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MIDDLE MANAGEMENT ROLES IN STRATEGY IMPLEMENTATION

by

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at the

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DECLARATION OF INTENT AND ADHERENCE

I, Rishi Ramgulam, declare that the work contained herein is my own original work, and that I have not previously in its entirety or part, submitted it in line with the requirements of any other qualification.

Rishi Ramgulam

Principal Researcher

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Signature

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Place

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Date
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ABSTRACT

Keywords: Strategy, middle management, strategy implementation

The successful implementation of business strategy has become a key focus of many leading organisations in the modern business world. However, according to Jha (2011), many organisations experience little success in strategic implementation. This is because the middle management employees in the organisation are not able to translate their strategic plans into operational actions (Jha, 2011, Dlodlo, 2011).

The purpose of this study was to establish what role middle management leader’s play in strategy implementation. A qualitative study was conducted at XYZ Limited, a large retail organisation in South Africa. The data was gathered for the study through the methods of a case study, in-depth interviews, focus group discussion and from solicited data from the organisation. The researcher has applied the principles of content analysis to analyse the data and describe the themes that emerged from the in-depth interviews, focus group discussion and solicited data. The researcher also used descriptive statistics in the study to highlight summaries of the key observations made and the data collected.

The findings revealed that whilst all of the middle management leaders understood why it is important for organisations to have sound business strategies, they did not clearly understand what the business strategy of XYZ Limited was. One of the reasons for their lack of understanding of the XYZ Limited business strategy was that they were not involved in the design of the business strategy at any stage. This hindered their ability to implement the business strategy in the organisation.

Middle management leaders did not acknowledge that they participated in the strategic planning process. There is often not alignment between the strategic goals and the operational goals which hinders the strategic implementation process. This results in the middle management level in the organisation to feel overwhelmed on a daily basis as they are in a constant crisis management mode (Viljoen, 2015). It therefore becomes important to explore the roles of middle management in strategy implementation.

It is recommended that middle management leaders are trained on how to manage change in order to get the buy-in of their employees during the strategy implementation process. It is also recommended that middle management leaders are involved in the
strategy design process so that they are more aware of what the contents of the business strategy are. This will enable them to more competently engage their employees on the details of the strategy. The final recommendation was that the performance goals and rewards of the organisation should be aligned to the business strategy, as this will assist in the process of strategy implementation.
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1 CHAPTER 1: INTRODUCTION

1.1 Introduction

Success in the modern business world depends on the extent to which organisations evaluate, develop and implement their business strategic goals. It is also vital for these organisations to ensure that these strategic goals are implemented at all levels in the organisation if they are to be achieved (Llorens, 2010). The underlying and most common cause for company strategies failing in the modern business environment is poor strategy execution (Jha, 2011).

According to Clegg and McCauley (2005), and Dlodlo (2011), there have been substantial changes in business realities such as globalisation, rapid technological development, social media platforms and an increasing intensity from competitors in the modern business world. These changes have forced organisations to adjust their strategic plans regularly and to reinvent their products and services in order to remain competitive and sustainable. Therefore organisations need to have relevant strategic plans that are well implemented so that they can be successful.

Jacques (1996) and Dlodlo (2011), state that there are various levels of management in the workplace and that the incumbents of these various management levels perform different roles in the strategic management process. Senior management employees are responsible for setting the strategic goals and vision for the organisation. Middle management employees are responsible for translating the broad strategic goals into tangible actions, whilst lower level or shop-floor employees are responsible for executing their actions in line with the goals that have been set. Jacques (1996) therefore states a different cognitive level is required by the incumbents at the different levels of work in the organisation.

The researcher attempts to understand the role that middle management leaders play in the implementation of business strategy. According to Dlodlo (2011), the role of middle managers in the strategic management process has been under-researched in South Africa. Therefore there is insufficient literature on the role played by middle managers in the strategy implementation process within the South African context. In this chapter the researcher will provide an overview of the study. The researcher also describes the background to the study, the research problem, the research questions,
the research aims and the research methodology. The chapter is concluded by the researcher providing the layout of the rest of the chapters in this dissertation.

1.2 Background

Kuyvenhoven and Buss (2009) state that the role of senior management leaders is to anticipate the external and internal challenges that could be faced by the organisation and to put plans in place to ensure that these challenges are overcome. White (2011) defines senior management as the level of management in the organisation that is responsible for providing strategic direction to the organisation. The goals that are set by senior management are primarily based on the expectations of the organisation’s shareholders.

Due to the recent economic challenges in the South African economy such as poor economic growth and rising operating costs, many organisations have removed the level of middle management leaders from their structures to reduce their operating expenses (Dlodlo, 2011). This has created a void at this level of management in the marketplace, which ultimately resulted in the employees on the shop floor not being appropriately tasked, coached or managed (Dlodlo, 2011).

According to White (2011), middle management leaders are viewed as managers who are employed to implement business strategy. This implies that middle managers are integral in the process of driving the implementation of the organisation’s strategy, as they manage the acceptance of the strategy by the employees who report to them. According to Rossouw (2003), middle management leaders are required to play the critical role of “change leaders” as they are tasked with managing various business and operational changes with the front-line employees whom they manage. They are required to take their employees on the “change journey” to ensure that their employees buy into the new business and positively accept operational changes that are being implemented in the organisation. He states that any new processes will only be implemented successfully if the buy-in to these new processes is received at all levels of the organisation.

The lower level, or shop-floor level, employees of the organisation are just as important as the rest of the levels of employees in the organisation, as they interface directly with the customers of the organisation (Llorens, 2010). They represent the values and principles of the organisation to the customers. Therefore, it is vital for the senior and
middle management leaders of the organisation to take the time to develop and coach these employees to execute their deliverables in line with the standards expected by the organisation. This will ensure that the strategic goals of the organisation are adequately executed by the employees on the shop floor. Whittington (2001), argues that the broad strategic goals of the organisation will not be achieved if these goals are not translated into specific tangible deliverables that need to be executed at all levels of the organisation, including the shop-floor level. Viljoen (2015) states that one of the challenges organisations face in the strategy implementation process is that the lower-level workforce is not productive as their actions are not aligned to overall strategy of the organisations. This is due to the middle management leaders not tasking or guiding these employees to align their actions to the strategic goals that have been set.

Cabansag (2013) highlighted the importance of strategy translation in the organisation, as this process ensures that the entire organisation is focused on achieving the strategic goals of the organisation. Jacques (1996) states that to enable the strategic goals of the organisation to be achieved, managers at all levels of work in the organisation should be focused on strategy translation. Jacques (1996) therefore introduced a stratified structure and timeframe of discretion for the different levels of work in the organisation.

In this research the student will attempt to understand the role that middle management leaders play in strategy implementation.

1.3 Key Concepts

The key concepts that have been discussed in this part of the study include strategy, strategy implementation and middle management. These key concepts are described below.

Strategy

Strategy can be defined as the direction or plans of a business over the long term (Kuyvenhoven & Buss, 2009). This plan seeks to place the business in a more advantageous position than its competitors by configuring its resources and meeting or exceeding the expectations of its key stakeholders. Rossouw (2003) defines strategy as shaping the future for the organisation, whilst Llorens (2010) states that an
organisation’s strategy includes its competitive plans and business tactics that direct and guide the business towards the achievement of its targets.

Strategy implementation

Strategy implementation can be defined as the process of translating broad organisational strategies into practical actionable steps, thereby enabling these organisational strategies to be achieved (Ikalvalko & Aaltoten, 2001). Hill and Jones (2001), state that there are five primary stages of strategy implementation. The first stage is the design phase, which includes the establishment of the company vision, mission and key goals. The second stage is the analysis stage, which involves conducting an analysis of the internal and external environments in which the company trades. The third stage involves designing the organisational structure to enable the achievement of the strategic goals. The fourth stage is the execution stage, where the various stakeholders focus on executing their actions to enable the achievement of the strategic goals. The final stage involves implementing strategic controls and systems to monitor the progress of the strategic plans. Llorens (2010) and Whittington (2001), state that the key elements of strategic execution involve the strategic analysis of the internal and external environment, outlining a strategic vision, identifying strategic opportunities for exploitation, and finally, executing the plan to ensure that the strategic goals are achieved (Birken, Daniel-Lee, & Weiner, 2012).

Viljoen (2015) identified four fundamental phases in strategy formulation. The first phase is the diagnostic phase of strategy which includes scenario planning, culture studies and different types of analysis. The second phase is the strategic architecture phase where the vision, mission, values and leadership competencies are developed. The third phase is the strategy design phase where the overall strategic goals and initiatives are co-created. The fourth phase is the strategic translation phase. It is in this phase that middle management play a critical role. In this study the researcher focuses on the role that middle management plays in the strategic translation phase as explained by Viljoen (2015).

Middle management

Middle management leaders can be defined as leaders who are in positions between the company executives (top management) and first-line employees (Frohman & Johnson, 2012). The middle management leaders are the link between the company
and its stakeholders on the ground such as customers and first-line employees (Llorens, 2010). Jaques (1996) describes the different levels of work and the thinking structures that are crucial on different levels in the organisation, including middle management level. Viljoen (2015) explained that it is crucial for this level of management to translate strategic goals into operational goals and initiatives. In this study the researcher focuses on the role that this level in the organisation can play in the organisation.

Based on the background provided, the following research problem is presented.

1.4 Research Problem

There have been many changes in the retail business world that impacted on the role of middle management leaders such as flatter organisation structures being implemented, the span of control of managers being expanded and matrix organisational structures and processes implemented and increased technological development.

The lack of focus on middle management leaders in the workplace has resulted in the achievement of the organisation’s strategic goals being compromised as the middle management leaders are not capacitated to manage the process of strategy implementation (Llorens, 2010). This results in the employees on the shop floor not being coached on matters relevant to the broader organisation’s strategy, and are therefore not aligning their daily actions to achieve the broader organisational strategic goals. The lack of focus on middle management leaders has also resulted in challenges being experienced by organisations relating to succession planning and progression of employees from the shop floor to upper management roles. Middle management leaders often do not acknowledge that they participate in the strategic planning process. There is often a lack of alignment between the organisation’s strategic goals and the operational goals which hinders the strategic implementation process. This results in the middle management level in the organisation feeling overwhelmed on a daily basis as they are in a constant crisis management mode (Viljoen, 2015). It therefore becomes important to explore the roles of middle management in strategy implementation.

Research Questions

The following research questions will be asked to address this research problem:
Primary research question:

a) What role can middle management leaders play in business strategy implementation?

Research sub-questions:

a) How can middle management leaders contribute to the successful implementation of business strategy?

b) How can middle management leaders be supported in the process of business strategy implementation?

c) How can middle management leaders be coached to enable them to contribute to the successful implementation of strategic goals

1.5 Research Aims

The following are the research aims of the study:

The overall research aim is:

a) To understand how middle management leaders can be optimised in the implementation of business strategy.

The research sub-aims are:

a) To establish how middle management leaders enable the successful implementation of business strategy.

b) To understand how middle management leaders can be supported in the process of strategy implementation.

c) To understand how middle management leaders can be coached and developed to implement business strategy successfully.

1.6 Rationale of the Study

According to Kuyvenhoven and Buss (2009), middle managers are crucial drivers of strategic change and implementation. Jha (2011) stated that organisations that are expanding and profitable rely on two key variables to indicate success. This is the design of a strategy, and the implementation of the strategy. The success or failure of the business depends on the ability of its leaders to both design and implement its
strategy. A flaw in any of these two variables will most probably result in the organisation’s strategic goals not being achieved.

The role of the middle management leader becomes even more vital to the organisation in the modern business world, as the trend for most leading organisations is to have more flattened organisational structures (White, 2011). While flatter structures will require less middle management leaders, the remaining middle management leaders are expected to have a greater span of control and play a more critical role in strategic implementation than ever before.

1.7 Research Philosophy

In this section the researcher’s philosophical stance is explained, as the ontology, epistemology and methodology assumptions are described.

1.7.1 Ontology

Ontology is the study of being, as it expresses our perspective on reality as created in our minds (Gorra, 2010). A research paradigm is an interpretive framework held by a person based on his or her ontological view (Schurink, 2013). Research paradigms or philosophies are a basic set of beliefs that guide action.

According to Zeeman and Poggenpoel (2008), post-modernism can be defined as a set of ideas that explain or define the realities of society. They state that the aim of the post-modernistic research approach is to dismantle the traditional approach of thinking about how reality works and to adopt a fresh approach to the study. The researcher therefore adopts a post-modernistic stance.

1.7.2 Epistemology

Epistemology is the science of methods, and prescribes how we answer the following questions: What is knowledge, how it is acquired, what are its sources, and what are its limits? (Calman, 2006). According to Jing and Wenglensky (2010), it is possible for epistemology to be both subjective and objective. The researcher adopts an interprevistic view as his epistemological stance. This implies that the researcher will attempt to derive meaning from the data gathered, to understand the phenomenon of strategy translation and middle management in the organisation.
1.7.3 Research method

The nature of the research requires the researcher to explore various themes that will emerge in the study. The researcher has therefore adopted a qualitative approach with this research. According to Jing and Wenglensky (2010) and Cresswell (2009), the primary intention of researchers that embark on qualitative research is to attain a detailed understanding of human behaviour, and the motives that drive such behaviour. This research method does not only research the “what”, but also the “why” of the decisions taken by individuals.

1.8 Research Design

1.8.1 Research setting

The research will take place in a corporate retail organisational setting. The organisation has been in existence for the past 85 years, whilst the team being researched has been in existence for the past five years. The primary role of the team in the organisation is to ensure that the organisation’s sales and profitability targets are achieved.

1.8.2 Research participants

The research participants were purposefully selected for participation in this research exercise as they occupied middle management positions in the organisation. There are a total of forty middle management leaders employed in XYZ Limited. Ten of these middle management leaders were purposefully selected to participate in this research study. Rossouw, Le Roux and Groenwald (2003) stated that middle management leaders were responsible for aligning the overall business strategy with their specific areas, and then for executing the strategy to ensure that the business goals were met. These middle management leaders are responsible for managing a team of front-line employees.

1.8.3 Data gathering

The data will be gathered for the study through the methods of case study analysis, in-depth interviews, focus group discussion and solicited data from the organisation. These data-gathering methods are discussed below.
The case study presented in Chapter 3 will be used by the researcher as part of the data-gathering process in this research study. The case study contains details of the background of XYZ Limited and the process of strategy communication to the organisation by the senior leaders of the organisation.

Cresswell (2009), defines in-depth interviews as a process where the interviewer engages in a direct conversation with an interviewee about a specific topic of interest. The purpose of conducting these one-on-one in-depth interviews with the research participants is to ensure that these individuals share their views and experiences on this subject in a safe, confidential environment, as they may be more comfortable in a one-on-one discussion than in a group discussion. The researcher will conduct these in-depth discussions with these middle management leaders to establish the role that they play in strategy implementation.

The researcher will conduct focus group discussions with selected middle management leaders from XYZ Limited. These discussions will be conducted with middle management leaders to establish the role that they play in the process of strategy implementation. All attempts will be made by the researcher to suspend all assumptions, and the researcher will analyse the rich data that has emerged to understand the phenomenon of the role of middle management in strategy implementation in the case organisation. The data will be stored in a secured primary file in the researcher’s private office. A secondary back-up file will be created and stored in a separate office at the researcher’s workplace, to further ensure the safeguarding of the information. The researcher will record the discussions with the research participants through the use of audio notes, and these notes will then be typed into electronic research documents to inform the researcher’s findings.

