

Strategy Implementation for Survival and Growth among Small to Medium-sized Enterprises (SMES) in Zimbabwe

BY

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ABSTRACT

The Zimbabwean economy has been in free fall with an economic decline of up to 50% over the past seven years. However, since February 2009, the economy has stabilised and signs of growth are now evident. Nonetheless, there has been massive scaling down in terms of capacity utilisation and employment creation on the part of large businesses, a situation made worse by the drying up of direct foreign investment. This situation calls for locally-driven solutions to boost both economic activities and employment creation. Small to Medium-sized Enterprises (SMEs) have a key role to play in driving local economic development. However, to date, social and economic support structures have had little impact on the growth and survival of SMEs. The social, economic and political changes that are impacting on the business environment require owners to be proactive. While a supportive environment and favourable policies have not resulted in SMEs playing a bigger role in Zimbabwe's economy, there is evidence of their growing contribution. Strategic planning and implementation are pivotal tools in increasing SMEs' contribution to economic development and employment creation. Most SMEs players have a business vision and goals. While strategic planning and performance measurement are in place, in some instances SMEs adopt identical strategies but produce very different results. This calls into question the manner in which these strategies are implemented. Business owners/managers have to change the way they do business. This study examines how SMEs in Zimbabwe implement strategies to achieve both survival and growth. It also seeks to establish the reason why SMEs implement strategies the way they do. This is phenomenological study which used a multiple case study approach to unravel how Zimbabwean SMEs implement strategies. A convenience sampling technique was used to select those institutions that had a strategic plan and were realising some growth. In depth interviews were conducted to draw information from a sample of respondents

from all sectors. The study ascertained that most SMEs adopted different approaches to strategic planning and implementation. Two forms of strategic focus were identified i.e. the traditional family businesses whose strategy formulation approach is decided on by family members. The focus here was more local geographic expansion and unrelated diversification which resonated well with the desire for the security of the family members. On the other hand the innovative organisations had a formal business focus strategy formulation approach which emphasized growth in the business through vertical integration and expansion beyond Zimbabwe. How strategy was formulated influenced the implementation approaches adopted by the SMEs. The study found that most SMEs expanded at the local level, which resonated with the desire for personal economic security. To a large extent, the implementation of their business strategy was determined by the desire for such, with business operations being anchored by the acquisition of property as insurance against potential failure. Such assets will be sold to raise capital internally when expanding or mitigating failure instead of sourcing loans or outside investments. The study suggests found out that most SMEs focused more on business survival than growth. In order to support national economic growth, there is a need to marry the survival model and the growth model. For survival and growth SMEs need to formalise and adopt systematic approaches to strategy formulation and implementation if these institutions are to contribute meaningfully to economic development and employment creation. It is hoped that future studies will help develop and refine implementation models so that SMEs in Zimbabwe in order for them to improve strategy implementation for sustained growth.

DEDICATED TO THE EVERLASTING LOVE OF

My wife Ndinatsei Nyamwanza, my children Lillian, Larry and Loyce and my mother Jenipher Nyamwanza

And

In memory of my late father Cuthbert Paul Nyamwanza, always a fountain of jokes and wisdom, rest in eternal peace.

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Relevant Definitions

- **Small to Medium-sized Enterprises (SMEs)** - any business with less than 100 employees. (Zimbabwe Policy Framework, 2004).
- **Strategy formulation:** planning processes undertaken in firms that might contribute to performance.
- **Performance measurement:** a measure of the expected improvement in business activities (Sharma and Bhagwat, 2006).
- **Owner/manager:** the founder and manager of a business.
- **Owner/manager:** the founder and manager of a business.
- **Traditional businesses:** those businesses that were pursued traditionally by Africans in Zimbabwe like transport and retail business.
- **Survival:** means to remain in business but not entirely realising growth of the business.
- **Growth:** the growth of the businesses as measure by diversification, expansion and increase in both employee numbers and revenues.
- **Informal sector:** the informal sector is that part of an economy that is not taxed, monitored by any form of government or included in any gross national product (GNP).
- **Formal sector:** the economic activity that occurs within the purview of state regulation or a business that is registered with the state for purposes of taxation.

CHAPTER 1

1.1 INTRODUCTION

Small to Medium-sized Enterprises (SMEs) are facing unprecedented challenges in a changing business, political and economic environment which cannot be solved by policy interventions alone. There is need for businesses to chart their own destiny in order to prosper and survive in this challenging environment. Business Monitor International (September 2009) noted that regional integration and the liberalisation of trade is an ambitious project aimed at building closer economic cooperation between Southern African Development Community (SADC) countries and international traders. This will result in increased competition, especially for SMEs in the host country. This emphasises the need for SMEs to use internal mechanisms in order to survive and grow. This chapter presents the background to the research problem, and sets out the research problem, objectives and hypotheses, the justification for the study, and the limitations and delimitations for this study on strategic planning and strategy implementation among SMEs. The chapter will also outline the structure of this thesis.

1. 2 Background to the Problem

Adedeji, as quoted by Acquach (1997, p. 356) states that if there are no major changes in either the domestic or external environments and present trends continue, the outlook for Africa is horrendous. The continent has witnessed significant changes across the spectrum from politics to economic activities. While the majorities of African countries are now recording economic growth, this growth has in the main been driven by exploitation of the continent's vast natural resources, with foreign direct investment (FDI) playing a major role and China being the major player. African governments have started to question the sustainability of such a model; Zimbabwe, for example, is promoting indigenous entrepreneurship in the form of SMEs in order to attain more balanced economic activities. In the absence of such initiatives, Africa would become more economically dependent than it is at present; its economy would be more exposed to external competition. Africa in general and Zimbabwe in particular, has to

introduce fundamental changes to its political, economic and social systems, as proposed by Szabo (2001) for the Central European Institute,(CEI) region. Szabo (2001) notes, that, the core element of the political and economic transformation of any country in transition is the creation of a sound private sector and the further development of SMEs and entrepreneurship. This statement underscores the importance of SMEs in all countries including Zimbabwe which has experienced stunted growth for more than a decade. In 2012, it was estimated that, of the currently employed population over the age of 15 of 5.4 million, 84% were in informal employment, 11% were in formal employment and 5% were in employment not classifiable (Zimstats survey results, 2012). According to this survey 52% of informal sector employees were employed in the wholesale and retail trade, and repair of motor vehicles and motor cycles, followed by other services and manufacturing at 14% each. These statistics demonstrate the contribution of the SME sector to national development and the world economy in general. Bauer (2000) observed that "... SMEs contribute 60 per cent to total employment and 55 per cent of total revenues of the private sector in the European Union." However, informal sector statistics, including SMEs in Zimbabwe, are generally not included in official statistics on economic performance despite the fact that they employ so many people.

Many countries have sought to boost the role played by SMEs in the national economy. In developing economies, measures have been put in place to support SMEs. These include the creation of an enabling environment through the enactment of suitable laws, policies and procedures (Zimbabwe Government Strategic Policy Document on SMEs, 2004). The Zimbabwean Government has set aside funding and infrastructure for the support of SMEs. However support such as inputs and machinery in agriculture, have failed to reverse declining agricultural outputs and imports have been brought in to plug the food production deficit. This is also true of other sectors. SMEs' contribution to the national economy has failed to meet expectations despite the preferential treatment given to the sector and the faith that policy makers have placed in it. Massey (2004) states that the way, in which firms and government agencies behave,

in relation to investment decisions is flawed and that those involved follow received wisdom, act on hunches and generally appear indifferent to ensuring that they receive maximum return on their investments. The table below shows the trends in agricultural yields in Zimbabwe, which negates to some extent the notion that government assistance will contribute to increases activity and output:

Table 1.1 Agricultural Extension Services (Agritex) Forecast Crop yields

Year	Area (ha)	Production	Yield (ton/ha)
1980s	1293090	1881180	1.455
1990s	1313129	1541842	1.166
2000s	1488681	1146572	0.790

Source:The Zimbabwean (11 May 2008)

This suggests that, while resources were available, the problem lay with those who implemented the policies or the way the policies were implemented. Despite policy interventions which reached their peak (Mufudza, Jengeta and Hove, 2013) in the decade after the year 2000, Zimbabwe's economic performance continued to deteriorate. The Zimbabwe Independent reported in February 2007 that the Zimbabwe Congress of Trade Unions (ZCTU) had painted a gloomy picture of economic indicators. These included hyperinflation of 1600%, a cumulative economic decline of about 50% over the past seven years, an unsustainable budget deficit of 43% of GDP, chronic shortages of foreign currency, the sporadic availability of fuel, skills shortages; and mass unemployment and a collapse of workers' real earnings. This was despite a number of policies that sought to reverse the trend, again pointing to issues of strategy formulation and how such strategies were implemented at macro and micro level. Government continued to devise policies to support SMEs and business in general; for example, the Ministry of Indigenisation, Youth Development and

Employment Creation proposed strong financial support for SMEs owned by the youth and the mandatory procurement of 50% of goods and services from local businesses. After the virtual collapse of the Zimbabwean economy, the major policy intervention post 2008 was the adoption of the multi-currency regime and the drafting of several economic blueprints. The economy realised some growth as businesses tried to exploit the new economic dispensation. According to the Zimbabwean Minister of Finance's budget statement, 2013:

“As a result of these policy measures, the years 2009-2011 saw serious economic rebound ... averaging 9.5 per cent, single digit inflation below 5 per cent.”

Economic performance by sector is outlined in table 1.2 below.

Table 1.2 SECTORAL PERFORMANCES (% GROWTH) 2009-2015

	2009 Actual	2010 Actual	2011 actual	2012 estimate	2013 projected	2014 projected	2015 projected
Agriculture, hunting and fishing	21.0	34.8	5.1	4.6	6.4	6.4	6.1
Mining and quarrying	33.3	60.1	25.1	10.1	17.1	22.0	15.0
Manufacturing	10.0	-4.5	15.0	2.3	1.5	3.2	2.8
Electricity and water	1.9	19.1	7.8	0.3	2.2	6.6	5.4
Construction	2.1	5.4	6.2	4.9	6.2	5.2	5.2
Finance and insurance	4.5	5.6	2.0	5.1	6.0	7.5	6.3
Real estate	2.0	5.4	3.1	4.9	6.2	5.2	5.2
Distribution, hotels and restaurants	6.5	8.8	4.3	3.9	4.0	4.6	4.2
Transport and communication	2.2	20.5	18.7	5.8	3.4	2.6	2.7
Public administration	2.0	0.0	4.8	3.0	2.0	1.2	1.0
Education	2.8	0.5	0.5	1.4	0.5	1.0	1.3
Health	3.2	15.8	10.4	2.5	2.0	3.0	4.0
Domestic services	2.2	6.7	0.4	1.5	1.5	1.5	3.0
Other services	2.3	14.6	10.9	5.0	2.5	2.5	3.0
GDP at market prices	5.4	9.6	10.6	4.4	5.0	5.7	5.5

Source: 2013 budget statement (Ministry of Finance, Zimbabwe Government)

Although the period from 2009 to 2011 saw significant growth as a result of the resuscitation of the economy after a spell without commodities and the introduction of multiple currencies in the economy. However, there are signs of economic stagnation after this, with all sectors showing a decline in overall growth and this could have resulted from the massive importation of finished products which out compete locally manufactured products. Foreign businesses saw the profit potential in flooding Zimbabwe with cheaper finished products and this made the local industry uncompetitive resulting in reduced production and demand for local resources. The thrust became recapitalisation of industry which proved to be a mirage with little foreign direct investment coming into the country.

This is confirmed by the following observations:

Zimbabwe's economy remains in a fragile state, with an unsustainably high external debt and massive deindustrialisation and informalisation. The average GDP growth rate of 7.5% during the economic rebound of 2009-12 is moderating. This economic slowdown is due to liquidity challenges (e.g. the lack of and high cost of capital and revenue underperformance), outdated technologies, structural bottlenecks that include power shortages and infrastructure deficits, corruption and a volatile and fragile global financial environment. (Monyau & Bandara, 2014).

From a policy point of view, several measures can be adopted to address this situation; however, given the precarious state of government finances, very little financial assistance will be forthcoming. The figures outlined above provide an indication of the performance of organisations at the micro level. What they do or do not do determines overall economic performance. Organisations and businesses therefore have to look inwards to survive, grow and prosper. The contribution of SMEs to the economic turnaround is not visible in these statistics, but the official position is that the vast majority of SMEs are operating outside the parameters of these sectors since they are mainly informal players.

However, Szamosi, Duxbury and Higgins (2004:444) found that, in transition based economies, there has been a major emphasis on creating a political and economic environment within which SMEs can develop. In similar vein, Massey (2004) points out that, developing individuals who work in SMEs or own them will enhance SMEs' performance. Szamosi et al (2004) lamented the little attention being paid to the role played by strategic planning. Strategic planning is a variable that SME players have direct control of, unlike external elements like government policy. SMEs can only be as successful as their strategy implementation approaches are.

Given the prevailing operating environment, strategy formulation and implementation play a significant role in SMEs' success. Raymond and Croteau (2006:1012) observe that, "Globalisation, the internationalisation of markets, the liberalization of trade, deregulation, the knowledge economy, e-business, and new forms of organisation, all of these interrelated phenomena pose new challenges to small and medium-sized enterprises." Zimbabwe has adopted policy driven support to businesses including funding arrangements for distressed industries particularly in the City of Bulawayo, but such policies have not yielded the desired results due to the nation's budgetary problems. Little or no emphasis has been placed on the people who are supposed to act to fulfil these policies' aspirations and help grow economic activity. Policy intervention alone will not significantly impact economic activities in Zimbabwe. More has to be done inside the country's organisations, especially among SMEs, in order to compete effectively.

O'Regan and Ghobadian (2006) acknowledge that the business environment has rarely been more challenging, as increased change brings greater uncertainty. The impact of policy directions tends to be short-lived, as the environment continues to assume its own form. Mufudza et al's (2013) study observed that the measures adopted to address inflation in Zimbabwe seemed to create more problems, which had far reaching effects on the business sector. This does not suggest that there should be no policy support for

businesses. It should also be noted that, as reported in the Financial Gazette (February 17-23, 2009), the World Bank reported that Zimbabwe's economy was set to grow by 3.7% percent in 2009, ending nearly a decade of dramatic decline, which resulted from policy shifts. However this growth as per table 1.2 above is anchored in services and mining, while most of the manufactured products are being imported. Due to economic challenges, there was deregulation and this resulted in the invasion of South African businesses that are investing in the country (The Zimbabwean 17-23 September 2009). The problem is that local businesses did not have the capacity to compete with South African companies thereby losing the local market to foreign businesses.

According to the Financial Gazette (November 26- December 2, 2009):

“Disposable incomes have since February this year, when the country adopted multi currencies and abandoned the Zimbabwe dollar, remained low but production costs have remained on the high side. The multi-currency environment has made it extremely difficult for companies to undercut competition lest they would have signed their own death warrants in an economy that is becoming a dumping ground for cheap imports from South Africa, Asia etc. with multi-currency and liberalisation of the economy shortages became a thing of the past. The new economic dispensation is however turning into a battle for survival.”

People are now making decisions to buy cheaper commodities and will give preference to competitively priced goods coming from abroad. Many policies were passed in a bid to solve the economic woes, to the extent that businesses had hardly had time to adjust to the policies when more were added (Mufudza et al, 2013). This suggests that while policy regimes may be helpful, in the case of Zimbabwe, they achieved very little and in some cases had negative effects. A case in point was the shortage of basic commodities during the period 2007 to early 2009 following government's decision to slash prices or to print money (Mufudza et al, 2013). The very survival of SMEs is thus under threat and they need to strategise to counter these environmental challenges and

increased competition. O'Regan and Ghobadian (2006) argue that SMEs need to carefully consider their strategic approaches if they are to gain and retain competitive advantage. The Financial Gazette (November 26 – 2 December) reported that suspected cases of industrial sabotage are on the rise, particularly in the food industry. If this statement were true then SMEs would find it difficult to compete with well-resourced businesses which can throw ethics out of the window in order to gain market share; and in the process ruin their competitors including SMEs. The Financial Gazette also stated that desperation to survive is forcing certain players to bend the rules and hatch cruel strategies to eliminate potential threats through acts of sabotage in a bid to create monopolies while profiteering at the same time. The challenges to survive and grow under these conditions are enormous especially for SMEs. One might wonder how businesses can formulate and execute strategies in such a turbulent economic environment (Mufudza et al, 2013). This study explores the latter of the two issues, given that SMEs' own actions determine whether they stabilise, survive or grow as business concerns. Strategy implementation has been the focus of numerous studies, particularly because the process from project formulation to project implementation is not effective and therefore not adequate in today's business world (Sorooshian, Norzima, Yusof and Rosnah, 2010). In line with the foregoing, the premise underlying this study is that entrepreneurs' actions ultimately determine the extent to which an organisation develops, rather than focusing on externals that organisations have little control over. This is in line with the views of Harrison as quoted by O'Regan and Ghobadian (2006) who concluded that, "Without doubt, the greatest managerial challenge lies ahead. It is hard to predict with precision the kind of environment the next generation of managers will face."

Acquach (1997) points out that, African states have long recognised the importance of economic cooperation and have formed regional economic groups such as Economic Community of West African States (ECOWAS), Southern African Development Community, (SADC), Common Market of Eastern and Southern Africa (COMESA) and Preferential Trade Area (PTA). Such integration suggests that there will be both

opportunities and threats to SMEs operating in Zimbabwe. The Zimbabwean on Sunday (November 29, 2009) reported that Craig Horns, a principal economist with the bank (World Bank) Southern Region posited that “the customs union (COMESA) would present both opportunities and threats to local companies and that the government and private firms should do more to prepare for the Union.” Szabo (2001) states that, “Internationalisation means the group of manoeuvres or coordinated actions, which an enterprise may take to penetrate markets or to benefit from resources originating from other countries.” He added that “internalisation ... implies numerous risks for SMEs, which are already very limited in terms of resources.” In this regard it will be interesting to investigate whether the actions taken by SMEs reflect their awareness of the challenges posed by the new environment and whether their actions (strategy implementation) are adequate to secure survival and growth.

Mugler, as cited by Raymond and Croteau (2006:1013) observes that SMEs must develop themselves strategically in order to remain competitive, grow and prosper in the current complex environment; the biggest challenge lies in SMEs taking advantage of the enlarged economic area. He concluded that SMEs need to adopt new planning and planning control tools to secure and strengthen their competitiveness. “SMEs ... are unlikely (to) survive in their present form without improving quality, cost competitiveness and management practices” (Szabo, 2001). This introduces the question of the quality of SMEs and whether or not they have the capacity to deal with both strategy formulation and implementation issues and challenges. Many questions come to the fore when issues of strategy implementation are examined. How well-prepared are Zimbabwean SMEs to cope with the new challenges and what action do they need to take in order to meet the overall goal of survival and growth? What they do will determine whether or not they will survive or grow in the new Zimbabwean and global environment.

