carry out this research. This chapter presents the empirical findings that emerged from the data gathering process while maintaining the essence of the data environmental context. This chapter begins with the descriptive results of both organizations: namely Organization Alpha and Organization Beta. It also presents the participants of both organizations. The next part presents the results of the study's major focus on the strategic decision implementation in an effort to understand how the implementation process is actually implemented by understanding the challenges and factors that contribute to the so called a "*successful*" process.

4.2 Empirical Findings

The key highlights of this chapter are the findings of the empirical data as collected from the primary data source—qualitative semi-structured interview questions of the participating organizations. This chapter covers two major components: the first is a compact account of individual organization strategy and the consequent challenges followed by a presentation of the respondent's insights on strategic decision implementation.

4.3 Organization Presentation: Organization Alpha

This organization was founded in 1999 as the second shipbuilding company in Abu Dhabi. It mainly specializes in building both naval vessels and leisure mega yachts. The main components that are used in the construction of these vessels in this organization are a variety of different types of material like steel, aluminum, and composites. Organization Alpha is a private organization that is composed of a workforce of about 800 employees. It is headed by Mr. Jay who has been the CEO since its establishment in 1999. Mr. Jay, who grew up literally in a shipyard since childhood, youth, and until today is an accredited hard worker and as such it is not an astonishing fact that he is conversant with every single job and position in a shipyard,. He is a proficient individual who has amassed immense knowledge and experience derived from three different continents: Europe, North American, and Asia, which are all linked to the ship building industry. In one of his admissions, he noted that the Abu Dhabi government creates this kind of industry as part of its strategic industry.

4.3.1 Participants Background: Jay (CEO)

Jay is the chief executive officer (CEO) of Organization Alpha. His early childhood can be traced back to a shipyard setting and most of his elder family members worked in a shipyard. Based on this, it was only natural that in his youth he ended up working in shipyards where he gained a lot of hands-on experience and at the same time continued his education as a naval architect. Later he traveled from Europe to the United States of America to join a ship building company. Initially, in this period, he created a design office, but the business was not forthcoming, so he opted to seek employment at another shipyard. Since then he has been actively involved in ship building.

He is an acclaimed, proficient, and zealous senior executive as is evidenced by his knowledge of all jobs in a shipyard. He is well informed on the ship building industry and boasts overwhelming experience as amassed through his expeditions and work experience from three different continents. He has relocated to Abu Dhabi with the aim of establishing, and running a new shipyard, Organization Alpha. In his view, the ship building industry has been created by the Abu Dhabi government as part of its strategic industry.

4.3.2 Participants Background: Lee (Program Director)

Mr. Lee is a qualified and experienced naval architect. He is a very innovative, ambitious, focused individual who has a passion for designing. His view of the industry is that the key elements to the success of this industry are availability of human resources and training. Additionally, he finds it essential to have accuracy in the information relayed to decision makers in order to guarantee proper strategic decisions.

4.3.3 Participants Background: Guy (Program Director)

The shipbuilding industry in Abu Dhabi is an auspicious venture and investment owing to its vast expansion and exceptional government support. According to Mr. Guy, the above is inspired by the fact that Abu Dhabi is a "water front community in water front nation."

During the interview, Mr. Guy relayed and shared numerous insights and inspirational thoughts as gained through his 25 years' experience in the industry relative to the Abu Dhabi

Shipbuilding industry and what Abu Dhabi government has strategically planned for the maritime industry due to its strategic geographical location.

4.3.4 Participants Background: Joe (Design Department Manager)

In his sentiments as echoed during the interview Mr. Joe who is a manager states that the Shipbuilding industry in Abu Dhabi is prosperous, but advises that the first step in its establishment should be repairs and maintenance and afterwards the shipbuilding. According to him, it is mainly because of the immature auxiliary services, supply chain, subcontractors that are required and essential to support shipbuilding industry.

Mr. Joe, being a manger, is not much involved in the strategy formulation or the overall organizational Alpha strategy. His mandate is only limited to meeting schedules and guaranteeing quality in which he believes that his role is to implement the strategy through the decisions made by the top management in fulfillment of the overall aim the organization's strategy.

4.4 Organization Alpha Strategy & Implementation Challenges

Based on the data collected from all participants from Organization Alpha, the following categories have emerged:

4.4.1 Government imposition (Emiratization)

It is a government initiative for the private sector that favors and promotes hiring of UAE citizens as potential employees. Emiratization has been identified by a majority of the participants from this organization as a major challenge relative to the strategy of this organization. Due to the imposition of Abu Dhabi’s local government’s policy, which promotes and significantly increases the number of UAE citizens' employment in the private sectors, Organization Alpha is under immense pressure to incorporate the governmental strategy into its own strategy. According to the top management and in this organization the CEO, Emiratization is a huge challenge. According to Jay, the principle of fairness should apply in a job, the job pay should be equivalent to the worth for money and Organization Alpha does not accommodate in equality, such as paying an Emirati twice the amount of money that is paid to either a Western or Asian expert. He also highlights that the fact that Emiratis want to be paid twice the salary as a professional despite their productivity being similar to other individuals, even of a different background, illustrates an inequality relative to an employee’s background. His view on Emiratization that the problem with Emiratis is that they want too much money with similar expectation of remuneration like the government pays for jobs in the army. Jay highlights the need to focus on change through Emiratization. The primary problem relative to the Abu Dhabi industries is the lack of Emiratis to perform various jobs in the shipbuilding industry. Moreover, there is a shortage of the fresh graduate supply to the industry, shipbuilding and marine engineering since Abu Dhabi lacks colleges that can meet the demand for new employees according to him.

4.4.2 Training

All participants expressed that a skilled workforce has a significant impact on Organization Alpha’s strategy. It affects projects’ on-time delivery, quality, and reputation. The top management in organization Alpha suggests that there should be a higher college education with apprenticeship programs. The management recommends:

a) Opening specialty departments in naval architecture, and marine engineering colleges.

b) Coming up with a format of how to set up a company in Abu Dhabi that can lift the Emirati workforce in shipbuilding companies.

4.4.3 Company strategy

According to Jay, the goal of the company is to specialize in the military business in opposition to the mega yacht business, although it is currently involved in the construction of mega yachts, which they guarantee will be completed this coming year. The major focus is to concentrate on the military business to a high percentage of approximately 80 percent. The company is currently applying a new marketing strategy, which entails a building to delivering tactic. According to Mr. Lee, the application of processes, such as innovating haul designs on what systems, stealth level, minimizing crew number through system automation, increasing crew comfort, is also one of the moves the Organization is aiming at using. Additionally, there is a well established researching and development (RND), which reduces the number of challenges faced in the process of say full scale build or for production build. It has to be realistic and viable and at the end of the day, both projects have to get the most out of it.

The researcher also captured collectively through the Alpha organization interview sessions a common understanding that the same goal has already been achieved and the only thing is to maintain that standard through internal departments that the company developed. According to Sue, the implementation process involved cost. Convincing top level management was hard because it would ultimately take longer than they thought. It was noted by the researcher that taking the knowledge and implementing the results to create something which was self-sustaining where the company could survive without these experts, took a longer duration than the management assumed. This was due to the constant emphasis of having to hire experts on the part of both organizations.

From the base levels, there was a feeling among Alpha interviewees that there was a need for patience because the overall returns the company would be getting from the investment would be greater because there would be no competition on the work te Alpha would be doing since there is capacity and the company's minimum standard would be above ship builders.

4.4.4 Strategic decisions

In the last several years organization Alpha has worked on its philosophy to specialize within the military business. For example, the focus on getting a helicopter carrier through investing both money and time and less focus on other opportunities would see the organization go the next level. A good strategy would involve developing in coordination with the local shipyards. The local shipyards should develop one engineering group to make it more reliable and convenient.

Decisions in the company based on Mr. Lee, come from the top, fairly direct but obviously with a number of meetings and consultations with other concerned managers and the power level managers whom would be directly involved in that decision during the period that the strategic change is happening. On the implementation process, the upper management takes what they learned from lower management and utilizes information from past projects, for example on how these were implemented, historically look at the functionality, the efficiency of them, what it did for the company and how much profit they made on it.

According to Jay, the organization had satellite shops up and down the coast—an identical scenario just non-military. To maintain that 50-ship fleet, they ran anywhere from 800 to 1000 people to maintain that fleet between satellite shops and the refit facility They had strategic partners that had dry docks and places where they can hold their ships out of the water for refit and all the rest in the necessity to maintain the ships more like the military or need (at least 80-85%) where they could lock on and turn the key. These ships were the same way. They sailed 365 days a year when they were at sea. The crew changed, maintenance was done at night or on a refit for 1 month every – the ships came in for – everyone came in for 1 month refit.

4.4.5 Government contracts

Since naval shipbuilding is a specific industry aimed at government national security, it has been found that the reliance on government contracts and contract approval from the local government is essential for the prosperity and survivability of such an industry. The majority of the participants in Organization Alpha agree on the increase of efficiency as an overall strategy.

4.4.6 Business focus

The main aim relative to Naval Shipbuilding companies is to gain government contracts for naval, coast guard, and vessels of such nature from either the local government, or the likes from a different government. But, it also allows for commercial and leisure ships at a time when government expenditure is very low and they do not meet the industry survivability levels. According to Jay, shifting of military vessels from place to place is not worth it mainly because they only need the land-based companies that provide everything from just wholesale services to long services. Guy thinks Organization Alpha can develop faster, but then again they actually went backwards to regain that control because it grew too fast. He thinks Organization Alpha can develop naval vessels successfully especially converting them to better ones because Organization Alpha possesses a very good complementary blend of experience from all aspects of the world.

4.4.7 Efficiency

For Organization Alpha, client-wise, it has looked at trying to get some of the military jobs and so far it has been very successful at it. It has sold a number of vessels to the local government Coastguard, Navy and other security organizations. Thus, and due to such orders and deliveries, other foreign Navies have shown interest in such vessels as well. The company is building up for foreign Navies and not for the UAE. The organization has tried to attract the local naval business and the local commercial business. It has achieved a good number so far, but it is yet to be fruitful. Its focus is to finish the yacht construction and build a stronger relationship with the Navy so that it engages more with military work.

According to Jay, Lee, and Joe, using subcontractors is not easy, but compared to outsourcing, buying machinery and equipment and training it is fairly easy. It is all about quality; they hired 500 of their own workforce compared to 1000 workers subcontracted. The challenge comes when the subcontracted leave because getting others to replace them is more expensive plus they have to be trained. The top management acknowledges that the whole thing is product, and because one does not have the permanent base of people or pool of people that one can depend on, it works well. For example, if one is in Europe in a shipbuilding area, one can hire a plumber and electric or a metal fabricator and they might work for one company and other companies. All that matters is whether they deliver services efficiently.

4.4.8 In-house capabilities

It has been significantly agreed upon among the participants to obtain in-house capabilities in order to assure strategy challenges. However, Organization Alpha operates on a single project for the yard and supporting the infrastructure and bringing manpower has been a huge challenge. Based on just the geographical positioning of the UAE, the industry has to develop because people are going to take advantage of this geographical aspect and the region where the conditions are best favorable. Coming from the USA, Jay and Guy think Abu Dhabi has preserved the natural beauty and taken advantage of the natural contours, the waterfront because in USA, developers obtain the property along the ocean and immediately hide it. Abu Dhabi being a waterfront community in a waterfront nation, the market share and benefits come automatically.

4.4.9 Engineering and design office

According to Jay, Organization Alpha is the only shipbuilding company presently existing in Abu Dhabi that has a proper engineering and design office; he states: "*Like for example we have a core of an engineering department here, but we can't depend on our other engineering departments to build shipyards. This makes Organization Alpha a stronger facility. The industry started on 1996 thus it is young in comparison to other industries since they are 8 years old*".

4.4.10 Human Capital

According to Jay, the human capital on foreigners is a debate. There is a suggestion to get westerners to establish companies, and then in five years eliminate them. This will facilitate the building up of an Emirati company with all expertise. "*UAE, Abu Dhabi is strong because it sends people all over the world to study. The UAE Navy has the largest number of naval architects among all GCC countries- New Orleans-USA, Germany and the UK.*" It is important for the management to push the employees and get them out of the comfort zone. Jay says "*we operate the shipyard for 47-48 hours a week, okay 5 days a week people have to work 9-8 hours a day.*"

4.4.11 Task Orientation

As the CEO, he is not concerned with petty questions like asking employees for their office report and departure time, but when he gives an employee a job, he expects it to be done. This is task orientation. "*Task orientation is designed for individuals and although it's great, if you run a larger company then one or two people officers, engineers design engineering officers and the people could come and go when as they please because I don't care when they come as long as you say the task is done.*" People should be paid for work they have done.

Compared to the US where people work 60 hours a week, he prefers 45 hours max for productivity. He insists that payment based on performance is the best way to grow competition from within. This performance method has led to some employees giving thanks to him. He remembers one said, "*God thank you very much I make more money now by working less hours and I produce more but thanks because of your methods*".