Solicited data will include business strategy documents, communication documents and the communications intranet. Calman (2006), states that gathering solicited data assists the researcher in pursuing and shaping the data-collection exercise to inform the emerging research analysis.

1.9 Data analysis

1.9.1 Content Analysis

According to Calman (2006), content analysis can be defined as a method for making inferences by systematically and factually stating trends and characteristics of
messages. Cresswell (2009), states that content analysis enables the researcher to analyse large amounts of information, and systematically identify the information’s properties through the frequent use of keywords. Cresswell (2009) also states that qualitative content analysis is usually used for analysing qualitative data. The researcher will apply the principles of content analysis to analyse the data and describe the themes that emerge from the in-depth interviews, focus group discussion and solicited data.

1.9.2 Descriptive Statistics

Cresswell (2009) stated that descriptive statistics describe or explain the main features of the data or information collected in the qualitative research process. Viljoen (2003) explained that in interpretive studies the use of descriptive statistics is deemed qualitative if the intent is to describe and present data, together with content analysis. The researcher will use descriptive statistics in the study to highlight summaries of the key observations made and the data collected.

1.10 Ensuring Quality Data

The researcher will apply qualitative criteria relating to credibility and triangulation to ensure that quality data is gathered in this dissertation. This is discussed in detail below.

According to Gorra (2010), qualitative researchers should ensure that they take the necessary steps to produce credible findings in order to make appropriate contributions to the body of literature in the subject being researched. Therefore, the process of triangulation will be achieved in the study as the researcher validates the research data through cross verification from multiple sources. According to Cresswell (2009), triangulation enables the researcher to present a more balanced view of the research outcomes and enhances the quality of the research results. The data gathered from the interviews will be compared with the data gathered from the solicited documents which will enhance the credibility of the data gathered.

All documentation and recorded transcripts of the in-depth interviews will be made available for review by the necessary stakeholders during all stages of the research process whenever required. According to Calman (2006), this will ensure that the research process is dependable.
1.11 Layout of Chapters

The structure of the dissertation is discussed below.

In Chapter 2, the literature review provides a review of the literature that is relevant to the research topic. It looks at the role of middle management leaders and the process of strategy implementation based on the views of leading authors and researchers in this field of study.

Chapter 3 looks at the context of the organisation in which the research is being conducted whilst Chapter 4 presents the research methodology, in addition to highlighting the research approach and data-collection methods on which the researcher embarked in this research study.

Chapter 5 focuses on the researcher analysing the results and thereafter presenting the results of the dissertation to the necessary stakeholders whilst in chapter 6, the research results are interpreted. The researcher also presents recommendations for implementation in Chapter 6. In Chapter 7, the researcher summarises the results of the research in addition to the implications of the findings for the organisation. The researcher also presents recommendations for future research.
2 CHAPTER 2: LITERATURE REVIEW

In this chapter the researcher presents a review of the literature that is relevant to this topic, with specific focus on strategy management and the role of middle management in the modern business world. The literature presents the views of the leading authors in this field, and is presented from a South African and international perspective.

2.1 Strategic Management

According to Llorens (2010), the management of strategy is the key for all business leaders. He states that successful business leaders constantly assess their business strategy in terms of the business environment in which they are operating, and then make the required adjustments to ensure that they remain relevant and competitive in their respective markets. According to Rossouw, Le Roux and Groenwald (2003), the management of business strategy is relevant at all levels of the organisation. They argue that to enable the strategy to be effective, employees at all levels must play their parts in the execution of the strategy.

Whittington (2001) states that there are four key approaches on which organisations can embark when determining their strategies. The approach that the organisation takes will determine their strategy for ensuring the success of their business. The approaches and implications of each approach are described below.

2.1.1 The classical approach

This approach requires that the leaders of the organisation do not become involved in the day-to-day management of the operations, but that they design strategic plans based on the performance data and metrics at their disposal. (Whittington, 2001). They are deliberately detached from the business, and adopt a systematic, clinical and unemotional approach in their decision-making with their primary focus being the improvement of organisational profitability. The strategy of the organisation should be designed in such a manner that it is flexible enough to adapt to changing market and economic conditions (Hill & Jones, 2001).

2.1.2 The evolutionary approach

The leaders of an organisation that adopts this approach are of the belief that the market and economy in which the organisation operates is too unpredictable to design an effective strategy up front (Whittington, 2001). This approach guides the leaders to
limit their investments and costs, and to keep their business options open to be able to deal with whatever challenges they might face. The leaders adopt an emergent and evolutionary approach to strategic management whilst focusing on the day-to-day viability of the organisation. They are not keen on heavy capital investment, as they are focused on having flexible business plans in line with the market conditions (Wells, 2004). The leaders that adopt this approach are also focused on a singular outcome namely maximising profits, while taking as little risk as possible (Llorens, 2010).

2.1.3 The processual approach

Leaders who adopt this approach are deeply involved in the day-to-day operations of the organisation. These leaders criticise the detached approach adopted by the classists, and insist that the only way that their strategy can be effective is if they are involved in the detailed functioning of the organisation (Whittington, 2001). However, the leaders who adopt the processual approach believe that the success of their strategy should not only be determined by increased profitability, but also by the impact that the organisation has on the society in which they operate. They strongly emphasise the corporate social investment and the development of the broader society at large (Wells, 2004). The processualists develop patient strategies that are focused on achieving incremental and sustainable success through the achievement of multiple objectives, instead of striving for singular profit objectives within a shorter space of time like the classicists.

2.1.4 The systematic approach

Leaders who adopt this approach argue that the organisation’s strategy should be relevant to the social context in which the organisation is operating. These leaders argue that there is not a single best way for designing a strategy, and the strategy will only be effective if the organisation plays by “the local rules” (Whittington, 2001). These leaders believe that the success of the strategy is relative to the impact that the organisation has on the society in which they are operating. Therefore, they implement deliberate plans to improve their credibility and perception in society. These leaders are not only focused on achieving singular profitability outputs, but are also focused on achieving multiple objectives that impact on society at large. These objectives include corporate social investment and ecological responsibility, in addition to achieving their profit goals (Hill & Jones, 2001).
The four approaches to strategy management according to Whittington (2001) have been discussed above. These approaches are the classical approach, the evolutionary approach, the processual approach and the systematic approach, and are depicted in figure 2.1 below.

**SINGLE-PROFIT OBJECTIVE**

**Figure 2.1: The Four Approaches to Strategy Management**

Figure 2.1 above highlights the four approaches to strategy management according to Whittington (2001).

### 2.2 Strategy Design

According to Parnel (2009) the key principles that inform the design of organisations strategy are conducting and external analysis, conducting an internal analysis, strategy formulation, strategy implementation and strategic control. These are described below:

#### 2.2.1 Conducting an external analysis

This phase requires the leaders of the organisation to conduct an analysis of the external environment to determine the factors that will influence the strategy design. Hill and Jones (2001) argue that a comprehensive external analysis requires the organisation to assess the current and potential competition in the market in which
that organisation is operating. The leaders should therefore investigate the threat of new entrants into the market, as well as the possibility of substitute products being made available which could impact on the success of the business (Llorens, 2010). The external analysis should also require the business leaders to assess the political, social, technological and economic forces that may have an impact on the success of the business (Dlodlo, 2011).

2.2.2 Conducting an internal analysis

This phase requires the leaders of the business to assess their organisation internally to determine its ability to deliver on the potential strategic goals that are to be set. This will require the leaders to assess the organisation’s technology, infrastructure, systems, organisational design and people capabilities (Temtine, 2001).

2.2.3 Strategy formulation

This step requires the leaders of the organisation to formulate the business strategy based on the business model that they have set. The corporate strategy that has been set will govern the overall strategy of the organisation, and will form the basis to which all other business units align their specific strategies (Birken, Daniel-Lee, & Weiner; 2012). At this stage the organisation’s vision and goals will be set so that all stakeholders can be provided with the necessary direction to enable the achievement of the strategic objectives (Wells, 2004). The leaders will now formulate the strategic tactics and plans to ensure that the overall strategic goals have been set. According to Clegg and McCauley (2005), it is the role of senior management leaders in the organisation to formulate the strategy and set the overall strategic goals of the organisation. These senior management leaders then guide the behaviour and actions in the organisation by setting the vision for the rest of the employees to follow.

2.2.4 Strategy implementation

According to Wells (2004), this is one of the most important stages of the strategic management process as the goals of the organisation will only be achieved if the strategic plans that are set are competently implemented in the organisation. According to Dlodlo (2011) and Llorens (2010), it is the primary responsibility of middle management leaders to implement the strategic business plans that have been set. This stage requires the leaders to adjust their structures and implementation platforms to ensure that they enable the successful implementation of the strategy. According to
White (2011), the critical aspects that will determine the success or failure of the strategy’s implementation are the leaders’ ability to manage change, the effectiveness of the communication platforms that are in place and the role of leadership in leading the implementation process. Parris, Vickers and Wilkes (2008) further support this point as they argue that the business strategy will only be successfully implemented if adequate change and communication processes are put in place to ensure that the employees on the shop floor clearly understand the strategic goals that have been set, and buy into them. They state that the role of leadership is critical in this stage as the leaders will have to lead by example and play an active role in driving the implementation of the strategy at all levels of in the organisation.

2.2.5 Strategic control

This final and crucial stage requires the leaders of the organisation to design and utilise appropriate tools for measuring both the rate of implementation of the strategy and the degree of success that the organisation has been experiencing since the implementation of the strategy (Hill & Jones, 2001). The rate of implementation of the strategy can be measured by utilising performance scorecards and metrics, whilst the degree of success experienced by the organisation can be measured by using tangible, measurable key-performance metrics. The leaders should assess the rate of success of the strategy on an incremental basis, and where necessary, make the required adjustments to the plans for improving its rate of success (Parnel, 2009). The strategic business plans that are set should be flexible enough to be adjusted when required to deal with changes in both the external and internal environments.

Figure 2.2 below lists the different stages in strategy design as depicted by Parnel (2009). The design of a comprehensive strategy involves the different stages as highlighted in the figure below. It is vital for the leaders to take the time, and focus on each stage in detail, as the success or failure of the strategy will depend greatly on the level of attention that has been focused on each of these stages. All of these stages are interdependent and equally important (Parnel, 2009).
Wells (2004) states that a strategic design model should include the stages depicted in figure 2.3 below. She argues that the strategy can only be successful and achieve its targeted goals if the original architecture and foundations are properly designed by the business leaders. Therefore, careful planning should be done in the initial stages of the strategy design process.

Figure 2.2: The Different Stages of Strategy Management

Figure 2.2 above depicts the different stages of strategy management according to Parnel (2009).

Wells (2004) states that a strategic design model should include the stages depicted in figure 2.3 below. She argues that the strategy can only be successful and achieve its targeted goals if the original architecture and foundations are properly designed by the business leaders. Therefore, careful planning should be done in the initial stages of the strategy design process.

Figure 2.3: The Stages of Strategic Design and Management

Figure 2.3 above depicts the stages of strategy design and management according to Wells (2004).
Wells (2004) concurs with Parnel (2009) in terms of the design and contents of a strategic plan. Both their models suggest similar key steps that are to be followed when designing a strategic plan. However, Wells (2004) argues that a proper gap analysis should be conducted to establish the gap that exists between the current state and the ideal state of the organisation. She states that this will enable the business leaders to clearly identify where the gaps lie and what strategic plans need to be put into place to reach the organisation’s ideal state. Wells (2004) also says that it is the role of senior leaders of the organisation to competently create the strategic plans of the business so that appropriate direction and focus can be provided to the rest of the organisation to ensure that the overall goals are achieved.

The above principles of designing an organisational strategy are also relevant in the South African context as Rossouw, Roux and Groenwald (2003) recommend similar steps in designing a strategy in the South African market. They further state that all levels of management in the organisation should play an active part in the strategic management process. Rossouw et al., (2003) state that the South African workforce generally embraces change more effectively if the proper consultation and change management processes are in place to include them in the strategic management process. Ehlers and Lazenby (2004) agree with Rossouw et al., (2003) and further state that there is likely to be more unrest and employee resistance in the South African workforce if business leaders do not implement adequate change management processes when implementing new business processes or strategies. They argue that the South African workforce is very diverse, and therefore suggest that business leaders create change and implementation plans that will cater for employees from the different races and diverse backgrounds within South Africa, and impact on them.

2.3 The Role of Organisational Structure in the Strategic Management Process

According to Hill and Jones (2001), organisations design business strategies at corporate, business unit and functional levels. Therefore, it is critical to ensure that the organisational design and structure support the implementation of the business structure at the different levels. Ehlers and Lazenby (2004) state that designing the organisation to enable the effective execution of the business strategy involves selecting the appropriate combination of organisation structure and control mechanisms to ensure that the strategic goals are achieved in the most effective
manner. Ehlers and Lazenby (2004) further state that sound organisational design increases business performance in two ways. It improves business performance in that sound organisational design enhances the ability of the organisation’s profit-generating teams to achieve superior results that are created by the efficiencies in the structure. The teams can therefore create more value-adding products and services for their customers. The second way in which sound organisational design improves business performance is that it optimises the organisation’s value-chain activities, and thereby reduces operating costs and increases operating profit (Ehlers & Lazenby, 2004).

English (2013), states that organisational structures serve two major purposes. Their first purpose is to co-ordinate the actions of the employees in such a way that their efforts are collaborative, and are aligned towards a common strategic goal. The second purpose of the organisational structure is to facilitate the ease of communication and decision-making between the various levels of management in a seamless manner. Sound organisational structures therefore enable the various levels of management to communicate effectively with each other and to take critical decisions relating to all business matters (Parris, Vickers, & Wilkes, 2008).

McGurk (2011), states that the organisational structure and design should be based on the requirements of the business strategy. Therefore, this implies that the organisational structure design can only commence once the business strategy has been set.

The organisational structure should therefore enable the achievement of the strategic goals, and not hinder it. Hill and Jones (2011), state that organisations should design their organisations to either depict a functional structure, a product structure, a multi-divisional structure or a geographic structure. McGurk (2011), suggests that organisations implement flatter and leaner organisational structures as this facilitates effective communication and timeous decision-making. He states that having too many levels of management impedes communication and co-ordination between the employees at the different levels of the organisation. He also states that flat organisational structures often result in an increased span of control for line managers (McGurk, 2011).
The flat organisational structures, however, also contribute positively to the morale of the managers as flatter organisational structures imply that there are reduced levels of decision-making that empowers managers at all levels to take critical decisions in line with the strategy. Therefore, it is clear that the structure and design of the organisation must enable the effective implementation of the business strategy. If the structure is not aligned with the strategic objectives of the organisation, the implementation of the business strategy will be compromised.

2.4 The Roles of the Different Levels of Management in the Organisation

According to Frohman and Johnson (2002), the specific roles played by the various levels of management in the organisation in the strategy process are described below.

Top management is primarily accountable for developing the company vision and mission, formulating the strategic goals, reviewing the leadership and culture, and designing the broad strategy implementation plan. Middle management is accountable for formulating tactical objectives and creating a communication plan and strategy implementation policies and processes. Shop-floor employees are accountable for the implementation of the strategy by applying and implementing the various tactics listed in the implementation plans and policies derived by the middle management leaders (Dlodlo, 2011).