SMEs’ actions will be largely determined by their organisational structure. Szabo (2001) notes that, the main constraint faced by SMEs is a lack of entrepreneurial,

managerial and marketing skills. These deficiencies are likely to affect the manner in which SMEs in general and in Zimbabwe in particular implement strategies. Szabo (2001) highlighted that while most owner-managers and start-up entrepreneurs are experts in terms of their products and services, they often lack wider managerial skills which hinder their long term success, strategic planning, medium term vision, marketing, identification of customers, patience, acceptance that they will not get rich overnight, management of innovation, commitment to quality, knowledge of quality systems, knowledge of foreign languages, cash flow management, and information technology – all of which are critical skills in confronting the challenges of the market economy. The view expressed above typifies Zimbabwean businesspersons, who, going by the events of 2008, were involved in currency dealing and money burning (illegal dealing in foreign exchange which ruined the local currency) which do not require any level of planning. One only had to be in the right place at the right time to profit. The new business environment requires SMEs owners and managers to engage in proper business management practices, particularly those relating to strategy formulation and implementation. This is essential if SMEs are to play their expected part in moving the economy forward. Of particular concern will be the approaches, both intended and unintended, that SMEs owners adopt to implement strategies in their organisations and how these approaches impact the organisations' chances of survival and growth with the overall goal of fostering national growth. Several studies have indicated that strategy implementation is a difficult task, but there is uncertainty regarding the true rate of implementation (Dandira, 2011). Dandira's (2011) study found that 73% of managers believe that implementation is more critical than formulation and 80% believe that implementation is that part of the strategic planning process over which managers have the least control. Although Dandira (2011) did not specify the types of organisations she surveyed, how SMEs implement strategy makes for an interesting case study given the role that they play in the economic activities of a country. Chen, Guo and Li et al (2008) argued that many studies on the implementation of strategy have focused on the importance of implementing strategy and what it entails,

the reasons for the lack of implementation and ways of upgrading implementation. Furthermore, the few studies on the evaluation of strategy are limited to specific enterprises or to a particular strategy like ICT, ERP methods and TQM. There is therefore a need to investigate how SMEs in Zimbabwe are implementing strategies in general in a dynamic environment.

1.3 Statement of the Problem

Distortions in the Zimbabwean economy have created opportunities for arbitrage. According to the Zimbabwean Independent (February 2007), in such a situation, many emerging businesses focus on the rapid accumulation of wealth through speculative activities. The majority of Zimbabwean SMEs could be facing challenges in terms of strategic planning and, implementation with some focusing on fast wealth accumulation without an attendant increase in production or sales, especially illegal foreign currency dealers who lived large or over pricing of commodities. Reinecke and White (2004:20) support this view and contend that, “many SMEs are survivalists in nature rather than responding to market opportunities.”

Since the economic and political environment in Zimbabwe provides very little inspiration and given the fact of regional integration SMEs need to employ strategic planning and implement strategies to ensure their survival and growth. According to Hoggetts and Kuratko (2001), “strategic planning can contribute to performance by generating relevant information, by creating a better understanding of the environment, and by reducing uncertainty.”

Hitt et al, as quoted by O'Regan and Ghobadian (2006) report that managing directors are confronted by an increasingly dynamic, complex and unpredictable environment where technology, globalisation, knowledge and changing competitive approaches impact on overall performance. O'Regan and Ghobadian (2006) concur that the degree and complexity of the current environment is driving firms, both large and small, to seek new ways of conducting business to create wealth. Porter (1990:73) claims that “national prosperity is created, not inherited” and has shown that for many SMEs are

seriously disadvantaged, but these disadvantages should become the stimuli for superior performance. However, Gudgin et al, as cited by McNamee, O'Reilly and Shiels (2003) commented:

“A major finding of this study is that in Northern Ireland and the Republic of Ireland the population of small firms expands slowly and relatively few firms graduate into the ranks of medium or large companies.”

This situation also obtains in Zimbabwe, where SMEs have experienced very slow growth and few eventually graduate into large businesses. The aim of this study is to determine the extent to which SMEs in Zimbabwe use strategy formulation and implementation to sustain and grow their businesses and to evaluate the contribution these tools make to business operations in view of the less than impressive growth of SMEs. Can we safely say that the lack of growth is due to lack of strategy formulation and implementation deficiencies? It is widely acknowledged that managers strive to formulate sound strategic plans for their organisations but the major problem has been the implementation of such plans (Dandira, 2011). This affects most organisations. However, the accurate and effective implementation of strategy is no longer simply a matter of window dressing, but a matter of the survival or death of such organisations (Chen, Guo and Li; 2008).

Given the challenges faced by SMEs in Zimbabwe, the focus has shifted towards moribund ideologies like the Buy Zimbabwe campaign; however, the salaries earned by the majority of citizens are way below the poverty data line and locally produced products are uncompetitive. Achieving a competitive edge requires that SMEs take action to produce goods and services that local consumers both desire and can afford, rather than relying on patriotism. This study examines how SMEs implement strategies and why they choose to implement strategies in a particular way. Sorooshian et al (2010) argue that well-formulated projects lead to superior performance when they are efficiently implemented. At present, many enterprises lack an understanding of the

importance of strategic implementation (Chen et al; 2008); this study seeks to establish the level of such understanding among SMEs and how they marshal organisational resources to drive strategy implementation.

1.4 Research question

The role played by SMEs in any country's economic development cannot be overemphasized. In Zimbabwe, SMEs are expected to play an increasingly significant role in the face of a stagnating economic environment as the signs of initial growth are beginning to fade. What SMEs actually do is considered to be more critical than the operating environment since what they do is shaped by the environment. Do SMEs owners in Zimbabwe understand strategic implementation issues and how do strategy implementation approaches using organisational resources affect their operations and enhance their chances of survival and growth? Why do they implement strategies in particular ways?

Government policies have had both negative and positive impact on the SMEs, for example government policy to bring in imports in the country had the positive impact that products and goods became available but at the same brought about a lot of pressures on SMEs who had to respond to this new challenge. The capacity of SMEs in the form of strategy formulation and implementation are crucial in negating the new challenge. How they respond to the environment challenges will determine whether they will fail, survive or grow. Therefore it will be interesting to investigate how they implement strategies and the reasons behind the decision to do so. It is only strategy implementation that SMEs can actually enhance their performance.

1.5 Aim of the study

The aim of this study is to determine how SMEs in Zimbabwe implement strategies with a view to suggesting ways in which their contribution to economic growth can be enhanced through their survival and growth.

1.6 Objectives of the Study

While the relationship between strategic planning and implementation seem to be clearly documented, this study seeks to extend this understanding by examining how SMEs implement strategies to ensure their survival and growth.

This study was guided by the following objectives:

- To investigate how strategy formulation approaches adopted by SMEs in Zimbabwe impact strategy implementation.
- To determine what Zimbabwean SMEs owners consider as prerequisites for effective strategy implementation.
- To analyse the strategy implementation approaches employed by SMEs for their survival and growth.
- To recommend approaches that SMEs could employ in order to make strategic planning and performance measurement an intervention tool for SMEs' survival and growth.

1.7 Propositions

- The practical acceptance of strategic management by SMEs managers/owners enhances the survival and growth of SMEs in Zimbabwe.
- SMEs managers/owners' approaches to strategy formulation have a significant impact on strategy implementation.
- SMEs operators who identify the prerequisites for successful strategy implementation have a greater chance of ensuring their survival and growth.
- The implementation approaches adopted by SMEs result in either business survival or growth.

1.8 Justification for the Study

Financial resources and policy engineering might not make for better SMEs unless they are equipped with strategic management and performance evaluation skills. This study will help to promote the use of strategy formulation and implementation by SMEs managers and owners in order to cope with change. It will help build organisations that can play a more prominent economic role in Zimbabwe. Most SMEs have remained survivalists and African economies need greater impetus to move forward. How strategies are implemented can play a significant role in SMEs' survival and growth in Zimbabwe and in Africa in general. There is a missing link between strategy formulation and strategy implementation to the extent that some researchers have suggested "...that they be done simultaneously while other researchers have cited the separation of formulation and implementation phases as the root cause of many strategy failures," (Dandira, 2011).

The study will contribute to the body of knowledge on SMEs in Africa in general and Zimbabwe in particular and will be of interest to scholars, students and policy makers. At a personal level, it will assist the researcher to attain a higher qualification in management and will broaden the researcher's knowledge and understanding of strategic management and SMEs issues.

1.9 Assumptions

- That all SMEs in the study reflect the characteristics applicable to growing SMEs.
- That SMEs in this study have a systematic approach to strategy implementation and that their approaches are well set out to allow for a scientific research approach and overall comparison.

1.10 Delimitation

The study focuses on owner-managed SMEs that have been in business for five or more years. According to Chid and Czeglegy as cited by Peng (2003) "... market

oriented institutions take years to develop.” “This implies that institutions in their early phases will be immature and inconsistent with the needs of a market driven system... prior research reveals that networking is more intense where institutions are weak or absent... networking is instrumental in facilitating business activity” (Peng, 2003).The Zimbabwean economy suffered significant distortion over the past decade and it will be difficult to make comparisons over different economic cycles. However, for the purposes of this study, organisations that have been in existence for a minimum of five years will be considered given Peng’s (2003) observation that in the later phase of institutional transition new rules of the game become firmly established as firms strengthen and mature. He concludes that at this point, managers may be compelled to spend less time networking and focus more on developing market-based strategies in pursuit of their organisational goals. These businesses are likely to have developed management systems and procedures.

The targeted SMEs should have less than 100 employees. The study will target SMEs in the retail, services and manufacturing sector to allow for cross case study analysis of the use of strategy formulation and implementation with a view to identifying similarities and differences. SMEs in Harare, Gweru, Mutare and Bulawayo will be used in the study, as these are the major economic hubs and they are more likely to be home to SMEs that are suitable for this study. The selection pool will be very broad, but selection will only be limited to those SMEs that meet the selection criteria adopted for this study.

1.11 Limitations

The use of self-reporting may not be a true reflection of an SME’s use of strategic planning and implementation; there might be too much reliance on claims by owner/managers.

Businesses may engage in strategic planning and strategic performance measurement without documenting it; hence there might be no written verification.

The views and perceptions of owners/managers may not necessarily reflect the true state of affairs of the business. However, it is generally accepted that, as the main role players, owner-managers' attitudes and beliefs often determine an SME's business conduct. Thus, for the purposes of this study, it is assumed that owner/managers' views on strategic planning and performance measurement will adequately reflect the actual situation.

1.12 Structure of the Thesis

Chapter 2 reviews the relevant literature on the role of strategy formulation and strategy implementation in the development, survival and growth of SMEs, the strategies SMEs currently employ for growth and survival, and how strategic orientation influences strategy implementation.

Chapter 3 presents the methodology used in this study.

Chapter 4 presents and interprets the data gathered from the interviews with SMEs.

Chapter 5 discusses the findings of the study in detail.

Chapter 6 compares the findings with those of previous studies.

Chapter 7 presents conclusions and recommendations.

1.13 Summary

This chapter presented the background to the research problem; and outlined the research problem, objectives and hypotheses, the justification for the study and the limitations and delimitations of this study on strategic planning and performance measurement among SMEs. The chapter also outlined the structure of this thesis.

CHAPTER 2

2.0 LITERATURE REVIEW: SMEs' STRATEGY FORMULATION AND IMPLEMENTATION

2.1 Introduction

The role played by SMEs in Zimbabwe's economic development cannot be overemphasized as the country's economy has stagnated and unemployment is rising. SMEs are deemed to be the single most important approach to addressing the challenges confronting Zimbabwe. This chapter analyses the existing body of literature on SMEs, strategic planning as a foundation for effective implementation, and how strategies can be implemented effectively. The growth and survival of SMEs and the economy is believed to be strongly influenced by the strategy formulation and implementation variables. The main objective is to examine the SMEs' perspectives on strategic planning, its influence on strategy implementation and the subsequent impact on SMEs' survival and growth. A review of related literature was undertaken in order to establish the perspectives of scholars in the field of strategic planning, SMEs' growth and the measures of these variables. In addition, the literature on strategy formulation will provide a basis to review various perspectives on strategy implementation. This study assumes that all organisations have some form of plan or objectives that guide their operations, in line with the views of Souminen and Mantere (2010). They argue that it is exceptional to come across an organisation, whether private, public or third sector that does not have any plan or objectives and add that strategy is something that contemporary managers have little choice but to engage with. The researcher reviewed only peer-reviewed articles and journals. A thematic approach was used to review the literature.

2.2 The SMEs context

Before discussing the issues related to strategy implementation it is important to contextualise the SMEs sector in Zimbabwe and in general. Without this understanding, it will be difficult to understand the issues related to strategic planning and strategy

implementation with regards to this very important sector. According to Reinecke and White (2004:7), micro and small enterprises are regarded as vital elements in modern, dynamic economies. SMEs have gained greater importance in Zimbabwe due to the economic challenges the country experienced from the year 2000 to date. The unemployment rate in Zimbabwe is estimated at more than 85%; in order to survive, Zimbabweans have had to relocate to the diaspora or start SMEs. This resulted in the large-scale growth of SMEs in Zimbabwe. Ongori and Migiro (2010) contend that in Africa, SMEs employ more than 40% of all new entrants to the labour force because they are labour intensive. They add that a baseline survey conducted in Kenya in 1999 found that the SME sector employed 5.1 million people, accounting for 74% of total employment. In recognition of the importance of the sector, the Kenyan Government created a SMEs policy framework in 2003 to promote employment creation, income generation and poverty alleviation. The situation in Zimbabwe is similar to that described by Ongori and Migiro (2010) in that the economic base is said to be driven by SMEs; however, the circumstances are very different. It is clear that SMEs play a very significant role in the country's economy and scholars should assist in promoting the development of this sector. The sheer size of the SME sector demands attention from both policy makers and development practitioners (Reinecke and White, 2004:4). Governments have adopted policies to support SMEs with a view to growing the contribution of this sector to employment creation and economic growth. Policies designed for large enterprises may fail to impact the broader population because they do not apply to the vibrant SME sector. Improvements in the conditions in which SMEs operate can contribute to national economic and social development (Reinecke and White, 2004). In Zimbabwe, a policy framework document was prepared in 2004 with a view to promoting the activities of SMEs by creating a supportive environment and providing them with assistance.

According to Sharma and Bhagwat (2006), "SMEs cover a wide spectrum of industries and play an important role in both developed and developing economies." They add, "The SMEs sector accounts for 40 per cent of industrial production, 35 per cent of total

exports and provides about 80 per cent of employment in industrial production in India". Statistics on SMEs' contribution to economic activities in Zimbabwe were difficult to come by. However, considering that the unemployment rate in Zimbabwe is estimated at 85%, it can be surmised that many people are employed by SMEs. While the sector clearly contributes to GDP, there are no statistical data to support this view.

Zimbabwe's GDP was estimated at only \$5 billion in 2010; this only pertains to the formal sectors of the economy. However, some of the country's economists have argued that this figure could be as high as \$9 billion if the informal sector is taken into account, suggesting that almost 50% of the economy is not taken into account in the official statistics. Zimbabwe's economic fundamentals have been equated with those of Zambia, whose GDP is estimated at \$10 billion. Given the above, it can be concluded that SMEs, including those in the informal sector, are major contributors to employment and economic development in Zimbabwe. Given the low rate of FDI, they will be expected to make a significant contribution to economic development.

Zimbabwe's economic development is intrinsically linked to the development of the SME sector. Evidence from other countries confirms the validity of this statement. Sum, Kow and Chen (2004) report that Singapore, Hong Kong, South Korea and Taiwan have attracted international attention due to their phenomenal economic growth. In some of these countries, the primary mode of economic growth shifted from foreign investment to expansion of their locally grown enterprises. Therefore Sum et al (2004) conclude that their next phase of economic growth will depend on the ability of home-grown SMEs to develop into large, national corporations. Not only does Zimbabwe require robust SMEs for substantial economic growth in the face of diminished FDI and economic sanctions, it also needs to nurture the development of national corporations. The country simply has to develop its own economy *via* strong SMEs-backed development leading to the development of locally grown corporates. On the ground most of the SMEs have remained just that, with a minimal contribution to the economic

development of the country. This study posits that the problem could be associated with the vision of the entrepreneurs and how they pursue that vision.

The economic activities pursued by countries have a restraining factor on the overall activities of SMEs. Developing countries have a narrow spectrum of economic activities. Zimbabwe is driven by agricultural activities. Temtime and Pansiri (2006) observed that Botswana still faced the problems of economic diversification, employment creation, income distribution and poverty alleviation. The same is true for Zimbabwe. SMEs are seen as a viable way of broadening economic activities in developing countries such as Zimbabwe and Botswana. Although Botswana's economy is slightly different from that of Zimbabwe, both have structural weaknesses that are almost identical. Therefore SMEs are sustainable forms of diversifying the economy away from mining, they create substantial job opportunities, and they help to narrow the gap between rural and urban development, and alleviate poverty. SMEs' activities are channelled into specific sectors, creating intense competition in narrow markets and therefore require proactive strategies on the part of SME players to survive and grow.

Sum et al (2004) explain that prioritising the development of SMEs can make a country competitive and achieve economic growth, "due to the presence of an excellent business infrastructure and a pool of competent local (mostly SMEs) enterprises to provide operational support in materials, product design, and support services to multinational corporations operating in Singapore". The lack of quality infrastructure in Zimbabwe could inhibit SMEs' performance but the issue of competent local enterprises is equally important. Competent SMEs assist in the development of other economic sectors, as is the case in Singapore. The situation in Zimbabwe might be very different, given that the majority of SMEs' owners in Zimbabwe were pushed into starting businesses as a result of desperate situations such as the high unemployment rates. Competent SMEs are said to be those that set goals and work hard to achieve these goals. Although no study has been carried out on the competence of Zimbabwean SMEs, the quality of SMEs is questionable. Competence is a key component of the

growth of SMEs and has a significant influence on strategy formulation and implementation. Competent SMEs might not be present in Zimbabwe, given the unemployment push into starting SMEs and the flight of skills to the diaspora. Despite this glaring shortcoming, SMEs still contribute to the economic development of Zimbabwe. It will be interesting to examine the level of competence among Zimbabwean SMEs and how this influences strategy implementation.

The shortage or absence of competent entrepreneurs does not detract from the role that SMEs play in economic development in Zimbabwe, especially given the fact that its economy is in transition. Peng, in Danis, Chaiburn and Lyles (2009) and Irwin (2011) acknowledges that, "Transitional economies have typically relied upon the growth of SMEs to spur economic growth and employment especially considering the difficulty of privatisation and restructuring large state owned enterprises." As a result, Irwin (2011) believes that development partners regard supporting SMEs as an important part of their work and believe that assisting more firms to start up and grow has an impact on economic growth and poverty reduction. He adds that developing countries "poverty reduction strategy programmes" frequently include support for SMEs and points out over the past five years, the World Bank group alone had approved more than \$10 billion for support programmes. Support for SMEs has been viewed as critical to their development in both developed and developing countries. The Zimbabwean Government has sought to boost SMEs' activities through various support schemes and policies and has put the necessary legislative framework and support infrastructure in place. However, SMEs policies alone do not always deliver the results. The World Bank has observed that SMEs have not always made the difference that might have been expected; entrepreneurial activity remains limited, poverty high and growth stagnant (Irwin, 2011). This scenario is self-evident in the Zimbabwean economy which registered initial growth post the adoption of the multiple currencies policies but has now slowed down. Therefore, what SMEs do within their internal business environment has great significance for their survival and growth prospects. SMEs' strategy formulation and implementation might hold the key to their growth and survival.

This above discussion suggests that SME policies in Zimbabwe could have failed to deliver as the economy has remained moribund. Policies and direct assistance alone cannot deliver the desired results, but should be coupled with other ingredients like strategic planning and strategy implementation which are the focus of this study, since the underlying assumption is what happens in an organisation is critical to its success, survival and growth. To a large extent, the development of SMEs in Zimbabwe and elsewhere should be determined by internal factors; including how they formulate and implement strategies and which factors SME owners have direct control over.

2.3 Definition of SMEs (Quantitative approach)

It is important to provide a working definition of SMEs in Zimbabwe. Terziovski et al, as cited by Rahman (2001) note that, “Businesses generally are defined or classified on quantifiable characteristics such as number of employees, sales volume or worth of assets. However the classification based on number of employees is commonly used in management research.” For the purposes of this research study, the criterion used is the number of employees since other variables were rendered useless by the hyperinflationary environment and the serious undervaluation of assets following the dollarization of the Zimbabwean economy. In addition to the serious problem of low capacity utilisation in most businesses due to undercapitalisation, it would be difficult to use definitions that combine measures in the case of Zimbabwe, given that the usage of assets or low turnover can misdirect one to the wrong institutions. It is acknowledged that the definition of an SME varies according to sector, geographical location and the researcher (Nicholas, Ledwith and Perks, 2011). For the purposes of this study, these variables will be ignored due to the difficulties cited above.