4.4.12 Competition

Competition wise, Jay does not believe there is much significant competition and this is because there are three shipyards in Abu Dhabi and all are of a similar size. "*The main focus of Organization Beta is to perform some projects and work on maintenance for the military. On the other hand organization Alpha has always been pretty much solely focused on the yards. On a strategic approach on Competition, marketing to be price competitive and cost*," Jay says.

Utilizing some of the technology that has been developed in the UAE, for the UAE that no one possesses at the moment in the world, creates competitive advantage according to Lee. Working very closely with combat system manufacturers, providers and utilizing available technology, not just from a combat system point of view but also just from a basic vessel operation point of view, to try and help reduce crew numbers, increase the efficiency of maintain programs, or in very basic terms of Automation bases .

Competitive advantage can also be gained by the method of construction, as highlighted by Mr. Lee. By the use of processes such as prefabrication, pre-refitting out modular sections of the vessels and actually getting it prefabricated and dropped into the hall at different times, that’s really increasing productivity and reducing man hours dramatically. "*So again the client can see savings in that direction*". Lee says.

4.4.13 Labor Background and Culture

According to Organization Alpha participants, in the UAE there is a shortage of human resources in keeping up with the vast and rapid ongoing projects and programs across the nation. In Abu Dhabi particularly, the major hindrance for major projects is a shortage of laborers, locals or expatriates, qualified labors even with proper steps, the right departments in place and the right people in place. It is the choice of the right employee with the right qualification to fit in the described hired position. Jay says "*to combat this, the best step is honesty especially in implementation and planning is the availability of qualified workforce. Quality of labor between Indians and Asian is very different. This is due to culture. The computer department is as efficient as in Europe. Therefore, it is necessary to have initiatives to avoid low productivity, which is related to low efficiency*. Jay believes that in order for Abu Dhabi shipbuilding industry to compete on a global level, the labor force, qualifications and social backgrounds are crucial elements of the focus on product quality and productivity.

Alpha CEO argues "Organization Alpha charges jobs like in European shipyard even though technically there is presence of cheap labor. The ratio of westerners to Asians is 1: 3 in the low level and some 1:2 in the middle level. There is also the perception that office jobs are the best in the world. This is mostly popular among those who believe prestige and title are crucial. The irony of the situation is that plumbers and electricians earn more than office workers do." Jay says management should treat all employees equally regardless of their status in the organization. *"In an organization, Emiratization should be from bottom to top, this way the employees will escalate from the bottom to higher positions. Otherwise, they might not be in a position to understand what goes on below if they started at the top."*

The top management of Organization Alpha believes that knowing every single job in the shipyard is essential. This applies for Emiratis too, learning the jobs, aids in acquisition of organizational culture. "*For instance in the Navy if you are a cadet you start by cleaning the floor. Rising to a new rank is crucial since one can manage those below him/her,"* says Jay.

4.4.14 Implementation Factors

Shipbuilding is like any major industry, so it is a heavy industry and Lee thinks whatever influences shipbuilding will influence any heavy industry. The company plans on expansion development. Based on the current state of weather, the market is wide both commercially and leisurely. *"Employ a mechanical thought process where facts and logics are penned down then acted upon and implemented. Applying a tracking and planning strategy for each department*."

"Promoting an active communication between the workers and the management and subsequently maintaining a follow up plan with all the departments. Loyalty from both the company and the workers is a very essential factor in implementation of strategic decisions," says Lee. The company is hoping that its laborers are going to work to a safety standard because organization Alpha knows what the minimum is and the company has exceeded it. The company wants no deaths, zero pollution of the waterways or of emissions into the air.

According to Organization Alpha top management, the successful implementation of any strategic decision is going to work in accordance with the rules and regulations. The management has to consider the restrictions it is going to have with its supply chain and try to discover the path that the company’s assets will allow them to best serve the market. Every decision handed down always has the originator, facilitator or the initiator. It has to have a path of implementation.

The mid-level management believes that the implementation process is limited. It makes it effective in creativity to achieve, study and investigate ways to achieve that vision. The hardcore business of organization Alpha is building the boat and later the company will have supporting businesses following due to its strategic location and limited rules and regulations.

"*There are many advantages in the UAE"* says Guy as he hopes that all the three shipyards can agree that one central committee or organization that represents all of it benefits as a whole and works toward "*working with the community."*

When implementing a process, the top management of Organization Alpha relates back to individual managers' strengths and experience, which is in line with the vision, strategy, and goals of Alpha Organization. There is potential for challenges based on the decisions made. If the management were to be informed on a new contract, it is able to build up a vessel, considering the budget and the timeframe it needs is well outlined. *"That is the standard that the company [Organization Alpha] is building to change no matter what, it is naturally, change is uncomfortable for humans,*" Jay says.

4.4.15 Company Objective and Future Plan

Organization Alpha's objective is to design and build vessels in a range of 15 to 40 meters, based on the requirements from the market. Also, its objective is to boost performance through giving marketing the accurate information. In addition, it also aims to develop a plan that facilitates easy and fast incorporation of a new worker in the circumstance one leaves. In accordance to Alpha's top management, commitment has been one of the biggest challenges in the industry and it can only be successful with support of the local and national governments and to have the support of the UAE military, including some of the commercial clients.

"Alpha's Strategy is to have the capabilities of responding to building and completing any Maritime vessel of any need. The Challenge was also using somebody else's initial whole designs and the management has restricted itself in more than one matter. Organization

Alpha has aluminum, steel, single holes and can accommodate any client's request from the time they come into the door even if it's just a design that they can truly sketch on a piece of paper or maybe they only have it in their mind and do it within a reasonable time and cost," says Jay.

According to Guy, in the design department some of the strategies include a new market and adding/ hiring a young designer who had fresh and futuristic thinking, design concept and the ability to put that on to a canvas which shows his or her designs or renderings. *"Organization ship design concepts were military, commercial, luxury yacht and feasibility to think in that manner opened many doors for him or her to where he or she has been transferred to [Abu Dhabi]"* , Guy said. According to Guy, the industry in Abu Dhabi will be able to exist for decades based on their merit, their ability to operate efficiently, and to do their work. "T*he general help from the government will enable the companies to expand, to work with companies as far as expansion not limiting based on race, religion, country of origin what they work on"*, Guy said.

"*Another strategy for growth is getting younger age children, young people exposed to the business, the industry, whether it is the luxury yachts, military vessels. The younger generation can be supported through schooling, education, on the job training, to take that seed and then nurture it and watch it blossom into someone who will then identify which aspect of the business they go whether it's the legal aspect is contract* Organization Alpha, *design engineering, and the actual building of the vessels"* , Guy said.

4.4.16 Abu Dhabi 2030 Economic Vision

According to Organization Alpha's vision, top management believes strategy formulation of Organization Alpha will aid in the achievement of the Abu Dhabi vision 2030.

Abu Dhabi will have a good maintenance program, maybe one new and specialized shipyard. The company through its five-year plan should be able to export not only the smaller vessels that they are doing currently but also the larger ones that they anticipate in their plan. This in effect ultimately will have an impact on the GDP. The local supply chain is underdeveloped and does not encourage domestic investment, especially due to its pricing structure.

According to Jay and Lee, the world of shipbuilding is changing dramatically and in the management. In Europe, the majority of shipbuilders will all be out of business in 10 years from now and they argue that most of the shipbuilding will shift to Asia and other poorer countries due to cheap labor and overall cost. "*China makes both cheap and expensive products, an example is the [Apple's smart mobile] IPHONE*", according to Jay's given example that more and more businesses are moving east due to his given reasons, Abu Dhabi should focus on a good maintenance program for its warships more, since he believes that as a new shipbuilding organization, Organization Alpha will not be a very strong economic force.

4.4.17 Management Challenges

Mostly Organization Alpha faces a decision making challenge. To overcome this, an organization must always keep its eyes on the target. Jay acknowledges that a good leader inspires people. When founding a team, one must get a couple of key people and then make them understand the vision and work towards driving that vision. Regular communication is essential to keep them motivated. Initially organization Alpha envisioned Dubai, but it didn't work out so they settled for Abu Dhabi. *"If the locals want their boat built, they don't have to go to China because of the price or Germany because of the quality, organization Alpha wants to cater for those needs locally. Organization Alpha could not compete with the cost in*

China or compete with the speed and quality that Germany could deliver but the company can build a standard equally important exceeding anyone else in the world." Organization Alpha takes a lot of suppliers and contractors abroad because the supply chain is not yet developed. *"If there was to be a supply, it would be bypassed meaning getting container after container which would add to the cost*."

4.4.18 Extreme Persistence

As the CEO of Organization Alpha, implementing strategic decisions is a complicated task. Jay once said, *"We worked like idiots to get the job done, it's persistent. You have to be extremely persistent."* This is a vital factor in implementation. Other Alpha's participants expressed it as "c*ontinue"* and *"close follow*" by Lee. Joe and Guy have also expressed their agreement with the CEO on the effect of such factors on implementation of strategic decisions at their managerial levels.

4.4.19 Strategy Implementation

According to Jay, the organization improvises on strategy along the way. By achieving the short goals, it is easier to handle the long-term goals along the way. Organizations should make a long-term goal and break it into small segments. He says, "*Putting the entire strategy on paper is time consuming and the organization does not have luxury for time*." The knowledge of basic information builds the strength in fundamentals and the organization opts to stay ahead of production at all times. He also argues, " *In real life one is better off to do design and engineering work little bit better and make a little bit more of a plan, however due to lack of time it is impossible*."

4.4.20 Mega yachts and naval shipbuilding

Jay also added "Yacht building is client driven and the clients in whom clients probably have little patience, and it is very hard for them to seeing they have to wait for 5 years. The naval is client driven but that is more preparation work. For example in the helicopter carrier has a phenomenal amount of work." The luxury of time is often present when developing, but in ships, there is no luxury of time. Joe does not agree with the future of the mega yacht and believes the middle-sized range is where the market potential lies. *"The supply chain for yachts of similar size has been generally good. However, in comparison to Dubai, which has more mature companies due to the long established companies."*

According to Lee, building of new larger vessels is not a viable idea now since the idea is mainly dependent on size and since shipyards require large space, which is not currently available. According to Jay, when his career started, the boats were smaller. The vessels have grown larger and larger as his career has developed and moved forward and progressed. Area of experience has mostly been in more of the recreational big yacht side of the industry; " *[in] the yacht business, we have seen massive rapid growth that the luxury yachts now are up to military cruise ship commercial vessels size".*

4.4.21 Factors affecting implementation of strategies

According to Jay, two critical issues are people and money (human resources and capital). Logistics is another factor; in Abu Dhabi, the company’s small shops operate during daytime for limited hours. Labor is another challenge that becomes even tougher when the time frame and size of the project is huge. According to Joe, the largest challenge is that the property the organization operates in was never truly designed to be a shipyard. It was designed to be a maintenance facility but not a yard so everything from power and water and basic support issues has been a challenge and continue to be.

"*The conversion of these catamarans, for example, is done on the property rate and only upon finishing they will be able to seek government to supply power and water directly from the street but at the moment they rely on the main client side for water. The conversion of these catamarans would be the biggest step towards a military side of work. The political, design engineering and time skills challenges are the main factors that build the heat of competition for organization Alpha. The organization focuses on the yachting and military industry,"* Joe says.

According to Joe, the client must agree and sign the contract before it starts. At the beginning of the project, everything is pre planned from the laying down of the tow to the whole scenario of finishing the property in the seawall and pulling them out of the water. Commitment is required from the suppliers, supply chain, sub-contractors and sub suppliers. The ability to be flexible in a project affects how the organization is able to do it in a new construction or a new build. Real time planning is another factor; some projects take longer in practice.

According to Lee, the company should stop building out of steel and aluminum and focus up to 40 meters on high-end composite military vessels to gain competitive advantage and additionally use a project manager. Using a coordinator, they can follow and track the plans and costs in order to start this implementation. Abu Dhabi government's 2030 economic vision also contributes to Alpha's strategic decision implementation. It supports the boost in industrial sectors which shipbuilding is one of them Lee says, "*[the reduction] on* *the oil industry and increase the profit coming from the industrial sectors will benefit the shipbuilding and maritime industry*."

There is a need for vessels to take a part of the market share. The quality of the mega yacht, the vessel organization Alpha is building now, quality wise that boat can be put up against any shipyard in the world so there is no competition that can compete against them. The reason for this is that the degree of high standards has been placed higher than profit or loss. In order to ascertain that the high quality is maintained, Organization Alpha has hired some experts and started training people on a level of well-being standard.

"The challenge of hiring experts was not only to obtaining the knowledge and the experience, it was for him, or her to develop a system in organization Alpha to where establish a solid ground for our local talent pools, to train and develop those people, and to teach them these new skills and to try to create a self-sustaining department or flow of manpower." Yet Joe's comment was, "*the experts are now gone yet the same achieved quality, that was originally the reason they were hired, is still implemented, established and demanded in shipyard still appearing today because it is no longer a goal*."