Jacques (1996), states that there is clear distinction in the levels of cognition required to perform at the different levels of work in the organisation. He states that there is a defined timespan for the impact of the decisions made at the various levels of management in the organisation, which therefore requires the incumbents of these roles to possess the relevant cognitive ability to make accurate decisions. He defines this model as the Stratified Systems Theory model (Jacques, 1996). This model is depicted in table 2.1 below.
Table 2.1

*Stratified Systems Theory summary - Levels of work (Jacques, 1996)*

<table>
<thead>
<tr>
<th>Cognitive level</th>
<th>Time span for impact of decisions</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>7-Corporate Prescience</td>
<td>12-15 years</td>
<td>CEO (Large organisation)</td>
</tr>
<tr>
<td>6-Corporate Citizenship</td>
<td>10 years</td>
<td>Managing Director</td>
</tr>
<tr>
<td>5- Strategic Intent</td>
<td>5 years</td>
<td>Director</td>
</tr>
<tr>
<td>4- Strategic Development</td>
<td>2 years</td>
<td>Department Manager</td>
</tr>
<tr>
<td>3- Best Practice</td>
<td>1 year</td>
<td>Unit Manager</td>
</tr>
<tr>
<td>2- Service</td>
<td>3 months</td>
<td>Supervisor</td>
</tr>
<tr>
<td>1- Operational</td>
<td>1 day</td>
<td>Shop-floor</td>
</tr>
</tbody>
</table>

Table 2.1 above lists the different cognitive levels of work, the associated level of positions within the corporate organisational structure, and finally the time span linked with to the impact of the decisions made by individuals in positions at these levels. For the purposes of this study, the researcher will focus on the role that middle management leaders such as the Department Manager and Unit Manager play in strategic implementation (Jacques, 1996).

Rossouw, Le Roux and Groenwald (2003) state that in a South African context, top management is responsible for conducting the internal and external analyses, developing the business vision and goals, formulating the key tactics, reviewing the business systems and designing the change processes linked to the rollout of the strategy. Anand (1996) argues that prior to 1990, the business environment in South Africa was not pressured by globalisation as we were isolated from the international trade environment owing to apartheid. Therefore, top management leaders in that era were not under as much pressure as the top management leaders are now since these leaders now face the pressures of competitors not only locally but also internationally. According to Rossouw, Le Roux and Groenwald (2003), middle management is responsible for aligning the overall business strategy with their specific areas, and only
then executing the strategy to ensure that the business goals are met. They are also required to manage the change processes and obtain the buy-in of the workforce that report into them. Finally, Rossouw et al., (2003), state that shop-floor employees and first-line management should primarily execute the strategy on a day-to-day basis whilst engaging with customers and key stakeholders on the shop floor.

According to Ehlers and Lazenby (2004), an effective strategy in the South African context is also based on ethical principles, and drives ethical behaviour. They state that business leaders should ensure that their business strategies not only focus on making a profit at all costs, but should also focus on complying with all ethical and corporate governance requirements in the South African market. The researchers state that the King 111 report on corporate governance should be complied with when organisations embark on a strategic management process and decide on the strategic goals of the business (Dlodlo, 2011).

2.5 The Role of Middle Management in Strategy Management

Birken, Daniel-Lee and Weiner (2012) define middle management leaders as employees who are managed by top management, who supervise front-line employees, and finally oversee the implementation of business strategy. Nzinga, Mbaabu and English (2013) define middle management leaders as those individuals who are directly responsible for planning, organising and supervising teams, and who serve as the bridging level structure between top management and front-line employees.

Nzinga et al., (2013) state that middle management leaders execute six critical roles and functions in the strategic management process in organisations. The researchers state that middle management leaders play the role of coaches to front-line staff as they guide and coach the behaviours of these employees to remain in line with the strategic objectives of the organisation. The second role that these middle management leaders play is that of a goal setter, as they set the performance objectives that the employees need to achieve in line with the strategy. The third role that middle management leaders play is that of a motivator, since they motivate their team members to achieve the performance goals that have been set. The fourth role that middle management leaders play according to Nzinga et al., (2013) is that of an information manager and communicator, as it is crucial that these leaders keep their
team members updated on all key business developments. The fifth role played by the middle management leaders is that of a negotiator as they negotiate upwards with top management on business issues such as targets and incentives whilst they negotiate with their team members on how they can work differently to achieve their goals. According to Parris, Vickers and Wilkes (2008), a key role played by middle-management leaders is that of problem solver, as they are expected to devise solutions to all key challenges faced by the organisation at their level.

McGurk (2011), states that the primary function of middle management leaders is to manage the operational effectiveness of a meso unit or cost centre. Therefore, the tasks that are associated with performing this function are providing direction to the team members in the unit, deployment of resources in line with business requirements of the unit, building relationships with stakeholders outside the unit and measuring the performance of the unit with performance metrics. Middle-management leaders are a crucial level of management in the organisation, as they serve as the link between the senior executive management and the employees on the shop floor (Clegg & McAuley, 2005). A key role that is therefore played by this level of management is the translation of the broad organisational strategy into tangible, practical deliverables that the employees on the shop floor can provide. This will ensure that the actions of all employees in the organisation are aligned, and will to enable the organisation’s strategic goals to be achieved (Cabansag, 2013). The middle management leaders therefore have to deliver on their strategic objectives to please senior management, whilst at the same time motivating, managing and leading their front-line employees. The challenge of these middle management leaders is to make sure that these two responsibilities do not contradict each other. If they can ensure that these two responsibilities are in line with each other, it will increase the chances of the organisations strategic goals being achieved (White, 2011).

However, Kuyvenhoven (2009) argues that middle management leaders should not be limited to playing the role of strategy implementers, but should also be regarded as key players in the process of strategy formation and its evolution during the implementation process. He states that this perception of middle management leaders being implementers only has changed as strategy design and strategy implementation are viewed as interdependent steps in an evolutionary strategy development process. Cabansag (2013), states that a critical factor that caused this change of perception is
that the pressures in the labour market in the South African context has forced organisations to not only view strategy as a top-down approach, but rather an inclusive bottom-up approach driven primarily by meeting the needs of both the customer and the employee (White, 2011).

Birken, Daniel-Lee and Weiner (2012) state that the critical roles played by middle-management leaders in organisations include interpreting information, disseminating information, mediating between strategy and day-to-day activities, and finally leading change initiatives to ensure strategy implementation. Interpreting information requires these leaders to analyse and integrate the information from the different sources in the organisation. They should use the information to create a trend analysis that their team members will easily understand. They then play a disseminating role where they communicate the relevant information with meaningful analysis to their team members. The information is presented in a simple manner that is easily understood. The middle management leaders then translate the strategic goals into tangible actions for the team members to perform. They also provide their team members with the necessary resources and tools to perform their roles. Finally, according to Birken et al., (2012), these leaders encourage their team members to adopt the behaviours required in line with the new strategic goals. They also assist their team members in identifying and removing barriers that prevent them from achieving their strategic goals.

According to Jha (2011), middle management leaders play various roles in the strategy management process. Their first role is that of an entrepreneur, as they are the closest to the shop floor, and therefore have the highest potential to contribute the best ideas when creating business solutions. Secondly, play the role of communicator as they are responsible for communicating and leading change with the employees on the shop floor. Their third role according to Jha (2011), is that of a psycho-analyst as they are required to provide one-on-one coaching and support to their team members during the strategy implementation process. The fourth role is that of the tight-rope walker as they have to maintain a fine balance when managing the pace of the strategic change process. If the process is either too fast or too slow it will negatively impact on the success of the strategic management process Jha (2011).
2.6 Communication in the Strategy Management Process

According to Anand (1996), middle management leaders play a vital role in total quality management and quality improvement programmes. These are directly linked to the quality of the strategies implemented by organisations. He states that organisations fail to achieve their total quality and strategy goals when middle management leaders do not support the business strategy owing due to a lack of trust in the strategy and a lack of communication in the strategy implementation process. Cabansag (2013) suggests that one of the key steps that should be taken to gain the support of middle management leaders is to involve these leaders and to communicate with them during every stage of the process. He suggests that top management create platforms to gain the views of middle management leaders on the best methods of strategic implementation in the organisation.

Effective communication with the middle management leaders is therefore critical in the strategy implementation process as this assists in getting the middle management leaders to buy into the implementation of the strategy, and support it. Bolt and Hill (1994) are of the opinion that there is a risk that communication between senior-management and middle management leaders can become strained during the strategy implementation process. They state that there are various barriers to communication which ultimately hinder the strategy implementation process. Senior-management leaders tend not to share details of the strategy until the very last moment prior to implementation. This in turn does not allow adequate time for the middle management leaders to internalise the strategy (Jha, 2011), and prevents them from leading the change required with the employees on the shop floor. The middle management leaders therefore do not have the necessary time to have all their concerns addressed or issues clarified before they have to play an active part in the strategy implementation with the employees on the shop floor (Bolt & Hill, 1994).

Kuyenhoven (2009) agrees with Anand (1996) regarding the fact that the lack of communication with middle management leaders is a common reason for the failure of the strategy execution process. Anand (1996) also states that other common reasons that prevent these leaders from competently executing strategy include the their inability to lead change management processes, the organisational structure in which they operate does not support the strategy, a lack of senior leadership support and inadequate structures to support the execution of strategy.
2.7 Middle Management Leaders as Leaders of Strategic Change

McGurk (2011) states that middle management leaders are viewed as both the target and the leaders of change. These individuals therefore play a vital role in the implementation of the anticipated strategy changes as they perform these dual roles in the change process. Miniance and Falter (1996) state that middle management leaders can be credible and effective leaders of change in the organisation provided that they are communicated with and consulted. Their buy-in must be obtained to support the implementation of the business strategy. They argue that middle management leaders are crucial in leading change as they play the roles depicted in figure 2.4 below.

![Diagram showing the roles of middle management leaders](Miniance & Falter; 1996)

**Figure 2.4**: The Importance of Middle Management Leaders in Leading Change

Figure 2.4 above depicts the various roles that middle management leaders play in leading and managing change such as leading the change in the environment in which they operate, managing and convincing team members on the shop floor to accept the change, implementing the strategy on the shop floor, managing any barriers to change in the team and finally developing the skills of the team members to enable them to align their actions with the new desired goals (Miniance & Falter 1996).

Pekruhl and Jaeger (1998) state that in Europe middle management leaders are commonly viewed as the weakest link in the management chain since they are perceived as the most resistant to change, and therefore the least supportive of
leading any change initiatives to the employees on the shop floor. They state that many European organisations are attempting to introduce changes to their business strategies (such as Fiat introducing first-line quality circles) but these plans are failing to materialise owing to a lack of support from middle management leaders. This study revealed that the main reason for these leaders not buying into this process was that top-management teams were very secretive about this new quality circle process, and therefore did not involve middle management leaders early enough in the chain process (Pekruhl & Jaeger, 1998). This caused the middle management leaders to become more paranoid about the possible changes, and they therefore became the most resistant when the change in process was launched. Miniance and Falter (1996) therefore recommend that top-management leaders must clearly communicate with middle-management leaders throughout the change process so that their fears and assumptions can be addressed. This will increase the chances of the middle management leaders buying into the changes in strategy, and accepting them.

Most of the literature reflects the role of middle management leaders as being the link between top management and employees on the shop floor. Therefore, they form the link between the top-management employees who design organisation strategy and the shop-floor employees who execute the strategy (Clegg & McAuley, 2005; Anand, 1996; Dlodlo, 2011; White; 2011). However, Kuyenhoven (2009) states that the middle management leaders do not only play the strategy execution role, but they also play a crucial role in leading the change management process and convincing employees on the shop floor to buy into this strategy. Therefore, this dual role played by middle management leaders contributes to the organisation having a competitive edge over other competitors in the market that do not adopt this view on middle management leaders. Floyd and Wooldridge (1994) state that middle management leaders contribute directly to bottom line of the organisation when they effectively lead the change management process in influencing the shop-floor employees and connecting them with the organisational strategy. They state that middle management leaders influence the change with their team members by mediating, negotiating and interpreting connections between the organisation’s top management and shop-floor levels. White (2011) concurs with Floyd and Wooldridge (1994) in that middle management leaders play a crucial role in leading change, as he states that these
leaders play an active role in managing ideas from their team members that assist in the facilitation of the execution of the company’s strategy.

White (2011) states that middle management leaders interpret these suggestions and ideas from the shop-floor employees, and then table these to the senior management of the organisation in the form of structured entrepreneurial and innovative proposals. Therefore, these middle management leaders interpret and evaluate critical information that they present to the top management of the organisation to inform their decision-making and key business actions. Their input therefore has the potential to alter the strategic direction of the organisation. This research suggests that middle management leaders play an active role in managing change both upwards with top management and downwards with the employees on the shop floor.

2.8 Rewards and Recognition of Middle Management Leaders in the Strategic Management Process

According to Dlodlo (2011), it is vital for organisations to implement reward programmes to drive the behaviour of middle management leaders towards the achievement of their strategic goals. This will ensure that the buy-in and commitment of the employees are attained in the strategy execution process. Jha (2011) states that there are three key principles of any rewards model that are linked to driving employee behaviour in strategy execution. The first principle is that the performance or strategy targets must be clear and measureable to all parties up-front, and middle-management leaders should have clear line of sight of their performance in terms of these targets on a frequent basis. This will enable them to align their actions to ensure they achieve the desired goals. Norton and Kaplan (2001) also state that performance measures should be clearly understood by all employees if they are going to align their actions with achieving the goals that have been set. The second principle is that the rewards must be meaningful and relevant to the middle management leaders, so that the rewards motivate them to display the desired behaviours in line with the strategic goals. The third principle is that the incentives provided must encourage employee engagement and facilitate flawless strategy execution. It must reward the desired behaviours in line with the strategic goals. Figure 2.5 below depicts the key principles of designing an effective rewards strategy according to Jha (2011).
Figure 2.5: Reward Strategy Principles to Drive Strategy Execution

Figure 2.5 above depicts the key principles of designing a rewards strategy that enables implementation of business strategy (Dlodlo; 2011). This includes setting clear and measurable targets up-front, creating meaningful rewards, and finally driving the execution of the business strategy.

2.9 Common Challenges and Critical Success Factors of Strategy Implementation

Ikavalko and Aaltonen (2001) state that the most common challenges experienced by middle management leaders in strategy implementation include the lack of quality of the strategy being implemented, the weak support from top management, the lack of communication during the strategy process, inadequate organisational structures to support the strategy and finally the lack of capabilities of the employees in the organisation to implement the strategy. Jha (2011) states that the most common obstacles that prevent middle management leaders from implementing the business strategy are the lack of resources provided to middle management leaders, the lack of measurement of progress towards the strategic goals and the lack of communication from top management to the middle management leaders on the details and rationale explaining the strategy. Ikavalko and Aaltonen (2001) therefore recommend that plans be proactively put into place by all stakeholders to addresses these challenges before embarking on a strategic management process.

Kuyenhoven (2009), states that the critical success factors for middle management leaders to manage change effectively and implement the strategy are depicted in the figure below. These factors will ensure that the common challenges highlighted by Ikavalko and Aaltonen (2001) are addressed in the strategy management process. He
states that firstly, the senior leaders of the organisation should not underplay the
collection of middle managers in determining the success of the strategy of the
company. They should be viewed as a crucial part of the strategy process, and
therefore should be afforded the necessary respect in this process. They should also
actively support the strategy in every aspect. The second critical factor is that the
strategy itself should be simple and easy to understand by all stakeholders. This will
ensure that the middle management leaders easily understand the strategy and
therefore can easily influence their team members to accept the strategy. The third
factor that will assist the middle management leaders in managing the change process
is that effective two-way communication processes should be in place. The
communication pipeline should be free from any obstacles, and should flow from the
executives to the shop-floor both top-down and bottom-up. This will ensure that all
parties are aware of all key developments on matters relating to the strategy at all
times.