In line with the above observations, Rahman (2005) reports that the Australian Bureau of Statistics (ABS) categorises business into three groups: small (1-49 employees); medium (50-99 employees) and large (100 or more employees).

On the other hand, due to differences in location, Analoui and Karami (2002) used Storey's definition for SMEs as follows:

“The SMEs sector is disaggregated into three components:

- *Micro-enterprises: the firms with between 0 and 9 employees*
- *Small enterprises: the firms with between 10 to 99 employees*
- *Medium enterprises: the firms: the firms with 100 to 499 employees.”*

This definition would be on the high side for a developing country like Zimbabwe and would be most suitable for developed countries. The Australian Bureau of Statistics' definition of one to 99 employees noted by Rahman (2002) is close to the Zimbabwean standard for SMEs, as the Government of Zimbabwe (2004) policy framework for SMEs classifies SMEs as employing less than 100 employees. Organisations with fewer than 100 employees are therefore the focus of this study.

2.4 Definition of SMEs (Qualitative approach)

In some cases SMEs are described by their characteristics. Such characteristics are relevant in situating SMEs and are the key to their success. Given their influence on the performance of SMEs, these characteristics impact strategic planning and implementation. They are important determinants of how SMEs implement strategies and will be used in this study to interrogate this question.

Hudson, Smart and Bourne (2001) note that SMEs may be differentiated from larger companies by a number of characteristics; these are generally described in Addy et al, 1994; Burns and Dewhurst, 1996; Ghobadian and Gallear, 1997; Appiah-Adu and Singh, 1998; Berry, 1998; Marri et al, 1998; O'Regan et al, 1998; Haywood, 1999 as:

- *“Personalised management, with little devolution of authority*
- *Severe resource limitations in terms of management and manpower, as well as finance*

- *Reliance on a small number of customers, and operating in limited markets*
- *Flat, flexible structures*
- *High innovative potential*
- *Reactive, fire-fighting mentality*
- *Informal, dynamic strategies”*

These characteristics help define SMEs and more importantly the approaches these organisations adopt in pursuit of strategy formulation and implementation. They have a significant impact on how SMEs go about implementing strategies. O'Regan and Ghobadian (2004) observe that, “Other distinct differences (with large organisations) include limited resources, lack of specialist expertise (Carson, 1985) reliance on a few key customers (Venkatraman, 1990) unable to influence, to any significant degree, the threats of the external environment (Cromie, 1990).” The foregoing characteristics might impede the proper implementation of strategies, resulting in subdued performance. Most SMEs in Zimbabwe are expected to have such characteristics. Raymond and Crouteau (2006) contend that SMEs are often less endowed with human, financial, and technological resources than large enterprises. How do these characteristics affect strategy formulation and ultimately strategy implementation among SMEs in Zimbabwe? These issues might have significant effects on strategy implementation which might be different from those witnessed in the developed countries that form the bulk of this literature review. Will traits in developed countries be replicated in a country that is at a crossroads in terms of economic development? Such a study has not been carried out in the context of SMEs generally in developing countries, and specifically in Zimbabwe.

These characteristics are key determinants of how SMEs implement strategies. In Zimbabwe, according to Mboko and Smith-Hunter (2009) entrepreneurs who adopt a reactive strategy use an approach that lacks anticipation of needs and thus often fail to develop firms with the capacity to implement day to day operations. They add that such entrepreneurs are generally panic stricken, run around a lot and have high levels of

frustration. Less competent managers react more negatively to situations, cite more problems and seem to have more critical issues to attend to than those who use the planning approach. McPherson's (1991) survey in Zimbabwe found that most businesses were very small and only a very small percentage had grown in terms of employment and turnover in the past ten years (Mboko and Smith-Hunter, 2009). Mboko and Smith-Hunter (2009) also note that the micro and small enterprises surveyed exhibited different growth patterns that could be linked to the qualitative characteristics of such businesses in Zimbabwe, given the lack of growth of Zimbabwean SMEs. One would be interested in determining whether the qualitative characteristics affected strategy implementation in any way. Although Mboko and Smith-Hunter (2009) highlighted these differences in growth, it was not clearly stated how these characteristics affected strategy implementation and ultimately survival or growth which this study seeks to establish.

2.5 SMEs and the Operating Environment

The economic environment in Zimbabwe has experienced major swings over the years. The operating environment plays a major role in both strategy formulation and strategy implementation. Barlett and Ghoshal, as cited by Adonisi (2003) characterise the new economy as being information-based, knowledge driven and service intensive. They argue that appropriate responses to these discontinuities require organisations to be flexible and adaptable. The only constant in the business environment is change. Change can be defined as the effect of uncertainty on parameter variations and adjustments made to reflect the current status of a manufacturing system within a production and control system (Koh and Simpson, 2007). Koh and Simpson (2007) add that manufacturing enterprises' customers often demand shorter lead-times, near perfect or even perfect delivery, a reduction of the product life cycle and increasing customisation. Managers are under pressure to rapidly improve enterprise performance and to adapt to change and uncertainty in order to maintain competitive advantage. This operating environment poses serious challenges to SMEs anywhere in the world. SMEs

are generally handicapped in their ability to respond to these changes and to exploit the opportunities that present themselves.

Bouzdine-Chameeva (2006) posit that managers have to assimilate changing environments, take account of market instability and ensure that they are constantly up-to-date on new information and developments, even though such information is necessarily incomplete and in a rapidly evolving world quickly becomes obsolete. This requires institutions to formulate strategies and be committed to their implementation. The Zimbabwean economic environment is currently bedevilled by rapid change which impacts on both strategic planning and the implementation of chosen strategies. The environment in Zimbabwe was characterised by hyperinflation from 2000, to stabilisation and modest growth post February 2009. Business owners regard this environment as a hostile one that cannot be controlled by the entrepreneur and is continually changing (Mboko and Smith-Hunter, 2009). If these factors cannot be controlled by the entrepreneur, the most appropriate response would be to address factors that are under the control of SMEs owners, such as strategy formulation and implementation.

The formulation of plans is made complex by a challenging environment which business owners have little control over. The failure to control environmental factors is compounded by an apparent lack of information infrastructure which is said to lag 20 years behind local economies in the SADC region (Mboko and Smith-Hunter). Most of the required information is simply not available to SMEs and this makes strategy formulation very difficult and affects strategy implementation. Strategy formulation becomes intuitive. It should be noted that the quality of strategic plans affects strategy implementation (Shah, 2005). This is compounded by the policy shifts pursued by the government and government agencies, creating uncertainty in the business environment. According to Mboko and Smith-Hunter (2009), entrepreneurs adopt the business strategies that they consider most appropriate to the environment.

However, these strategies have to be implemented in the situation of uncertainty which characterises the Zimbabwean business operating environment. Uncertainty can be defined as unpredictable events in the manufacturing environment that disturb the operations and performance of an enterprise (Koh and Saad, 2002). Koh and Simpson note that other studies have referred to this uncertainty as 'disturbance' (Lindau and Lumsden, 1995; Frizelle et al, 1998; Saad and Gindy, 1998). Thoburn et al (2000) observe that many products are now judged according to global standards and, that, components are now sourced at global level. They caution that failure to meet global demand and supply either by over or under supply may have profound effects not only on manufacturers but on even minor players in the supply chain and sometimes entire economies, including their service sector. To a large extent, matching global demand and supply is a consequence of strategic planning, which is a significant variable in business success. In conclusion, Thoburn et al (2000) advise that many world class companies that are highly operationally efficient have nevertheless confronted trading difficulties. Given the lack of resources, it might be very difficult for SMEs in Zimbabwe to embrace this advice; they have to find novel ways to survive and grow.

O'Regan and Ghobadian (2004) state that

"SMEs ... tend to be more vulnerable to environmental forces compared with larger organisations in aspects such as access to financial capital, strong reliance on narrow range of products, and more limited market presence".

Given these challenges, there is need for proper planning and effective implementation of strategies in order to maximise performance in the face of limited resources. Institutional transitions thus entail fundamental and comprehensive changes to the formal and informal rules of the game that affect organisations (Danis et al, 2009).

Mboko and Smith-Hunter (2009) postulate that the high income firms do not necessarily adopt the type of strategic plans presented in the strategy literature, but do have a clear, predetermined sense of direction that guides their goal orientation, particularly with regard to markets and products. An interesting finding of their study is that while firms

that adopted a comprehensive planning approach had a vision, this focused on the short term and had high situational responsiveness. On the other hand, low output firms emphasise environmental considerations over the direction of the firm and the way they operate is a direct response to environmental considerations i.e. a reactive strategy (Mboko and Smith-Hunter, 2009).

This has translated into low output firms reacting by reducing costs. However, it is not clear from Mboko and Smith-Hunter's study how they go about reducing costs. They found a similarity across the cases in dealing with day to day operations in that they all used critical point strategy which is survivalist. In Zimbabwe, the ability to survive in the business environment is critical, but it is also important to grow these enterprises. Mboko and Smith-Hunter (2009) concede that entrepreneurs can respond differently to the environment even when their perceptions of it are the same. The bottom line in both cases is that entrepreneurs have a strong desire for their enterprises to succeed, are hardworking, creative and have the ability to seek out opportunities (Mboko and Hunter-Smith). The question that arises is whether hard work is sufficient for the continued growth of the business. What impact does centralisation have on the actual implementation of strategies, especially in the Zimbabwean environment where much still needs to be done to develop SMEs?

Naicker and Saungweme (2009) acknowledge that today's business environment is characterised by more volatility and uncertainty than ever before, with globalisation being the order of the day and a reality for all players on the domestic and international scene. Given this scenario, hard work, creativity and the ability to seek out opportunities might not be sufficient to grow a business, let alone survive. They point out that businesses have to focus on developing their internal value chain capabilities in order to compete and adapt to the changing environment, which confirms the cost cutting approach referred to by Mboko and Smith-Hunter. Despite the purported changes in strategies, SMEs in Zimbabwe seem to have continued to struggle, with their contribution not being recognised in official statistics. This might boil down to their

approaches to strategy formulation and implementation which focus on competing on the basis of price at the expense of other variables.

Jarzabkowski and Kaplan (2010) note the need for the transformation of SMEs and suggest that there is a need to unpack the human agency, bringing to the fore the potential for transformation as well as for routinization in action. The decisions made by SMEs owners will determine whether or not they move, grow, stagnate or decline. This implies that the practice theory should be the primary theoretical framework for conceptualising the role that action plays in SMEs' success. It should be noted that the results that we obtain are a result of the actions that we take as individuals and organisations; hence the need to examine strategy implementation, but action should arise from the thought processes that individuals engage in. Do SMEs in Zimbabwe plan their actions or do they continue to do more of the same despite changes in the environment? How do changes in the environment impact strategy implementation in the Zimbabwean situation? Although the environmental issues have been alluded to in this literature review, they will not form part of this study, since this is a variable outside the control of the entrepreneurs despite it being critical to strategy implementation. Only factors under entrepreneurs' control, i.e. internal factors, will be considered for this study.

The new economy entails e-business and knowledge driven enterprises that could lead to more responsive and agile methods to deal with change and uncertainty. Koh and Simpson (2007) identify such methods as key competitive advantages for manufacturing enterprises. South African products now dominate every sector in Zimbabwe, increasing competitive pressures on SMEs. Competition is destroying the market share of local products. This calls for strategic responses that must be supported by strategy implementation. Are Zimbabwean SMEs equipped to deal with these challenges? Recapitalisation and retooling of businesses have been difficult to achieve in the Zimbabwean context, thereby leaving most businesses ill-equipped for the new challenges. How does this affect effective strategy implementation in Zimbabwe? This study aims to understand how SMEs owners leverage the limited

resources that they have to overcome apparent shortcomings in strategy implementation to survive or achieve growth. The issue at hand is therefore not how the environment affects strategy implementation, but rather what entrepreneurs do to achieve their goals and move their businesses forward.

The lack of resources could affect SMEs' ability to adopt concepts such as agile manufacturing and they might therefore fail to deal adequately with the changes in the environment. Their focus might be mere survival rather than reacting to changing markets as dictated by customers' needs. They could be ill-equipped to deal with an environment that is subject to major changes; this affects their ability to formulate and implement strategies.

Thoburn, Arunachalan and Gunasekaran (2000) posit that companies have had to reduce the time devoted to marketing their products and maximise the flexibility of their production systems in order to manufacture high quality products in low volumes at a modest price. Without the necessary access to various resources, the ability of SMEs to respond to environmental changes might be strongly compromised. Adapting to such changes requires a proactive approach to strategy, but the majority of SMEs adopt a reactive approach due to several internal deficiencies. This will impact on both survival and growth.

Gindy, as quoted by Koh and Simpson (2007) explains that:

“Manufacturing responsiveness relates to the ability of manufacturing systems to make a rapid and balanced response to the predictable and unpredictable changes that characterise today’s manufacturing environments.”

Responsiveness entails some form of control to ensure that there is a link between what was planned and what is being done. The unpredictability of the environment brings uncertainty to SMEs' operations. Some SMEs in Zimbabwe cannot be defined as agile and flexible as they tend to take a long time to make the necessary adjustments or simply call on government to intervene in the face of mounting competition. For example, the poultry industry and other manufacturers complained about the uneven

playing field when imports were brought into the country to cushion the poor, instead of streamlining operations and strategies in order to compete effectively with products from outside the country. This is a reactive strategy that relies on tried and trusted ways of doing business to save them in the long term.

Some authors have argued that most businesses fail due to management deficiencies. de Waal (2007) argues that, in the five years prior to his study, more shareholder value was destroyed as a result of mismanagement, wrong decisions and poor execution of strategy than through compliance standards and scandals combined. He cites the Booz Allen Survey of 1200 large corporations that found that of the 360 worst performers, 87% of value destroyed was caused by strategic missteps and operational ineffectiveness. Strategic missteps and operational ineffectiveness is not only restricted to large organisations and can also be prevalent in all types of organisations including SMEs. These issues relate to strategy formulation and implementation issues which lead to most companies operating well below their true capability. In view of the foregoing, in the absence of deliberate steps to cope with environmental changes, SMEs might continue to underperform, resulting in business failure. Operational ineffectiveness results in strategies not being implemented properly, leading to the destruction of value. An investigation into how SMEs implement strategies would be useful in avoiding operational ineffectiveness which can stunt survival and growth.

Responding to the environmental factors essentially means matching the organisation to the changing environment (Ekwulugo, 2006). To understand how SMEs implement strategies in a changing operational and competitive environment, it is important to build taxonomies on how these businesses implement strategies with a view to enhancing overall organisational performance and growth. This study aims to identify the factors that affect strategy implementation and build a framework that SMEs currently use for strategy implementation in the face of a rapidly changing business environment. The insights gained from this study will hopefully improve practical and theoretical understanding of the role of strategy and its impact on performance. Strategy

implementation is an evolving art and will in the long run affect organisational performance.

2.6 High Failures among SMEs and strategic orientation

Given the assumption that SMEs are drivers of economic growth, one would be forgiven for thinking that all SMEs will be successful. However, Naylor (1999) and Kohtamaki, Kraus, Makela and Ronkko (2012) report, that, the rate at which SMEs are failing is disturbingly high and has a negative impact on economic growth. This view is supported by Smit and Cronje (1992), who observe that, the survival rate of small businesses in South Africa tends to be quite low compared with similar organisations in Singapore and the USA. They note that the survival rate in Asia, Latin America and West Africa is on average 50%; while in East and Southern Africa (inclusive of Zimbabwe) it is only about 10%. There seems to be a major discrepancy in the manner in which SMEs are spawned in Southern African and how they are managed, resulting in this low survival rate. Ekwulugo (2006) confirms that small businesses are struggling to survive at both national and international level, an indication that they operate in highly uncertain and competitive markets which demand sound SMEs' management practices. Many factors could cause this trend. These could be environmental, as postulated by O'Regan and Ghobadian (2004):

“SMEs ... tend to be more vulnerable to environmental forces compared with larger organisations in aspects such as access to financial capital, strong reliance on narrow range of products, and more limited market presence.”

Given the seemingly high failure rate among SMEs it is pertinent to understand how SME owners in Zimbabwe fail or succeed in strategy implementation. Many environmental factors negatively affect SMEs' operations in Zimbabwe, particularly during the period after the economic reforms post February 2009. There is increasing research to show that the quality of firms is far important than the quantity of SMEs for economic growth. Reducing the failure rate of or underperforming SMEs in Zimbabwe will go a long way to address the economic challenges that the country faces. While it is

not disputed that SMEs' operations can be significantly affected by external factors, the inability to develop these SMEs could be linked to issues of strategic planning and implementation, given the lack of access to capital markets and the narrow range of products available due to depressed manufacturing in the country rather than simply environmental issues. Understanding the way SMEs are managed both in the short and long term and strategy implementation from the perspective of SMEs owners can be central to unlocking their inherent value.

The survival and growth of SMEs is to a large extent organisational, with strategic planning being a major factor. Kohtamaki et al (2012) argue that strategic planning contributes to the success of SMEs; however, they indicate that there have been contradictory findings with regard to the planning-performance relationship. Dandira (2011) notes that although remarkable progress has been made in the field of strategic management, the problem of strategy implementation failure persists. This study argues that strategy implementation is at the heart of whether or not SMEs contribute to the success or failure of a nation's economic development. To avoid failure, SMEs in Zimbabwe have to pay particular attention to issues of strategic planning and implementation.

Temtime and Pansiri (2006) found that:

“The major cause of small business failure is “poor management” whether the causes are labelled financing, competition, marketing etc. There is a distinct scarcity of strategic planning in the majority of SMEs.”

If this is the case, it would appear that SMEs merely drift without any compass to guide them. However, several analysts have found evidence of planning on the part of SMEs. For example, Mboko and Smith-Hunter (2009) confirm that the high income firms in Zimbabwe do not necessarily have strategic plans as presented in the strategy literature but have a clear, predetermined sense of direction. They state that the owners set the direction guided by their goal orientation, particularly with regard to markets and products. They have a business vision and activities are guided by that vision. However,

it is not clear how SMEs in Zimbabwe actually implement this vision and the nature of the results that are generated by such an approach.

Szabo (2001) argues that the main constraint faced by SMEs is the lack of entrepreneurial, management and marketing skills to respond effectively to environmental issues. While most owner-managers and start up entrepreneurs are experts in their product and service, they often lack wider managerial skills and this hinders long term success. Szabo (2001) adds that strategic planning, medium term visioning, marketing, finding customers, being patient not expecting to “get rich overnight”, managing innovation, commitment to quality and knowledge of quality systems, cash flow management, and information technology are critical elements of the management required to meet the challenges of the market economy, especially at the international level. These factors will affect SMEs’ overall approaches to strategy implementation. Zimbabwean SMEs have some of the characteristics highlighted by Szabo (2001), which might also have a significant impact on how these SMEs owners implement strategies and whether or not their focus is short term. The factors highlighted in previous discussions will have a significant impact on how SMEs in Zimbabwe go about implementing strategies. An interesting finding of Mboko and Smith-Hunter’s (2009) study is that while entrepreneurs who adopt complete planning have a vision, their focus is short term and they have a high situational responsiveness. The question then arises whether situational responsiveness, which is critical for survival is adequate for the long term growth of SMEs; and therefore, there is a need to investigate how both can be achieved through strategy implementation.