4.5 Organization Presentation: Organization Beta

This organization was founded in 1995 and is the first full scale Shipbuilding Company in Abu Dhabi. It constructs vessels of all kinds and impressively with different varieties of building materials. The vessels include: naval, commercial, leisure and special purpose boats. This organization is a Semi-government Company that has a workforce of about 1400 employees. Since its establishment, the organization has had three CEOs and Mr.

Mike is the forth CEO since Organization Beta was established, and until this study was conducted.

4.5.1 Participants Background: Mike

Mike was once an Operations Director for British Aerospace Systems, BAE Systems. Mr. Mike has a bachelor of science in advanced design methods and engineering—Master of Science material engineering studying metrology and polymers. He is a chartered marine engineer, a fellow in the Institute of Marine Engineers and European engineers. He is vastly experienced in both ship building and ship repair. He is formerly a Chief Operating Officer (C.O.O) and then a Chief Executive Officer (C.E.O) for Organization Beta.

4.5.2 Participants Background: Frank

Mr. Frank has been leading the purchasing team for special projects since 2005. He has a Master's Degree in telecommunication from Oldenburg University in Munich; he joined Organization Beta in 2005. He believes in controlling the budget, procured material, and quality. He started as a procurement specialist, was later Head of Procurement and now he is contract manager for major projects. He has managed everything intellectually, looking at what is happening, correcting it in a way that the process gets improved. He has had a supporting boss both in Mr. Sam and other top management officers. Frank says, "*Mr. Sam came from the oil industry which is very crazy about processes."* Frank acknowledges that there is a lot of support from the CEO and strategic level top management to keep him constantly improving processes at his level.

4.5.3 Participants Background: Sue

Sue is an industrial engineer who came from Singapore; she was general manager for shipyards. She has rich experience in doing a lot of commercial tendering and even subcontracting activities. She got the job in Organization Beta two years ago and she is head of planning. Her job was supposed to be more towards the production planning. Strategy has always been her strong point, so one way or another, she ended up going into strategy and corporate planning the business plan. Now she is heading the commercial division and helping the contract division due to lack of people in the company.

4.5.4 Participants Background: Sam

Mr. Sam was previously based in Das Island for 20 years, involved in towing and loading of tankers. He was an instrumentation and control engineer in the former company. Mr. Sam was formerly in charge of the maintenance of the control and instrumentation equipment on the oil and gas field. He joined Organization Beta in 2008 as a Vice President for materials and information technology and worked through in the procurement of materials for new ship building as well as maintenance and repair of materials.

4.5.5 Participants Background: Eng. Moe

Eng. Moe has been an Organization Beta Employer since 2004. He joined the organization during a kick start of a multi-billion program as a senior engineer representative. He has moved up in various positions. Now he is a Program Director, he holds a master degree in naval engineering and prior to his joining Beta, he gained vast experience as a senior engineer officer in his homeland navy.

4.5.6 Participants Background: Jeff

Dr. Eng. Jeff is a Senior Program Manager who joined Beta in 2010. He is a retired naval officer from Europe with a long experience in naval programs. He is very keen to task execution and on "*getting the job done*." When he was asked about how he describes his job, he said, "*my job is to please the customer and hit the targets for the given financial year and to make sure my team is secure.”*

4.5.7 Strategy Challenges

Organization Beta has faced the following categorized challenges in implementing its strategic decisions once taken to fulfill its strategy. These challenges were government imposition (Emiratization), staff training, government contracts, business focus, efficiency, in-house capability, strategy implementation, and other implementation factors.

4.5.8 Government imposition (Emiratization)

According to Sue, the politics and the government are a huge challenge. She says, "*for example GHQ in some ways sees us as a brother or sister because they feel that you know we are all the same. So they feel that we should be giving almost zero profit because we are brothers but they forget that we are not a government company. We are a private company. We have shareholders*.” She also argues that Beta is not a government owned organization, yet the governmental organizations such as navy, coastguard and the likes tend to think so. She also admits to the continuous government interference. This notion was also in agreement with other participating members of Beta.

4.5.9 Training

Frank admits that when he was put in charge of looking after the project aspects of any projects, the first thing he realized was a lack of processes. Firstly, he used his knowledge and training attained from Germany to start writing the processes; he did process mapping, educated people about process mapping and therefore the concept of material management manual came into being; " *I wrote the entire manual and today, it is a dynamic process,*" he said.

In Abu Dhabi, Organization Beta had promoted to train its own people. However, that proved not to be economically viable because when people have a fixed salary, they are not really working for that day's wage; they tend to be less productive than the normal subcontractor, who has a target in mind. Organization Beta lacks a training center since it is expected that a shipyard of that quality and complexity has a training school. It has been thought by various managements, but the money to create such a system is lacking.

4.5.10 Local Government- Organization Beta Relationship

The major factor is government support since the number one client of Organization Beta is the government. Although, availability of skilled manpower getting into the market and gaining more of the market share are major challenges. Another big challenge is getting qualified people from the country and transforming them into real marine engineers because this is a specialized field. The development takes its own time and that is where the government plays a major role. Moe expressed his opinion on government support programs. He stated, "*…Through government support programs such as apprenticeship schemes, this is* *by having our own maritime school. Setting up institutions that mainly caters for shipyards industry*."

On the other hand, Sue said. "*The biggest challenge is that organization Beta has one customer, meaning that all its projects come from the UAE Navy. The company has been struggling entering towards Kuwait and Bahrain and the GCC countries*." Organization Beta had a few projects with Bahrain, but it was a struggle to get such contracts. Sue also added, "*You need to have inside people [government officials] to actually be able to get those contracts into these areas, so the company has not yet shown to the GCC that is there to help them and it can do a good job for them*." More so, "*the marketing is lacking and especially the marketing done by Emiratis, because the thing is if you have someone which is a GCC, you get better access*."

Organization Beta at the moment lacks qualified marketing team in order to have better access, as Mrs. Sue noted, to exactly the right people rather than "*a European going there"* based on her argument and justification. In addition, "*organization Beta will always go with what the client wants to build rather than the company for example going with its preferred strategy to just build boat vessels or it running to deal in small boats*." That way, Organization Beta's building strategies and therefore decisions made are bound to the client's referrals. Organization Beta cannot take that call since it really depends on what the client or clients want next.

Sam has also pointed out that there is minimal government support of the organizations in the industry. "*Gaining trust and building up relations with a new or potential client. The political international environment is for efficient functioning of the* *whole process, a healthy relationship with other countries and political domain is important especially since the products pass through various countries before arrival to the UAE*."

Unexpected events create circumstances beyond the control of the organization or factors that occur in the implementation process and are not planned for. For example, there are opportunists who want to make quick money. Delays on equipment are a challenge, according to Mr. Sam, since it has a consequent impact on the delivery process. "*Organization Beta actually does not rely on the UAE Navy; the company is actually going to every country in the region.*" Despite being a hard fight, organization Beta got a contract from the Indian coast-guard, so it is not actually depending only on the UAE navy, GCC, or similar local organizations.

4.5.11 Business Focus: Naval Business

According to Frank, the strategy is evolving and will be evolved through the board members. At one stage, the strategy was not to build ships longer than 30 meters, but the experienced workers explained to senior management that mass is critical and just cannot be cut off. The company's strategy is definitely going into the TLCM (Through Life Capability Management), which basically means that 85% of the fleet is built and needs to be maintained. Furthermore, maybe due to the lack of people they are not managing to do even the preventive maintenance and the corrective maintenance on the vessels as they should be.

TLCM is a big requirement from the Navy where organization Beta needs to take over the workshops and to do the preventive and corrective maintenance. "*The company will be strategized based on clients so part of the company is going to go towards that and that is supposed to be where the exponential growth is going to be. It is expected and in terms of* *ship building that for the next 5, 6, 8 years there will be work. Going outside the GCC will lead them to build their own shipyards. It is very clear, the instructions come from the top, Organization Beta is supposed to help the Navy in whatever they need. The strategy is to still maintain some ship building because the company does not want to lose that expertise but the company still does not want to do like it was doing before where it has that 90% of the yard revenue is ship building. The company wanted to actually increase this area, but it lacks infrastructure in the yard. The idea is actually to try to go towards near Khalifa port or Khalifa Industrial Zone Abu Dhabi (KIZAD) and start thinking of expanding over there commercially*." Frank added that the long-term plan is four units no matter what percentage Organization Beta has in weighing every one and that is how organization Beta is strategizing itself; strategic decisions are taken as such.

4.5.12 Efficiency

Existence of the ability to purchase design and have local labor makes it possible to get the trained labor and easily means having more of a negotiating power with subcontractors since "*if X does not perform, there is Y or Z as an option*." Frank says that the use of skilled workers and optimization of the number of people to multi task has an impact on efficiency; for instance, like one of their clients' project, Enigma, one boat was being produced every six weeks. The method also leads to minimized production time. Moving to larger vessels as strategic decisions is crucial so the company will drive its assets and power sources to achieve the goal.

Moe says there are huge efforts going on the marketing side to increase its efficiency and to ensure that it has some continuity as well as "*to get some work so that it starts with the good plus point. And on the Emiratization, there is a dedicated team and thus organization*

Beta is fortunate enough that this entire strategy is being monitored not only by organization Beta senior management and the board but government authorities are also very kind and very vigilant about these things." The government is monitoring and supporting the organization. So there is encouragement towards Emiratization. There are rewards towards the encouragement and they are quite proactive in dealing with the Higher Colleges of Technology in UAE (HCT), and with universities, ensuring that it attracts efficient graduates. Organization Beta although focuses on Emiratis; it also encourages expatriates to train and make efforts towards training Emiratis.

According to Mike, the government of the U.A.E is the main customer for the organization. The business, according to Mike, has grown due to the needs and the requirements of its primary customer and that's the only reason the business has been there and available. In this context, it is highly unlikely, according to Mike, for a shift to new markets. According to Sam, Emiratization intersects into looking at ways of doing things with the environment in mind. The processes of the organization have to be in line with environmental provisions of the local government of Abu Dhabi's economic vision for the year of 2030. "*Sustainability is part of the vision states that the government of the UAE is in a move to shift their reliance on oil for revenue to other industries*." The organization, through its vision of expanding its market worldwide aligns to this and can act as a supplementary revenue source.

According to Moe, the strategy's foundation is based on the local government of Abu Dhabi's economic vision for the year of 2030 and the management feels that the 2030 vision does clearly define the role of the industry with respect to giving Hi-Tech industry more value. Moe said "*we can transform our facility into doing more Hi-Tech jobs with the focus* *they are rather doing the only labor-intensive jobs and this way we will be achieving the objectives as defined in the 2030 vision*." Frank also supports the local government of Abu Dhabi's economic vision for the year of 2030 saying, "*the organization plays a very important role as a strategic asset throughout UAE's coexistence*."

4.5.13 In-house capabilities

According to Frank, Organization Beta is the only company to develop itself into a high level of engineering capability to support combat system installations and integrations. It has highly sophisticated engineers. It has performed excellent work in outsourcing very complex connectors and employed a lot of suppliers with superb capabilities to support naval engineering standard work on warships. According to Sue, the ship building industry needs two main factors to develop. One is labor and the second is design knowledge.

The fact that organization Beta still struggles on attracting competent people acts as a hindrance. "*The old ship building industry has experts in their 50s and 60s.This older people for some reason have not really managed to pass the expertise on to the 30s and 40s generation. Although there are now a lot of engineers and a lot of naval architects, they lack organizational knowledge of the ship building industry*," Sue said. There is lack of expert and qualified employees in project management, especially in terms of production management and operation management. Moe also agreed on the lack of in-house capability. He said, "*the biggest challenge is coming from the available of the skilled middle management. There is non-availability of the right skilled people in the country as well as in the market. It's not easy to find the real right level shipbuilding expertise. So that has been the biggest challenge*."

There is formation of subsidiaries with prominent suppliers in order to have an in house capability to integrate combat system and the combat management system together with system installation and trials. Moe believes that the company's strategy will evolve itself or transform into a strategy, which will exist according to the realities on the ground. Hi-tech focus on test and trial make it necessary to develop and to build the ship from scratch. According to Frank, the lack of experience, for example in interpretation of drawings, shows the lack of the capability to correctly interpret the drawings.

4.5.14 Implementation challenges

According to Sue, the company aims at the creation of a new service department to look after the navy and ensure naval vessels have operational readiness and operational capability. To facilitate this process, the organization is working in conjunction with a company that is based in the U.K. (United Kingdom), and that is well experienced in operational capability support to the UK royal Navy so as to support the organization with a team. Additionally they plan to facilitate putting forward two proposals mainly on how capability management will work and a part of that is an immediate support program that Organization Beta's clients require at the moment.

