

Strategic Consensus and Performance: The Role of Strategy Type and Market-Related Dynamism

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Our research examines the relationship between consensus on the type of SBU-level strategy among senior marketing and R&D-managers and organizational performance for a sample of 101 US and German SBUs in three industry sectors: consumer packaged goods, electrical equipment and components, and mechanical machinery.

Our findings extend knowledge in consensus research in essentially three respects. First, we are able to show that the importance of consensus for business performance depends on the type of strategy. More specifically, our research suggests that consensus is a success factor in the case of a differentiation strategy but not in the case of a low cost strategy. Second, we provide evidence for moderator effects on the consensus-performance relationship. We are able to show that the consensus - performance link is stronger in situations of low market-related dynamism. Third, our study represents a contribution to the underresearched area of strategic consensus at the business unit level. It is worth emphasizing that our study is the first study that examines the importance of consensus based on a cross-national data set.

Our research also provides additional insight on strategy implementation. Achieving strategic consensus among managers may be considered as an instrument of strategy implementation. Our research shows that this particular instrument of strategy implementation is more important for some strategies than for other strategies.