Cagliano and Spina (2002) note, that, many factors have been identified to explain the success of SMEs. Some relate to the external environment in which they operate, such as supportive public policies, the presence of local infrastructure and services, the effectiveness of the labour market, the network of formal and informal relationships that surrounds the business, and the “industry atmosphere” that characterises the industrial districts in which SMEs are located (Porter, 1990; Pyke, 1990; and Patti et al, 1997).

However, Cagliano and Spina (2002) explain that other factors can be traced to internal characteristics, mainly a business' ability to be fast and flexible, to customise products and to find solutions to satisfy customers' diverse needs. These factors relate to how SMEs strategise and respond to both the internal environment and external variables in order to be successful. This is linked to the strategic orientation of SMEs, but they are limited in their responses due to the factors that impact SMEs in implementing strategies.

According to O'Regan and Ghobadian (2006):

“Strategic orientation is concerned with the direction and thrust of the firm and is based on perceptions, motivations and desires that precede and guide the strategy formulation and deployment processes.”

These views are very telling as to the behaviour of SMEs with regard to strategy implementation. The perceptions and motivation of SMEs in starting or developing businesses are bound to be different. The motivation for being in business differs from person to person and this will contribute significantly to the way things are done in the business. Depending on the motivation, strategies can be aggressively pursued, while in other cases implementation is lukewarm. These approaches ultimately determine both the survival and growth of any establishment. Given these differences, it will be interesting to investigate the impact of these perceptions and motivations on strategy implementation by SMEs in Zimbabwe. Do perceptions and motivation affect overall strategy implementation, organisational growth and the chances of survival?

In line with this argument, Garcia-Pont and Nohria (2002) state that all firms, even those in the same industrial grouping, do not respond to the operating environment in the same way. Strategy formulation and implementation can be driven by personal needs or the needs of the organisation; this will have a bearing on how strategy is implemented.

O'Regan and Ghobadian (2005) state that strategic orientation has a high degree of consistency, as it is “a pattern in a stream of decisions (past or intended) that guides the

organisation's ongoing alignment with its environment and shapes its internal policies and procedures." This means that SMEs have built in mechanisms and approaches to deal with issues that affect their organisations. These determine their approaches to overall strategy implementation. O'Regan and Ghobadian (2005) note that this helps to:

"Bring order to the complex set of interrelated phenomena by identifying recurring patterns of decisions which then provide a comprehensive, yet parsimonious, orientation to the study of strategy."

In terms of the development of SMEs, Smallbone, Leigh and North (1995) point out that the emphasis in public policy was increasing the rate of new business formation, but more recently there has been growing recognition of the importance of helping expanding firms to overcome growth constraints and encouraging established SMEs to maintain improved competitiveness. They further argue that putting more money into start-ups is less cost effective than helping established firms. With start-ups, there is no guarantee of success, which is confirmed by the high failure rate of SMEs (Smit and Cronje, 1992) despite the resources provided. "Business failures are often ascribed to extraneous factors, such as public sector competition and political interference, but ...in many cases failure may simply be due to lack of sufficient entrepreneurial ability," (Balunywa, 1998). The shift from starting a business to managing it might be too great a leap for most SMEs owners. Without proper management structures, SMEs' growth might be very limited and in this regard management entails strategy implementation.

This could be the case in Zimbabwe where people are starting SMEs as a substitute for salaried jobs. If the job substitute orientation is dominant it becomes very difficult to come up with structures that will help the organisation to grow or survive. On the other hand, it has been shown that SMEs contribute to employment creation, but they might require assistance in terms of improved implementation in order to grow, given the fact that SMEs tend to stabilise over time. Smallbone et al (1995) contend that an analysis of the strategies and types of business behaviour can result in high growth, both of which are linked to strategy formulation and implementation. However, African

entrepreneurs are said to manage risk and uncertainty by using an organisational structure described as an 'octopus'; instead of growing a single firm in a clearly defined line of business, the entrepreneur engages in several unrelated (and therefore generally unsuccessful) businesses (Kiggundu, 2002). This form of strategy implementation could be prevalent among SMEs in most developing countries; the chances of success are limited given the lack of focus and thinly-spread, limited resources. To survive and prosper, organisations need to understand and adjust to the external environment (Ekwulugo, 2006) through information gathering, strategic planning and implementation.

2.7 Strategy Formulation

A very important step towards strategy implementation is the formulation of strategy by SMEs. Ekwulugo (2006) believes that strategy reflects a firm's short and long term responses to challenges and opportunities posed by the business environment. This is in line with the views put forward by Smallbone et al (2006) on the growth of SMEs that they attribute to management actions. They add that the management actions associated with these aspects are characterised as "adjustments" made by firms to changes in external conditions and in the circumstances of the firm. These actions might span both strategic planning and implementation but for the purposes of this study, the focus is on implementation, since actions are closely related to implementation and ultimately the performance of organisations. However, effective strategy implementation is anchored in the production of a strategic plan. It is clear that a poor or vague strategy can limit implementation efforts dramatically; hence the kind of strategy that is developed will influence the effectiveness of implementation (Li et al, 2008).

While most analysts have argued for the provision of an enabling environment and direct government support, Urban (2003) argues that:

“Government initiatives, which do not focus on a do it alone basis, tend to stimulate an entitlement mentality to emerge. The success of entrepreneurs is dependent on personal motivation and a will to succeed.”

Therefore the starting point of implementation is to have compelling goals that will drive one to success. The entitlement mentality takes responsibility for the success of individual organisations out of the hands of the owners and places it with government and other institutions. There is tendency among SMEs to believe that someone, especially government, should support them; this creates a dependence syndrome. SMEs should take the initiative themselves. Urban (2004) adds that instead of hoping for massive capital injections to improve business performance, transitional economies would be well advised to implement formal self-efficacy programmes to foster individual initiatives for entrepreneurial empowerment. Such programmes would enable entrepreneurs to fashion their own destiny, in this case through the formulation of a strategic plan. How strongly the entrepreneur believes in their vision will determine how high the self-set goals are; and the stronger the desire to achieve these goals will be. It is therefore frustrating to hear Zimbabwean entrepreneurs continuing to call for government intervention. SMEs might tend to put in marginal efforts to attain self-set objectives in order to qualify for assistance programmes; this is reflected by businesses that were promised financial assistance through the Dimaf programme launched by the Zimbabwean government in 2010. They have done nothing to increase their levels of production as they await government assistance and their business outlook has continued to deteriorate. The lack of clear strategic plans could be the missing link among SMEs in Zimbabwe.

Increasingly intense competition has made continuous planning and quality improvements prerequisites for the survival not only of large firms, but SMEs (Temtime, 2003). This view is shared by Ashill, Frederikson and Davies (2003) who observe that several conceptual frameworks have been developed to understand the processes of strategy formulation, the term used to describe the decisions taken to develop long-run

strategies for survival and growth. If Zimbabwean SMEs are to be successful, it is essential that they develop long term strategies. However, this is not sufficient; implementation is central in the development of SMEs. Temtime (2003) argues that “implementation ... is influenced by the planning behaviour of firms.” Therefore one cannot talk about implementation without first interrogating issues concerned with strategy formulation or planning.

The benefits of strategic planning and implementation cannot be overemphasized. Mugler (in Raymond and Crouteau, 2006) advises that SMEs must develop themselves strategically in order to remain competitive, grow and prosper. However it has been acknowledged by authors like Mboko and Smith-Hunter (2009) that SMEs are reactive in their business approaches, which might mean that they do not have a clear, long term view of where they want to take their businesses to. Being reactive might affect SMEs’ ability to remain competitive or to grow. They are forced to adapt to new circumstances and as they play catch up, effective implementation might be compromised, to the detriment of their performance.

To contextualise the view of strategic formulation, Kraus et al (2006:336) propound that strategic planning is commonly characterised by the following three criteria:

- *“A long term view*
- *Strategies in written form and*
- *Evaluation and control* (Rue and Ibrahim, 1998).”

This seems to be at variance with the view put forward by Mboko and Smith-Hunter (2009) in respect of Zimbabwean SMEs which are focused on the short term. Kraus et al (2006) note that, “in addition to the above, the strategic planning instruments are an important element of strategic planning.” Their study focused on the above criteria to assess the relationship between planning and performance, yet performance is the result of strategy implementation. Given that Mboko and Smith-Hunter (2009) observed

that Zimbabwean SMEs are in the early stages of strategy formulation, it is unlikely that they are using strategic planning tools. Effective strategy formulation requires the effective setting of objectives, the identification and evaluation of alternative action and the implementation of the selected choice (Tan and Platts, 2006). The type of planning outlined above could be farfetched in Zimbabwe as it is at odds with what currently obtains in SMEs. Mboko and Hunter-Smith note that these SMEs' planning is limited to visioning and objective setting. This could cause differences in the implementation approach dictated by the economic environment in the country. Very little is known about how SMEs in Zimbabwe actually plan and implement for survival and growth. Nwankwo, Akumuri and Madichia (2010) state that, "there is little consistent data on... black businesses despite recent but growing interest on the topic especially on the study focus of this research in the case of the UK." Very little has been written on how SMEs plan in Zimbabwe, let alone how they eventually implement such strategies.

Given that strategy formulation is a critical step in strategy implementation, Crittenden and Crittenden, as cited by Tapinos et al (2005) contend that strategic planning should attempt to systematise the processes that enable the organisation to achieve its goals and objectives. However, with SMEs, the emphasis might lie elsewhere and the steps involved might be too cumbersome. They add that there are five steps in the strategic planning process: goal/objective setting, situation analysis, alternative consideration, implementation and evaluation. These do not seem to be apparent in the literature on strategic planning; the approaches that SMEs owners use to formulate strategies are not self-evident. It is therefore likely that SMEs in Zimbabwe are borrowing strategies from other organisations and making them their own, or they could be operating in survival mode where the focus is on keeping the organisation afloat without following any particular approach. This implies a lack of commitment to the borrowed objectives and strategies by both the employer and the employees, resulting in less vigour in pursuit of the said objectives. Naicker and Saungweme (2009) showed that SMEs adopted strategic alliances as a strategy but the failure rate was as high as 75%. This might mean that SMEs adopted strategies that they had no passion to implement since

the way the strategy was adopted is not clearly spelt out. Issues such as the involvement of the implementers (Dandira, 2011) could be the missing link in successfully implementing the strategy. The way in which SMEs formulate and eventually implement strategies could be the reason for the identified discrepancy; therefore, this study seeks to investigate how those SMEs that show signs of growth and survival actually implemented strategies.

According to Tapinos, Dyson and Meadows (2005) "The development of strategy is on-going for practitioners and an on-going debate in academic literature." This study hopes to add to the growing body of knowledge on strategy formulation and implementation from both a Zimbabwean and SMEs perspective, given the cultural differences when compared with other regions. Does the replication of strategy that works in a particular organisation or geographical domain lead to outstanding performance on the part of the organisation that adopts and implements the strategy? Do these organisations have identical infrastructure to implement such adopted strategy and how effective will they be?

There is strong evidence in the literature that SMEs are involved in strategic planning. Stonehouse and Pemberton (2000) confirm that the vast majority of organisations participating in the services sector appear to plan strategically in the sense that they have a clearly articulated vision and mission statements supported by business objectives. This view further confirms the appreciation of strategic planning among SMEs owners. They report that organisations also set strategic targets in terms of sales, profits and costs, with the manufacturing sector placing greater emphasis on these aspects than service oriented companies. This tends to be a very narrow approach to strategy formulation, which might have a significant effect on how these strategies are eventually implemented. Does this approach have the capacity to make these organisations outstanding performers? The current strategy frameworks and processes seem to focus on broad direction and the establishment of manufacturing objectives (Tan and Platts, 2006). However, there is no indication in these studies

whether or not SMEs actually implemented these visions or targets and how the targets were actioned, which is the focus of this study.

The observations above might be indicative of SMEs' planning behaviour where the focus is on vision, mission and objectives. Having adopted strategies, do SMEs in Zimbabwe break them down into an implementation matrix that will facilitate systematic implementation and in what order is implementation executed?

Stonehouse and Pemberton (2002) noted weaknesses in strategic planning:

“Despite a sizeable majority of respondents indicating that their organisations regard strategic planning as extremely important, and that they articulated this through vision and mission statements, there is limited evidence of practical strategic planning in the sense of setting long term business objectives and the use of strategic planning tools.”

Adopting strategies from other organisations indicates that organisations are not considering their long term success, but focusing on issues that might extricate them from the immediate situation. A case that comes to mind is the “burning of cash” noted by Mufudza et al (2013) to address liquidity challenges in the Zimbabwean economy, which was short-lived and eventually decimated by the adoption of multiple currencies. However, Suominen and Mantere (2010) argue that it is exceptional to come across an organisation that has no plans or objectives labelled ‘strategic’, whether it is operating in the private, public or third sector. They further contend that strategy appears to have penetrated almost every organisation, obliging managers to follow suit and submit themselves to the principles of strategic management. What is the quality of these plans? If the plans are not of the required quality, they might produce substandard performance or a lack of enthusiasm to implement them.

Evidence of strategic planning does not in itself determine the performance of SMEs. SMEs have failed to deliver on their plans due to several handicaps. The strategic formulation approach will determine the effectiveness of implementation. Bouzdine-

Chameeva (2006) argues that formulating a credible strategy is explicitly based on analysing distinctive competencies that are unique to a company, difficult to copy and could be used to exploit opportunities and create synergies in order to provide distinct strengths, thus helping to generate significant profits as well as reduce risks. It might be difficult for the majority of SMEs to have the competencies necessary for strategy formulation and implementation, given the massive brain drain that the country experienced post 2000. Despite this perceived shortcoming, SMEs still have to implement strategies and survive. Do SMEs have the capacity to come up with credible plans and to implement these strategies? Temtime and Pansiri (2006) identify pointers that might contribute to overall performance; these include the use of external advisors (mean 3.45), a focus on strategic formulation rather than focusing on operational bits and pieces (mean 3.42), aiming for long term competitive advantage rather than short term profits (mean 3.26) and developing strong interest for non-financial benefits such as need for achievement and recognition (mean 3.23). Given the Zimbabwean environment, do these factors hold or is their impact limited to strategy implementation in developed economies?

Given the operating environment and their internal dynamics, it would be farfetched to imagine Zimbabwean SMEs anchoring their operations in the majority of the issues raised by Temtime and Pansiri. Like elsewhere, SMEs in Zimbabwe tend to focus on the immediate, where implementation (Temtime and Pansiri, 2006) is driven by short term objectives, especially profits. The profit motive seems to drive strategic planning and implementation in Zimbabwe at the expense of other aspects of strategic management. SMEs therefore tend to take shortcuts to strategy implementation.

Ashill, Frederikson and Davies (2003) contend that corporate strategy focuses on internal resource allocation, which influences the short term performance demanded by controlling shareholders. Most SMEs are concerned with short term performance goals rather than what Ashill et al (2003) term "robust strategies" which concern long term survival by ensuring that steps are taken to counter potential threats.

SMEs have to redirect their efforts and become responsible for their own destinies. In this regard McNamee, O'Reily and Shiels (2003) suggest that:

“The SMEs themselves (rather than government agencies) can be instrumental in affecting convergence when they have and act upon the strategic information to achieve competitive advantages.”

SMEs in Zimbabwe do not want to be responsible for their own destiny and are not willing to step outside themselves to develop their own organisations. Their world view is very limited in the sense that they feel that whatever happens in their businesses is outside their control. The major problem often cited by SMEs in Zimbabwe is the apparent lack of resources and other forms of direct and indirect support. They are therefore looking for external support and do very little to formulate and implement strategies. This thinking tends to remove responsibility for business survival and growth from the owners to external influences. According to Szamosi et al (2004:445):

“While not discounting the importance of financial capital necessary to operate an SME, it has been posited by a number of authors that the strength of an SME is based on its human capital resources.”

As with strategy implementation, the implementation of Total Quality Management, TQM is accomplished by means of a set of practices within the TQM philosophy, which dictates that practices operate as an interdependent system that can combine other organisational assets and resources to generate competitive advantage (Douglas and Judge in Temtime, 2003). These practices are born out of a full and comprehensive understanding of the dynamics involved in strategic planning. It will be interesting to examine this route since it will form the foundation to understand how entrepreneurs link the processes of strategy formulation and implementation. The lack of coordinated effort might compromise the actual effort to implement strategy.

Stonehouse and Pemberton (2002) confirmed the value attached to strategic planning, with more than 90% of their respondents stating that it is extremely or fairly important.

However Dobbs and Hamilton (2007) argue that once such a goal has been established, the specifics allowing enterprises to achieve their growth strategy become less clear. Such specifics would include the manner in which organisations go about implementing strategy. This underscores the need for this study, which seeks to investigate how SMEs, particularly in Zimbabwe, implement strategies to achieve growth. This will help provide answers to what happens after strategies have been selected. Dobbs and Hamilton (2007) point out that the sustained growth of these businesses creates new jobs and other benefits for communities, while at the same time offering their owners the prospects of wealth, variety, self-fulfilment and independence. These confirm the views expressed by Sum et al (2004), who concluded that their next phase of economic growth will depend on the ability of home-grown SMEs to develop into national corporations.

The challenge with most SMEs, particularly in Zimbabwe, is that they tend to replicate strategies adopted by other organisations and hope that they will be successful; however, the crux of the matter lies in how these strategies are implemented. It was concluded that SMEs should avoid wishful thinking that business planning and TQM will fix short term problems and quickly improve business (Temtime, 2003). Given Zimbabwe's volatile operating environment, will this observation hold true, given Mufudza et al's (2013) observation that organisations in Zimbabwe tend to adjust strategies at least four times a week in the hyperinflationary environment? This approach presents a uniquely Zimbabwean approach to strategy implementation which does not allow for strategies to be wedded to the psyche of the organisation concerned. There is pressure to react (Mboko and Smith-Hunter, 2009) and this might generally affect how SMEs in Zimbabwe implement strategies in the long term given the short term orientation of some businesses. However, Temtime (2003) advises that TQM (and strategic planning for this study) is not a destination but a journey, requiring long term strategic planning and unwavering commitment to improving products, services and processes. The changes in the business environment, particularly in Zimbabwe, might not allow for such commitment. Bonn (2002:36) found that companies that used a

formalised strategic system were more likely to survive than those that operated without such a system. This is confirmed by Kraus et al (2006:335) whose literature analysis supports a positive relationship between strategic planning and performance. Seventy percent of the studies in their analysis identified a positive relationship, which suggests broad support for the performance impact of strategic planning. However Raymond and Crouteau (2006) are of the view that there is very little evidence that these systems have in fact become enablers for the development and growth of SMEs. They argue that, looking at this issue from a contingency theory perspective, one could surmise that the business value of advanced technology is leveraged to the extent that it is in alignment or fit with product, market and network strategies. The long and short of this statement is that the success of strategic planning hinges strongly on how it is implemented.

Temtime (2003) points out that although many proponents of TQM (strategic planning for the purposes of this study) openly praise it; others (e.g. Kunst, 2000) have identified significant costs and implementation obstacles. The availability of a plan does not in itself translate to effective implementation because, as Chen et al (2008) argue, organisational implementation determines the implementation and operational results of an organisation's strategy. Implementation, according to Chen et al, is core to the competitiveness of an organisation and determines its development. Therefore, having a plan does not necessary translate in organisational success. Rather, the processes and behaviour in the organisation will ultimately determine success or failure. It is essential to identify these and match them to strategy implementation.