According to Sue, Organization Beta is looking to expand in the market by applying commercial knowledge to establish itself more strongly in the market. This will also improve the project management through a competent project manager. "*Organization Beta does sometimes very good positive steps towards this and the client is thrilled and then afterwards the company does not respond for months and months because it simply lacks the people to cope with it.*"

Sue agrees that involvement in the social activities bring people closer, for example, like celebrating birthdays. The company builds team work through celebrating National Day so that people tend to know each other and develop a tradition of helping each other.

According to Sue, the company is trying to divide different areas like safety. "*The safety experts drive it, and the boss does not interfere with it despite being in charge. The company goes through procurement then driven into sales which is part of the flow*." According to Frank, the designer is a challenge in the company as it does not have a designer of the vessels or a design office. The setback is that there is no control over the bill of material. "*The challenge is that when a customer comes to revise or make changes on the vessel, since the data on its drawings are not accessible so the company needs to go back to the partner and pay again for the structure of changes*."

The other challenge is single sourcing, meaning that Organization Beta wants to buy equipment from one company, and then the company takes advantage of that single sourcing and negotiating often becomes hard. The design challenge has been overcome by Organization Beta by establishing limited design capabilities, but in the end the company does not have the design engineers. For single sourcing, Organization Beta works very closely with its customers. Organization Beta does market research and knows the cost of things, which is its stronghold. The company strategy for the next five years is concentrating on supporting the navy building through life capability management or TLCM. Diversification of the company outreach to service sector: maintenance, repair, and overhaul (MRO). It is thus to focus more on services, making sure that the service, the fleet which belongs to the U.A.E navy is serviced and maintained at the highest quality.

It is a challenge to gain trust and build up relationships with a new or potential client through the vessels the organization creates for the UAE navy in order to facilitate expansion to other markets, for example the Barta (a pseudnym for a major client program-listed in the Abbreviation list) program. "*The Barta program has now attracted other countries to look at the organization capability in terms of building corvette because that's a 72 meter corvette. It is very highly equipped. It has already been delivered to the UAE navy together with two others. Provision of services in terms of maintenance overall and refits or new builds especially to other countries as well such as Oman and Kuwait and Qatar who are interested in ships or Bahrain and those are also involved*," Sam said.

According to Organization Beta's management, the idea first is to initiate preventive and corrective maintenance for the navy; the company is starting to take over their workshops to do the laboratory in level three and level four of routine maintenance and repairing; all retrofits and overhauls get done in organization Beta facilities. However, Sue worries about how to implement such activities. She said, "*…since organization Beta will do pre planning, it would have now the data with them of actually which vessel should come at what time and what should be done, where now it is being more like the vessel is being dropped here tomorrow and there is no warning you know, the company is not able to do an advance planning.*"

She also complained about the concept of "one-client." In her own words, "*relying on one client who does not define from the beginning what he wants is probably the number one challenge. The second challenge is to be able to drive that politics to actually get the right project at the right price. Organization Beta does not have a strong power of negotiation. In terms of the justification for "no", the problem also is that Organization Beta does not have* *at the high level in (GHQ) [General Head Quarters] anyone who is from a ship yard construction to understand. So when it comes to negotiating, Organization Beta is actually explaining the whole concept of what ship building is about because for them, how they see it in this billion dollar contract where money goes out and they do not see anything*."

Organization Beta has a lot of challenges in terms of the acceptance process, which takes a lot of time due to heavy involvement of paperwork and signing certificates. Organization Beta is starting the preparation of a mega database and immediate services for the navy, but on commercial, Sue said that it is not so easy. The strategy is an independent business unit and has been decided. Organization Beta suffers from professional delinquency. It lacks the right rules and regulations that point out who should be doing what and there is a loophole in the top level down to the low level.

Frank said that in terms of the commercial, it is being driven at the moment by the senior management because obviously it is at a stage where Organization Beta has to first acquire the land and see where to expand, so that cannot be driven just by a one-man show, but by each business unit. Planning, sequencing and scheduling are also a challenge brought about by a lack of experience.

4.5.15 Implementation factors

The supply chain is not available in countries or is long waiting for lead items as they come from abroad. Frank said "*simple things like the steel cables, pipes we have to import. If the industry was available locally, European shipyards do not face this problem, we face. Another challenge we encounter is when it comes to the navy this is because of their typical requirements due to their typical operational requirement*."

According to Mike, the use of strategic partners like Gamma, Delta and other ship and marine companies with proficient design capabilities and have the ship built on these partners' premises. Through a good strategy, it is possible to facilitate effective and reliable operational readiness to the Navy, which is essential in ensuring proper running and operation of processes in the Navy.

According to Moe, the overall UAE development has been based on many labor intensive jobs in the beginning. All this infrastructure of roads, buildings, ships and rails start with the labor intensive job, which has played a major role in development of UAE. Factors for strategic formulation are based on current world situations, the current markets, the current business location and the government regulations. According to top management, constructing a new ship and maintaining an old ship shows that both are difficult.

It is not easy to maintain and troubleshooting is far more difficult compared to just installing new equipment, a brand new equipment. However, both types of processes have their own problems and require different people with different skills to act on them. According to Sue, the company needs quite a lot of help in terms of actually driving the things through because again the people who are doing the implementation should be focusing one hundred percent on implementing and are the ones who start doing all the other routines in the company. At the moment, Organization Beta still does not have the people who are able to drive implementation from the beginning to end.

Organization Beta participants generally agreed that there is a hierarchy leadership system; the top management decision is to be carried out without question. In addition, healthy competition can only be promoted by organizations that are creating their items in the context of ships for a ready market. Also, the industry is basically in active. "*They only have*

2 shipyards left in the whole of UK. The organization stopped building commercial vessels because in comparison to countries like Japan and South Korea, the productivity rate was low. Additionally, labor rates are very low. In comparison to the U.K. Abu Dhabi has an advantage since they have sufficient labor from expatriates where the labor rates are very low," Mike said.

4.5.16 International Market

According to middle management, Organization Beta has not gone too far on the international scene. It has won some contracts from India and is still hopeful to get more contracts in India, bids in Indonesia and the Gulf Cooperative Council (GCC) at large. In addition, it is in discussion with Lebanon, Kuwait, Bahrain, and Qatar in the Middle-East. People have high hopes that there is a reputation of the company having delivered the right products so far.

4.5.17 Transparency Mode

The transparency mode is not working because the client does not understand the concept. This has brought about a challenge for Organization Beta who has not been able to earn trust of other clients since the company is opening the door for clients and it is a challenge to disclose what they are building. The main hindrance is the government owns shares and sensitivity is lost where disclosure is limited. The organization saved on both hours and time decreasing in terms of delivering the vessels. Organization Beta’s vision for 2030 is that it should be less manpower driven. According to Mike, a notable change in strategy by 2015 is that the navy will have somewhere in the neighborhood of 82 ships in their fleet. The strategic overview in an organization in Abu Dhabi is impacted by the overall strategy of the UAE.

"*By relying on the expats in terms of the welding and the building of the ships is a change that could help the organization to live vision 2030*," Mike said. According to Sam, the organization has two prime sectors, the military and commercial ships. Development of the military side is very much dependent on the navy's plans, but however there is a close relationship between the plans of both parties. The transactions between the organization and the navy can be an open or a secret type depending on the country's current situation and the political stance. Organization Beta definitely does not have the right people. Sue said, "*in order to generate profit, there is a need for people who know how to manage it, understand finances. There needs to be a person who knows first how to make changes, how to restructure, where to go for these changes, how to hire the right people below him because he is only as strong as the people which are below him. If Abu Dhabi really wants to go strong on the shipbuilding area, they have to focus that from the purchase to the legal to everything around it even banks, they should understand the business because at the moment, the bank is a big winner*."

4.5.18 Strength in Supply Chain

With the through life capability management (TLCM), which is the building of capacity, 20% of the cost of the vessel and 80 % of supporting the vessel give the company the support for at least the vessels which the company has already built. Sue said, "*it is currently starting to mature but still on baby steps. Having an agent in Abu Dhabi who is approaching the equipment and pinpoints the problem helps the organization*."

4.5.19 Move of the Organization in relation to the 2015 goal

Diversification of the processes of the organization evolves mainly by involving itself with its primary role, which is naval ship building and then additionally establishing a service business. The service business is mainly to support the current fleet and any more new fleet through life capability management. Sue also added, "*establishment of a good composite facility through partnership since they lack a design capability so they take design with current vessels with partners for UAE navy and all the rest of it and in India O & GC that's the oil and natural gas corporation and possibly other areas, in order to reckon and do the vessels*."

The strategic plan in their 5 year business plan is to grow small boat construction and align that as no more than 30 meters there in and thereabouts not heavily armed. Boats will be made in glass-reinforced plastic, so called (GRP). Naval ship building remains the main business, but in a different paradigm with different models, in other words relying on strategic partners. First is Delta, which will build the two coast guard 67 meters ships. "*They will come to ADSB where will we do the combat system integration*," Mike said.

Sue agreed that ADSB's vision to serve the navy will give the organization prime contact for the navy both on new build and on services because at the end there is a reason why Organization Beta is building a war power into UAE; it's because it wants to defend the country.

4.5.20 Factors affecting Strategic Decision Implementation Process

According to Frank, the lack of appropriately qualified people at the correct place is a huge challenge to implementing Organization Beta's strategy. In addition, enforcement of

Emiratization as an initiative by the UAE government and the expected high raise in salary packages of the organization’s Emiratis employees are factors affecting the process of strategic decision implementation and are unable to sustain the Emiratis possessing very good qualifications. This is inclusive of the standard pay structure, support structure for the children and whatever other companies are giving in Abu Dhabi.

Frank said, "*The fact that there are several shipyards growing, meaning that if these shipyards have a good relationship with Organization Beta's one client, then there is always a chance that one arm or leg gets cut off from the company could lead to division of work. Transparency, open door policy, and communication are done by the CEO and COO. Employee retention is a drawback since there have not been incentives or pay rises for the past two to three years meaning the employees motivation is killed. Lack of effective down level communication which becomes a draw back as not everyone is on the same track. Persistence, a bit of knowledge and strong capacity is not there by the top project management. Realistically, the shipyard is a strong capacity industry, you really have to know when to bang the table and when to demand things you know and what I find is that when I start driving this thing in doing it.*"

Moe also said that one of the success factors is getting the right support externally on the services segment; another factor is the Emiratization to a particular degree. However, for these success factors to be realized, some of the challenges that carry themselves with these factors, such as availability of maritime qualified people, must be addressed. Those qualified people tend to favor other sectors over shipbuilding. Moe said, "*it is because people from the navy and other maritime infrastructure do not come to the shipbuilding sector in general, and to organization Beta in particular mainly due to salaries, the salaries are not as high when* *compared to the ones paid by the oil and gas companies and other government related agencies.*"

Another challenge is that it proves difficult to lure the young generation in a competitive field like Organization Beta, a hard core business, and that is ship building industry. Moe added, "*Ship building industry that is where working hours is from 8 am to 5 pm whereas outside they can work only from 8am to 2pm and yet earn a better salary, and the third one is that the organization is at an early stage with respect to combat system*." He added that another additional challenge is that human beings are reluctant to change. This is mainly because change is not easily accepted by the minds. "*If people have been doing a particular activity for many years, it is not possible to make them to look it in a different way*," Moe said.

According to Moe, Organization Beta faces a challenge when it comes to strategic implementation. He said, "*Another challenge is that strategic implementation requires time, efforts, and resources whose benefits are not visible immediately. This makes it looks like an extra burden, extra cost, extra time and normal day to day jobs do get affected. To deviate from day to day assignments project into a strategic implementation which will yield fruits after years and this is something that many companies would wish to do away with. There is need for a proper communication system to facilitate proper decision making*." Moe's argument yields to the factor of transparency in the decision making process as described by Mike and Frank even though the organization uses a unanimous decision process after a discussion.

Chapter Five

Analysis and Discussion

5.1 Introduction

The previous chapter presented the results of the data and the major findings of the study's focus; this chapter discusses the results and analyses the findings by investigating the field of research area providing further comment. The overall aim of the research was to investigate, identify and analyze the challenges in implementing strategic decisions in organizations in a new industry in Abu Dhabi; this study examines further any factors associated with such decisions by the research questions addressed in this study.

The research questions are as follows:

RQ1: What challenges does strategic decision implementation face in a new industry and how are they confronted?

RQ2: What context-centric factors affect strategic decision implementation and how are they confronted?

The results from the research that emerged revealed three major themes that answer the research questions. The third one Roles of Government emerged as a significant unanticipated theme that crossed over the two other themes due to its significance based on the data collected. These three themes are as follows: Strategic Decision Implementation Challenges, which addresses the first research question. Strategic Decision Implementation Factors addresses the second research question. And Roles of Government was a significant result related to the two other themes.