Clegg and MCauley (2005) also confirm that effective communication during the
strategic implementation process is crucial to the success of the strategy. The final
critical success factor for effective change is that the middle- management leaders
should be equipped with the functional skills to be deemed competent in achieving the
functional requirements of the strategy. They also need to be equipped with the
leadership skills to manage the strategy and influence their shop-floor employees to
align their behaviours to the requirements of the strategic plan. Jaeger and Pekruhl
(1998) further state that middle management leaders should be trained in ways to cope
with the changing demands of their roles as middle management leaders. The modern
middle management leaders need to focus stronger on managing change within
themselves, managing change with teams and finally managing change across
functional teams in a matrix organisation, according to Clegg and MCauley (2005).
This is in addition to performing basic management functions and improving employee
productivity at both individual and team levels. Middle- management leaders should
therefore be trained in ways of dealing with the different expectations of this role in the
modern day. Figure 2.6 below depicts the critical success factors for middle managers
to manage change and implement strategy.
Figure 2.6: Critical Success Factors for Middle Managers to Manage Change and Implement Strategy

Figure 2.6 above includes the critical success factors that contribute to the effective management of change by middle management leaders in the strategic implementation process (Kuyenhoven, 2009). These factors include having sound relationships with senior management, having clear communication processes, having a simple but effective strategy and finally having competent management in place.

Rossouw et al., (2003) state that strategic implementation in the South African context will only be successful if the organisation focuses on the following critical aspects in the implementation process:

The first aspect is the commitment of top management. This is a critical aspect of the strategy implementation process since as the rest of the organisation will only be guided by the goals to which senior management leaders are committed (Pekruhl & Jaeger, 1998). If the senior management leaders do not actively show their commitment to the strategy, the implementation process will fail.

The second aspect of this process is ensuring that effective communication processes are in place for two-way communication to take place. Managers must use these processes to communicate the organisation’s vision and goals effectively to
employees whilst employees should also use these communication processes to provide their comments and views on the organisation strategy. This will ensure that the employees buy into the organisation strategy (Dlodo, 2011).

The third aspect is obtaining the views and inputs of middle management leaders in the strategy implementation process. This level of management is the closest to the employees and customers of the shop floor so they understand the implementation processes and tactics that will be most effective. This will also minimise the risk of possible labour unrest and resistance to the strategic goals (Anand, 1996).

The fourth critical aspect of strategy implementation in the South African context is that the implementation plan should cater for the diverse workforce that is characteristic of the South African workplace. The plan should be flexible and effective enough to impact on employees from the different race groups and backgrounds in order to get their buy-in to the new strategy being implemented.

The fifth critical aspect of strategy implementation is assigning clear roles and responsibilities to the various stakeholders.

All individuals in the strategy implementation process should understand their roles and what is required from them if they are to participate effectively in the strategy implementation process. According to Norton and Kaplan (2001), performance dashboards and goal management systems can be created to ensure that employees have a clear understanding of their role expectations, and its link to the overall organisation strategy. The next critical aspect of strategic implementation is to ensure that an effective change plan is in place to assist stakeholders in accepting the new strategic goals. This must include a detailed stakeholder analysis and the level of their impact on the strategic implementation process. The higher the impact, the more time is required to be spent with these individuals to convince them to buy into the strategic goals and then lead the change process in their respective areas (Frohman & Johnson, 2002). These stakeholders include middle management leaders, labour representatives and shop-floor employees. The final critical aspect of strategic implementation is the creation of metrics and scorecards for measuring the progress of the implementation plan. The key milestones should be mapped up-front and the progress of the strategy implementation plan in terms of these milestones should be measured by using the performance dashboards and metrics (Norton & Kaplan, 2001).
2.10 Investment in Middle Management Leaders

Llorens (2010) has stated that organisations with effective middle management leaders generally outperform their competitors that have either ineffective middle-management leaders or no middle management leaders at all in their structures. He states that the organisations that have retained, developed and motivated their middle management leaders during challenging economic periods have managed to adapt to the economic environment, and could therefore effectively turn around their business performance at a faster rate than their competitors who have eliminated middle management leaders from their structures.

Parris, Vickers and Wilkes (2008) have also emphasised the importance of keeping middle management leaders motivated in an organisational setting. They state that that these leaders are under immense pressure to deliver on the strategic goals set by senior management whilst at the same time managing the front-line issues with the employees on the ground. It is therefore necessary to create processes that allow for this level of managers to experience work and life integration to improve their motivational levels, and also reduce their stress levels (Pekruhl & Jaeger, 1998). In addition to creating work and life integration processes, the researchers have suggested that organisations create exciting and fulfilling career pathways towards which these employees can work as this will increase their motivation and ultimately their effectiveness in the workplace.

Dlodlo (2011) has also stated that successful organisations improve the engagement levels of their middle management leaders by providing these employees with the necessary tools and resources for ensuring that they are successful in the workplace. He states that these organisations also invest heavily in the leadership and technical skills development of these employees, as they are the talent pipeline from which future senior executive managers are produced. Anand (1996) states that organisations will be effective if they focus on developing the leadership and functional skills of their middle management leaders, as these are the individuals who manage change in the organisation both from top down and from the bottom up. He argues that this leadership development should focus greatly on developing the problem-solving skills of the middle management leaders. Organisations should also design reward programmes for middle-management leaders to drive their behaviour towards leading the change in strategy implementation. This will entice them to be focused on
strategy implementation and manage the change that’s required with the relevant upward or downward stakeholders (Llorens, 2010).

2.11 The Fears and Perceptions of Middle Management Leaders

Jaeger and Pekruhl (1998) stated that middle management leaders may also become a hindrance and obstacle to strategy execution if they are not appropriately managed. They state that these leaders can become resistant to change, and can act as a communication block between the senior executives and the employees on the shop floor, if they are threatened by or are not comfortable with the message being shared by the senior executives. It is therefore vital for the senior executives of the organisation to implement the necessary change management processes to obtain the buy-in and acceptance of the middle management leaders to support the strategy (Temtine, 2000).

According to White (2011) middle management leaders have common fears when new strategies are being launched which hinder their ability to implement these new strategies effectively. The first fear that middle management leaders have is the lack of job security. Their common perception is that a new strategy means lesser jobs, and could lead to job losses at their level (Jha, 2011). Jaeger and Pekruhl (1998) confirm that this fear exists, and state that the most common reason for middle management leaders not to lead the change of strategy is the fear of losing their jobs. Their second fear is their lack of skills to perform in line with the requirements of the new strategy. They fear that they will become redundant and inadequate to perform their roles in line with the new business requirements as they will not have the necessary skills to perform their work functions (Jaeger & Pekruhl, 1998). The third fear is that their levels of respect and authority will now be jeopardised with the launch of the new business strategy. Their final fear is that their career paths will be blocked if the new strategy is implemented. Their common perception is that their room for progress within the organisation will become limited since their role will be diminishing in line with the requirements of the new business strategy.

Jha (2011) and Jaeger and Pekruhl (1998) state that top-management leaders should dispel these fears upfront by clearly highlighting the impact that the changes in business strategy will have on the middle management leaders personally. They must clearly state what steps the organisation will be putting in place to assist middle
management leaders in dealing with these changes. This will provide relief to these leaders, and allow them to focus on managing the change process instead of concentrating on their personal fears.

2.12 Middle Managers Impact on Performance

Jha (2011) states that middle management leaders have a direct impact on the financial performance of the company as they impact on the implementation of the business strategy. She stated that organisations that create and adopt a culture of high performance focus on providing their middle management leaders with the necessary resources and tools to perform their role of strategy implementation adequately. These companies invest heavily in the technical and leadership development of their middle management leaders as they realise that this level of management is critical to the success of the business (Jha, 2011). According to Llorens (2010) some of the key actions taken by companies with a high-performance culture to capacitate and involve their middle management leaders in strategy implementation include creating inclusive and impactful change plans to gain the buy-in of middle management leaders, creating common goals and purpose with them, empowering them to take key decisions in terms of strategy regarding the parameters that have been set, and finally, creating self-organised work teams to enable these leaders to come up with the solutions for the strategy implementation instead of these solutions being prescribed by to them by top management. Parris, Vickers and Wilkes (2008) and Dlodlo (2011) also stated that middle management leaders can impact positively on the performance of the organisation as they are directly involved in the implementation of the organisation’s strategy.

2.13 Conclusion

The literature review has highlighted the various perspectives of strategy design and strategy implementation. However, certain common elements of the strategic management process are depicted in all strategic models and processes that are discussed in the literature review. These common elements include setting the organisation’s vision and goals, communicating the goals to all stakeholders, setting performance goals and targets in line with the strategy that has been set and finally, implementing strategy control processes to ensure that the implementation process is properly managed.
The literature review further highlighted the importance of middle management leaders in the strategic management process. The middle management leaders were identified as a crucial level of the organisational structure as they played a leading role in managing change and gaining the buy-in of their team members in the strategy implementation process. The literature review also revealed various similarities and differences in the roles of middle management and the strategic management processes, when comparing the context of business within South Africa to the context of business in the rest of the world. The literature review on this subject was therefore presented from a South African and international perspective. In the next chapter the researcher will present the case study of strategy management and strategy communication at XYZ Limited.
CHAPTER 3: CASE BACKGROUND

3.1 Introduction

As discussed in Chapter 1, the aim of this study is to establish the role that middle management leaders play in strategy implementation. Therefore, in this chapter, the researcher will highlight the details of some of the strategy changes that have taken place in a company called XYZ Limited, in addition to the role that middle management leaders played in strategy implementation in this organisation. The chapter also discusses the different levels of management within the organisation and the role that they play in the strategy implementation process. The history of the company, and the context of the environment in which the company operates will also be discussed in this chapter.

3.2 Background: South African Retail Sector

XYZ Limited trades predominantly in South Africa. The South African economy remains under pressure in the midst of the challenges that are experienced by the high consumer debt levels and the rising rate of inflation in South Africa (Rossouw, Le Roux & Groenewald; 2003). The growth rate of the gross domestic product is 2.14 per cent as at the end of June 2014 (Statistics SA, 2014). Labour unrest has manifested in the form of strikes in the mining industry during the early months of 2014. This also contributed to the challenges experienced in the South African economy. The rate of disposable income of South African consumers in 2014 has also reduced, as the unemployment rate in South Africa reached the rate of 25.5 per cent (Statistics SA, 2014).

The major competitors to XYZ Limited in the South African apparel retail industry are Truworths, Mr Price, Foschini and Woolworths. These competitors have created various plans to deal with the economic challenges that they have faced during the past two years. The performance of the above competitors has been better than that of XYZ Limited in that the average sales growth rate of the above South African competitor retailers has been +12 per cent for the past two years, whilst the sales growth of XYZ Limited has only been + eight per cent for the same period (XYZ Limited June 2014 annual report).
3.3 Background: XYZ Limited

XYZ Limited is a large retail organisation in the South African market. This organisation has been in existence since 1929. Since 2010, XYZ Limited has expanded its operations into Africa, and now also trades in Botswana, Lesotho, Swaziland, Mozambique, Namibia and Ghana. The company comprises of four primary operating divisions, and has approximately 1400 stores that are trading. XYZ Limited employs approximately 10 000 permanent staff members and 20 000 temporary staff members. There are approximately 30 senior management directors and 120 middle management leaders in the organisation. The annual turnover generated by XYZ Limited in 2013 was R26, 6 billion.

In 2007, a major milestone in the company’s history was realised, as XYZ Limited was purchased by Peter Holdings in a private equity deal estimated to be worth R25 billion. XYZ Limited therefore delisted from the Johannesburg Stock Exchange since the private equity purchase, and is now accountable to Bain Capital who is its sole shareholder. The global recession of 2008, has greatly impacted on the performance of XYL Limited, and following on that the organisation did not achieve its sales and profitability targets for two consecutive years.

3.4 XYZ Limited Business Strategy

In 2012, Mr Dave Smith (not real name) was appointed as the new Chief Executive Officer of XYZ Limited to facilitate the turnaround of the organisation’s performance. Mr Smith launched a new turnaround business strategy for the company to improve its sales and profitability performance. This business strategy required the leadership team to implement these turnaround plans to improve the overall performance of the business. The primary purpose of the business strategy was to enable the organisation to increase its sales and market share performance, thereby ensuring that it would perform better than its competitors in the market. The business strategy was therefore aimed at placing the organisation ahead of its competitors in the industry.

The strategy was formulated by the executive team in the organisation after the business goals had been set by the board. The executive team comprised of the CEO and the various directors of the organisation. These individuals embarked on a strategic break-away session where they crafted the strategic plan for the organisation. The business strategy was designed at this senior level with minimal
input from employees at levels below that of the executive team such as the department managers or unit managers. The strategy of the organisation was therefore primarily formulated by the senior executive team, based on their vision of the organisation for the year ahead.

Once the business strategy had been designed, the executive team released and explained the strategy to the middle management leaders at the management strategic conference. At this conference every one of the pillars of the strategy was discussed by the executives. The middle management leaders were then informed of the actions that were to be taken to achieve the strategic plans of the organisation. At this stage, the middle management leaders were tasked to translate the broad strategic goals of the organisation into practical tangible action steps to ensure that the strategic goals were achieved. At no stage during this process did the members of the executive team check whether the middle management leaders understood the relevance of having an effective strategy. They also did not assess the competencies of the middle management leaders to establish whether they possessed the skills required to manage the strategy implementation process.

According to Norton & Kaplan (2001), the performance goals and balance scorecard system are critical processes that enable the measuring of the performance of an organisation in terms of its strategic goals. It is therefore vital that the performance management system of an organisation is linked to its strategic goals. This linkage of the performance management system to the business strategy enables the performance actions of the employees to be aligned to the strategic requirements of the organisation. This principle was not applied at XYZ Limited in the strategy translation process as one of the oversights of the middle management leaders was that they failed to align the requirements of the strategic goals of the organisation to its performance goals system. For example, the employee’s performance agreements did not reflect the key elements of the business strategic plan such as goals on the gaining of market share, or the gaining of trading space by the opening of new stores. Their performance goals did not reflect the requirements of the new strategic business plan.

At XYZ Limited, the business strategy was designed by the senior management teams. The Human Resources teams were not involved in the design of these strategic goals or the strategy implementation process. This resulted in the strategy being
designed and implemented primarily by line managers, who did not take into account the critical people-related matters such as managing change and obtaining the buy-in of all stakeholders in the organisation, including that of the trade unions. The Human Resources teams therefore did not play an active part in the strategy implementation process.

The various leaders of XYZ Limited did not invest in a defined change and communication management programme. This resulted in the middle management leaders attaining the view that they needed more support and guidance to lead this change and to achieving this goal of successfully implementing the broad strategy in the organisation. The middle management leaders realised that it would be extremely challenging to them to implement the strategy if they were not supported by an effective change management plan. There were various stakeholders, such as the labour unions, who were not adequately engaged with by the senior executives. This fact made implementation of the strategy very challenging to the middle management leaders. The middle management leaders were also of the view that the strategic implementation process was fragmented, and was not integrated with the organisational culture. For example the performance management or reward processes did not support the goals of the new business strategy.