SMEs have severe handicaps that impact strategy implementation that may or may not be addressed by strategic planning. Raymond and Crouteau (2006) argue that most SMEs are poorly endowed with the human and technological resources necessary to pursue their chosen strategies. Such handicaps are bound to negatively impact effective strategy implementation in overall terms. For example, Powell, in Temtime (2003), argues that empirical studies have not shown that TQM firms have consistently

outperformed non-TQM firms. Despite the fact that the literature on the relationship between TQM and firm performance is inconclusive, there is general consensus that the implementation of TQM practices leads to improved financial performance, communication, customer satisfaction and teamwork. Temtime (2003) observes that the use of scientific planning approaches and models is at the heart of implementation. It is argued that effective implementation requires effective strategic planning. While it is obvious that planning policy deployment and TQM are inseparable corporate activities, it is surprising that there has been very little research that integrates TQM and policy deployment in SMEs. Boon and Ram, in Temtime (2003) stress that planning and TQM are inseparable and that the effectiveness of TQM is affected by the quality of business planning. It is doubtful that the circumstances that are outlined above exist in the Zimbabwean environment, where changes are taking place at an accelerated rate. The chief concern would be survival and as such issues of quality will be given little consideration in overall strategy implementation. The implementation of strategy depends on complex systems relating to the ability to adapt to the strategic environment, support implementation, control the operation of strategy and impact the implementation (Chen et al, 2008). The majority of SMEs in Zimbabwe could be operating without formal business planning and this could have a significant bearing on strategy implementation.

Ninety six percent of the respondents in Temtime's (2003) study stated that it was not possible to effectively operate without business plans. However, 89% indicated that these plans were prepared by external consultants mainly for the purposes of external validation by government agencies, banks, and other SME support agencies and financial institutions. This suggests that business planning is a vehicle to resources and for implementation purposes. It is likely that SMEs operated on the basis of informal business planning which were not supported by structures. To grow successfully over an extended period, firms need to develop their internal structures in ways that enable the leader of the firm to delegate responsibility for operational tasks and focus more on planning and higher order planning (Dobbs and Hamilton, 2007).

Although there is confirmation of planning as an activity, Suominen and Mantere (2010) indicate that, traditionally, industries have used robust methods of strategic planning. In the current environment, strategy implementation is receiving more interest and resources. SMEs are said to have formal or informal visions and missions (Mboko and Hunter-Smith, 2009; and Naicker and Saungweme, 2006), but there is very little literature on strategy implementation in the Zimbabwean context. The (re)production of strategy is dominant, obvious and visible (Suominen and Mantere, 2010), but few studies focus on the implementation side. This could have indirectly deemphasized the importance of implementation in strategic management, yet it is essential to drive performance.

The quality of planning among SMEs could also impact on strategy implementation. Thakka and Kanda (2009) indicate that SMEs' resource limitations mean that the focus is on reducing wastage and ensuring high levels of productivity. It is likely that most SMEs would ignore certain key variables in their planning, which might compromise effective strategy implementation. Every year, top management put great effort into developing strategic plans, but by the end of the year these have been shelved; often, middle and grassroots managers do not understand the strategy and are not provided with clear direction on the work they are expected to do (Dandira, 2011 and Chen et al, 2008). Therefore pre-implementation protocols might be totally overlooked even though they are critical to strategy implementation and include variables of strategy and structure (Snider, da Silveira and Balakrishnan, 2009). Pasanen and Laukkanen (2006) note that firm performance is a core issue in strategic management but that, to date, the literature has not provided a comprehensive explanation for SMEs' growth and performance. They further argue that the UE (Upper Echelons) perspective is a theoretical framework for predicting that organisations are a reflection of their top management, which also plays a central role in shaping major organisational outcomes. This might mean that SMEs' plans are dictated by their owner/managers without consideration of other factors affecting the organisation. When such an approach is adopted, difficulties will be encountered in implementation. As a

consequence, performance is stunted because the plans will not be realistic or are at variance with reality. Although strategy is almost unanimously acknowledged ((re)produced) as a management discipline in different organisations, the way it is used by managers in their everyday life is very context specific and largely based on their individual needs (Souminen and Mantere, 2010). This demonstrates that strategy is an indefinite, versatile and maybe even precarious practice for managers (Whittington, 2003) and that they use and consume this practice in multiple ways with multiple means which may depart from the ideals they themselves hold (Souminen and Mantere, 2010). Different kinds of ideals and models can be used creatively by managers, depending on their prevailing situation and needs.

These findings show that the strategic actions of managers may not necessarily arise from intended and unintended strategies, as rational thought would suggest that they rather emerge from every day “practical coping” and “dwelling of managers when things are labelled and regarded as strategic” (Chia and Hitt, 2006, 2009, in Suominen and Mantere (2010)). This suggests that strategy implementation is not actually linear due to intervening issues during implementation and that the way in which implementation is carried out might be informed or not informed by strategy formulation. Implementation might therefore be at variance with what was formulated to meet the dictates of the environment. SMEs in Zimbabwe face these challenges in a fast changing environment.

At the outset, the mainstream of strategy literature regarded strategy and organisation as separate issues. “Strategy formulation was regarded as being followed by implementation, termed the allocation or reallocation of resources- funds, equipment or personnel,” (Chandler, 1962, in Suominen and Mantere, 2010). However, resources cannot be configured in accordance with the strategic plan, which, according to Chen et al (2008), leads to strategy implementation and the daily operation of enterprises being out of touch. This questions the accepted notion that strategic decisions are followed by implementation that often leads to the idea “that managers are able to realize strategies by twisting organisational levers”, resulting in configurations that control cognition and

behaviour in ways that support strategy (Suominen and Mantere, 2010). They argue that while the strategy/implementation split has been challenged a number of times, both practitioners and academics subscribe to the notion that strategic analysis and organisational activities are fundamentally separate categories, where good performance is created by the second, following the first. The reality on the ground is that executives cannot control implementation; enterprises cannot achieve breakthroughs on key indexes, and year end results are a far cry from the set goals (Chen et al, 2010). It would therefore be simplistic to conclude that implementation is premised on a particular plank. Suominen and Mantere (2010) state that

“while the implementation view would characterize the success of strategy realisation in terms of organisational members’ activities being redirected in a specific way, we should perhaps use official strategy realisation to augment and challenge popular conceptions such as resistance to change (Hrebinaik, 2004), reward systems (Hrebinaik and Joyce, 1984), staff understanding and sub-unit goals (Kaplan and Norton) or control structures and practices (Simmons).”

To understand the dynamics of strategy discourse in the construction of organisational reality, Suominene and Mantere (2010) focussed on identifying competing macro discourses of strategy that describe the desired and/or ideal state of strategy in both case organisations and in general. There appeared to be five such macro discourses: militaristic, mechanistic, humanistic, pragmatic and spiritual (Suominen and Mantere, 2010). These discourses indicate different approaches to strategy discussion and practice, meaning that organisations can opt to use any one or a combination of these approaches. The ability to use existing resources and mechanisms or core processes of strategic management has been the major focus in the literature (Chen et al, 2008) and therefore the implementation of research is limited to integrating the organisation’s own resources to achieve organisational goals. They further contend that many studies on implementation have paid more attention to the importance of the implementation of strategy, the reasons for the failure to implement and ways of upgrading staff

implementation. The fact that different approaches are used will naturally require one to investigate the most popular approach or combination of approaches used by SMEs in Zimbabwe when implementing strategies. These approaches are bound to produce different results. Stonehouse and Pemberton (2002) pointed out that the varying results could stem from several terms being used ambiguously and interchangeably in the literature relating to strategy. While concurring with this point of view, this study seeks to extend the argument to the way in which SMEs implement strategy as the major driver of performance.

Dobni et al (2001) show that there is clear evidence that executives have been unable to move strategy out of the boardroom onto the playing field. Failure to move from planning to action is a serious handicap to all businesses, particularly SMEs in Zimbabwe which have a key role to play in improving living conditions in the country. Brilliant strategies do not always succeed, often succumbing to not so brilliant implementation processes that reinforce traditional organisational boundaries (Dobni, Dobni and Luffman, 2001). Therefore it is obvious that strategy implementation is a key challenge to today's organisations. Without successful implementation of strategy, SMEs will continue to struggle, thereby not achieving the ultimate goal of survival and growth. How, then, do SMEs implement strategies for survival and growth, given Zimbabwe's cultural and economic differences?

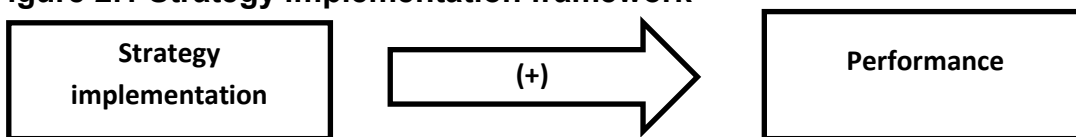
According to Jooste and Fourie (2009), for the past two decades, strategy formulation has been widely regarded as the most important component of the strategic management process- more important than strategy implementation or strategic control. They further argue that the high failure rate of organisational initiatives in a dynamic business environment is primarily due to poor implementation of new strategies. Kumar, Markeset and Kumar (2006) are of the view that strategic management is gradually shifting from paying 90% attention to formulation and 10% to strategy implementation, to paying equal attention to both. Strategy formulation is a key step in successful implementation but strategy formulation does not necessarily lead to robust

performance. The missing piece in the whole strategic planning process could be strategy implementation. This would apply to SMEs in Zimbabwe. The Reserve Bank of Zimbabwe (2013) acknowledges the deepening economic crisis epitomised by the country's growing dependence on imports and continued industrial undercapacity utilisation. Foreign brands are major competitors for locally produced goods, with some major players in the retail sector calling for a Buy Zimbabwe Campaign (Mufudza et al, 2013). The lack of initiatives to drive own brands is surely significant and it will be interesting to examine how those that are considered to be successful have internally driven their organisations to success through strategy formulation and implementation. Strategic planning contributes significantly to the success of SMEs, but there are contradicting findings regarding the planning-performance relationship. Kohtamiki et al (2012) report that the prior research literature lacks empirical evidence on the indirect link between strategic planning and company performance. Although remarkable progress has been made in the field of strategic management, the problem of implementation persists (Dandira, 2011). This study seeks to confirm the use of strategic planning by SMEs in Zimbabwe but, more importantly, establish the approaches that SMEs adopt to formulate strategies, given the country's continued economic challenges. Do they follow a business driven approach in formulating strategies and how does the approach they adopt influence business strategy? Given the scenario obtaining in Zimbabwe, Mufudza et al (2013) wonder "how business strategists could formulate and execute strategies in such a turbulent economic environment." The literature review did not yield any studies that link strategy formulation approaches to eventual implementation. This would provide a new dimension to strategy implementation. Li, Gouhni and Eppler (2008) postulate that the first approach to strategy implementation concentrates on the process perspective and regards strategy implementation as a sequence of carefully planned, consecutive steps. This process would start with strategy formulation. Mufudza et al (2013) observe that if SMEs want to win, when it comes to strategy, they should ponder less and do more. They emphasized that businesses need to match strategy to implementation, pointing

out that during the hyperinflationary era in Zimbabwe, most companies were changing strategies an average of four times a week, due to external forces, which were changing on a daily basis.

While these authors noted the need to adapt strategies to suit the environment, the two key questions are: were the strategies successful and how were these strategies implemented? This study aims to provide answers to these questions to serve as lessons to others. This is necessary since, as Dandira (2011) observed, there is a missing link between the formulation stage and the implementation stage. Apart from wasting considerable amounts of time and money, the failure of strategy implementation efforts causes lower employee morale and diminished trust and faith in senior management (Sorooshian et al, 2010). The main issue is therefore for SMEs to carry out strategy formulation and implementation in an effective manner. In summary, the following conceptual framework developed by Sorooshian et al epitomises the focus of this study.

Figure 2.1 Strategy implementation framework



Source: Sorooshian et al (2010)

This study will examine the strategy formulation approaches used by SMEs in Zimbabwe and investigate whether the approach has any influence on how the strategies are implemented. Strategy implementation will eventually lead to strong organisational performance. The link between strategy formulation and implementation of strategy among SMEs in Zimbabwe needs to be investigated in order to enhance overall implementation and eventually overall performance. How does strategic thinking affect implementation? There is very little literature on how SMEs in Zimbabwe implement strategies; thus calls for exploratory studies on this issue.

2.8 Definition and contextualisation of strategy implementation

The literature confirms the scant emphasis placed on implementation. Sterling (2003) contended that 70% of strategic plans and strategies are never successfully implemented and often fail because the market conditions they were intended to exploit change before the strategy takes hold. In Zimbabwe, the situation is constantly changing. Speculand (2009) notes that one can have the greatest strategy in the world, but if one cannot implement it, it is not worth the paper it is written on. Traditionally, industries have used robust methods for strategic planning; in today's environment the focus of interest and resources is shifting to strategy implementation (Suominen and Mantere, 2010). Anderson, in Thorpe and Morgan (2007) states:

"Numerous researchers in strategic management, and to a lesser extent in strategic marketing, bestowed greater significance to the strategy formulation process and considered strategy implementation as a mere by product or invariable consequence of planning."

There has never been any doubt with regard to the use of strategic planning but it is what happens after the planning that is important in producing results. To believe that implementation is a byproduct of planning might be to undervalue its importance. The thrust of this research study points to the importance of strategy implementation as a driver for survival and growth, which has received little attention, especially in the Zimbabwean context. Studies have explored elements of strategic management other than implementation. Voola and O'Cass (2010) suggest that managers should emphasize strategy implementation over strategy formulation. Although numerous studies acknowledge that strategies frequently fail not because of inadequate strategy formulation, but because of insufficient implementation, strategy implementation has received less research attention than strategy formulation (Li et al, 2008). Li et al (2008) point out that a myriad of factors can potentially offset the process by which strategic plans are turned into organisational action plans. The process begins with a clear and official implementation plan informing all employees when, where, how and why they would be given training (Osarenkhoe and Bennani, 2007).

According to Voola and O’Cass, strategy implementation is a valid route to organisational performance; in their quest for competitive advantage, managers must not only develop competitive strategies, but simultaneously develop capabilities that act as key mediators. Li, Goihui and Eppler (2008) argue that there are many (soft, hard and mixed) factors that influence the success of strategy implementation, ranging from people who communicate or implement the strategy, to systems or mechanisms for coordination and control. They acknowledge that organisations and researchers placed more emphasis on strategy formulation than implementation. This explains businesses’ under achievement in achieving set goals. Almost without exception, this “what to do” advice falls short in the “how to do” department (Dobni et al, 2001). This study explores the attitudes of SMEs to the issues of strategy formulation and implementation in the Zimbabwean context.

Strategy implementation is an integral component of the strategic management process and is viewed as the process that turns the formulated strategy into a series of actions that ensure that the vision, mission, strategy and strategic objectives of the organisation are successfully achieved as planned (Thompson and Strickland, 2003). Strategy implementation is viewed as a dynamic, iterative and complex process, which comprises a series of decisions and activities by managers and employees affected by a number of interrelated internal and external factors to turn strategic plans into reality in order to achieve strategic objectives (Li et al, 2008). These authors agree that organisational action and activities result in performance. There is no doubt that SMEs are involved in several activities and decisions as they try to ensure that they survive and grow. Therefore strategy implementation can be described as a capability to accomplish strategic goals by using resources (Chen et al, 2008).

In similar fashion, Osarenkhoe and Bennani (2007) contend that process-oriented strategy implementation addresses not only the technological aspects of the performance strategy, but the behavioural aspects that may promote successful

implementation of a sustainable strategy. However Li et al (2008) state that implementation can be classified as three distinct conceptions, namely:

- *“A process perspective- that takes strategy implementation as a sequence of carefully planned consecutive steps.*
- *Behaviour perspective- treats implementation as a sequence of more or less concerted (but often parallel) actions and examines the actions from a behavior perspective.*
- *Hybrid perspective which is a combination of process and behaviour perspectives.”*

While it is acknowledged that there are different approaches to strategy implementation, this study examines strategy implementation from a hybrid perspective. This will provide a richer analysis of how SMEs in Zimbabwe implement strategies for survival and growth, given the fact that more than one perspective will be considered. However, Li et al's (2009) review of the literature found that most studies looked at strategy implementation from the perspective of factors impeding or enabling its success. They added that organisational structure and organisational type are also elements of such research. With regard to organisational type, reference was made to whether organisations were privately or publically owned and whether their scope was regional or multinational. This study will examine privately owned businesses, but in the SMEs group rather than large organisations which have been the focus of previous studies. The emphasis will be on SMEs owners strategy implementation practices.

Previous studies have not identified critical strategic practices for each generic strategy for firm performance (Allen and Helms, 2006). Allen and Helms (2006) add that it seems that some combinations of practices are more effective than others, but propositions on strategic practices have remained largely untested and there is a need for empirical work in this area. Studies on strategy

implementation in Zimbabwe have either been general or more focused. Dandira (2011) examined the involvement of implementers, Mboko and Hunter-Smith (2009) looked at strategic planning; and Mufudza et al (2013) focused on the relevance of strategic planning in a hyperinflationary environment. Studies on SMEs in Zimbabwe have focussed, among other issues, on the creation of an enabling environment. This study links SMEs studies to strategy implementation which is considered the driver of SMEs' survival and growth.

The literature indicates that there is an imbalance in organisations between strategy formulation and implementation. Implementation structures could be less pronounced in SMEs even in developed countries because of their non-formalised approach to strategy formulation. Strategy implementation is likely to be a challenging task among SMEs in Zimbabwe hence the need to establish how SMEs owners in this country implement strategies.

Allen and Helms (2008) contend:

"... A chosen strategy is a set of operationalized practices and tactics, which managers should understand and then follow the chosen strategy. What this research does mean is managers must focus on all the practices which define their chosen strategy."

They note that top managers must work with lower level management to implement strategic practices consistent with and supportive of the chosen organisational strategy. This suggests the need for human infrastructure to undertake such a strategic approach. This is not the case in Zimbabwe for a number of reasons, including labour migration and recruitment policies. As a result other alternatives could be at work in these SMEs with regard to strategy implementation or they may vary according to the strategy being implemented.

Okumus (2001) reports that recent studies on future research areas in the strategic management field indicate that there is a lack of knowledge on strategy

implementation; therefore, more research is essential on this important area of strategic management. According to Renaissance Solutions Ltd, cited by Meldrum and Atkinson(1998):

"In the world of management, increasing numbers of senior people are recognising that one of the key routes to improved business performance is better implementation."

This statement ties in with the purpose of this study that considers strategy implementation an important driver of organisational performance in Zimbabwe, given the fact that the economy is struggling to recover after years of mismanagement and the rent seeking behaviour of SMEs business owners. This view is confirmed by Chebut, as cited by Thorpe and Morgan (2007):

"Given an intensifying competitive environment, it is regularly asserted that the critical determinant in the success and doubtlessly critical to the survival of the firm is successful implementation of strategies."

Post adoption implementation has received relatively little empirical attention (Enz, 2012). Post adoption processes constitute the internal diffusion of strategies directed towards members of the social system. Noble, as cited by Okumus(2001) states that "there is a significant need for detailed and comprehensive conceptual models related to strategy implementation." This could help SMEs in Zimbabwe to adopt suitable strategy implementation models to help boost economic activity and their survival and growth. The reference to different models indicates that there could be different approaches to strategy implementation which is why this study is important, given the unique circumstance Zimbabwe finds itself in.

This view is shared by Price (2003) who argues that:

“The strategic management process tends to be complex as it usually involves many activities that are performed by different people over considerable time frames. To ensure the process is efficient: and effective several frameworks have emerged . . . the frameworks are cyclic, and include some form of reassessment, review and feedback to improve overall process.”