5.2 Theme One: Strategic Decision Implementation Challenges

According to the findings in Chapter Four, strategic decisions in the ship building industry in Abu Dhabi are faced with many challenges that make it difficult for implementation. These challenges are categorized in three different categories: internal, external, and the strategic decision implementation core. Internal challenges are the challenges that the industry of ship building encounters within the organizations. These are manpower, RND, design capabilities and ownership, business focus, and the one-customer concept. External challenges are the challenges that the industry of ship building encounters due to the interaction with its external environment. These are government and politics, products and systems origin and resources. As for the core, it is the implementation factors that affect the strategic decisions while implementing them. Although, these factors are found to be a challenge of their own, they are addressed in a theme, namely strategic decision implementation factors and these are discussed further in section 5.3.

5.2.1 Internal Challenge

Manpower has been noted in various ways by the participants. It was discussed on different levels such as manpower replacement, in house-capability, retaining skilled employees, training, hiring expertise, and Emiratization. The industry of ship building requires special skills of marine and naval architecture in its manpower. So, skilled potential employees are essential for such industry to prosper. Participants of both organizations have expressed these challenges and admitted that both organizations are focusing on this challenge in their strategies. Yet, the implementation process of such strategies is not in line with the plan. Evidence was discussed with the research participants. Salary packages are a good example. They do not reflect the strategy set by the top management. It does not seem to be attractive due to the lack of scale with the local market, especially for Emiratis. Manpower availability in Abu Dhabi in particular and UAE in general is limited due to the unavailability, or limited availability of local educational institutions that offer marine or naval architecture in UAE universities and colleges. That is the reason why a great number of labor forces in the ship building industry in Abu Dhabi are comprised by non Emiratis. They also create uncertainty in the industry that they might leave any time. This is the reason that training programs within the organizations are at risk for it might lose the investment of training employees for others to benefit. Emiratization has not come far enough yet to offer a viable and complete solution.

RND actions are vital in strengthening any industry so as to be up to date on data that will help in creating price policies as well as acquiring the latest technology that is essential in the shipping industry. Production complicity plays an important role in the provision of services. Western countries have opted to reduce the quantity of material and energy applied in packaging while maintaining general standards in eco-awareness. For example, in some industries, plastics that cannot be re-used are being replaced with other eco-friendly materials, such as clothing and non-wood paper. As for ship building, the industry is relying heavily on the imported materials and not researching the local industrial sectors that offer similar lines of products and services. It is a great challenge that has been noted on various levels in both organizations. Abu Dhabi in particular and UAE in general has come some way in developing various sectors to serve as a backbone and boost production in the industry.

Both organizations focus on the same client, and that is government entities-naval forces, coast guard, and the like. Such a focus serves the business due to the great value of contracts awarded by the local government. This one-customer or one-client concept weakens both organizations in the shipbuilding market. It also weakens both organizations’ negotiation power for the same reasons. As a consequence, it weakens marketing and sales departments, which led to jeopardizing both organizations' strategy.

5.2.2 External Challenge

The data collected revealed the effect of external factors as challenges toward strategic decisions taken by TMTs and how they interpreted such decisions to achieve successful implementation. The conclusive data exemplified that decision equilibrium is a result of successful decision governance, decision leadership and the decision ecosystem. Such decisions boost the odds of TMTs making better tactical choices and simultaneously diminishing effects of decision politics as a contributing factor. Therefore, superior tactical choices results driven by organizational imperatives are attained. These choices affect the strategy of both organizations in terms of the supply chain as part of the state of the local economy and the level of its development to avail commodities related to the naval shipbuilding industry. This is in line with what Lenz (1981) identified as an external factor that affects strategy. The naval shipbuilding is a niche that requires a special market and special supplies. Items that go into naval vessels are either produced with military equipment that is not necessarily in stock, yet have to be manufactured based on orders, or they are restricted in term of usage and might require different levels of authorization and clearances.

This is a crucial factor that creates a great deal of uncertainty due to the intervention of various other rules, regulations, clearance, and authorization procedures. Both organizations have expressed the effect of the supply chain and the reliance on the supply chain abroad. Mr. Sam, the vice president of Organization Beta has emphasized this issue with great seriousness. Due to the reliance on the supply chain abroad and manufacturers of materials related to naval vessels, the naval ship building industry in Abu Dhabi faces complicated issues that are rather unpredictable.

5.3 Theme Two: Strategic Decision Implementation Factors

Both organizations share a major number of factors that affect their strategic decision implementation process. In this section, first, *common context-centric factors* shall be discussed. These are factors that were found to significantly affect the strategic decision implementation process, then, followed by the *specific context-centric factors* to each organization. These are factors that were found to be related to the differences between these organizations. They are leadership and the overall organization's structure. In both sections, factors shall be organized in the order of the most significant to the least significant. This order was highly affected by the responses of the in depth interview of both organizations' CEO’s.

5.3.1 Common Context-centric Factors

Extreme persistence is a vital factor to achieve any goal. Even more, strategic decisions once made by the top management are put into effect by the entire chain of employees in order to implement it with efficiency. Persistence must be injected by the top management to then arrive to the designated stakeholder in the organization. Persistence works as a carrier of necessary messages from the top management to the lower levels, ie. the implementers. These messages unify stakeholders to a common purpose and that is to achieve what was strategically decided upon within the organization. It is a part of the process; it is the essence that such decisions can stay active until they are accomplished. These messages drive the work momentum and implementation process dynamics; through knowledge and task monitoring, loyalty, experience and efficiency, vitality of the decision; through transparency, and capability achieving; and through creativity versus time line and innovations in implementation process at all levels. Such factors revitalize the life of strategic decisions and keep them in focus. Such decisions tend to live longer than managerial or administrative decisions and that is where the dilemma lies. Strategic decisions are accepted to be of a long term nature, in which people who have taken such decisions are likely moved on during the implementation phase before accomplishing their achievements. Persistence extends the life of such decisions and that is what strategic decisions tend to miss while they are being implemented. It acts as the orchestra's conductor, but for a very long symphony in an effort to eventual applause.

Persistence works only if another implementation factor is exercised, and that is communication at all levels. This factor has been widely noted in the literature. Yet it is found to be vectored factor and runs parallel in two different dimensions. They were found significant in this research. These were communication continuity and communication context. Communication continuity enhances knowledge sharing in the work environment. It ensures message delivery among implementers over the long life of the implementation process to successful achievement. It also builds enthusiastic employees with the "*rush-to-achieve*" demand. On the other parallel dimension, the communication context is vectored to align strategic decision implementers' outcomes to achieve the purpose.

Human resources as an implementation factor were noted in both organizations to be a driving factor for successful implementation process, from top level to bottom. It involves skills, competencies, expertise, and knowledge. It also involves personal traits. Maintaining skilled employees is difficult due to better external market offers, difficulty within the work environment, and availability of other business opportunities in Abu Dhabi. Furthermore, human resources are affected by government support and government legislation imposition— Emiratization which will be further discussed in the sub-sections of 5.4.

The maturity of the supporting industry to naval shipbuilding has an impact on the implementation process; supply chain, outsourcing, financial tools and banking system. Up to now, the vast majority of supplies needed for the naval shipbuilding industry are imported. Such a fact increases the external effect on implementing strategic decisions. Geo-political conflicts and the United Nations' sanctions are mere examples. The higher the reliance on imported supplies is, the higher complexities on implementing such decisions.

5.3.2 Specific Context-centric Factors

These factors are related to the differences between both organizations. They are leadership and organizational structure. The researcher anticipated such differences based on the fact that Alpha is fully private, but Beta is public. This fact reflected greatly on the leadership and internal structure of both organizations. One aspect is that ever since Alpha was founded, it is still run by the same CEO; whereas Beta CEO's position has been filled and changed three times since the beginning of this research. Also, Beta went through three restructuring processes: one during each CEO’s tenure, yet Alpha still runs with the same structure (based on their requests for confidentiality, both organizations' structures were not included, nor shown in this study). It is noted that change in leadership has a great influence on the organizational structure, which eventually affects the decisions already put in place by the previous leadership. One example was in Beta that strategy reforms have shifted the overall shipbuilding strategy from small to large vessels, then later back to small with the latest CEO in office. This phenomenon was examined and found to be justifiable due to the profitability of working with small vessels.

5.4 Theme Three: Roles of Government

In both organizations, the local government plays major roles. The data collected revealed three main roles: government salary issue and national policies; initiative impositions; and the shipbuilding-industry dependence on overall government strategy to survive.

5.4.1 Government Salary increase

Government salary increases had a strong impact on strategic decision implementation on various levels such as human resources, organization overhead cost of salary packages, and organizational behavior in employees. Although Alpha is privately owned, the government's role in policies and initiatives impact both organizations' strategic decision implementation. For example, salary policy bifurcated payments to Emirati employees and non-Emiratis. " ... *the reason is the government […] and for me a job is worth a certain amount of money and I cannot pay an Emirati twice [the] amount of money that I pay to either [a] westerner or I can pay an Asian […]Five years ago, suddenly every government employee got 70% salary raise [so] it put everything out of whack!"* (Alpha CEO).

The strategy and corporate planning senior manager of Beta, Sue, said, "*employees have not had salary raises for the past two to three years, at least have not had a bonus for the* *past two years, the inflation throughout the country has gone crazy and yet everyone is behind and you see in fairness in terms of one [employee escalating] five grades, the other has not gone up one, so this lack of HR fundamentals means that the company is quite unstable in this area.*"

5.4.2 Government National Policies: initiative imposition

Initiative impositions have an impact on both organizations' strategic implementation. Fifteen years ago, the government announced an Emiratization initiative (government initiative for the private sector to favor appointing and promoting UAE citizens as their future employees). This initiative affects both organizations in strategic decision implementation on a human resources level in which its attributes fall on strategic decision implementation.

"[Beta] has a social obligation with Emiratization and to provide its [Beta] service […] regardless of whether it makes a profit or not." (Beta CEO). Such an obligation complicates the main role of any organization and that is to create wealth for the stakeholders.

When asked about the strategic goal of the government to initiate Emiratization, the Beta CEO's reply was *"[Beta] strategic requirement was that by 2017 32% of our employees would be Emiratis. Now that is one hell of a task……it is a very complex process…"* He also added, *"One view was and certainly from the chairman and the board was, that [Beta] didn't want to rely on expatriates."*

Furthermore, the time required to implement strategic decisions in this study explored a new dimension—the timing of intervention and not the timing of implementation. The timing of the government to introduce such an initiative complicated the naval shipbuilding industry and its own strategic decisions that were being implemented. This is consistent with the findings of David, 1989; and Jauch & Glueck, 1988.

Obtaining skilled Emiratis as employees in such an industry has its own complexity. This is due to the lack of national/local educational institution to provide a skilled and constant flow of potential employees to advance into the naval shipbuilding industry. *"In the UAE there's currently round about 9 million people. There are about 1 million local people. Between 95 percent and 98 percent of Emiratis work in government positions….. So you only have the remaining two percent or three percent for private industry."*

This view was also shared by the Alpha CEO: *"Well, Emiratization has been a challenge, except we haven't done anything about it, okay, to be very honest."*

5.4.3 Government Strategy

Naval shipbuilding in Abu Dhabi was a strategic choice the local government decided to establish for geo-political reasons. In that sense, the government is committed to the "survivability" of such an industry. Both companies consider the local government to be their strategic partner. For example, the Beta CEO said:

"[……primarily the customer in the UAE is going to be the [government], now depending on what your future strategy is, and how many ships are going to be built will depend on the longevity and […] that's the only reason the business has been there. That is the way it continues at the moment until someone says something different. The reality is whether I like it or not, [Beta] at this point in time exists to support its primary and strategic partner, the [UAE Government]. If all of a sudden Beta said, we're going to go out now and try and build ships for other new clients in the world, what do you think the government

would say to that? I think that would only happen if all of a sudden we were servicing our primary customer and everything to the extent where there was never any problems at all. There is no room for doing that at the moment."

Another significant factor was that the government has not yet approved a consultative body for the naval shipbuilding industry in Abu Dhabi. Moe commented, *"....In fact you hit the main core point really. In some developed countries we have all shipyards combined together into an association of the shipyards so it becomes a consortium or association which will look after their interest. They have their charters. They have their governing bodies and they address these problems on a forum and go to the government in an organized structure way. We do not have such a representation."*

Moe's tone on the original recording in retrospect provides insight into his frustration, an important aspect of qualitative assessment of a situation as reported by a key industry player.

In both companies, an unexpected salary increase mandated by the government for the public sector workforce created an impact, which complicated an important overhead cost within the strategic implementation. This was an unexpected imposition that required strategic modification. Evidently there was a lack of communication between industry and government departments. Communications, such as a timely forewarning, have significant importance and they could have been managed through a shipbuilding representative body so that implications of change could be discussed and evaluated. Only then can they be successfully implemented without causing disruption and managerial anxiety.

It is evident that Beta employees were also impacted by unacceptable compensation in comparison to not only government employees' wages but also that this contradicted Beta's internal salary policy as well. When an intervention like this occurs, implementation will be disrupted and parity between national sector groups of employees will be lost.