XYL Limited has adopted the principles of the Levels of Work Stratified Systems Theory (Jacques, 1996) when determining the functions and roles that are to be performed by the different levels of managers in the strategy management process. The key actions performed by each level of manager at XYZ Limited in line with the principles of this theory are highlighted in table 3.1 below:
Table 3.1 above depicts the link of the Stratified Systems Theory (Jacques, 1996) to the strategic management process at XYZ Limited. It highlights the different levels of management within the organisation, and the associated levels of work according to Jacques (1996).

<table>
<thead>
<tr>
<th>LEVEL</th>
<th>POSITION</th>
<th>ROLE IN STRATEGY MANAGEMENT</th>
<th>KEY ACTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Corporate presence</td>
<td>CEO</td>
<td>Strategy design</td>
<td>Company vision, mission, strategic plans, align company structure</td>
</tr>
<tr>
<td>6. Corporate citizenship</td>
<td>Managing Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Strategic intent</td>
<td>Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Strategic development</td>
<td>Department Manager</td>
<td>Strategy implementation</td>
<td>Translate strategy into key action steps, Align strategy to performance goals and targets, Influence shop-floor employees.</td>
</tr>
<tr>
<td>3. Best practice</td>
<td>Unit Manager</td>
<td>Execution</td>
<td>Execution of strategy manifested in practical action steps on a daily basis.</td>
</tr>
<tr>
<td>2. Service</td>
<td>Supervisor</td>
<td>Execution</td>
<td></td>
</tr>
<tr>
<td>1. Operational</td>
<td>Shop floor</td>
<td>Execution</td>
<td></td>
</tr>
</tbody>
</table>
In Figure 3.1 below, the business strategy model describes the key pillars of the XYZ Limited strategic business plan. The key leaders of the organisation are of the view that the above plan will enable them to turn around its sales and profitability performance and improve it.

**Vision: Place to shop, place to work**

Figure 3.1: The Business Strategy Model of XYS Limited

The vision of XYL Limited was to be the place to shop in its chosen markets, and the place to work for all employees in its chosen markets. The vision focused on retaining existing customers whilst attracting new customers to the XYZ Limited brand of stores. The vision of the organisation was to make XYZ Limited a workplace of distinction, so that they could attract the best-of-breed talent to their workforce. The organisation aims at achieving its vision by focusing on three key pillars which in turn focus on...
expanding the store footprint growth, growing the credit database and finally improving store formats.

XYZ Limited aims at expanding its store footprint growth objective by opening up more stores both in South Africa and in the continent of Africa. The company is planning an extensive store rollout programme for the purpose of trading in North Africa specifically. They are also introducing new format stores in the design of Shoe Gallery and Edgars Active, whilst introducing an array of International Brands to its stable such as Tom Tailor, Lucky Denim, Lipsy London and TM Lewin Scotland. The openings of these new stores and the introduction of new brands were aligned to its strategic objective of expanding the business footprint.

XYZ Limited was focused on growing its credit customer base, and maximising the value of this credit base to ensure that the organisation achieved optimal profitability. In 2013, the company achieved a key milestone in its turnaround journey as it formed a strategic alliance with ABSA, a large financial services and banking institution in South Africa. XYZ Limited sold its debtor’s book to ABSA for a premium amount of R10 billion. This transaction was in line with the strategic objective of expanding its credit base and maximizing the value of the credit base. The organisation received above-market returns for the sale of this debtor’s book.

The final pillar of the strategic plan involved XYZ Limited’s improving its existing store formats. This pillar was the most labour extensive for the organisation as it involved both a human capital and store infrastructure revamp. The store infrastructure revamp involved the store teams refurbishing all top 72 stores within XYZ Limited within a confined six-month’s period. It also involved every employee in the top stores of XYZ Limited being reassessed to confirm their suitability to perform in line with the new business requirements in these top stores. Employees who were found not to be suitable were redeployed to alternate stores outside of the top stores. Employees who were found suitable were then trained and coached on how to perform in line with the new requirements of the strategy in these top stores.

The company strategy and culture were underpinned by the implementation of the business values in the organisation. The business values of the organisation are given as: People, integrity, performance and professionalism. Behaviour within the
organisation was driven and guided by the business values. These values are highlighted in Table 3.1 below, and described.

Table 3.2:
The Business Values of XYZ Limited

<table>
<thead>
<tr>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>People</td>
<td>We value our employees and customers, and treat them with respect.</td>
</tr>
<tr>
<td>Integrity</td>
<td>We are open, honest and fair.</td>
</tr>
<tr>
<td>Performance</td>
<td>We don’t just strive for excellence, we outperform.</td>
</tr>
<tr>
<td>Professionalism</td>
<td>We approach each day with commitment and personal accountability.</td>
</tr>
</tbody>
</table>

*Source: (Annual Financial Report; 2014)*.

3.5 Key Achievements since Launch of the Business Strategy

A focused strategic plan of action has been implemented by the business leaders of XYZ Limited to improve the performance of the organisation. The organisation has achieved varying degrees of success since the launch of the business strategy in 2014. These key business achievements are discussed in Table 3.2 below.
Table 3.3:
Key Business Achievements of the Business Strategy

<table>
<thead>
<tr>
<th>Business objective</th>
<th>Key achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Footprint expansion</td>
<td>Number of trading stores in the organisation increased from 1009 to 1394 as at July 2014. The target for new stores for 2014 was 1500. Overall retail trading space increased by 20 per cent from 2014 to 2014. The target for 2014 was to increase retail trading space by 32 per cent. Eight new store brands added to the XYL Limited organisation, to offer customers more brands to select from. This was in line with the targets set for 2014. In 2012 XYZ Limited traded in South Africa, Namibia, Swaziland and Botswana. In 2014, the organisation has expanded its trading to Ghana, Nigeria and Mozambique. This was in line with the targets set for 2014. The group sales have grown by 12 per cent since 2012. Forty per cent of the total sales growth from this period was attributed to the sales generated by the new stores that were opened in this period. The target for 2014 was to have the group sales increase by 17 per cent. The group market share has grown by six per cent from 42 per cent to 48 per cent. However, the target for 2014 was to have the market share grow to 55 per cent. This target was therefore not achieved.</td>
</tr>
</tbody>
</table>
Credit expansion

In 2012, 20 per cent of the total sales generated by XYZ Limited were credit sales. In 2014, 28 per cent of the total sales generated were credit sales. However, the target for 2014 was that 35 per cent of the total group sales should have been credit sales.

The debtor's book of XYZ Limited was sold to ABSA at a premium, which further highlighted the successful credit growth rate experienced by the organisation in this period.

<table>
<thead>
<tr>
<th>Business objective</th>
<th>Key achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>New store formats</td>
<td>All 72 Top XYZ Limited stores were refurbished in July 2014. These refurbished stores contributed to the improved sales performance experienced by the organisation. The refurbished stores sales performance improved by nine per cent on average when compared to their performance prior to the refurbishment. However, the target for 2014 was that the refurbished stores were to increase their sales by 15 per cent. All business processes and systems were changed to deliver in line with the new strategic goals. Employee productivity improved by 32 per cent from 2012 to 2014, due to new business processes being introduced and system enhancements being implemented. This was in line with the targets set. Core product availability improved from 52 per cent to 76 per cent during this period. However, the target for this deliverable was 90 per cent. This target was not achieved. Stock-room pipeline of stock from warehouse to sales-floor reduced from three days to 2.1 days. The target for 2014 was to reduce this to 1.6 days.</td>
</tr>
</tbody>
</table>

Source: XYZ Limited Strategic Reflections Conference, 2014
The above analysis indicates that although XYZ Limited has made incremental improvement on various business dimensions since 2012, the organisation has not achieved all the targets that have been set for 2014 in line with the strategic plan.

3.6 Conclusion

According to Whittington (2001), the success of strategy implementation is greatly dependent on the leaders’ ability to lead the change process and obtain the buy-in of all stakeholders in the strategy implementation process. In the above case, the senior leaders of the organisation designed the business strategy, and took the lead in the change process. This was a vital step as the leaders of the organisation led the change from the front. However, these senior leaders did not effectively engage with the necessary stakeholders who had an impact on the change management process. This is highlighted by the fact that they did not involve the Human Resource team members or employee unions during the change management process. This lack of stakeholder engagement resulted in the changes in strategy not being appropriately accepted by the employees in the organisation. It ultimately created an even greater challenge to the middle management leaders to implement the strategic plans in the business as they were faced by a greater degree of resistance, due to the lack of stakeholder engagement.

Another implication of the lack of stakeholder engagement was that the change process was fragmented, and was not linked to other critical processes in the organisation. This was highlighted by the fact that the performance goals and performance rewards systems of the organisation did not support the achievement of the new strategic goals that were set. This resulted in the performance rewards of employees being based on outcomes that were not aligned with the strategic plan of the business. Employees in the organisation received lucrative performance bonuses based on the achievement of their outdated performance goals. This lack of alignment between the strategic goals of the business and the performance reward programmes prevented the middle management leaders of the organisation from adequately rewarding employees who were achieving their deliverables in line with the new strategic goals. It also prevented the middle management leaders from applying punitive measures to employees who did not align their actions with the requirements of the new strategic goals.
The new strategic goals have since been communicated to all stakeholders in the organisation. However, the middle management leaders of the organisation would have been better capacitated to manage the change and the new business strategy, if a more effective change management and stakeholder engagement plan had been created by the organisation.

Other factors that impacted on the middle management leader’s ability to manage the strategy implementation process were their lack of skills and their lack of understanding of the strategy implementation process. According to Whittington (2001), it is critical for leaders to have a clear understanding of the importance of business strategy, and then to be provided with the relevant skills to successfully manage the strategy implementation process. Therefore, the senior leaders of XYZ Limited should have taken the time to ensure that middle management leaders understood the importance of the business strategy of the organisation. These senior leaders should also have provided the middle management leaders with the necessary skills to manage the strategy implementation process in the organisation successfully. The researcher will discuss the research methodology applied in this research study next chapter four.
CHAPTER 4: RESEARCH METHOD

4.1 Introduction

In this chapter, the researcher will discuss the research method applied to the study. This chapter will also highlight the research design, and then discuss the data-collection method for the study. As stated in Chapter 1, the researcher has adopted a basic qualitative approach as described by Cresswell (2009) as the research problem requires the researcher to explore various themes and trends in order to arrive at meaningful research findings. It is envisaged that the emergence of these trends and themes will surface during the analysis of the case study, in-depth interviews, focus group discussion and solicited data.

4.2 Qualitative Research

4.2.1 The key benefits of qualitative research enable the research experience to be highly effective, as the researcher engages in various critical steps in the research process (Cresswell, 2009). These benefits are discussed below.

4.2.1.1 The personal interaction during the research study facilitates a greater participant response rate.

The interaction during the interviews conducted in the data-gathering phase will facilitate a greater response from the research participants, as according to Gorra (2010), research participants prefer to engage in an interview instead of completing a questionnaire. Creswell (2009) states that qualitative interviews allow the researcher to reassure the participants in the study about the confidentiality and purpose of the research study. This results in a higher response rate being achieved in the research study as the fears of the participants are addressed during these personal interactions with the research participants.

4.2.1.2 Qualitative research methods are effective when dealing with complex research problems.

Dlodlo (2011) states that qualitative research methods are highly effective when various issues need to be researched in the study. He states that semi-structured interviews are most effective when dealing with complex research problems. Such interviews allow research participants to be questioned and their responses are then clarified. To be able to address the research problem adequately, the researcher has
the ability to clarify the responses of the participants, and, if required, can then further pose probing research questions in order to effectively address the research problem. This makes the research experience highly effective and productive (Corbin & Strauss, 2008).

4.2.1.3 The qualitative research process allows the research study to be conducted at a time that is suitable for the research participants.

The structured interviews conducted in a qualitative research process allow the researcher to be flexible with the research participants, in that the focus-group discussions or interviews can be scheduled at a time that is convenient to the research participants (Pepeta, 2012). The time duration scheduled for the interviews or focus groups is also flexible, as it allows for the researcher to explore the research topic in detail with the research participants.

4.2.1.4 The qualitative research process allows the participants to contribute to the research study as a collective.

The qualitative process allows the research participants to share their common views and understandings as a collective group instead of as individuals. The participants therefore share thoughts and views in a collective setting that they would not have shared as individuals. The participants gain the confidence to share their views with the researcher when they are exposed to the views shared by the rest of the colleagues in the focus groups (Cresswell, 2009). The participants keep gaining confidence in sharing their own details, and begin to trust the research process in a greater measure when they listen to their colleagues who are sharing their experiences without fear of intimidation.
4.2.2 The limitations of qualitative research methods according to Cresswell (2009) and Charmaz (2007) are discussed below.

4.2.2.1 The researcher’s presence is unavoidable during the data gathering processes in qualitative research. The presence of the researcher can therefore affect the research participant’s responses. This may ultimately affect the credibility of the research study and cause a challenge for the researcher when presenting the research findings.

4.2.2.2 The qualitative research process is highly dependent on the skills and expertise of the researcher. The research process is therefore highly influenced by the researcher’s personal beliefs and biases.

4.2.2.3 Qualitative research is not easily understood nor accepted when compared to quantitative research by the scientific community. The volume of the data gathered during the qualitative research study also makes the data analysis and interpretation process time consuming for the researcher. Therefore the data gathering process in qualitative research process takes longer than the data gathering process in quantitative process.

4.2.2.4 The large volume of qualitative data gathered also creates a challenge for the researcher, whom has to consider how they will present meaningful analysis of the data in a graphical or visual manner.

4.3 Research Design

4.3.1 Sampling

The research participants were purposefully selected for participation in this research exercise as they occupied middle management positions in the organisation. There are a total of forty middle management leaders employed in XYZ Limited. Ten of these middle management leaders were purposefully selected to participate in this research study. Rossouw, Le Roux and Groenwald (2003) stated that middle management leaders were responsible for aligning the overall business strategy with their specific areas, and then for executing the strategy to ensure that the business goals were met. These middle management leaders are responsible for managing a team of front-line employees.
4.4 Data-Gathering

The data for the study was collected by means of the case-study method, in-depth structured interviews, a focus-group discussion and the gathering of solicited data from the organisation.

4.4.1 Case study

Cresswell (2009) describes a case study as a research strategy that investigates a situation within its actual real-life context. He further states that in a case study the process of data collection takes place over a period of time. Yin (2003) states that a case study involves the observation of the events involving a group of individuals in a specific situation and recording them. The researcher has gathered data from the case study that was presented in Chapter 3, as part of the data-gathering process in this research study.

4.4.2 In-depth interviews

The researcher has conducted ten in-depth individual interviews with the members of the research sample group. Each of these members was interviewed once in this study. Charmaz (2007), states that in-depth interviews are suitable for gathering information from research participants as it allows for a broader set of possibilities to be examined in comparison with to quantitative research methods. These possibilities or themes can then be examined in detail to gain a better understanding of the research problem (Pepeta, 2012). Jing and Wenglensky (2010), state that in-depth interviews enable the researcher to gain deep insight into the research topic of study, as the researcher engages first-hand with the research participants on matters relevant to the research study. These discussions were conducted with the selected middle management leaders. The researcher compiled an interview guide that contained questions that encouraged responses and the views from the participants on matters relating to the research study. Every interviewee was interviewed once in this study. The researcher attempted to find out from the middle management leaders what their experiences were during the strategy implementation process. The details of the in-depth interviews were recorded by the researcher on hard copy of the interview guide that was compiled for this exercise. The interview guide is attached as Appendix 2. The detailed interviews with the interviewees were also recorded with
their consent by using a media-recording device. These audio and written files are retained in a secure cupboard in the researcher’s office.