According to Gooderham's perspective in Price (2003) "... no right way to develop and implement strategies exists." At the same time, it is also understood that implementation is one of the more difficult business challenges facing today's managers (Pfeffer in Meldrum and Atkinson, 1998). Winterton and Winterton in Meldrum and Atkinson (1998) point out that as a consequence, many organisations have tried to enhance their capacity to implement through the use of management development programmes. Dobni et al (2001) confirm this by pointing out that many of the companies studied by Peters and Waterman (1982) in, *In Search for Excellence* have fallen victim to competing forces, relegating them to the status of "weakened" or "troubled". They believe that many have experienced difficulty navigating the strategy continuum, particularly in terms of converting plans into action on a sustained basis. Organisations continue to plan strategically, but despite having a strong planning culture, even large organisations continue to fail. The situation is even more challenging to SMEs, as they are more handicapped than larger organisations. They further argue that for decades, managers have spent much of their time figuring out how to position product and service offerings within an industry. Invariably, most attempts to differentiate offerings through advertising and promotion, pricing, or being first in the marketplace with a new or improved offering have had limited success. Dobni et al argue that these traditional and tangible strategy positioning strategies are effective, but have yet to provide organisations with sustainable competitive advantages. They contend that marketing strategies supporting a product or service focus similar to that noted above are no longer the differentiators they used to be; they have become

generic and easily copied. The manner in which organisations go about strategy implementation becomes the major contributor to performance; hence it is important to come up with methods for successful strategy implementation. This study will analyse how SMEs in Zimbabwe that are performing well undertake strategy implementation with a view to developing an implementation framework.

Zimbabwean SMEs face many challenges which are different from those operating in stable environments. They do not have sufficient resources to engage in robust planning and at times end up adopting “the copy and paste” approach to doing business. This phenomenon is not restricted to Zimbabwe but has tended to be a global one, where differentiating businesses is now very difficult, thereby eliminating the assumed competitive advantage. Where identical strategies are used, implementation becomes the standard by which organisations can build competitive advantage and capabilities. Understanding implementation becomes a critical driver of success in an environment where all players, especially SMEs in Zimbabwe, adopt similar business approaches.

The foregoing argument is confirmed to a certain extent by Dobni et al (2001), who point out that, brilliant strategies do not always succeed, often succumbing to not so brilliant processes which reinforce traditional organisational communication practices. In the SMEs scenario, all communication has to go through the owner/manager, most of who believe that they have the final say on all matters in the business with little or no contribution from other quarters. Enz (2012) posits that post adoption implementation approaches involve ways in which information about the new idea is shared with those employees who have to execute the new idea. All too often, the contribution that employees can make to strategy implementation is not recognised (Dobni et al, 2001; Dandira, 2011 and Li et al, 2008). Given that employees are the actual implementers of strategy in any organisation, this is a major shortcoming. These traditional approaches do not focus on intangibles such as the people and processes

necessary to develop an ongoing and sustainable implementation context; the organisation lacks implementation harmony (Dobni et al, 2001). Successful implementation may be driven by more participative and group-based strategies that ensure that employees have the right attitudes, skills and competencies to deliver on the new service or operational improvement (Enz, 2012). Cerebral strategizing, which Dobni et al define as the inability to move from the boardroom onto the playing field, might be the major difficulty; the great intentions outlined in an eloquently written strategic plan are sometimes supported by a poor, fragmented or even non-existent implementation plan. SMEs in Zimbabwe are likely to suffer from this deficiency; their strategic plans might have little support in terms of implementation protocols. Strategy implementation is a dynamic process, which comprises a series of decisions by managers and employees affected by a number of interrelated activities to turn strategic plans into reality in order to achieve strategic objectives (Li et al, 2008).

By default, this turns organisations into reactors, preventing them from progressing to levels of performance that harmonious organisations are capable of reaching (Dobni et al, 2001). In this regard, the traditional implementation context should be reconsidered, if not abandoned altogether. This study will make a contribution to the discussion of the implementation context with particular reference to SMEs in Zimbabwe. Dobni et al (2001) note, that, most researchers have focussed on “what to do” advice which falls short in the “how to do” department. There is therefore a strong need for organisations to consciously think through how they will implement strategies for improved performance rather than remaining victims of circumstances when it comes to strategy implementation. It is no longer sufficient to merely formulate strategies. This is particularly true in Zimbabwe, where SMEs are said to be playing a critical role in developing the economy and given the challenges that face SMEs in general. The failure on the part of SMEs to come up with organisation-specific

implementation matrices might impede the sustained growth and survival of SMEs in Zimbabwe. Li et al (2008) note that:

“Beer and Esienstat put forward six silent killers of strategy implementation which are “rarely publicly acknowledged or exactly addressed” as follows: top-down or laissez-faire management style (9 of 12 cases); unclear strategy and conflicting priorities (12 of 12 cases); poor vertical communication (9 of 12 cases); poor coordination across functions, business or borders (8 of 12 cases). The six killers were grouped into three categories; quality of direction, quality of learning and quality of implementation.”

The foregoing issues are all found within an organisation and by extension these are issues that owners have direct control over. Management issues are at the core of effective strategy implementation and should be given prominent attention by SMEs owners or managers if they are to prosper. Business performance is not only a function of how well strategies are formulated; it also depends on how well implementation is done (Shah, 2005).

Strategy implementation might pose serious challenges to organisations that are still in the development phase. Furthermore, there are general challenges relating to strategy implementation, as well as those relating specifically to SMEs. Many scholars have tried to come up with ways of effectively implementing strategies. According to Li et al (2008):

“Individual factors that influence strategy implementation are the formulation process, the strategy executors (managers and employees), the organisational structure, the communication of activities, the level of commitment for the strategy, the consensus regarding the strategy, the relationships among different units/departments and different strategy

levels, the employed implementation tactics and the administrative systems in place.”

Several of the factors listed above might be beyond the reach of SMEs. It is clear that many factors should be considered when organisations wish to effectively implement the strategies that they formulate. How, then, does the presence or absence of these factors affect strategy implementation? Scholars have attempted to outline the basis for the implementation of strategy, including the development of various frameworks and models. There is a strong need to establish the modalities of how SMEs in Zimbabwe should adapt if they are to grow and contribute to the economic growth of the country. What matrices should SMEs use when implementing strategies? The implementation task involves the coordination of a range of efforts aimed at transforming strategic intentions into actions (Shah, 2005).

2.9 Strategy implementation frameworks

Strategy implementation is the most complicated and time consuming part of strategic management and managers do not pay as much attention to the planning of implementation as they pay to formulating strategy (Shah 2005). Several factors affect strategy implementation in any type of organisation and, in turn, affect organisational performance. A myriad of factors can potentially affect a comprehensive strategy or a single decision. Difficulties usually arise during the subsequent implementation process (Li, Guohui and Eppler, 2008). Leaders' thinking is often flawed; as a result, nine out of ten times, they fail to successfully implement the strategies they create (Speculand, 2009). Speculand (2009) argues that leaders habitually underestimate the challenge of implementing strategy and delegate this process to others, taking their eyes off what needs to be done; hence, strategies fail not because the strategy is wrong, but because the execution was poorly done. Allio, in Li et al (2008) notes that:

“Results of several surveys have confirmed this view: An Economist survey found that a discouraging 57 per cent of firms were unsuccessful at executing strategic initiatives over the past three years according to a survey of 276 senior executives in 2004.”

A White Paper on strategy implementation in Chinese corporations reported that 83% of the companies surveyed failed to implement their strategies smoothly, and only 17% felt that they had a consistent implementation process (Li et al, 2008). This underscores the importance of strategy implementation and indicates management failure in strategy implementation. This necessitates studies on more successful approaches to strategy implementation, especially among SMEs.

Strategy implementation defines the manner in which an organisation should develop, utilize and amalgamate organisational structures, control systems and culture to follow strategies that lead to competitive advantage and improved performance (Soroshian et al, 2010). It is obvious that strategy implementation is a key challenge for today’s organisations (Li et al, 2008). Business success is governed more by how well strategies are implemented than by how good the strategy is to begin with (Speculand, 2009); the implementation of the strategy delivers revenue, not the crafting of it. Several frameworks have been developed to facilitate strategy implementation. While organisations understand the need for strategy and effective implementation, the latter often falls short of the goals the organisation has set itself (Shah, 2005).

According Li et al (2008):

There are many (soft, hard and mixed) factors that influence the success of strategy implementation, ranging from the people who communicate, or implement the strategy to the systems or mechanisms in place for coordination and control.

Much research has been conducted on the factors that determine successful strategy implementation. The studies reviewed here approach this issue from a holistic, or “big picture” view (Li et al, 2009). Table 2.1 outlines some of these models.

Table 2.1: Strategy Implementation framework and key implementation variables

key variables	Environment	strategy formulation	org. structure	leadership	org. culture	operational planning	resource allocation	People	communication	control and feed back	outcome	
Conceptual frameworks in the strategic management field												
Stonich (1982)	*	**	**		**	**	**	**	*	*	**	
Hrebiniak & Joyce 1984		**	**		*	*	*	**	*	**	*	
Galbraith & Kazanjian 1986	*	*	**		*	**	*	**	*	*	*	
Aaker (1995)	*	**	**	*	**	**	**	**	**		*	
Thompson & Strickland 1995	*	**	**	*	**	**	**	**	**	*	*	
Emperically developed or tested frameworks in strategic management field												
Waterman et al (1981)		**	**		**	*	**	**	**	*		
Hambrick & Cannella	**	**	**		*	**	**	**	**	8	*	
Pettigrew & Whipp	**	*	**	**	*8	*	**	**	*	*		
Skivington & Daft	*	**	**		*	*	**	**	**	*	*	
Schmelzer & Olsen	**	**	**	*	**	**	**	*	*	**		
Miller (1997)	**	**	**	*	*8	**	**	*	*	*	**	
Bromley (1993)	**	*	*		**	**	**	*	**			
frameworks in the international management field												
Hrebiniak (1992)		**	**	**	**	*	**	*	**	**	*	**
Yip (1992)	*	**	**		**	*	*	**	*	*		
Roth et al (1991)	*	*	**		*	*	*	**	**	*		

Notes

Referred to as key variable **

Variable included or stated in analysis *

Source: Okumus (2001)

According to Li et al (2008), the frameworks present strategy implementation in two ways: either through the simple categorisation of various factors into groups or categories (e.g. the studies by Skivington & Daft, 1991; Noble, 1999b; Noble & Mokwa, 1999; Beer & Eisenstat, 2000; Okumus, 2001) or by relating them to a (often graphic) framework (as in Noble, 1999a; Higgins, 2005; Qi, 2005; Brenes & Mena & Molina, 2007). However, Okumus (2001) observes that, starting in the 1980s several frameworks were developed that are largely conceptual and/or descriptive. These merely list implementation variables, or illustrate them graphically, and then go on to describe each variable individually and note its importance in the implementation process (Okumus, 2001). However, Li et al (2008) note that some researchers followed the framework and process approach, with the framework being represented by its rules and resources. They add that based on Skivington and Daft's (1991) study, Noble (1999b) viewed strategy implementation research from a structural perspective (emphasising organisational structure and control mechanisms) and the interpersonal process perspective (emphasising strategic consensus, autonomous, strategic behaviour, diffusion perspectives, leadership and implementation style, communication and interaction processes).

The fact that there are so many views on strategy implementation is indicative of the evolution of this field of study and the existence of several approaches that organisations can adopt in implementing strategy. This also suggests the need for further investigation in order to formulate an ideal framework for strategy implementation. Okumus (2001) points out that the variables that are considered

important for strategy implementation while others are considered to have less impact. Those categorised as important are strategy formulation, organisation structure, organisation culture, operational planning, people and communication according to figure 2.1 above. Okumus also alludes to the fact that there must be a fit among the variables for successful implementation. Fit however does not give weights to a variable to show its impact.

Okumus (2001) points out that some the variables that are considered important for strategy implementation while others are considered to have less impact. Those categorised as important are strategy formulation, organisation structure, organisation culture, operational planning, people and communication according to Figure 2.1 above. Okumus also alludes to the fact that there must be a fit among the variables for successful implementation. Fit however does not give weights to a variable to show its impact. This seems to advance the notion that variables do not contribute equally to successful strategy implementation.

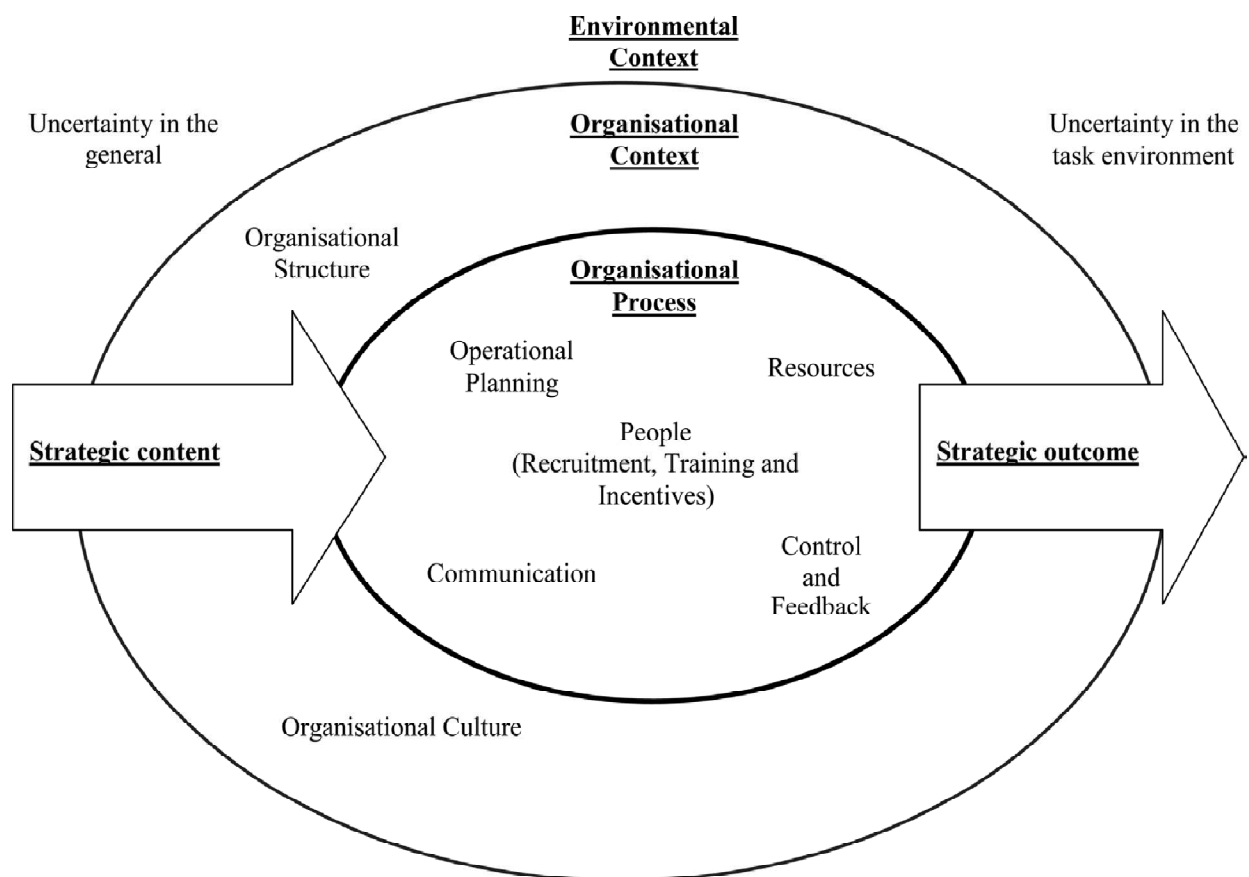
None of the previous research studies appear to provide in depth discussion and evaluation on how other variables interact and how these interactions affect the implementation process and outcome (Okumus, 2001).According to Eisenhardt (1989):

“A prior specification of constructs can help shape the initial design of theory building research. Although this type of specification is not common in theory building studies to date it is valuable because it permits research to measure constructs more accurately.”

In line with the above arguments, this study will employ the factors developed by Okumus and various other researchers to understand strategy implementation among SMEs. Okumus (2001) identified ten key variables, namely strategy formulation; environmental context, uncertainty; organisational structure;organisational culture; operational planning; communication; people;

control and feedback; and outcomes, which he constructed into a model built from previous models. The categories of strategy implementation factors used by earlier studies are strategic content; context (consisting of organisational context; organisational structure; organisational culture; and organisational context; uncertainty in general and uncertainty in the task environment); process (operational planning; resources; people; communication; control and feedback) and strategic outcomes (Okumus, 2001). This is reflected in the following model:

Figure 2.2 Strategy implementation Frameworks



- This framework is not meant to be all-inclusive, rather its purpose is to provide a direction or a train of thought for executives faced with implementing strategies.
- It is argued that to implement a strategic decision, there should be a 'fit' or 'coherence' between the strategy and these variables and between all variables themselves.

Source: Okumus (2001) International Journal of Contemporary Hospitality, 13/7 (2001)

According to Li et al (2008), there are two types of strategy implementation studies: those highlighting the importance of factors and those that emphasize the 'big picture' of how such factors interrelate and form a strategic implementation environment. Li et al identified nine individual factors that influence strategy implementation: the strategy formulation process; the strategy executors (managers and employees); the organisational structure; communication activities; consensus regarding the strategy; the relationship among different units/departments and different strategy levels; the tactics employed; the level of commitment; and the administrative systems in place. The second stream of the research analysis brings multiple factors together within a single (arguably comprehensive) framework or model (Li et al). The above model developed by Okumus captures the majority of the factors highlighted by Li et al (2008) as follows:

“The revised implementation framework by Okumus includes four parts: context (strategic decision, multiple project implementation) context (internal context: organisational structure, organisational culture, organisational learning; external context: environmental uncertainty in general and task environment), process (operational planning, resource allocation, people, communication, monitoring and feedback, external partners) and outcome (tangible and intangible outcomes of the project).”

Issues of multiple project implementation might be beyond the capacity of struggling SMEs in Zimbabwe and might increase the chance of failure. However several aspects of the model will be applicable to strategy implementation in a variety of organisations including SMEs. This model will thus be used to benchmark the current study on SMEs in the Zimbabwean context, despite it having been used on large organisations in previous studies. The model is an adaptation of earlier developed models in the sense that in developing it Okumus considered all earlier contributions and incorporated them into his

model (Okumus, 2001, Okumus, 2003 and Li et al, 2008). In addition a review of literature does not show that a model has been developed for use by SMEs in Zimbabwe, with the only contribution on strategy implementation by Dandira (2011) advocating for the involvement of implementers in the formulation of strategy. The Okumus model despite being developed for larger organisation is very relevant for the study of strategy implementation even where SMEs in Zimbabwe are concerned. These issues raised in the model will form the literature review and the backbone of this study on how SMEs implement strategies and why. Dobni et al (2001) categorise these as traditional implementation approaches and describe them as the Achilles heel for many organisations.

Okumus (2001) observes that strategies are initiated and implemented in a strategic context (the overall strategic direction of the company and the need to design new initiatives). This study will not take external environmental factors into account, as they fall outside the control of SMEs. Rather, it will focus on what happens in the organisation that drives SMEs' performance. Why are some organisations able to achieve outstanding results in both financial as well as non-financial terms (e.g. customer and employee satisfaction) while others are not? (Feurer, Chaharbaghi and Wargin, 2000) Okumus emphasizes the importance of contextual variables; the internal context plays a key role in implementing strategic decisions (Li et al, 2008). This supports the focus of this study on internal variables, i.e. the activities and decisions of owners which are controllable. This is in view of the fact that environmental factors are less controllable than process variables (Bryson and Bromiley in Okumus, 2001). Strategy implementation is more effective because it is more operational (Voola and O'Cass, 2010) and operational activities are what organisations undertake to achieve performance.

In line with the above views, Okumus (2001) states that operational process variables are primarily used and directly involved in the implementation process. It is assumed that companies have substantial control over these variables, at least in the short term. He adds that process variables are primarily employed to implement decisions, while context variables are merely taken into account due to obstacles and problems in the implementation process. In this regard it will be interesting to investigate the strategy implementation approaches adopted by SMEs in Zimbabwe, since studies on strategy implementation have focused on large organisations whose operational approaches differ significantly from those of SMEs. Finally, Okumus (2001) notes that, the outcome variables are regarded as the expected results of the initiated strategy. This suggests that there are numerous challenges and that SMEs should adapt their implementation approaches in light of the fact that there is no single way to achieve successful implementation.