It is also evident that the Beta CEO was aware of the industrial obligation imposed by Emiratization and its likely impact on his organization. Unless Beta's strategy has a buffer to comply with it and finds ways of absorbing it, it will, once more, affect its progress towards implementation.

Timing was one aspect of Schaap's (2012) findings as a factor towards successful strategic implementation. David (1989), Jauch & Glueck (1988), Thompson & Strickland (1987), and Schoonhoven, (2003) arrived at the conclusion that the time required to implement a strategy is greater than formulating one. Clearly any disruption, such as a new compensation and labor policies, adds time to the completion of a project as management seeks solutions. A consultative body would undoubtedly have facilitated a number of issues.

Expatriates completely comprise Alpha’s organization labor force. The cultural behavior in Abu Dhabi, in the view of the CEO, does not support the Emiratization initiative for his company. He believes his strategic implementation is affected by the Emiratis' general lifestyle: people appreciate money and are selective in choosing jobs. It would be inaccurate to accept this as a stereotype, however. In addition, due to its geographical location, the UAE tends to have high temperatures all year around, making shipbuilding jobs less appealing because it comprises mostly outdoor activities. In contrast, government jobs are mostly indoors. The government however endorses Emiratization as its own initiative, but inadvertently acts as a competitor to the private sector in attracting Emiratis for government jobs. There is an inherent contradiction in this which does not only cause labor problems in the ship-building industry; it is more wide-spread than that throughout the UAE as a whole.

This is the reason why the Beta CEO questions the timing of such initiatives in which the great pool of Emiratis as potential employees apply mainly for government jobs due to lucrative salary packages and comfortable working conditions compared to his organization. It appears to be a win-lose situation in need of a "re-set."

Therefore, such a strategic industry indeed requires a channel to convey its necessities to government officials so that they might better understand the consequences of governmental strategic decisions and implementation towards the naval shipbuilding industry future. The existing divergence between government strategy in the shipbuilding industry and the companies themselves create a state of complexity that intrudes in the strategic flow towards meeting initial objectives.

Figure 2 below begins with the top management initiation to begin executing the formulated strategy of a shipbuilding organization and that is the construction of naval vessels through implementing the organization's own strategy and following the process found in both organizations in Abu Dhabi industry following these steps: commissioning, planning, designing, resourcing, staffing, training, timing, and funding. Once decisions are made such processes are relayed to the government's own strategic decisions which in turn impact on the flow of the organization's strategic decisions made previously.

External interventions of such magnitude not only weaken the implementation process, but also complicate the implementation process of the forth set strategy by both organizations. It also creates a split in the intended implementation process direction. Also, strategic decision implementation arising factors internally that are affecting strategic decision implementation either positively or negatively disturb even further the set flow for the implementation process, for example, communication, and human resource-related matters. The intended strategy is diluted during the process by means of interpositions in which the intervention complicated the process thereby further requiring a degree of a compromise. Thus, part of the strategy is unrealized and that narrows it all down to the implementable part of the intended strategy.

The process also encounters challenges in the shipbuilding industry that are the result of the external environment and the consequences occurred internally: for example delays, and uncompetitive salary packages. Finally, the flow demonstrates the complex and intertwined nature of strategic decision implementation in the shipbuilding in Abu Dhabi by compromising the implementable strategy at the end compared to the intended strategy by both organizations' top management at the beginning.

Figure 2: The strategic Development Process from Formulation to Implementation: From Intention to Realization.

Please see below

Figure 2 Research-based modification of model devised by Mintzberg, H. and Waters, J. (2006). Of Strategies, Deliberate and Emergent, onelinelibrary.wiley.com, *Journal of Strategic Management* 6, 3, 257-272. (Originally published 1985).

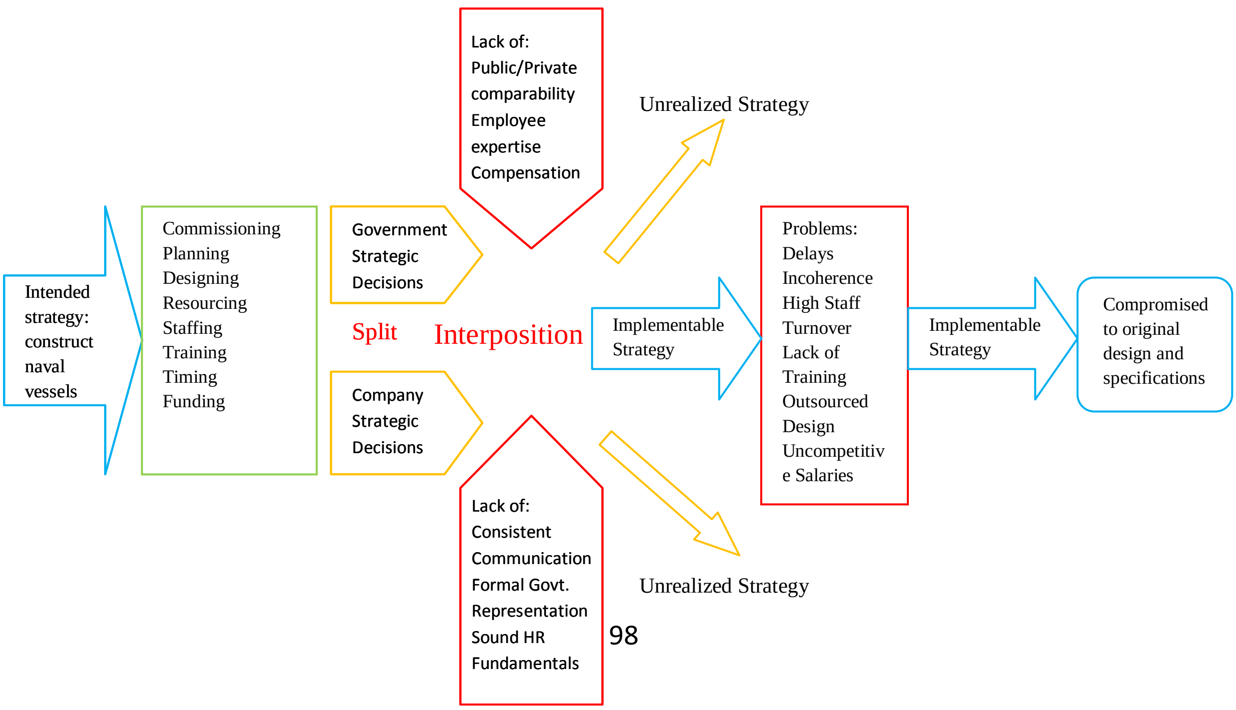

Figure 2 summarizes the strategic decision flow process and the points at which the interventions occur to weaken implementation, resulting in a compromise at the end of the process in comparison to the intentions at the beginning.

Chapter Six

Conclusion

6.1 Introduction

The previous chapters present the study's discuss of the research findings. This chapter concludes the dissertation with the summary of the study's findings, implications, limitations, and suggestions and recommendations for further research.

6.2 Implications

This study has increased the researcher's understanding of strategic decision implementation in the naval shipbuilding industry in the Emirate of Abu Dhabi. It also has examined to an extended level of understanding how the implementation process is affected in such a context and is being affected by many factors and challenges. It emphasized the complexity of implementation and its surrounding environment. The study could be of help to such an industry, similar ones in this region to give better understanding, or to future entrepreneurs planning to enter the shipbuilding industry. This context might also be interesting to people who have thought of being part of such an industry.

6.3 Limitations and suggestions for future research

Limitations of this study were due to its nature and field. They were the number of participants due to the number of organizations in the industry; four at the time of this study, of which two participated. It comprises one half of the existing organizations in Abu Dhabi. It would be of great interest to research similar industries to investigate similarities, or differences, and eventually to further expand it throughout GCC area. Another implication was the level of secrecy that such an industry mandates. It made it difficult to obtain access and conduct interviews. It led to a slow pace of time to reach participants in those two organizations in terms of availability, the great number of appointments rescheduled, and having to approach high levels of authority to attain approvals.

6.4 Conclusion and summary

Considering most of the academic studies mentioned before were conducted in Western economies, there was a need to explore the complexity of strategic decision implementation in the Middle East in general , and the GCC area in particular to see if the same applied in a different geo-political environment. This study is the first to ever investigate the strategic decision implementation in terms of effecting factors, challenges, and complexity in relation to the roles of government in Abu Dhabi.

This study concludes that two naval shipbuilding organizations studies in Abu Dhabi expressed a similar set of complications in implementing strategic decisions due to the roles of its partner. Both organizations were detrimentally affected by sudden salary increases underpinned by governmental policy. The level of impact was expressed by both organizations' CEO's. Lack of effective communication (Galbraith and Nathanson, 1978; Lorange, 1982; Mathieu & Zajac, 1990; Guffy, 1992, Kanter *et al.*, 1992; Forman, Argenti, 2005) among government officials and both organizations were identified by the Alpha CEO. When asked about such policy, Jay, the Alpha CEO said "*employees must appreciate their profession and love it, and not to dwell on money and love that*."

Also, government national policy impositions such as Emiratization aimed at rectifying local unemployment was a demanding policy that led further to complications in implementing decisions. Task functions required in the naval shipbuilding industry tend to be specialized – it is not a matter of putting to task untrained labor. Skills need to be acquired and developed over time and through experience. An aspect of complexity arises in implementing strategic decisions in shipbuilding due to the inability of government strategy to customize companies' needs into their strategy. Finally then, this is highlighted in government initiatives such as Emiratization and sudden salary increases. Compromises and negotiations between companies and government would lead to greater stability, as well as a larger measure of predictability for the future. Confronting these challenges has been detrimental to the implementation of strategies.

The naval shipbuilding industry is an actor of two roles: an implementer of government strategic decisions in one dimension, and a strategic decision maker in its own right in which arbitrary intrusions can be detrimental. It is vital that the industry comes into alignment with governmental strategy in order to sustain a flow of production. However, according to the comments from within the industry, it is equally vital for government strategy to align itself with the industry. The industry must then convey to its prime stakeholders on time the challenges it faces in order to implement government initiatives, policies, and the overall strategy.

This investigation therefore, upholds the view by means of this case-study, that interruptions and intrusions can be detrimental to strategic implementation. By extension, it may be possible to infer that such impediments can increase the time it takes for the implementation of strategic decisions in other companies and industries as well, and reduce the effectiveness of the original strategic intentions. Therefore, stakeholders and industries must closely collaborate for strategic formulation to be successfully implemented.

6.5 NEW CONTRIBUTION TO THE LITERATURE

This dissertation has expanded upon Edmunds (2014) and Vermaak and Steyn (2014) as well as the Mintzberg and Waters (2006) model (as originally depicted in Figure 1). It has added new discoveries and details. This was done through introducing Abu Dhabi as a new physical setting and it has contributed to existing literature by identifying specific elements of "complexity" in strategic decision implementation. The dissertation has therefore upheld Mintzberg and Waters' model by advancing it from theory to practice. This helps the model to be recognized more universally. The advanced model in Figure 2 has identified the nature of complexity very specifically in the process of implementation through a real-life context, which Mintzberg and Waters themselves did not do.

6.6 RECOMMENDATIONS

The study outcomes recommend the following to ensure better implementation of the strategic decisions:

1. The Abu Dhabi shipbuilding industry must align itself with governmental policy; and the government must take into consideration that industry has constraints on the way in which it can comply with policy.
2. A consultative body must be created comprising representatives of the industry and government to improve communications and enhance consultation.
3. The industry must be able to communicate its strengths and weaknesses in order to solicit government assistance to build further on its nascent growth.
4. The government must provide funding to implement Emiratization through training and developing its citizens, so that they can take a constructive part in industry by being appropriately trained.
5. The government must pre-announce salary increases or otherwise subsidize salaries for Emiratis in this industry until it matures and becomes profitable enough to comply with salary decrees.
6. Appropriate time must be allowed since time is a key factor contributing to successful development of all the component parts of the industry.
7. Stakeholders and industries must collaborate closely to successfully implement strategies.

6.7 FUTURE RESEARCH

This dissertation contributes for further research on exploring the complexity in strategic decision implementation by examining other similar industries in the GCC region. Also, it further encourages further studies for the factors that have now been identified, and how they pertain to strategic decision implementation. The dissertation has explored the government roles and its effect on the process of strategy implementation that can be examined further to measure the significance of such effect.

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Appendix 1

Semi-structured Interview Questions

The overall aim of the research is to investigate and explore the challenges in implementing strategic decisions in organizations in new industry in Abu Dhabi. Based on the literature review, such a specific context has not been explored and that is the shipbuilding industry.

The research questions are as follow:

RQ1: What challenges does strategic decision implementation face in the shipbuilding industry?

RQ2: What context-centric factors affect strategic decision implementation?

Below is a list of questions will be used as a guide/frame work for the intended semi-structured interview questions. The questions were prepared in reference to Patton’s 6 type questions classification for interviews (Patton, 1987):

Facts about the interviewee:

Q1: Opening question: Tell me your work experience in the company; position, years of work, etc, and the industry of shipbuilding.