4.4.3 Focus-group discussion

According to Morgan (1997), focus-group discussions involve the researcher obtaining the views of a selected group of research participants about the research topic. Pepeta (2012), states that the researcher attains the required information from the participants during the focus-group discussions by asking questions and thereafter facilitating the group to provide responses accordingly. Morgan (1997) states that the focus-group discussions should be interactive as the research participants should be provided the opportunity to both respond to the questions asked and to make comments on the answers of other participants during the discussions. Pepeta (2012) also states that focus group discussions also have certain limitations that the researcher should be aware of and therefore mitigate in the research study. These limitations include the fact that focus groups are smaller by design, and therefore may not be representative of the entire population. Another limitation of focus group discussions according to Morgan (1997) is that research participants may be subjected to peer pressure and therefore provide responses that are in line with the responses of the rest of the group. This may impact on the credibility of the data that is gathered. Morgan (1997) also states that focus group discussions may challenging for the researcher to control, as the participants may engage in discussions that are irrelevant to the research topic.

The researcher has conducted a focus-group discussion with selected middle-management leaders from XYZ Limited. The individuals that participated in the focus group discussions were employed in the capacity of middle management leaders at XYZ Limited, and met the requirements to be classified as middle management leaders as defined by Rossouw, Le Roux and Groenwald (2003), who stated that middle-management leaders can be defined as leaders that were responsible for aligning the overall business strategy with their specific areas, and then for executing the strategy to ensure that the business goals were met. Eight of the ten invited individuals attended the session. The research participants who participated in the focus-group discussions were different from the research participants who participated in the in-depth interviews. The researcher compiled a focus group interview guide that contained questions that encouraged responses and the views from the participants on matters relating to the research study. The interview guide is
attached as Appendix 4. The details of the discussions were recorded by the researcher on a hard copy of the focus-group interview guide. The discussions were also recorded with the consent of the research participants by using a media-recording device. These audio and written files are retained in a secure cupboard in the researcher's office.

4.4.4 Solicited data

Solicited data that was gathered was used to inform the research study. The solicited data included information from business strategy documents, communication documents and the communications intranet. Calman (2006) states that gathering solicited data assists the researcher in pursuing and shaping the data-collection exercise to inform the emerging research analysis. The contents of the business strategy document was reviewed by the researcher to analyse issues related to the research topic such as establishing what the role of middle management leaders in strategy execution was, and what the communication plan for the strategy to be communicated in the organisation was. The various sections of the business strategy document were gathered as part of the data-gathering process. The business strategy document contained the communications strategy, which was also included in the data-gathering process by the researcher.

4.5 Data Analysis

4.5.1 Content analysis

According to Cresswell (2009), content analysis involves the analysis of verbal, written or visual messages. He further states that the purpose of content analysis is to provide fresh insight, a representation of the facts and a practical guide for the researcher to take the required actions. Jing and Wenglensky (2010), state that the process of content analysis allows the researcher to assess the relevance of theory in a practical situation, thereby enhancing the researcher’s understanding of the data.

The researcher has applied the critical steps of content analysis in the analysis of the data gathered from the case study, in-depth interviews, focus group discussion and solicited data, as described by Jing and Wenglensky (2010). The researcher has recorded the data and placed them in categories that are applicable to the research study based on the keywords that have been highlighted from the participant's responses. Ryan and Bernard (2000) state that coding is an essential part of content
analysis. Coding can be defined as translating the raw data that is gathered by the researcher into a standard format so that meaningful analysis can be made Ryan and Bernard (2000). The researcher has coded the data that has been gathered from the case study, in-depth interview, focus group discussion and solicited data. This was clustered into themes and patterns, which enabled the researcher to make meaningful research findings on the subject. The details of these research findings are discussed in chapter five.

4.5.2 Descriptive statistics

During the analysis various trends and themes in relation to the topic emerged to the researcher. Mann (1995), stated that descriptive statistics highlight the prominent features of the information gathered. Cresswell (2009) stated that descriptive statistics enables the researcher to describe the main features of the data collected in the qualitative research process. The researcher used descriptive statistics in the study to highlight summaries of the key observations made. Descriptive statistics were also used to analyse and interpret responses to the open-ended questions that were posed to the research participants in the in-depth interviews and the focus group discussions.

The responses from the interview guides that were used in the research process were exported to Microsoft Excel. This data was then analysed and grouped together to form common categories. Themes then emerged in the study, which formed the framework for the findings of the study. These themes are discussed in detail in Chapter 5.

4.6 Conclusion

In this chapter, the data-sampling method and population for this research study was identified. The researcher also highlighted the research methodology, the data-gathering process and the data-analysis process in this chapter. In Chapter 5 the researcher will discuss the analysis and present the findings of the data collected in this research study.
5 CHAPTER 5: DATA COLLECTION AND ANALYSIS

5.1 Introduction

In this chapter, the researcher describes the results of the data gathered by means of the case study, in-depth interviews, focus groups and solicited data during the research process. The researcher has applied a qualitative method of data gathering in this research process. The researcher initially discusses the demographics of the research population. The reason for highlighting the demographic breakdown of the research participants is to provide perspective about the participants in this research study. The demographic breakdown includes information on the race, gender, age category, tenure of employment and job grades of the research participants. The researcher then discusses the details of the dimensions assessed during the research study. These dimensions include the role of middle management leaders in organisational strategy, strategy implementation and the measurement of strategy implementation.

5.2 Research Population and Demographic Detail

5.2.1 Race representation of the research participants

A total of ten middle management leaders participated in this study. Figure 5.1 below highlights the race demographic breakdown of the research participants.

![Race Analysis: Research Participants](image)

*Figure 5.1: The Race Demographic of the middle management leaders*

Figure 5.1 above illustrates the race demographic breakdown of the middle management leaders in this research study. Forty per cent of the research participants...
were Black, 20% were Asian, 30% were White and 10% Coloured. The data reveals that there is a representation of middle management employees from all race groups who participated in the research study.

5.2.2 Gender representation of the research participants

Figure 5.2 below depicts the gender representation of the middle management leaders

*Figure 5.2: Gender Split of Research Participants*

Figure 5.2 above depicts the gender representation of the research participants. The figure depicts that 80% of the research participants were male, whilst 20% were female. The gender split of the research participants is reflective of the total middle management gender split of XYZ Limited.

5.2.3 Age analysis of the research participants.

Figure 5.3 below depicts the age categories of the research participants.
Figure 5.3: Age of Research Participants

Figure 5.3 above depicts the age category analysis of the research participants. Ten per cent of the research participants are between the ages of 18 and 25 years, 30% are between the ages of 26 and 40 years, 50% are between the ages of 41 and 50 years, and 10% are 50 years old or older. The majority of the middle management leaders at XYZ Limited are between the ages of 41 and 50 years. The age of the majority of the research participants are also in the same age range of 41 to 50 years old.

5.2.4 Employment tenure of the research participants.

Figure 5.4 below depicts the employment tenure of the middle management leaders at XYZ Limited who participated in the research study.

Figure 5.4: Length of Tenure of Research Participants
Figure 5.4 above depicts that 10% of the research participants have less than 5 years of service with XYZ Limited, 20% have between 5 and 9 years of service and 70% have 10 years or more. This is beneficial to the research project as the majority of the research participants have extensive experience at XYZ Limited in middle management roles.

5.2.5 Job grade level of the research participants

Figure 5.5 below depicts the job grade of the research participants in the research study.

![Figure 5.5: Job Grade of Research Participants](image)

Figure 5.5 above reflects that 70% of the research participants are employed at the Band D job grade at the organisation. The Band D job grade comprises of entry-level middle management leaders in the organisation. Figure 5.5 also reflects that 30% of the research participants are employed at the Band E job grade at the organisation. The Band E job grade comprises of professional middle management leaders in the organisation. Therefore, middle management leaders from both Bands D and E job grades have participated in the research study.

5.3 Case Study Analysis

The case study in Chapter 3 highlights that the business strategy of XYZ Limited was communicated to the senior management members of the organisation in a strategy conference. These senior management leaders then launched the same strategy to the middle management leaders in team meetings throughout the organisation. These team meetings are conducted by means of a one-way
communication. The senior manager informs the middle management leaders about the new business strategy. There is no platform for the middle management leaders to ask questions or to engage the senior management members on the details of this strategy. There are also no details in the case study about how the change management process for the launch and integration of the business strategy was implemented.

According to Kotter (2011), the process of change management is required if organisations desire to move their workforce from the current state of practice to a desired state of practice. He also states that communication is a crucial part of the change management process as it creates awareness of the new business practices, and therefore assists in the acceptance of these business practices by all stakeholders. Therefore, to enable XYZ Limited to implement a new business strategy or any other major changes successfully, adequate change management and communication processes need to be implemented to assist in getting the buy-in from all stakeholders. These communication processes should allow for two-way communication between the parties so that the details of the strategy can be discussed by all parties. This will ensure that the middle management leaders understand the strategy better, and this will assist them in the strategy implementation process.

5.4 Dimensions Assessed During the In-Depth Interviews

5.4.1 Organisational strategy

The organisational strategy refers to the strategy that XYZ Limited has implemented to improve its business performance. The first theme that emerged from the research interviews in this dimension was the research participants’ understanding of what organisational strategy was. Seventy per cent of the research participants stated that organisational strategy referred to the company’s long-term plans for achieving its business objectives, 10% stated that organisational strategy referred to the goals that were set by the company, whilst 20% stated that organisational strategy referred to the company’s objectives that needed to be achieved.

The second theme that emerged from the research interviews on this dimension, was the research participants’ understanding of why it was important for XYZ Limited to have an organisational strategy. Sixty per cent of the research participants stated that it was vital for the organisation to have a strategy, as a strategic plan would ensure
that the business had a plan to remain profitable; 30% stated that it was important for
the organisation to have a strategy as it would provide the employees with direction
and purpose whilst the remaining 10% stated that it was important for the organisation
to have a strategy as the strategy would ensure alignment between the employees’
actions and the organisation’s goals.

The third theme that emerged from the research interviews on this dimension was
the research participants’ understanding of what the key business goal of the XYZ
Limited business strategy was. Twenty per cent of the research participants stated
that the key business goal that was linked to the business strategy was the
achievement of the XYZ Limited’s tipping-point goals. Thirty per cent stated that the
key business goal was the expansion of credit and store formats, 10% stated that the
key business goals were the achievement of the sales and profit targets, whilst the
remaining 10% stated that the key business goal in relation to the strategy was the
achievement of the high-performance (HPO) goals. This analysis reflects that only
30% of the research participants have a correct understanding of what the key
components of the XYZ Limited business strategy are, namely, the achievement of the
tipping-point goals. The rest of the research participants do not have a correct
understanding of the key components of the business strategy of XYZ Limited.

The fourth theme that emerged from the research interviews on this dimension was
the role that the research participants played in the design of the organisational
strategy. All the research participants stated that they were not involved at any stage
in the design of the business strategy of XYZ Limited. These research participants
also unanimously stated that they were only involved in the strategy implementation
process in the organisation, but they were not involved in the strategy design process.

5.4.2 Strategy implementation

Strategy implementation refers to the activities or key actions performed in line with
the overall strategic plan (Whittington, 2001). The first theme that emerged on this
dimension was the main challenge that the research participants faced when they
implemented the strategy in the organisation. Twenty per cent of the research
participants stated that their main challenge was the inadequate communication
available to them which caused a lack of understanding of the strategy; 30% stated
that there was a lack of communication and buy-in from all stakeholders which
increased resistance from the unions; 20% stated that their biggest challenge was that
the performance goals and rewards systems were not aligned with the goals of the
business strategy whilst the remaining 30% stated that their biggest challenge in the
strategy implementation process was that not all the teams in the organisation were
working towards the same strategic goal. There was no common strategic goal or
common purpose to which all departments were aligned.

The second theme that emerged in this dimension of strategy implementation was the
factor that most enabled the participants to implement the strategic plan in the
organisation. Eighty per cent of the research participants stated that the most enabling
factor that assisted them in the strategy implementation process at XYZ Limited was
their relationships with their colleagues. The remaining 20% of the research
participants stated that their most enabling factor in the strategy implementation
process was the support they received from senior management.

The third theme that emerged in this dimension was what the organisation could have
done better to assist the middle management leaders in the process of strategy
implementation. Sixty per cent of the research participants were of the view that the
company could have communicated better with the various stakeholders in the
strategy implementation process. This would have assisted the middle management
leaders in the process of strategy implementation. Thirty per cent of the research
participants in the in-depth interviews stated that the organisation could have better
assisted them in the strategy implementation process if the performance goals and
rewards programme were linked to the business strategy. This would have aligned the
actions of the employees to the strategic goals of the organisation. The case study in
Chapter 3 highlights the fact that there is no alignment between the organisation’s
business strategy and the performance management system. Therefore, the
organisation’s reward systems are not linked to the business strategy, as the
employees are being rewarded based on their achievements that are related to their
performance management goals. This has resulted in the employees aligning their
actions to their performance management goals, and not the business strategy in the
organisation. The organisation is also incurring costs by paying employees
performance rewards for the achievement of goals that are not aligned with the
business strategy. The remaining 10% of the research participants stated that the
organisation should have allocated more resources to the middle management leaders which would have enabled them to achieve their targets.

5.4.3 The measurement of strategy implementation

The measurement of strategy implementation refers to the assessment of the progress made towards the achievement of the organisation’s strategic goals. The first theme that emerged on this dimension was how progress towards the strategic goals at XYZ Limited was measured. All the research participants stated that the progress of the strategy implementation was measured through performance metrics and dashboards at XYZ Limited.

Norton and Kaplan (2001) state that to enable strategic goals to be realised, simple, but effective performance metrics need to be designed for measuring the progress of the organisation towards the achievement of these strategic goals. However, at XYZ Limited, the challenge is that the metrics and performance dashboards that are being published (linked to the business strategy) are not aligned with the performance goals that have been contracted with the employees in the organisation.

5.5 Focus-Group Analysis

The focus-group discussion conducted by the researcher at XYZ Limited revealed critical findings on the experiences of middle management leaders in terms of the strategy management process in the organisation. The participants of the focus group provided the researcher with rich feedback relating to the role that middle management leaders are playing in strategy management at XYZ Limited.

The first theme that emerged during the focus-group discussion was that the middle-management leaders understood what the purpose of a business strategy was, and why it was important for XYZ Limited to have a sound business strategy. However, there was confusion amongst the research participants in the focus group about what the key strategic plans for XYZ Limited were. This was aligned with the feedback from the research participants who participated in the in-depth interview process. The focus-group participants had very different opinions on what the key strategic plans for XYZ Limited were.

The second theme that emerged during the discussions of the focus group was that the key challenges that were experienced by middle management leaders in the strategy implementation process were the lack of communication to all stakeholders
in the business, and the lack of skills of the middle management leaders to manage change and the strategy implementation. All the research participants in the focus-group discussion stated that it was very challenging to get the buy-in of their shop-floor staff when they implemented the strategy, since these staff members assumed that the strategy change had been initiated by the middle management leaders, and that it was not part of a broader organisational strategic plan. All the research participants also stated that the business strategy had not been clearly communicated to them, and therefore, they found it difficult to convince their direct reporting staff to buy into the strategic changes that they wanted to implement. The research participants also stated that the middle management leaders of the organisation had not attended any form of training to improve their change management or convincing skills. This, in their view, directly impacted on their ability to get the buy-in of their staff members on matters relating to the strategic changes.