Most SMEs are significantly handicapped and might tend to follow a particular approach to strategy implementation. Meldrum and Atkinson (1998) observe that when things do not go according to plan, the *status quo* is maintained and that, where solutions are sought, they tend to be simplistic. They note that this underlines that something more than knowledge is required for successful implementation of a business imperative. Do SMEs in Zimbabwe have the necessary attributes to successfully implement strategies or they are limited to certain given approaches due to certain organisational handicaps? The proposition is that organisations should take a more sophisticated view of what is required to achieve better implementation. Meldrum and Atkinson (1998) state that this can be achieved by senior managers in the organisation taking responsibility for the development of team members. However, most SMEs in Zimbabwe have serious problems accessing the resources that they require to successfully implement strategies, particularly human resources. Storey et al in Meldrum and Atkinson (1998) postulate that many organisations are beginning to

recognise the significance of management development as a prerequisite for improvements in the implementation of strategy. Human resources deficits impact strategy implementation among SMEs and in developing countries where resources are limited; management development tends to be considered a minor issue and resources are deployed to other organisational areas.

The major issue might be survival and this calls into question how SMEs survive, given the role played by internal variables in implementing strategy. This question has not been interrogated in Zimbabwe, where the majority of studies have focused on the promotion of an enterprise culture in the country and the role of government (Carter and Wilton, 2006); a particular strategy e.g. MRP and IT implementation or production planning and control in SMEs (Land and Gaalman, 2009); strategic alliances governance in Zimbabwe policy and strategy (Naicker and Saungweme, 2009) or the need for strategic planning in Zimbabwe (Mufudza et al, 2013). Strategy implementation has received little research attention in the Zimbabwean context; given the country's economic outlook, SMEs are likely to adopt an implementation trajectory that is different from those documented in the literature on other geographic regions. This study seeks to establish how SMEs in Zimbabwe implement strategies based on the management of internal variables, with a view to determining how best they can implement strategies. While not all firms implement their strategies in the same manner, there has been little research on different styles of implementation (Thorpe and Morgan, 2007). Variyam and Kraybill (2001) state, that, the returns on a particular strategy may differ depending on a firm's ability to use the strategy. Such ability is determined by the firm's characteristics that affect efficiency and access to resources.

There have been several studies on how organisations implement strategies, most of which highlight the factors that will lead to successful strategy implementation approaches. Based on a critical review of previous frameworks, Okumus (2001)

identified ten key variables: strategy formulation; environmental uncertainty; organisational structure; culture; operational planning; communication; resource allocation; people; control and outcomes. He adds that previous studies grouped these into a number of categories such as “content”, “context”, “process” and “outcome”. For the purposes of this study, the same factors will be used to establish how SMEs in Zimbabwe use these factors in strategy implementation. Do they use all of them or only a handful? What consequences do their approaches have for overall strategy implementation?

The above factors are summarised in the model developed by Okumus (2001), which is used as a lens to carry out this study on strategy implementation among SMEs in Zimbabwe. It should be noted that SMEs might emphasise different factors which will result in different implementation approaches and degrees of success. The issues raised in this model are relevant to the study of how internal dynamics influence strategy implementation among SMEs. The model was developed for larger international organisations, but will be adapted for use in the Zimbabwean situation. The other models discussed by Li et al (2008) contained only certain aspects of Okumus' (2001) model and his model is an aggregation of the various models' key variables. While strategy implementation is an under researched area (Li et al, 2008), Sorroshian et al report that strategy implementation has been receiving increased attention due to the fact that the process from project formulation to project implementation is not effective and therefore not adequate in today's business environment.

While Okumus' (2001) model suggests that if all organisations used it, they were likely to successfully implement strategy, but organisations vary in a number of ways meaning that certain variables might be less prominent in one organisation while being prominent in another. Each organisation will emphasize certain aspects of the model at the expense of others and accordingly achieve different results. It might follow that those who adopt the model will be closer to achieving their goals while those that do not follow

the model will not achieve the desired results and this research will seek confirmation of this view. However, Li et al (2008) point out that the strategic projects examined in their study were implemented without a proper fit between strategy and implementation. They add that it appears that any problem or inconsistency within one variable influences the other variables and consequently the success of the implementation process. This study seeks to explore how SMEs implement strategies for survival and growth and whether they are driven by any factors of strategy implementation. Differences in factors selected might result in a different implementation model specific to SMEs in Zimbabwe and developing countries.

2.10 A process perspective of strategy implementation

There are various approaches to strategy implementation. Thorpe and Morgan (2007) argue that the factors that influence strategy implementation are:

- *“Organisational structure*
- *Control mechanism*
- *Leadership*
- *Communication”*

This suggests that businesses have to go through certain processes in order to successfully implement strategies. Some scholars argue that there must be a fit between strategy and the factors that lead to successful strategy implementation; organisations therefore need to realign various aspects of their functional operations in order to come up with organisational structures that promote strategy implementation. These elements are also present in strategy implementation models, including the one proposed by Okumus (2001). The purpose of this study is to confirm whether or not these elements have an effect on successful strategy implementation as discussed by Thorpe and Morgan (2007) and Okumus 2001. How do SMEs in Zimbabwe realign their functions in order to make strategy implementation more effective? For various reasons,

such as lack of resources and the desire to retain control of the business venture, most SMEs find it difficult to realign their structures, thereby making it difficult to implement strategy. How are issues of strategic fit addressed by successful SMEs? Despite the process approach to strategy implementation, internal variables or factors still play a dominant role in strategy implementation.

Strategy implementation involves certain processes. This study examines the processes that SMEs in Zimbabwe adopt and their impact on strategy implementation. Do SMEs in Zimbabwe follow processes such as allocation of tasks, creating relevant organisational structures and maintaining a flow of information in the organisation? In most African management models, the leader determines everything that should be done. How has such an approach impacted the performance of SMEs and strategy implementation, given that little attention is given to the establishment of structures?

2.11 A behavioural perspective

The behavioural approach to strategy implementation is contained in most strategy implementation frameworks. For a long time the literature on performance was dominated by the tenets of the universal approach, which suggested that high performance businesses had to use the best practices available to outperform their competitors and maintain market share (St-Pierre and Audet, 2011). Dobni et al (2001) believe that a firm can ensure that it is able to compete both now and in the future by managing its behaviour profile. Organisations often fail to recognise the contributions employees can make to strategy implementation and therefore they do not promote an environment where employees perform to their full potential (Dobni et al, 2001). While employee behaviour can either enhance or impede strategy implementation, Dobni et al (2001) argue that implementation approaches have not focused sufficiently on intangibles such as the people and processes necessary to develop an ongoing and sustainable implementation context.

According to Dobni et al (2001), all members of an organisation, regardless of their position, are responsible for the design and implementation of operational strategies to support the goals of the organisation. An organisation's behaviour can be termed its culture and although culture has been defined as a panacea for organisational success, this notion has not been embraced to the point where it benefits managers (Dobni et al, 2001).

Effective implementation requires that employees and management have certain attributes in order to behave in ways that drive strategy implementation. Edvinsson and Malone, in St-Pierre and Audet (2011) note that, "Human capital is the individual abilities, knowledge, know-how, talent and experience of both employees and managers." This helps build firm capabilities, which according to Voola and O'Cass (2010), are increasingly viewed as an organisational dimension that must be developed and deployed in order to effectively implement a particular competitive strategy. Management has to create an environment that connects employees to the organisation's mission and motivates their creativity, commitment and passion. This reality is easily understood- the challenge is how to do it (Dobni et al, 2001). The link between capabilities and actions may not be obvious, and proper strategy implementation remains a challenge (Voola and O'Cass, 2010).

There has been little elaboration on how, why and under what circumstances culture affects performance. To use culture effectively, managers need to understand what behaviours they are trying to develop and reinforce with respect to organisational goals and competitive realities (Dobni et al, 2001).

Behavioural repertoires are specific combinations of high impact behaviours that focus on relevant, non-trivial behavioural modes that are pivotal to job performance and organisational success. (Dobni et al, 2001) identified these as follows:

- *"The industrial repertoire- the focus being on increasing productivity with a "don't rock the boat" mentality*

- *The entrepreneurial repertoire- profile is most appropriate for high growth industries, where there are ill-structured tasks, the necessity to engage in non-routine problem solving and divergent thinking and to continuously input high-wattage ideas and product/service possibilities.*
- *The ultrareliable repertoire- the requirement to be sensitive to customers' needs with strong detail orientation is best in environments where tasks are well structured or where errors may be hazardous to organisational wellbeing.*
- *The compromise repertoire- makes the most sense in an environment where the organisation is sheltered from the vagaries of the marketplace, or in which survival does not depend on the strategic imperatives of innovation, quality, continuous improvement, speed or flexibility.”*

Dobni et al argue that the behaviour of all organisational members, regardless of their position, is responsible for the design and implementation of operational strategies to support organisational goals. In using the repertoires, the intention is to match the stock of behaviours needed from employees with the goals of the organisation and the requirements of the competitive environment. Behaviour repertoires not only give employees critical guidelines on how to behave, but also provide the yardstick to define and measure how well they have performed and can be used very effectively as learning devices especially for training employees (Dobni et al, 2001).

It is assumed that managers will adopt any one of these repertoires depending on their circumstances in their operating environments; to a certain degree, this applies to SMEs which, in the case of Zimbabwe, have operated in difficult economic environments. The culture that prevails is that of the owner/manager with little reference to employees. It will be useful to investigate the repertoire used by these SMEs and how they use them. It could be assumed that most SMEs in Zimbabwe would use the compromise repertoire. However, Dobni et al (2001) observe that the context pursued by an organisation will be tempered by competitive dynamics, managerial values and goals, and organisational resources; therefore, it may not possible for all organisations to

attain desired or ideal enactments. Contextual influences encompass the alignment of organisational structure and systems for the effective execution of marketing strategies and ultimately how well the marketing strategy performs once implemented (Thorpe and Mogan, 2007).

This suggests that organisations might differ in their approaches to strategy implementation and will achieve varying results. The 'how' part underscored by Dobni et al is clearly not evident in their study, despite their assertion that almost without exception, "what to do" advice falls short in the "how to do" department. Instead, they concentrate on the how of building the appropriate culture and how to implement strategies when the culture has taken form. This leaves a gap in the modalities of implementing strategies, especially in the case of SMEs which do not feature in this study. Thorpe and Morgan (2007) also sought to establish the characteristics and identify a natural or inherent group of marketing strategy implementation types, which also does not address the how and why issues to be explored in this study. Raymond and Uziweyemungu (2007) note, that these systems for example the Enterprise Resources Planning (ERP), remain linked to large scale organisations to such an extent that their adoption by SMEs resembles an incursion into the world of the large firm. They note that the typical traits of SMEs that will allow them to implement ERP systems with a good *a priori* chance of success have not yet been identified.

The aggregate behaviour of employees determines the implementation of corporate intentions (Dobhni et al, 2001). However in most SMEs and organisations, senior managers have strong technical backgrounds and their capacity to apply the rules of their discipline quickly and intelligently make them effective members of their organisations (Meldrum and Atkinson, 1998). This suggests that they require personal development to break from tendencies and habits. This would improve their ability to influence higher levels of responsibility, to be more flexible in the strategy creation process and more powerful in the implementation of that strategy.

However, most SMEs depend on the owner/manager's technical skills and are not amenable to the personal development that is required for strategy formulation and implementation due to limited resources. Technical skills can result in serious shortcoming in other management aspects including strategy formulation and implementation. This poses serious challenges as to how SMEs handle issues of strategy formulation and implementation, an area under investigation in this study. Research on strategic implementation has tended to be directed at large organisations with a capacity to develop employees as highlighted in Okumus' (2001) study of multinational corporations. Human resources development for example can be a cost beyond most SMEs thereby affecting effective strategy implementation. The situation obtaining in these institutions are bound to be very different from those experienced in SMEs, especially in a developing country like Zimbabwe which is the focus of this study. The structures, culture and resources available to SMEs are likely to determine their overall behavioural approaches and are likely to influence their approach to strategy implementation. As such, this study's emphasis is not the behavioural approach, but various internal elements. The sections below examine each factor in detail in order to understand how organisations implement their chosen strategies.

2.12 Organisational Culture

Organisational culture is considered a key variable in effective strategy implementation, among other key factors. Dobni et al, 2001 argue that organisational strategy and subsequent performance cannot be understood without an understanding of the culture of an organisation. They add that the culture of the organisation or the collective behaviour of employees drives strategy in an organisation; people make a difference, therefore management has to create an environment that connects people to the organisation's mission and motivates their creativity, commitment and passion which to all intents and purposes is one element in Okumus' (2001) framework labelled 'people'. SMEs

in Zimbabwe have their own peculiar culture and this study explores how this affects strategy implementation, given the strong culture of most African organisations.

Ashill, Fredrikson and Davies (2003) found in the case of site D, that while top management was actively seeking to support marketing strategy planning, there was little visible support from the regional retail sales managers responsible for implementation. In the case of site B, marketing strategy planning was not diffused, valued or supported freely in the organisation. There appeared to be little support from other functional areas in the organisation and little support from senior management. They argue that supportive relationships theory allows one to model a collection of associations, sharing similar values, beliefs and perceptions and suggest that support for planning manifests as an active contribution; resource allocation can directly affect the attitudes of those intimately involved in the planning process. The lack of a meta-systemic vision, values and leadership leads to conflict and inappropriate competition amongst the very units or subsystems that exist to act out the organisation's purpose (Ashill et al, 2003). Do such conditions exist in Zimbabwean SMEs and how does such an approach affect strategy implementation?

Many values are openly and explicitly articulated, some because they serve the function of guiding the organisation's members on how to deal with certain key situations (Ashill et al, 2003). Ashill et al (2003) state, that, two categories emerged from their case data, i.e. centralisation and formalisation. However the majority of cultural norms are not explicitly staged, nor are they formalised. They depend more on accepted behaviour that owners and employees display in the work environment. Most institutions in Africa can be said to be highly centralised. Centralisation characterises the extent to which the organisation's values are determined by relatively few people considered to hold a comprehensive view of the organisation's needs, while formalisation characterises the extent to which an organisation places emphasis on following specific rules, procedures

and guidelines. How, then, do cultural approaches affect strategy implementation among SMEs in Zimbabwe?

Organisational behaviour or culture can be adjusted by training and new recruits (Okumus, 2001). These introduce new ways of acting and behaving, and prompt a movement away from established habits. SMEs have established ways of doing things which need to be broken down if a new strategy is to take effect; this will always be a challenge due to resistance. To what extent do SMEs try to affect their employees' behaviour through direct and indirect manipulation? How does such manipulation affect strategy implementation in general?

For example, Shrestha, Smith, McKinley and Gray (2008) found that existing social institutions in Kenya tend to reinforce one another in terms of cultural values which often stress ascriptive leadership, personal sacrifice for the ethnic group or tribal affinity and solidarity, submission, reverence for the established authority and rejection of what may be construed as outside interference. This description of culture in the Kenyan context mirrors the Zimbabwe cultural environment and to a large extent characterises what obtains in Zimbabwean SMEs. In this regard, Shrestha et al (2008) state that "progressive change is slow and technological and resource management process innovations and political institutional reforms... are usually perceived as a threat to the status quo." They add that indigenous cultural values are seen as less than conducive to dynamic development and business growth as indigenous peoples are often considered 'less motivated' and not inclined to speak in accordance with western notions of "economic man" acting in his own interests. If culture changes very slowly, how does this impact strategy implementation?

Shrestha et al (2008) also argue that indigenous education systems were designed to transmit, conserve and perpetuate a group-based culture, values and belief systems from one generation to another rather than to promote individuality or what might be termed a "de-tribalized" ethos of personal advancement without regard for tribal affinity and affiliation. The argument here is that there could be a strong tribal recruitment policy

in SMEs which might negatively affect strategy implementation if recruitment is not professionally undertaken. This might also entrench certain cultural beliefs to the detriment of organisational development as culture is often enduring even in organisations and societies. How do SMEs in Zimbabwe build such value systems and what impact do these have on strategy implementation? Employees in SMEs come to the workplace with already established social values. Holding on to such value systems can lead to visible resistance, resentment or even outright distrust of any change; and such sentiments were counterproductive in postcolonial Kenya in that there were low levels of local enthusiasm for outsiders' management practices or entrepreneurial initiatives to attain economic empowerment (Shrestha et al, 2008). Can SMEs owners manage their organisations on the basis of modern practices? On the other hand, there was little emphasis on reappropriating and mobilizing the indigenous knowledge base to propel the local and national economy to higher plateaus (Shrestha et al, 2009). How do SMEs owners in Zimbabwe exploit the strong African culture in implementing strategies? This suggests that cultural differences do exist among communities and it would be interesting to investigate how cultural aspects in Zimbabwe influence strategy implementation. Do SMEs use formal western management processes to implement strategy? To what extent do strongly held cultural views aid or impede strategy implementation among SMEs?

Given that Mboko and Smith-Hunter (2009) amongst others have confirmed that SMEs operators do plan strategically, this introduces an interesting dimension to strategy implementation. What model do SMEs follow if they do not pursue the western model or the traditional model? This study aims to shed light on this element, especially power structures and the tenure of leadership and how these either impede or facilitate strategy implementation, since the commonality among various cultural groups is that they usually seem to be guided more by the imperative of intergenerational and ethnic group survival than by unilateral individual advancement (Shrestha et al, 2008).

Shrestha et al (2008) further argue that business owners may develop special relations with local government officials; they may give gifts to such officials in exchange for being exempt from harassment or regulatory interventions. This social system has morphed into socialised norms for how to manage business and economic affairs within the existing politico-institutional and cultural milieu; one in which the notion of economic and business freedom is reduced to averting negative consequences rather than maximising opportunities. This largely informal system gives an ethnic/cultural group its identity and value system, its world view of who should do what, and its ideas of who should wield power and influence. This seems to be a major issue, given that most businesses seem to expect everything to be done by government and that they feel that they are just pawns in the process. This suggests that they are powerless to implement strategies without government intervention; this will impact how they implement strategy.

Group identity forms the basis for trust and loyalty within business transactions, political associations and social relations, thereby providing the foundation for an indigenous management system as a cultural practice and process where intra-group cultural affiliations and affinities take preference (Shrestha et al, 2008). Shrestha et al (2008) caution that this does not promote institutional efficiency and business growth for the greater good of society, nor does it advance outwardly focused management as an integral part of indigenous cultural practices. They conclude that management practices are not only contingent on the performance of the environmental forces, but also determine their performance to a large degree, helping to minimise the business risks associated with environmental uncertainty.

Successful implementation requires the cultivation of strong cultural values to meet changing organisational needs (Thorpe and Morgan, 2007). This is anchored in the collaborative model which emphasises human resources practices. The chosen strategy is the best possible compromise among the views of different groups. However,

Shrestha et al (2008) argue that a change in culture often comes at a high price to the organisation.

2.13 Critical factors for implementation

Organisations face difficulties in implementing strategies for different reasons. Kumar, Marqueset and Kumar (2006) contend that these include weak management roles in implementation; a lack of knowledge and communication to guide their actions; unawareness or misunderstanding of strategy; poor coordination; inadequate capabilities; competing activities within the work team; unfortunate market timing; uncontrollable environmental factors; misaligned operations; and insufficient monitoring and evaluation of the process. Antony, Kumar and Labib (2008) report that the critical factors in implementation are:

- *“Top management commitment*
- *Organisational cultural change*
- *Linking six sigma to business strategy”*

The identification of these factors will encourage their consideration when companies are developing an appropriate implementation plan (Antony et al, 2008). Citing Antony and Banuelas, Antony et al (2008) note, that, if any critical success factors are missing during the development and implementation stages of a six sigma this would make the difference between successful implementation and a waste of resources, effort, time and money.