Facts about the industry:

Q2: How do you see the shipbuilding industry developing in Abu Dhabi?

Facts about the company:

Q3: You are one of the pioneering companies in this industry in Abu Dhabi, what sort of challenges has your company encountered, and how did you overcome them?

Q4: What is your knowledge about the company’s strategy?

Q5: Based on this strategy, strategic decisions were made; can you mention some of these decisions? And how the decision was made?

Then the interviewer will ask for each specific strategic decision mentioned by the interviewee to elaborate on how it was/is being implemented.

Q6: While implementing such decisions, what challenges did/does/will the company face?

Follow-up questions will be aimed at the interviewee’s opinion such as:

What do you think about…..? And how do you feel on implementing…?

Q7: What sort of factors, do you think, does affect strategic decision implementation?

Q8: Abu Dhabi 2030 economic vision, and your company, where do they intersect?

Q9: How do you feel about such vision in relation to your business?

Q10: Thank you for all that valuable information, is there anything else you would like to add before we end this session?

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Appendix 2

Interview session schedule

No.	interviewee	Organization	Position (at the time of interview)	Interview session location	Time of appointment
1	Jay	Alpha	CEO	Office	12-03-2014
2	Lee	Alpha	Advance Programs Director	Meeting hall	30-05-2013
3	Joe	Alpha	Fleet Operation Manager	Office	11-12-2013
4	Guy	Alpha	Head of Design department	Meeting Hall	14-08-2013
5	Mike	Beta	CEO	Office	25-09-2013

6	Sam	Beta	VP Materials & IT	Office	22-01-2014
7	Moe	Beta	Program Director	Meeting hall	05-11-2013
8	Jeff	Beta	Senior Program Manager	Meeting hall	06-11-2013
9	Sue	Beta	Strategy and Corporate Planning Senior Manager	Meeting hall	03-12-2013
10	Frank	Beta	Purchasing Senior Manager	Meeting hall	14-01-2014

Appendix 3

JDA Published Article

STRATEGIC CORPORATE GOVERNANCE
STAKEHOLDER COMPLEXITIES IN STRATEGIC DECISION IMPLEMENTATION (SDI):
THE SHIPBUILDING INDUSTRY IN ABU DHABI

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ABSTRACT

This paper explores the complexity of SDI and the conflicting roles of government as the main client, partner and stakeholder in the naval shipbuilding industry in two main shipyards in United Arab Emirates' capital, Abu Dhabi. This industry is recently established in this highly Westernized part of the Middle East, and constructs naval vessels under the auspices of Abu Dhabi government. The industry envisages developing private clients in the future, but before achieving this, some issues identified in this study need to be resolved to the mutual satisfaction of the industry and the clients. The literature indicates that strategic decisions taken by one partner in the enterprise can lead to problems that are difficult to resolve. Hence, to gain an in-depth understanding of the complexities, an explorative qualitative research with a case-study approach was carried out over a period of two years in order to track progress in the industry. It was found that government can lead to many challenges in strategy implementation within the industry itself due to a lack of communication and coordination between the two. The main managerial actors were interviewed to obtain a sense of their involvement and their individual perception of control in the implementation process to the outcomes of which they were wedded, and the extent to which they felt they were successful. To provide specific focus, this article focuses exclusively on the impact of government salaries and policies on shipbuilding strategy and implementation within two shipyards. Strategy appears easier to formulate than to implement. It was found that there were contradictions in strategies as devised by the industry and the policies which the government wished it to implement. The article makes recommendations about four prime ways in which the industry and its main sponsors, now and in the future, may more harmoniously collaborate to attain mutual success. Reciprocal communication lies at the core of the solution. The article is limited by its constraint of using only two cases, and the findings are indicative of a greater need to examine similar policy, formulation, and implementation issues in Abu Dhabi specifically, and between industry/client generally wherever such a situation may occur.

JEL Classifications: L1
Keywords: Strategic Decision, Implementation, Intervention, Shipbuilding, Roles of Government.
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INTRODUCTION

Scholars, executive officers and their management share a common interest in developing a fuller understanding of the ways in which strategies might be better implemented. Strategic decisions are confronted and therefore delayed by impositions and interventions. They may even become distorted from their original intention (Mintzberg and Waters, 1985, republished 2006). In order to overcome such a dilemma, top management requires a better understanding on how they can penetrate into these barriers by identifying the success factors in implementing their strategic decisions. With the new economic-vision of the local government, the shipbuilding industry carries the burden to achieve the Abu Dhabi government goals of 2030 economic-vision. The expectation is not only to sustain the new industry, but also to prosper in the time set by the government plan. They are responsible for formulating their strategy, deciding to execute, and implement it successfully. They must be prepared to comprehend the strategy management long enough for the sake of the industry survivability in this new contextual environment.

LITERATURE REVIEW

In the past, strategy implementation has been observed as a process that comprises monitoring and controlling events through to completion (Koontz & O'Donnell, 1959; Steiner, 1969; Cohen & Cyert, 1973). Later, Wernham (1985) has assumed implementation to be unproblematic and is always capable of achievement; it is simply a matter of monitoring and controlling events through completion. He then discovered that *'implementation was found to be highly complex and interactive processes with many variables impinging upon it'* (Wernham, 1985, p. 641). Wheelan and Hunger (1991) suggested that good strategy implementation will not only ensure the success of the strategy, but also will expose a less appropriate strategy.

Still, strategy management literature *'tend[s] to assume too simple a link between the development of strategic direction and its actual implementation and face a considerable challenge due to the lack of existing research'* (Noble, 1999, p. 119), and to have a *'significant need for more detailed and comprehensive models of strategy implementation'* (Thorpe & Morgan, 2007, p. 660). It is therefore not surprising then that more than half of the strategies devised by organizations are never actually implemented (Atkinson, 2006). Various studies have focused on the difficulty in implementing strategies (Booz, 1989; Alexander, 1985; Ansoff & McDonnell, 1990; Dandira, 2011). Vroom (2003) noted in his work a study performed by Nutt (2002) concerning some 400 decisions that had been made by managers in medium to large size organizations within the United States of America, Canada, and Europe. He interviewed key participants, who are decision makers, over a two-year period after the decision was made. Surprisingly, over fifty percent of the decisions taken by them failed. *'The decisions were never implemented or subsequently unraveled during the observation period'* (Vroom, 2003 p.1). Both Nutt and Vroom's studies discussed decisions from the aspect of success or failure. Though Nutt argued that decision makers' failure is due to the following three reasons: rush to judgment, misuse their resources, and repeatedly use failure-prone tactics to make decisions, he concluded that the best predictor of success or failure of a decision lies in the social process rather than the cognitive. Therefore, he arrived at the conclusion that the use of participation in strategy to foster implementation yields to more than 80% of their success rate (Nutt, 2002).

SDI FACTORS

Despite the importance of SDI to strategy execution process, much more attention is paid to formulation than implementation, and this is being balanced academically: one approach is to study strategy implementation consistency, i.e., the alignment of an organization's resource allocation decisions with its articulated strategy over time (Brauer & Schmidt, 2006). Studies have identified factors affecting strategy implementation internally and externally. One major internal factor is leadership dynamics (Schaap, 2012). The reason is that leadership role, strategy formulation, and strategy implementation are inseparable (Nicholls, 1994). Motivations (Sandt *et al.*, 2001), emotions (Weth and Starker, 2009), flexibility (Steinhouse, 2012) and communication (Forman & Argenti,

2005) have been identified as internal factors. Successful strategic decision-making enables an organization to maintain competitive postures, align internal operations with external environments and survive threats and challenges, while conversely, because of their magnitude, a single, poorly made strategic decision can lead to the demise of an organization and result in corporate embarrassment, steep economic losses for stakeholders or bankruptcy (Mueller, 2007).

IMPLEMENTATION COMPLEXITY

Complexity is defined to be the state or quality of being intricate because of multiple inter-related components (Wernham, 1985).It usually is a factor involved in a complicated process, or situation, (New Oxford American Dictionary). This complexity in SDI has been challenged by many scholars. Alexander (1991) concluded that '*people overlook it because of a belief that anyone can do it, people are not exactly sure what it includes and where it begins and ends*' (Aaltonen & Ikavalko, 2002, p. 415).

Mintzberg and Waters (1985) made a significant contribution to the discussion. In recognition of the difficulties entailed in implementation, they designed a dynamic model in which complexity, flexibility and interference of various kinds take a central role towards mould the final strategy. According to this, strategy can be conceived in four stages: the "deliberate", the "emergent", the "imposed" and finally, the "realized" (Haberberg and Rieple, 2008). It means that this model initiates strategy as a planned response by upper management, and is affected by factors which interfere with that by impinging factors. This leads to an unplanned combination of strategic moves, and finally results in the realization of a strategy that is an outcome of so many variations that it barely resembles what senior management initially intended. Wheelen and Hunger (2012) have identified implementation to be *'as the process by which strategies and policies are put into action through the development of programs, budgets and procedures'* (p.15). In the case of the two Abu Dhabi shipbuilding companies, the investigation leans strongly in favor of emergent strategy, as the results will demonstrate.

In examining the reasons, a considerable weighting must be given to the interconnectivity between leaders' decisions and their organizational strategy formulation and implementation. *'Our leaders really understood how to connect their operations to the bigger company strategy,*' according to Anne Schwartz (Schwartz, 2011). This connection between top management's understanding and company strategy ensures decisions made in favor of their company operations. In all types of organizations, managers face a need to cope with difficult and complex situations in which they must make strategic decisions, such as entering new markets, developing new products, or acquiring or divesting businesses, so that an organization can function, adapt progress, take advantage of opportunities and overcome threats (Elbanna and Child, 2007).

CHARACTERISTICS OF STRATEGY IMPLEMENTATION

Various strategy management empirical studies of organizations have highlighted the vital importance of strategy formulation (Sexton & Van Auken; 1982 Robinson & Pearce 1983; Orpen 1985; Bahaee 1987; Bracker et al, 1988). This is because of the glamour associated with the studies of strategy formulation rather than implementation (Atkinson, 2006).

One of the rare points on which most observers of implementation agree on is the need for top management support (Ginzberg, 1978; Lucas, 1976). To some extent, organization top management is seen as a supporting factor to strategy implementation, Wernham's (1985) study supported this view. On the other hand, there are various reasons which lead to implementation failure. Those reasons for failure may be outside managerial control, but partially they may well fall under management's responsibility due to entirely poor planning and implementation (Jocumsen, 1998).

METHOD

The methodology used in the research was an explorative qualitative method; a business case study method (Leatherman *et al.*, 2003). Business case study is a respected method and this is the first paper to investigate the Abu Dhabi shipbuilding industry addressing the challenges and factors in implementing strategic decisions while Flyvbjerg (2004) concurs the use of case study approach when the general problem is related to strategic importance. Qualitative interviewing was chosen as the primary source of data because it was much less structured (Bryman and Bell, 2007). This was to allow the respondent to answer questions as desired, yet still guiding the interviewee to focus methodically during the interview session. Cassell & Symon (2005) stated that the case study strategy is ideally suitable to explore the issues in depth and pursue new areas. Also, the aim of using case study methodology was deeply to analyze the interconnectivity between strategy elements namely strategy formulation, implementation to SDI especially in new contexts.

THE ABDUCTIVE APPROACH

To understand the attitudes, opinions and actions of the individuals involved in each case, the "abductive research strategy" was adopted to generate new theory from a "low stance" position (Blaikie, 2000, p.241). This involves the "interpretivist" approach because it constructs new perspectives out of the interviewees' everyday experiences, in their own language and according to their own social and organizational realities as they understand or interpret them. Pech commented that such perspectives can be re-combined to create a new overall understanding or '*social meaning*' and that these are bound to lead to variability which points to '*a constant state of change*' (2010, p.73). In this case, employees lend their views of the implementation of strategy and so they contribute to the investigation's findings on the complexity of strategy implementation. Their involvement in shipbuilding strategy as well as actual construction means that they are the most relevant actors on that particular stage, and their considered opinions are worth harvesting. This provides data from which new theory can be produced (See Yin, 1993).

As such, social phenomena '*cannot reflect the empirical world with complete accuracy*' (Pech, 2010 p.75). A number of employees are therefore required because they will interpret their worlds of work through different experiences as well as from the view point of different cultures and habits. '*We cannot set out with just a single view of the role of concepts in social research*' (Blaikie, 2000, p.130). To which Yin added, '*Inquiry is value-bound, not value-free*' (Yin, 1993, p.61). In actuality, this means that the researcher had to have extensive contact with the employees in order to attempt to obtain perspectives on their world of work.