The middle management leaders who participated in the focus-group discussion were of the view that the senior leaders of the organisation needed to communicate better with the middle management leaders. They also stated that the senior leaders should ensure that middle management leaders buy in and understand the details of the strategy before they were expected to communicate this to the shop-floor staff in the organisation. The research participants were of the view that the middle management leaders’ understanding of the strategy would have been better if they were engaged in strategic changes and received more communication on these changes before they were asked to implement the strategy in the organisation. The engagement with middle management employees could have been achieved by involving them in the strategic design process or launching the strategy to them and inviting comments and inputs from them, before finalising the strategy. The middle management leaders would have been able to link their daily individual and team activities to the broader organisational strategy, if they had a better understanding of the organisational strategy. They would then have been able to prioritise the key actions that they were required to perform, thereby ensuring that the core strategy deliverables were achieved.

The research participants were also of the view that the middle management leaders would have been better equipped to convince their employees to accept the changes in the business strategy if they were allowed to reward their employees formally for
demonstrating the appropriate behaviour in line with the new business strategy. This was the view of all the participants in the focus-group discussions. The participants expressed deep concern about their inability to recognise and reward their employees formally for delivering on the strategic objectives. Sixty per cent of the participants stated that they had to resort to recognising and rewarding employees in an informal or covert manner to drive the behaviour they required, whilst the remaining 40% of the research participants did not offer any form of recognition or reward to their employees. The middle management leaders were not able to recognise or reward their employees formally as the rewards and recognition programme of the organisation was aligned with the out-dated business strategy, and did not reward behaviour that was aligned with the new business strategy. The middle management leaders also experienced this challenge with the performance goals, in that the performance goals of the employees reflected the out-dated performance standards that were aligned with the previous business strategy. The performance goals were therefore not aligned with the new business strategy.

The final theme that emerged during the focus group discussion was that the middle management leaders were not operating at the level of work where they could primarily implement the business strategy. The research participants stated that the middle managers in the organisation were distracted as they were required to perform various time consuming transactional and administrative activities such as completion of checklists and administration documents. The middle management leaders of the organisation were forced to focus on a shorter timeframe of discretion and judgement that is optimal for the organisation to be sustainable. This results in the organisation being placed in an organisational crisis mode for extended periods of time. These time consuming activities that the middle management leaders were focused on were often not related to the core business strategic goals, and it prevented them from focusing on activities relating to the execution of the business strategy.

5.6 Solicited Data Analysis

The XYZ Limited business strategy document solicited by the researcher clearly states what the organisations strategic plans are for the next three years. It states what the organisation’s vision is, and what steps it plans on taking to achieve the strategy goals.
The business strategy is very comprehensive in that it contains details of all key strategy enablers, key risks and key dependencies that will inform the strategic direction of XYZ Limited.

However, the document does not reflect any details of the change plan or communication plan for the strategy to ensure that all members of the organisation are engaged in the business strategy and buy into it. The document does not describe how the senior executives plan on entrenching the desired new behaviour into the day-to-day practices of the organisation, thereby ensuring that the culture of the organisation is aligned with the strategy. It does not cover any details on how the buy-in of the various stakeholders will be obtained in the strategy management process.

There is no assessment of who the stakeholders are in the strategy management process at XYZ Limited, and what steps will be taken by the organisation to get them to buy into the new business strategy goals. The business strategy is well-documented but there are many opportunities as to how this strategy could be better communicated, which will help in the acceptance of the strategic changes by the employees.

According to Drucker (2002), it is far more important for organisations to have a positive culture in the workplace, than it is to have a sound business strategy. He further states that positive cultures are created when employees are effectively communicated and engaged with in times of change through effective change management processes. Drucker (2002) further states that the values of the organisation underpin the culture of the organisation, and therefore the values of the organisation must encourage employee engagement and active communication at all levels. He states that “culture eats strategy for breakfast” therefore it is vital for organisations to build a positive workplace culture as a foundation for building their strategic plans on.

Therefore, XYZ Limited will not be successful in achieving its strategic objectives if the organisation only focuses on designing and implementing its business strategy, without focusing on creating a positive culture through employee communication and engagement by means of sound change management practices.

The business strategy document also does not describe how the senior executives of the organisation plan on equipping or developing the middle management leaders on
managing the strategy implementation process. The strategy document does state that the middle management leaders are expected to be key agents of change management, but it does not describe how the change management skills of the middle management leaders will be developed in assisting them to lead this change in the strategy management process.

This is confirmed in the XYZ Limited’s learning plan that the researcher has solicited from the organisation. The learning plan does not reflect any programme to develop the change management skills of the middle management leaders in the organisation. However, these leaders are expected to be equipped in engaging with their employees, on how to gain the buy-in of their employees and how to overcome the resistance of their employees during the strategy implementation process. This lack of development on the leading of change and employee engagement may cause the middle management leaders to fail in the process of strategy implementation, which in turn could jeopardise the entire strategic management process of XYZ Limited.

The business strategy document highlights clear metrics and tools that will be implemented to track the progress of the strategy execution. These metrics include various business performance wheels and dashboards. However, the document does not state that the performance goals and reward systems of the organisation will be aligned with the business strategy. This lack of alignment between the business goals and the business strategy will hinder the middle management leader’s ability to implement the strategy in the organisation.

5.7 Themes Established During Research Process

The researcher has established that common themes emerged during the case study, in-depth interviews and focus-group discussions. The first common theme that was established was that the middle management leaders were not involved in the strategy design process. The second theme that was established was that the senior leaders of XYZ Limited did not engage in any form of change management or employee engagement sessions to ensure that the middle management leaders had a proper understanding of the business strategy. The third common theme was that there was minimal effective communication with the relevant stakeholders such as the labour unions, employees and middle management leaders when the strategy was launched. This caused resistance from these parties. The fourth common theme that was
established during the research study was middle management leaders were responsible for the execution of the business strategy, but they did not fully understand the business strategy due to the lack of effective communication with them. The fifth theme that was established was that the performance goals and reward systems of the organisation were not aligned with the new business strategy, which made the implementation of the strategy challenging to for the middle management leaders.

The first unique theme that emerged during the focus-group discussion was that the middle management leaders did not have the necessary skills and training to manage change and get the buy-in from the employees. This was confirmed in the data that was gathered from the solicited learning plan of XYZ Limited, as it did not reflect any plans from the organisation to improve the middle management leader's skills on change management. The second unique theme that emerged during the focus group discussion was that the middle management leaders were pre-occupied with engaging in activities that were transactional and administrative, and this prevented them from focusing on activities that were related to the implementation of the business strategy. The middle management leaders were not involved in the strategy design process and were therefore not focused on strategy implementation as they did not clearly understand the strategy. This resulted in them focusing on the transactional and administrative activities instead of strategy implementation.

5.8 Conclusion

In this chapter, the findings from the data gathered through the case study, in-depth interviews and solicited documents were discussed. The demographic analysis was presented in the form of diagrams, whilst the findings on strategy management, implementation and strategy measurement were presented in descriptive statistics and discussions. The researcher focused on interpreting and discussing the above results, and will provide the key findings in Chapter 6.
6 CHAPTER 6: INTERPRETATION AND DISCUSSION OF RESULTS

6.1 Introduction

In this chapter the researcher will interpret the results of the research findings in detail. The researcher will also attempt to translate these findings into sound research conclusions. The chapter commences with a brief overview of the demographic analysis, followed by a discussion of the results from the data gathered in Chapter 5.

6.2 Demographic Profile of Research Participants

6.2.1 Case study

The case study contained in Chapter 3 of this dissertation reflected the middle management leaders from all race groups, and included middle management leaders from African, Asian, Coloured and White race groups who are employed at XYZ Limited.

6.2.2 In-depth interviews

The research participants who participated in the in-depth interviews were representative of all race groups from South Africa. This included middle management leaders from African, Coloured, Asian and White ethnic groups. The researcher has not established any trends from the in-depth interviews that can be linked to any specific race or age group of the research participants.

6.2.3 Focus-group discussions

The research participants in the focus-group discussions were representative of all race groups from South Africa. Eighty per cent of the research participants were female whilst 20% were male. The researcher has not established any trends from the focus group discussions that can be linked to any specific gender of the research participants.

6.3 Key Findings: In-Depth Interviews

All of the research participants who participated in both the in-depth interviews and the focus-group discussions had a clear understanding of what organisational strategy is, and why it was important of XYZ Limited to have a sound organisational strategy. The research participants understood that it was important for XYZ Limited to have an organisational strategy as the strategy would provide direction to the employees in the
organisation, and the strategy would enable the organisation to achieve its growth and profitability targets.

However, only 30% of the research participants had a clear understanding of what the organisational strategy of XYZ Limited was. The rest of the research participants, who were middle management leaders, were aware of key business goals on which their various departments were focusing, but they were not aware of what the key components of the organisational strategy were. According to the research participants, this lack of common understanding of the organisational strategy caused tension and conflict among the middle management leaders in the different departments, as their actions were not aligned with a common goal. One of the main reasons that caused this tension amongst the middle management leaders was their lack of involvement in the strategy design process. The middle management leaders unanimously stated that they were not involved in the design of the organisational strategy in the strategy management process. This lack of involvement in the crafting of the organisational strategy had a direct impact on their ability to align their actions and work together to achieve the business strategy goals.

All of the middle management leaders stated that they were primarily involved in the implementation of the business strategy in the organisation. They therefore had the responsibility of translating the broad strategic objectives into tangible operational actions in the strategy implementation process.

6.4 Key Findings: Focus - Group Discussion

The research participants in the focus-group discussions highlighted the key challenges experienced by the middle management leaders during the strategy implementation process. Eighty per cent of the middle management leaders stated that the major challenges they experienced during the strategy implementation process were the lack of buy-in from all stakeholders, and the lack of skills to manage the strategy implementation in the organisation.

The first challenge experienced by the middle management leaders during the strategy implementation process was that they did not have an adequate understanding of the business strategy to enable them to implement the business strategy effectively in the organisation. This was specifically highlighted during the focus-group discussions. The case study from Chapter 3 reveals how the new business strategy was launched to
the middle management leaders in a conference forum which was attended by various
delegates. The common responses from the participants were that “this launch
meeting did not allow for us to ask any questions or to discuss the details of the
business strategy”. The communication at this strategy launch meeting was therefore
one-way, in that the senior management leaders launched the strategy to the middle
management leaders without allowing middle management leaders to engage in any
dialogue on matters relating to the strategy. This hindered the middle management
leaders’ ability to understand the details of the business strategy. The participants
commonly stated that “we cannot be expected to implement a strategy that we don’t
understand.” This lack of understanding of the strategy therefore made the process of
strategy implementation very challenging for the middle management leaders as they
were expected to convince their shop-floor employees to accept the changes in work
practices, even though they did not have a proper understanding of the requirements
of the new business strategy.

The middle management leaders also stated that they did not receive any formal
training on how to manage change, or how to get their employees to buy into new
business processes. They were also not trained in managing conflict and in
overcoming the resistance of their employees in the workplace. The research
participants commonly stated that “we have been asking our leaders for formal
training, however nothing has been forthcoming.” This lack of training made the
process of strategy implementation very challenging to the middle management
leaders during the strategy implementation process as they were not equipped in
managing the employees’ resistance to change.

The second challenge experienced by the middle management leaders in the strategy
implementation process was that the senior managers of the organisation did not
implement an effective change and communication management plan when they
launched business strategy in the organisation. This caused the employees and labour
unions to resist the changes that were being implemented in line with the requirements
of the new strategy. The employees did not understand why the changes were being
made, and what the impact was going to be on their work environment. They therefore
did not buy into these changes. This made the strategy implementation process very
difficult for the middle management leaders as the employees on the shop floor did
not see these changes as a broad organisational process, but viewed it as a
requirement from their line manager for their specific department. This caused the shop-floor employees to increase their resistance to this change. This lack of communication and change management also caused tension and confusion across the various departments where middle management leaders operated. The middle management leaders across departments were inconsistently informed about the requirements of the new business strategy. Therefore, they did not have a common understanding of what was expected of them in terms of the requirements of the new business strategy. This made the strategy implementation process very challenging to for the middle management leaders.

The third challenge experienced by these leaders during the strategy implementation process was the lack of alignment between the performance goals and reward system of the organisation with the requirements of the new business strategy. The employees were performing their work actions in line with their performance goals, as these employees were to achieve higher rates of incentives if they achieved their performance goals. The requirements of the new business strategy, however, required the employees to perform actions that were different to their current actions. However, these employees refused to perform the newly-required actions and instead continued to perform their work actions as stated in their performance agreements. This caused great resistance from the employees to accept the new business strategy, and made the process of strategy implementation very challenging to the middle management leaders.

The performance dashboards and performance metrics published by the organisation reflected the progress of the organisation towards the achievement of its strategic goals. This allowed all key stakeholders of the organisation to have regular progress updates on how the organisation was performing in terms of its strategic goals. However, these performance metrics were not aligned with the employee’s performance agreements, and therefore were irrelevant to the employees on the shop floor. These employees ignored the performance metrics that related to the new business strategy and focused on measuring their performance in terms of their performance goals. This caused conflict between the middle management leaders and the shop-floor employees. The employees on the shop floor resisted the changes required by the business strategy. This made the strategy implementation process very challenging to for the middle management leaders.
It was only several months into the latter stages of the strategy implementation process that the performance goals and rewards strategy were aligned with the requirements of the new business strategy. The performance dashboards and metrics that were published by the organisation therefore became relevant to the employees on the shop floor as it provided them with details of their performance in terms of their new performance goals. At this stage the employees started to accept the changes in work processes as were required in terms of the new business strategy. Their resistance to the changes were therefore reduced once the performance goals and rewards systems were aligned with the new business strategy.

The final challenge stated by the research participants was that the middle management leaders were not primarily focusing on the implementation of business strategy, as they were focusing too much of their time on transactional and administrative activities. These activities were time-consuming and distracted them from focusing on the implementation of the business strategy. According to the Stratified Systems Theory (Jacques 1996), these middle management leaders should be operating at either the Service or Best Practice level, where they should be implementing plans for the next six to twenty-four months in their respective departments. However, these middle management leaders are engaging in activities that are forcing them to operate at an operational level where they are only focusing on day to day activities. There are therefore hindered from engaging in any form of forward planning or strategy implementation. This is a risk to the organisation as these middle management leaders may become frustrated as they are not operating at the level of management that they were recruited to operate in. This could ultimately result in lower motivation levels and the resignation of middle management leaders from the organisation.

6.5 Key Findings: Solicited Data

The lack of communication and change management in the strategy management process discussed in 6.3 above was further highlighted in the business strategy document solicited by the researcher. The strategy document contained explicit details on the key business goals and plans, and on how these goals were to be achieved. However, it did not reflect any plans on how the employees in the organisation would be engaged during the strategy implementation process, or how the buy-in of the employees would be gained to accept the changes in the strategy implementation
This lack of a change or communication plan to engage the workforce during the strategy management process placed the middle management leaders in a precarious position when implementing the business strategy, as there was increased resistance to the changes from the employees in the organisation. The vast majority of the middle management leaders who participated in both the in-depth interviews and focus-group discussions stated that the one aspect that the senior leaders could have managed better when they launched the business strategy, was that they could have communicated better with all stakeholders in the organisation so that there could have been a common understanding of what the requirements of the new business strategy.

The learning plan of XYZ Limited that was solicited by the researcher confirms that the middle management leaders have not been on any formal training, nor were there plans for them to attend any formal training on how to manage the process of strategy implementation at XYZ Limited. This therefore confirms the views of the middle management leaders who stated in the focus-group discussions that they did not have the necessary skills to manage the strategy implementation, nor was there a plan to capacitate them on how to obtain this skill.

6.6 Conclusion

The findings of this research study have been discussed in this chapter. The researcher has presented the demographic analysis at the outset of the chapter, and thereafter presented the findings that was based on the data gathered from the case study, in-depth interviews, focus group discussion and solicited data. In the next chapter, the researcher will present conclusions and recommendations, in addition to limitations of this research study.
7 CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

7.1 Introduction

In this chapter the researcher presents the main research conclusions and aims of the dissertation, and highlights its contribution to the existing body of knowledge on this subject. The researcher also presents the research findings in relation to the research questions and the limitations of this study, in addition to making recommendations for further research.

7.2 Key Findings In Relation to Research Questions

The research questions of the study as discussed in Chapter 1, paragraph 1.5 are as follows:

Primary research question:

a) What is the role that middle management leaders play in business strategy implementation?

The following sub question support the overall research question:

1) How can middle management leaders contribute to the successful implementation of business strategy?
2) How can middle management leaders be supported in the process of business strategy implementation?
3) How the middle management leaders can be coached to ensure successful strategic implementation?

The researcher has established common themes from these data-gathering methods that enabled the researcher to answer the above questions. The common themes that emerged from the in-depth interviews, focus-group discussions and case-study analysis in response to these research questions are discussed below.

The first research sub question was how middle management leaders could contribute to the successful implementation of business strategy? The research study has revealed that the middle management leaders can enable the successful implementation of business strategy if they are involved in the process of strategy design, as it will enable them to gain a better understanding of the business strategy. Viljoen (2015) states that middle management leaders are more effective in the
process of strategy implementation if they are involved in the formulation of the business strategy. The case study and focus group discussion also revealed that the middle management leaders would have been better equipped to manage the strategy implementation process if they were involved in the strategy formulation process. Therefore, it is recommended that middle management leaders are involved in the process of strategy formulation, as it will optimise them to successfully implement the business strategy.

The second research sub question was how middle management leaders could be supported in the process of business strategy implementation? The research study has revealed that the middle management leaders can be supported in the process of business strategy implementation by being provided with a sound organisational change and communication plan to assist them in the process of strategy implementation. The change and communication plan should focus on explaining the broad objectives of the business strategy, and then gaining the buy-in from all critical stakeholders such as the labour unions. This will assist the middle management leaders in the process of strategy implementation as the employees will have an understanding of why the middle management leaders are introducing the changes. This will ultimately result in the employees being more accepting to the changes that are being introduced by the middle management leaders.

The study also revealed that the middle management leaders are supported in the process of strategy implementation when the organisation follows a holistic approach in the process of strategy implementation. This holistic approach should involve the organisation’s changing its performance goals to be aligned with the requirements of the new business strategy. This will enable the employees to align their actions with the new business strategy, as their performance goals will reflect these updated requirements. The performance metrics and dashboards should also support the process of the new strategy implementation as they should reflect the performance of the organisation in terms of the new updated strategy, which is also aligned with the performance goals of the employees.

This holistic approach referred to above should also involve the organisation’s alignment with the reward strategy to the requirements of the new business strategy. This will enable the middle management leaders to reward the employees who display exceptional behaviour or performance levels adequately and in line with the new
business strategy. This will enable the middle management leaders to optimise the process of strategy implementation in the organisation.

The study also revealed that middle management leaders could be supported in the process of strategy implementation if they are released from performing transactional and administrative activities, which will allow them to focus on performing activities that are related to the implementation of the business strategy. The organisation should invest in technology and systems that reduce the amount of transactional and administrative activities performed by the middle management leaders, which will allow them to focus on the strategy implementation in their departments. It is also recommended that the organisation uses the Human Resources team to clarify and highlight to the various teams and leaders the appropriate levels of work that they should be operating on in line with Stratified Systems Theory (Jacques, 1996).

The third research question was how middle management leaders could be coached to ensure successful strategy implementation. The research study has revealed that middle management leaders should be coached and developed through formal training on how to manage implementation of business strategy. This includes training on how to lead change and how to get the buy-in of employees when launching a business strategy. This training will enable the middle management leaders to implement the business strategy successfully, and should be part of the formal learning plan of the organisation.

The overall research aim of this study was to understand how middle management leaders can be optimised in the implementation of business strategy. The study has revealed that middle management leaders can be optimised in the process of strategy implementation if they are involved in the process of strategy design, as this will enable them to understand the strategy better, and therefore be more effective in the process of strategy implementation. The study also revealed that middle management leaders can be optimised in the process of strategy implementation if they are supported and provided with the necessary resources in the strategy implementation process. The study also revealed that middle management leaders can be optimised in the process of strategy implementation if they are coached and trained on how to manage change and gain the buy-in of their employees during the strategy implementation process.
The research aims of the research study were therefore achieved as the research questions have been answered. The researcher has answered the research questions in the presentation of the research themes from the data-gathering process, as stated above.

7.3 Ensuring Quality Data

The data gathered from the in-depth interviews and focus group discussions were compared with the data gathered from the solicited documents and case study to ensure common themes and key differences were highlighted in the research study. Therefore, the process of triangulation was achieved in the study as the researcher validated the research data through cross verification from multiple sources. All documentation and recorded transcripts of the in-depth interviews and the focus group discussion is available for review by the necessary stakeholders whenever required.

7.3.1 Authenticity

The researcher has presented the views and values of the research participants, without discriminating against any of the participants. The researcher has requested that the research participants voluntarily participate in the research study, and therefore the participants did not feel coerced into providing responses that were not their accurate views.

7.3.2 Transferability

Yin (2003) defines transferability as the extent to which the findings of one research study can be applied to a wider research study or population. The findings of this research study can possibly be applied to organisations in any sector in the corporate environment. The findings should be relevant to any organisation that has a business strategy, and that employ middle management leaders.

7.3.3 Triangulation

Yin (2003) states that triangulation is a research technique that enables the validation of data through cross verification from two or more sources. The researcher has used the case study, in-depth interviews, focus group discussion and solicited data as data gathering methods. These various data gathering methods were used to triangulate the data and therefore increase the quality of the data.
7.4 Summary of Key Research Conclusions and Recommendations

As discussed in Chapter 1 paragraph 1.5, the aim of the research study was to establish how middle management leaders could be optimised in the implementation of business strategy. The aims of the study also included establishing how middle management leaders could enable the successful implementation of business strategy, and how these leaders could have been supported in the process of strategy implementation. The summary of the findings linked to these research aims, and recommendations for XYZ Limited are reflected below.

The researcher has established that middle management leaders can be optimised in the process of strategy implementation if they are involved in the process of strategy design, as this will enable them to gain a better understanding of the business strategy, and therefore be better equipped to execute the business strategy. Therefore, it is recommended that the senior management team of XYZ Limited involve their middle management leaders in the process of strategy formulation.

Middle management leaders are more effective in the strategy implementation process when they are provided with the right tools and processes by senior management leaders. Therefore, it is recommended that middle management leaders be supported in the process of strategy implementation by being provided with formal training on how to manage implementation of business strategy. This includes training on how to lead change and how to gain the buy-in of employees when launching a business strategy.

It is also recommended that the middle management leaders be supported in the process of strategy implementation by a sound organisational change and communication. This will assist the middle management leaders in the process of strategy implementation as the employees will have an understanding of why these leaders are introducing the changes and therefore reduce their resistance to the changes.

It was established that the strategy implementation process could not be effective if it was managed outside a holistic change management programme. Therefore, it is recommended that a holistic change management approach be adopted by the organisation in the process of strategy implementation. This will support the middle
management leaders in the process of strategy implementation. This holistic approach should involve the changing of performance goals by the organisation to be aligned with the requirements of the new business strategy. This will enable the employees to align their actions with the new business strategy, as their performance goals will reflect these updated requirements.

It is also recommended that middle management leaders be supported in the process of strategy implementation by the organisation ensuring that there is alignment between the rewards strategy and the new business strategy. This will enable the middle management leaders to adequately reward the employees that display exceptional behaviour or performance levels in line with the new business strategy.

7.5 Limitations of the Research Study

The limitations of this research study are discussed below.

The research sample that informed this study is employed in the Operations Division of the retail organisation. A representation of participants from across other functional departments of the organisation would have provided more insights into the role of middle management and strategy implementation in their functional departments.

The dissertation did not focus on issues other than the role of middle management that may impact on the implementation of organisational strategy. There could be various other factors that determine the success of strategy implementation. However, these factors did not form part of the scope of this study.

The dissertation was conducted during a period when the organisation was experiencing consistent sub-standard financial performance, in that it was not achieving its profit and sales objectives. This could have influenced the responses of the participants in the study, and therefore the research results.

7.6 Ethical Considerations

This research study did not cause any harm to participants, including harm to their career prospects and/or future employment. The researcher has taken all precautions to ensure that respondents in the organisation were in no way negatively impacted on owing to their participation in this study.

The researcher has ensured that the research participants were provided with the required information so that they were able to make an informed decision on their
participation in the research process. The participants were provided with all the information relating to the research process and outcomes. This included the context of the study, the objective of the study, the nature of their participation in the study and the fact that they were not compelled to participate in the study.

The research data is kept in a secure file at the researcher’s office. The data is protected from unauthorised access or usage, as it contains personal information relating to the participants. The researcher has taken the necessary precautions to respect the rights of the participants in terms of their personal data.

The researcher has not allowed his position in the organisation to affect the credibility of the research. The researcher was open and honest about his role in the organisation with the research participants to avoid any conflict of interests. The researcher has conducted the research objectively. The data has not been manipulated or misrepresented in any way. The outcome of the research is stated truthfully. The research proposal and mini-dissertation submitted by the researcher comply with the Plagiarism Policy of the University of Johannesburg.

7.7 Unique Contribution of the Research Study

The findings and literature review of this research study may assist organisations in appropriately managing their middle management leaders, and ensuring that this level of employees are optimised to their full potential in the process of strategy implementation. It may also assist organisations in identifying barriers that prevent middle management leaders from successfully implementing the business strategy, and therefore may equip these organisations to put processes in place to have these barriers addressed.

7.8 Recommendations for Future Research

The findings of the research study and the gaps identified in the current literature as discussed in chapter 2, revealed some related areas that can possibly be researched in future. These possible future research areas are discussed below.

The researcher focused primarily on establishing the role that middle management leaders play in strategy implementation. However, further research could be conducted to establish the role that middle management leaders could play in strategy formulation.
The researcher did not focus on establishing what competencies are required by middle management leaders in the process of strategy implementation. This is an area that could be researched in future.

The research into this subject was conducted during a time of high pressure and sub-standard performance at XYZ Limited. There could be an opportunity for this topic to be researched in an organisation that is not as highly pressurised, or where the performance levels are in line with the with the business targets that have been set.

The research focused on the role that middle management leaders in XYZ Limited played in strategy formulation. However, future research may include researching the role that middle management leaders in the retail sector in South Africa play in strategy formulation.

7.9 Conclusion

The study revealed that middle management leaders play a critical role in the process of strategy implementation in organisations. Therefore, it is vital that the senior leaders of these organisations are aware of how to optimise these management leaders in the strategy implementation process. The success of the strategy implementation process will depend on how these middle management leaders are optimised and supported. The more support that these middle management leaders receive, the better they will be equipped to manage the strategy implementation process in the organisation.
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9 APPENDIX

Appendix 1:

Letter to the selected participants for in-depth interviews

10th March 2015

Dear sir/madam,

Please be advised that I am required to conduct a research study as part of the requirements of my Master’s in Personal and Professional Leadership studies at the University of Johannesburg. I am therefore conducting research on the role of middle management leaders in strategy implementation. The research is based at our company, XYZ Limited.

The research exercise therefore involves me conducting in-depth interviews with middle management leaders who are responsible for implementing strategy at XYZ Limited. I would really appreciate your allowing me the opportunity to engage with you on this topic. These discussions will take approximately one hour of your time. Your views and contributions to the study will remain anonymous, and I assure you that your name will not be associated with any of the comments or statements made.

I will personally conduct this research study under the supervision of Dr Rica Viljoen, who is a study supervisor for the University of Johannesburg. I will contact you shortly to schedule a meeting relating to this study.

Regards,

Rishi Ramgulam

E-mail: rishi.ramgulam@gmail.com

Phone: 083 503 7789
Interview schedule for middle management leaders

1. Please explain your understanding of what strategy is?

2. Why is it important for XYZ Limited to have a company strategy?

3. What are the key principles of the strategy of XYZ Limited?

4. Where you involved at any stage in the strategy design process?

5. Please explain your role in achieving the strategic objectives of XYZ Limited.

6. What was the main challenge you faced when implementing the strategy of XYZ Limited?

7. How did you overcome this challenge?

8. What was the greatest enabling factor that assisted you in the implementation of the business strategy? Please discuss.

9. What do you suggest that XYZ Limited can do differently to assist their middle-management leaders in successful strategy implementation?

10. Please highlight what you view as the critical skills and competencies that are required for middle management leaders when they implement strategy.

11. Are you of the view that you can develop these skills or competencies through training and/or coaching? Please discuss.

12. How is the implementation of the strategy at XYL Limited measured?

13. Do you have any suggestions that will assist XYZ Limited in measuring the effectiveness of its business strategy?
Appendix 3:

Letter to the selected participants for the focus-group discussion

10th March 2015

Dear sir/madam,

Please be advised that I am required to conduct a research study as part of the requirements of my Master's in Personal and Professional Leadership studies at the University of Johannesburg. I am therefore conducting research on the role of middle management leaders in strategy implementation. The research is based at our company, XYZ Limited.

The research exercise therefore involves me conducting a focus group discussion with selected middle management leaders who are responsible for implementing strategy at XYZ Limited. I would really appreciate your allowing me the opportunity to engage with you on this topic. These discussions will take approximately one hour of your time. Your views and contributions to the study will remain anonymous, and I assure you that your name will not be associated with any of the comments or statements made.

I will personally conduct this research study under the supervision of Dr Rica Viljoen, who is a study supervisor for the University of Johannesburg. I will contact you shortly to inform you when the discussion will be scheduled to take place.

Regards,

Rishi Ramgulam

E-mail: rishi.ramgulam@gmail.com

Phone: 083 503 7789
Appendix 4:

**Focus-group interview guide**

1. Please explain your understanding of what strategy is?

2. Why is it important for XYZ Limited to have a company strategy?

3. What are the key principles of the strategy of XYZ Limited?

4. What in your view is the main challenge middle management leader’s face when implementing the strategy of XYZ Limited?

5. What do you suggest that XYZ Limited can do differently to assist their middle-management leaders in successful strategy implementation?

6. How is the implementation of the strategy at XYL Limited measured?

7. Do you have any suggestions that will assist XYZ Limited in measuring the effectiveness of its business strategy?

8. What are your views on how employees at XYZ Limited are recognized or rewarded for excellent performance in line with the requirements of the business strategy?