DATA ANALYSIS METHOD

In practice, case studies are analyses of persons, events, decisions, periods, projects, policies, institutions, or other systems studies holistically one, or more methods (Thomas, 2011). The data collected from the two interview phases in resulted in obtaining the transcripts. The transcripts were examined and analyzed by using the abductive approach. According to Morse (2001) data analysis requires such interpretation that takes data to a level of abstraction that differ from the original data. It also leads to a distinctive feature of qualitative research understanding from the data emergence as analyses proceed.

Emerging themes were considered fundamental for the analysis of qualitative data and its contribution to theory development is crucial. It is what Morse & Field (1995, p.139) described as thematic analysis involvement such as is '*the search for and the identification of common threads that extend throughout the entire interview, or set of interviews*'. According to Germain (2001) the final analysis of the relevant data and the conclusions reached are the researcher's theoretical perspectives. It is the understanding and the interpretation of the researcher.

EMPIRICAL ANALYSIS

The empirical findings regarding SDI reveal that the complexity lies not only in external or internal variables. In both organizations, three main dimensions were discovered:

1. roles of government,
2. roles of SDI factors,
3. leadership decision implementation challenges.

These three dimensions integrate dynamically. The overlap areas are constantly changing over time. Mintzberg and Waters (1985) had previously provided an initial insight into the nature of SDI from multi-dimensional perspectives. The discussion focuses on the roles of government to progress that insight.

Roles of Government

In both organizations, the local government plays major roles. The data collected revealed three main roles: government salary issue and national policies; initiative impositions; and the shipbuilding-industry dependence on overall government strategy to survive.

Government salary increases had a strong impact on SDI on various levels such as human resources, organization overhead cost of salary packages, and organizational behavior in employees. Although Alpha is privately owned, the government's role in policies and initiatives impact both organizations' SDI, for example, salary policy bifurcated payments to Emirati employees and non-Emiratis. *' and for me a job is worth a certain amount of money and I cannot pay an Emirati twice [the] amount of money that I pay to either [a] westerner or I can pay an Asian [...]Five years ago, suddenly every government employee got 70% salary raise [so] it put everything out of whack!'* (Alpha CEO).

The strategy and corporate planning senior manager of Beta, Sue, said, *'employees have not had salary raises for the past two to three years, at least have not had a bonus for the past two years, the inflation throughout the country has gone crazy and yet everyone is behind and you see in fairness in terms of one employee escalating five grades, the other has not gone up one, so this lack of HR fundamentals means that the company is quite unstable in this area.'*

Government National Policies

Initiative impositions have an impact on both organizations' strategic implementation. Fifteen years ago, the government announced an Emiratization initiative (government initiative for the private sector to favor appointing and promoting UAE citizens as their future employees). This initiative affects both organizations in SDI on a human resources level in which its attributes fall on SDI.

'[Beta] has a social obligation with Emiratization and to provide its service regardless of whether it makes a profit or not.'(Beta CEO). Such an obligation complicates the main role of any organization and to create wealth to the stakeholders. When asked about the strategic goal of the government to initiate Emiratization, Beta CEO's reply was *'strategic requirement was that by 2017 we would have 32% of our employees would be Emiratis. Now that is one hell of a task....it is a very complex process…'* He added, *'the chairman and the board didn't want to rely on expatriates.'* Furthermore, the time required to implement strategic decision in this study explored a new dimension - the timing of intervention and not the timing of implementation.

Skilled Emiratis as employees in such industry has its own complexity. This is due to lack of national/local educational institution to provide a decent and constant flow of potential employees to enroll in naval shipbuilding industry. *'There're 9 million people. There are 1 million local people. Between 95-98 percent of Emiratis working in government positions….. So you only have the remaining two percent or three percent for private industry.'* This view was also shared by Alpha CEO: *'Well, Emiratization has been a challenge, except we haven't done anything about it, okay, to be very honest.'*

Government Strategy

Naval shipbuilding in Abu Dhabi was a strategic choice the local government decided to establish for geo-political reasons. The government is committed to the survivability of such an industry. Both companies consider the government to be their strategic partner. '*The customer in the UAE is going to be the [government], depending on what your future strategy is, and how many ships are going to be built will depend on the longevity […] that's the only reason the business has been there. That is the way it continues at the moment until someone says something different. The reality is whether I like it or not, [Beta] at this point in time exists to support its primary and strategic partner. If all of a sudden Beta said, we're going to build ships for other clients, what do you think the government would say to that? I think that would only happen if all of a sudden we were servicing our primary customer and everything to the extent where there was never any problems at all. There is no room for doing that at the moment.'* Beta CEO.

The government has not yet approved a consultative body for the naval shipbuilding industry in Abu Dhabi. Moe commented, *'….In fact you hit the main core point really. In some developed countries we have all shipyards combined together into association of the shipyards so it becomes a consortium or association which will look after their interest. They have their charters. They have their governing bodies and they address these problems on a forum and go to the government in an organized structure way. We do not have such a representation.* 'Moe's tone on the original recording in retrospect provides insight into his frustration, an important aspect of qualitative assessment of a situation as reported by a key industry player.

DISCUSSION

In both companies, an unexpected salary increase mandated by the government for the public sector workforce created an impact which complicated an important overhead cost within SDI. This was an unexpected imposition that required strategic modification. Evidently there was a lack of communication between industry and government departments. Communications, such as timely forewarning, have significant importance and which could have been managed through a shipbuilding representative body so that implications of change could be discussed and evaluated. Only then can they be successfully implemented without causing disruption and managerial anxiety. Evidently, Beta employees were also impacted by unacceptable compensation in comparison to not only what government employees' wages but also it contradicted Beta's internal salary policy. When an intervention occurs, implementation will be disrupted and parity between national sector groups of employees will lose parity. Moreover, Beta CEO was aware of the industrial obligation imposed by Emiratization and its impact on his organization. Unless Beta's strategy has a buffer to comply with it and finds ways of absorbing it, it will affect its progress towards implementation.

Expatriates completely comprise Alpha's organization labor force. The cultural behavior in Abu Dhabi, in the view of the CEO, does not support the Emiratization initiative for his company. He believes his strategic implementation is affected by the Emiratis' general lifestyle: people appreciate money over jobs and are selective in choosing jobs. However, it would be inaccurate to accept this as a stereotype. Due to its geographical location, UAE tends to have high temperatures all year around, making shipbuilding jobs less appealing because it comprises mostly outdoor activities. In contrast, government jobs are mostly in-door. The government however endorses Emiratization as its own initiative, and yet acts as a competitor to the private sector in attracting Emiratis for government jobs. There is an inherent contradiction in this which does not only cause labor problems in the shipbuilding industry; it is more wide-spread than that throughout the UAE as a whole. This is the reason why Beta CEO questions the timing of such initiatives in which the great pool of Emiratis as potential employees apply mainly for government jobs due to lucrative salary packages and comfortable working conditions compared to his organization. Such a strategic industry requires a channel to convey its necessities to government officials so that they might better understand the consequences of government strategic decisions and implementation towards naval shipbuilding industry future. The existing divergence between government strategy in the shipbuilding industry and the companies themselves create a state of complexity that intrudes in the strategic flow towards meeting initial objectives.

Figure 1:
Strategic Development Process from Formulation to Implementation: From Intention to Realization. *(Adapted from Mintzberg and Waters (1985), cited in Harberberg and Rieple (2008).*

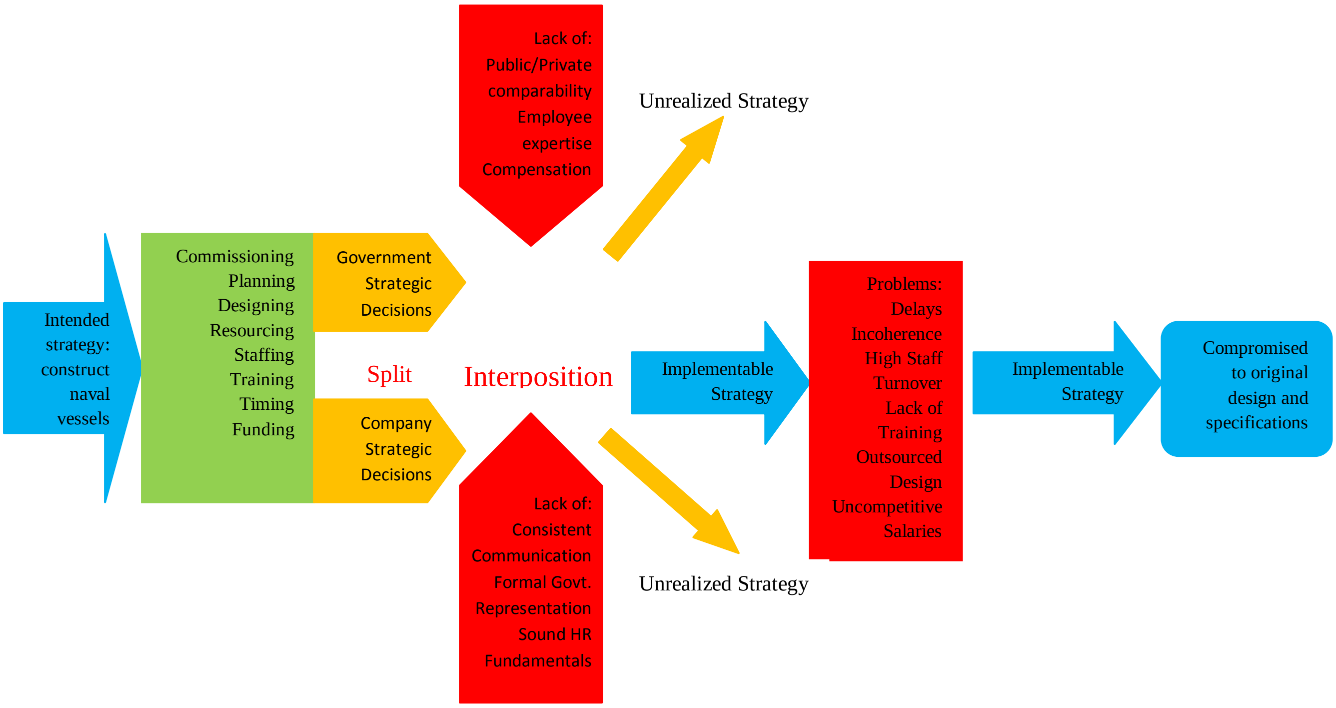

Figure 1 demonstrates the strategic decision flow process and the points at which the interventions occur to weaken implementation, resulting in a compromise at the end of the process in comparison to the intentions at the beginning.

CONCLUSIONS AND SUMMARY

Considering most of the academic studies mentioned before were conducted in Western economies there was a need to explore the complexity of strategic implementation in the Middle East to see if the same applied in a different geo-political environment. This study is the first to ever investigate the SDI complexity in relation to the roles of government in Abu Dhabi.

This study concludes that two naval shipbuilding organizations studies in Abu Dhabi expressed a similar set of complications in implementing strategic decisions due to the roles of its partner. Both organizations were detrimentally affected by sudden salary increases underpinned by governmental policy. The level of impact was expressed by both organizations' CEO's. Lack of effective communication among government officials and both organizations were identified by the Alpha CEO. When asked about such policy, Alpha CEO said '*employees must appreciate their profession and love it, and not to dwell on money and love that'*.

Also, government national policy impositions such as Emiratization aimed at rectifying local unemployment was a demanding policy that led further to complications in implementing decisions. An aspect of complexity arises in implementing strategic decisions in shipbuilding due to the inability of government strategy to customize companies' needs into their strategy. Finally, this is highlighted Emiratization, and sudden salary increases. Compromises and negotiations between companies and government would lead to greater stability, as well as a larger measure of predictability for the future.

The naval shipbuilding industry is an actor of two roles: an implementer of government strategic decisions and a strategic decision maker in its own right in which arbitrary intrusions can be detrimental. It is vital that the industry comes into alignment with governmental strategy in order to sustain a flow of production; however, it is equally vital for government strategy to align itself with the industry. The industry then must convey to its prime stakeholder the challenges it faces in order to implement government initiatives, policies, and the overall strategy. This investigation therefore, upholds the view by means of this case-study, that interruptions and intrusions can be detrimental to strategic implementation. Therefore, stakeholders and industries must closely collaborate for the strategy to be successfully implemented.

RECOMMENDATIONS

1. Abu Dhabi shipbuilding industry must align itself with governmental policy; and the government must take into consideration that industry has constraints on the way in which it can comply with policy.
2. A consultative body must be created comprising representatives of the industry and government to improve communications and enhance consultation.
3. The industry must be able to communicate its strengths and weaknesses in order to solicit government assistance to build further on its nascent growth.

LIMITATIONS, IMPLICATIONS, AND FUTURE RECOMMENDATIONS

The study was applied to two organizations out of three in the naval shipbuilding in Abu Dhabi to enlarge the perspective and assist in generalizing the results. Although the results of this research provide valuable insights into the roles of government and how they complicate strategic decision implementation in naval shipbuilding organizations, it is preferable to conduct more research in other industrial sectors in Abu Dhabi to investigate the extent to which complexity can impede desired outcomes in industrial collaborations.

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