Commentating on the critical factors on strategy implementation, Bilton and Cummings (2010) state that:

“This body of strategy implementation literature includes theories of ambidextrous organisation, where both bureaucratic and free flowing elements co-exist, semi-structures and underspecified structures, where both mechanistic and organic orientations are promoted, and new emphasis on simple organisational rules,

where reduced structure sets enable and encourage individuals and teams to act with certainty on baseline principles and adapt to particular circumstances as they see fit.”

A good bureaucracy incorporates checks and balances to prevent the escalation of laxness, or looseness to levels where this virtue becomes a vice (Bilton and Cummings, 2010). Unfortunately, most SMEs in Zimbabwe do not have well established bureaucracies that would provide these necessary checks and balances. This is likely to affect strategy implementation since the owner of the business is likely to dictate what is done and how it is done. The lack of robust challenges to the owner’s view is likely to hamper effective strategy implementation.

This suggests that there should be implementation planning before organisations embark on implementation. The study by Antony et al (2008) did not indicate whether SMEs consider critical success factors in the implementation of strategy and whether implementation plans were drawn up by SMEs and adhered to in strategic planning. However, they confirm that SMEs’ strategy implementation is hindered by a number of factors. The results of their study indicate that 80% of the responding SMEs identified a lack of resources as a major impediment to the successful introduction of six sigma including financial resources, human resources and time, etc. Lack of leadership, poor training/coaching, and poor project selection followed.

Bilton and Cummings (2010) argue that the virtues of strategic organisation relate to seven domains: culture; politics; learning; idea generation; job orientation; organisational architecture and orientation to change. However, there is no clarity on how these factors affect strategy implementation. It would be interesting to confirm the existence of these impediments and examine how they affect strategy implementation in Zimbabwe. Meldrum and Atkinson (1998) also observe that a flawed vision of what it means to an organisation can create implementation problems. The implementation of strategic management processes calls for qualities beyond the ability to take decisions and ‘talk tough’ (Meldrum and Atkinson, 1998). The development of

sound strategies requires skilled management of diversity within a group to ensure that the variety of opinions does not artificially restrict the process. Meldrum and Atkinson (1998) point out that improved cognitive skills might have enabled the (Strategic Management Team) SMT to gain greater clarity on the problems they faced and enabled them to remain open minded for longer and to use information about the firm's situation more effectively.

Such skills are also lacking among SMEs in Zimbabwe; Mboko and Smith-Hunter (2009) observed that critical point strategy was common across all cases. An interesting finding of their study was that while SMEs that used complete planning had a vision, this was focused on the short term and had situational responsiveness. This is due to the fact that Zimbabwean entrepreneurs regard the environment in the country as hostile. There seems to be a deficit of long term, comprehensive visions which are likely to significantly affect strategy implementation. The 'big picture' was simplified, leading to a strategy based on smarter sales rather any fundamental repositioning for the longer term (Meldrum and Atkinson, 1998).

The second problem, the difficulty of being operationally effective, can also be seen to derive from the lack of managerial meta-competence (Meldrum and Atkinson, 1998). The members of the firm tasked with implementation saw their role as following procedures rather than doing what was necessary to make the strategy work. Mboko and Smith-Hunter (2009) found that, across all the cases, SMEs acknowledged the importance of management skills and indicated that they have had to learn on the job. They further state that one of the three entrepreneurs who used complete planning has a business degree while the other two indicated they had had attended short business management courses. Mboko and Smith-Hunter (2009) noted that the management literature has established that management can be learnt through experience and through attending courses and advocate for a combination of the two. Not surprisingly, their study found that those who are merely managing from experience expressed the

need to attend courses, implying that they regard themselves as not having strong managerial competence.

This might be a cause of concern for SMEs if the trend was that of the less educated been driven into starting businesses and the educated being attracted into formal employment. Lack of proper education and concern for strategic planning and implementation can result in serious shortcomings when it comes to strategy implementation.

2.14 Organisational Structure

Organisational structure is generally regarded as a fundamental part of effective strategy implementation, because new strategies create administrative problems and economic inefficiencies. Therefore, structural changes are needed to address issues and to increase performance (Sorooshian et al, 2010). According to Variyam and Kraybill (2001), besides size, human capital and market structure, a firm's choice of strategies is likely to be affected by ownership structure, with independent and sole proprietorship firms less likely to use planning strategy than multiple-establishment firms and corporates. Organisational structure changes are the key to successful strategy implementation. Okumus (2001) cites the case of a new CEO who was appointed from outside the hotel industry and initiated a new brand oriented structure, and subsequently recruited new executives. He argues that these structural changes were important in terms of the adoption of a change oriented culture and eliminating on-going conflict and political networks within the company. In this regard, Boddy and Paton (2005) argue that stakeholders interpret the existing context and act to change it in order to promote personal, local and organisational objectives. Different interpretations of the context imply that there will be different contingencies on which to focus attention; a general problem in strategic change is to reconcile the contradictory demands of stability and innovation (Boddy and Paton, 2005). They argue that this can be achieved

by structural means, such as setting up a new venture as a separate operation in a new business structure.

Okumus' (2001) study focused on a multinational organisation with branches in 50 countries. SMEs in Zimbabwe are largely family owned, with no or minimal structures in place. The structures are unlikely to change when new strategic positions are adopted and this is likely to have a significant influence on how the structure or lack of it influences strategy implementation and the level of performance, given that the politics will remain the same. This is in line with Okumus' observation that conflict often occurred when strategic projects were introduced and implemented. However Boddy and Paton (2005) argue that the nature of the project and whether the goal is stability or innovation will dictate the implementation approach. They indicate that some IS projects are intended to reinforce stability, while others foster innovation. In projects aimed at supporting established, predictable routines, managers are likely to be well aware of the core technical and organisational changes required and can plan these with some confidence.

It is appropriate to use a structured approach to planning change (Boddy and Paton, 2005). According to Thorpe and Morgan (2007), the change model can be identified through changing the structure and staff to convey the firm's new priorities, alternating planning, performance measurement, incentive compensation systems, and using cultural adaptation techniques to introduce system changes. They further state that structure also channels collaboration, prescribes means of communication and coordination and allocates power and responsibility. On the other hand, projects involving novel IS application and new business developments will be much less certain on the way forward and achieving alignment will depend on the discovery of solutions during implementation (Boddy and Paton, 2005). It will not be possible to predict and plan the core elements of an alignment profile, nor how stakeholders will interact with successive proposals and changes. They recommend an incremental approach, with the following potentially useful practices:

- *“Clear responsibilities*
- *Clearly understood priorities and focus*
- *Extensive communication within and between projects using formal and informal means*
- *Experimentation- willingness to try something quickly and cheaply*
- *Strategic partnering with suppliers or customers.”*

The structure of a firm influences the flow of information and the context and nature of interpersonal interaction within it (Thorpe and Morgan, 2007). Most organisations have a hierarchical structure; according to Thorpe and Morgan (2007), the hierarchical model emphasises how the organisational structure, incentive compensation, and control systems can be used to facilitate the implementation of strategy. They further argue that hierarchical structures are essential for creating the efficient and flexible co-ordination of strategy implementation, in contrast with the cultural model, where the focus is on communicating the vision for the firm while allowing lower level employees to participate in strategy implementation. This is an interesting observation given the current views on collaborative management and employee commitment in successful strategy implementation. The SMEs structure is not as well defined, but tends to be hierarchical, with orders emanating from the owner; this has interesting implications for strategy implementation, which are not addressed by both the cultural model and the hierarchical model. According to Thorpe and Morgan (2007), the cultural model has several limitations. It assumes well informed and intelligent participants, and firms with this model tend to drift and lose focus. Furthermore change in the culture often comes at a high price.

This view is shared by Okumus (2001), who states that his case study company had many standards and traditions which employees and managers worked hard to uphold, but several executives believed that the traditional company culture made managing change and implementing strategy difficult, (Okumus, 2001). In Boddy and Paton’s(2005) case study, a team to develop a new system for the whole organisation

worked closely with the IS supplier who spent many weeks in the business identifying how it worked, and the information that staff needed. The IS system was launched in two units and thereafter rapidly extended to the whole organisation. This approach would ensure the cultural change necessary for the implementation of the adopted strategy. IT started with a deliberate high alignment between the new system and the established operating processes, management structure and people's work which facilitated acceptance (Boddy and Paton, 2005).

Thorpe and Morgan (2007) state, that for strategies to be implemented efficiently by mid-level management, the firm must display a degree of hierarchical style and bureaucratic structure. Most SMEs in Zimbabwe do not have well laid out structures and everything in the organisation revolves around the owner. There is a commonality between what Thorpe and Morgan (2007) observed happens in organisations and what applies to SMEs that results in directed behaviour. However, this seems to be at odds with the view held by Ashill, Fredrekson and Davies (2003) that job/role autonomy and role involvement were identified from the case data as mirroring categories of commitment to process.

These views are at variance with what goes on in SMEs, where behaviour and work programmes tend to be more directed to meet the aspirations of the owner, but might apply to larger organisations which were the subject of Ashill et al's study. Boddy and Paton (2005) indicate what happens in SMEs when they observe that rather than adopting an ambidextrous structure, managers develop a context in which staff gains the ability to switch between the demands of stability and innovation rather than depending on a higher level, structural separation. With firms evolving in terms of structure, it follows that the style of strategy implementation will differ depending on the style of the organisation and its management (Thorpe and Morgan, 2007). The challenge confronting any manager is how to coordinate the efforts of talented employees within limited time frames and to ensure that the aims and mission of the intended strategy are clearly understood while cooperativemanagement concerns

building mechanisms that link individuals in ways that permit them to perform given tasks such as implementing strategy effectively (Thorpe and Morgan, 2007).

Thorpe and Morgan (2007) are of the view that for strategies to be implemented efficiently by mid-level managers, the firm must display a degree of hierarchical style and bureaucratic structure. If a firm lags behind in making alignments to the organisational structure, it may exhibit poor performance and be at a serious competitive disadvantage (Li et al, 2008).

2.15 Operational processes

Some organisations begin the strategic implementation process by targeting a unit within the organisation. In Okumus' (2001) study, the company formed a project team to spearhead strategy implementation comprising members from functional areas and in some cases outside people were brought on board to help with implementation, particularly in cases where the organisation did not have sufficient knowledge and competence. This was a learning process, where the system parts were changed and modified as implementation continued. While the lead department and the project management team stated that these preparatory activities were time consuming and expensive, they were crucial in terms of building a sound infrastructure for the project (Okumus, 2001).

The development of operational plans is critical to strategy implementation. Okumus (2001) found that operational plans were used to monitor the implementation process, with the progress of the project being reported to members of the project team and the board. This helped achieve a number of outcomes. Operational planning has a significant impact on the allocation of resources, and the provision of training and incentives. According to Okumus (2003) the key issues to be considered are:

- *“Preparing and planning implementation activities*

- *Participation and feedback from different levels of management and functional areas in preparing these operational plans and implementation activities.*
- *Initial pilot project and the knowledge gained from them*
- *The time scale of making resources available and using them.”*

Even though this execution stage is most often identified with innovation failure, it receives the least attention from researchers (Pellister, 2011).

2.16 Resource allocation

A key determinant of successful strategy implementation is resource allocation which, according to Okumus (2003), is the process of ensuring that all necessary time, financial resources, skills and knowledge are made available. Kumar et al's (2006) study on the service industry found that the resources were allocated to the strategy implementation process and the organisation was designed and built to make it possible to carry out the strategic plan. In the strategy execution process, the organisation utilizes resources to deliver services and implement the strategic plan on a continuous basis throughout its predetermined life cycle. Antony, Kumar and Labib (2008) found that 80% of the British SMEs in their survey stated that lack of resources was one of the factors impeding the successful introduction of six sigma. Lam (2010) argues that most SMEs experience a funding gap and states that successful SMEs use the concept of bootstrapping on other people's resources like negotiating favourable credit terms from suppliers. Resource allocation is the key to successful strategy implementation in SMEs. According to Okumus (2003), the key issues to consider are:

- *“The procedures of securing and allocating resources for the new strategy.*
- *Information and knowledge requirements for the process of implementing a new strategy.*
- *The time available to complete the implementation process.*
- *Political and cultural issues within the company and their impact on resource allocation.”*

Case sites A and D in Ashill, Fredrerikson and Davies's (2003) study sought resource allocations by banding together with other functional groups within the organisation and seeking informal support from top management. This scenario was also applicable to large organisations studied by Ashill et al (2003), but might have limited applicability to SMEs, particularly in Zimbabwe. SMEs are owner managed and the owner/manager will determine resource allocation with very little input from those charged with implementing the strategy. This is likely to affect overall strategy implementation by SMEs. This study seeks to unravel how resources are allocated and the likely impact on SMEs' performance in Zimbabwe. Ashill et al (2003) also confirmed that where resource allocation was perceived to be less than optimal, with resource bargaining a frequent activity with core service departments, in case C, the national marketing planning manager coped by seeking informal support from non-marketing personnel on the same floor. This suggests that different organisations adopt different resource allocation strategies and these will impact performance.

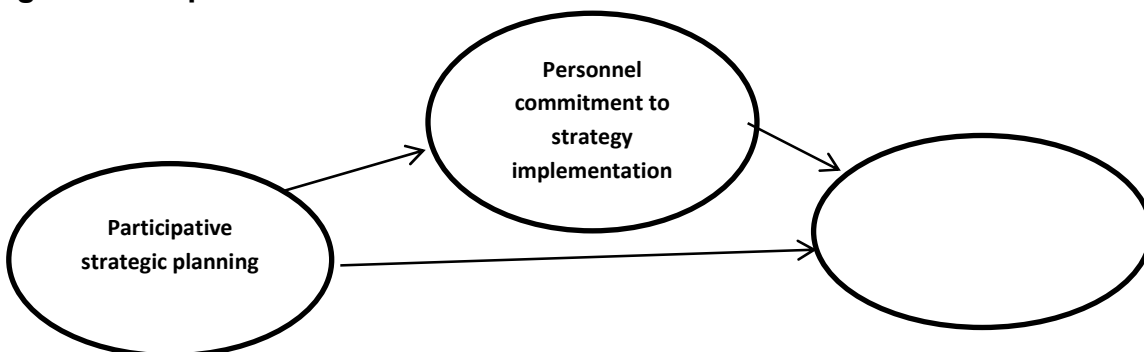
2.17 People

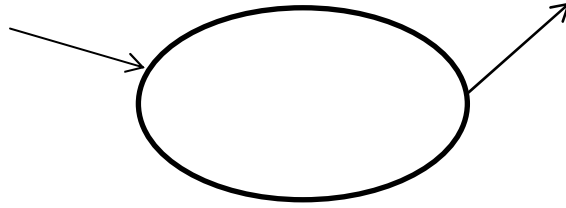
People are a very important component of strategy implementation. Kohtamaki, Kraus, Makila and Ronvko (2012) argue that personnel's commitment to strategy implementation indicates the link between participative planning and company performance. The effectiveness of strategy implementation is affected by the quality of the people involved in the process, i.e. the skills, attitudes, experience and other characteristics required by a specific position or position (Peng and Littlejohn, 2003). Participative planning increases personnel's understanding of the company's purpose and strategic goals, clarifies why strategies are implemented and creates a sense of shared purpose among employees (Kohtamaki et al, 2012 and Dandira, 2011). Unfortunately this might not be possible in many organisations, particularly SMEs in Zimbabwe where the owners drive their own visions. There is a tendency for top management to go it alone in strategy planning; they regard this as a sign of power and an expression of the magnitude of the difference between them and their subordinates

(Dandira, 2011). Organisational strategy and subsequently performance cannot be understood without understanding the culture of the organisation (Dobni et al, 2001). Dobni et al (2001) add that the behaviour of all organisational members, regardless of their position, is responsible for the design and implementation of operational strategies to support the goals of the organisation. However, according to Garengo and Bernadi (2007), insufficient attention is paid to human resources and very often employees occupy different positions at the same time. In almost all SMEs investigated, there is no person responsible for human resources management. Employees are often managed unsystematically by the entrepreneur, and individual performance and knowledge are rarely measured (Garengo and Bernadi, 2007). Garengo and Bernadi (2007) contend that the main criteria used are informal and based on trust and feelings. While there are sporadic attempts to link rewards to management or other generic objectives, the lack of formal performance management is an impediment to the use of reward systems and empowerment processes.

Furthermore, Kohtamaki et al (2012), Dandira (2011) and Li et al (2008) believe that personnel's commitment to strategy implementation mediates between participative strategic planning and company performance because participative strategic planning increases employees' understanding of the company's purpose and strategic targets, clarifies why strategies are implemented and creates a sense of shared purpose. Strategy implementation efforts may fail if the strategy does not enjoy the support and commitment of the majority of employees and middle management (Li et al, 2008). In this regard Kohtamaki et al (2012) developed the following theoretical framework linking planning, employee commitment and performance:

Figure 2.3: Implementation Framework





Source: Kohtamaki et al (2012)

The process starts with strategic planning. According to Li et al (2008) and Dandira (2011) some CEOs believe that that one way to accomplish this is to involve employees and managers in strategy formulation right from the outset. The framework assumes that the elements in the model will help drive strategy implementation to achieve organisational performance. However Dandira (2011) notes that top management often feel that strategic planning is their prerogative; they monopolise strategy formulation, but they want employees to implement it. Failure to involve implementers at the formulation stage is a major problem that cannot be ignored. In most cases where strategies fail, implementers did not make input at the formulation stage (Dandira, (2011). Increased personnel commitment enables rapid strategy implementation and improves both the strategy-environmental fit and company performance (Kohtamaki et al, 2012). Besides wasting a considerable amount of time and money, the failure of strategy implementation efforts causes lower employee morale, and diminished trust and faith in senior management (Sorooshian et al, 2010). Sorooshian et al (2010) add that this results in inflexible organisations, because when an organisation fails to change, it will encounter cynicism regarding subsequent attempts. Ignoring internal issues in strategy implementation therefore hampers future efforts to implement strategies. This study will therefore consider whether SMEs generate high levels of commitment and learning as drivers of strategy implementation among employees.

Variyam and Kraybill (2001) argue that a planning strategy may yield higher returns to firms with higher endowments of human capital, and technology may bring higher returns to firms belonging to a sector with a favourable technological regime. Logic suggests that human capital will have a positive effect on strategy formulation and

implementation. Firms with higher levels of human capital have a better command of technical information for implementing strategies and such firms have a higher allocative ability and hence, are more efficient in utilizing the knowledge they acquire (Variyam and Kraybill, 2001). One reality in Zimbabwe is the dearth of quality employees. This will definitely affect strategy implementation in the SMEs concerned. For example Li et al (2008) point out that managers who believe that their interests are compromised can redirect a strategy, delay implementation, reduce the quality of implementation or sabotage the effort. Involvement and commitment should be developed and maintained throughout the implementation process.

Okumus (2003) notes the need for training to enable employees and management to improve their understanding and skills in the area where changes are envisaged. According to Okumus (2003), the key areas to be considered are:

- *“The recruitment of relevant staff for the new strategy implementation.*
- *The acquisition and development of new skills and knowledge to implement the new strategy.*
- *The types of training activities to develop and prepare managers and employees.*
- *The provision of incentives related to strategy implementation and their implications.*
- *The impact of a company’s overall HRM policies and practices on implementing strategy.”*

The literature on strategy implementation is increasingly emphasizing organisational capabilities, as opposed to the traditional organisational dimensions of strategy and performance (Voola and O’Cass, 2010). Voola and O’Cass (2007) give credence to the resource-based theory’s claim that capabilities are critical for strategy implementation and that strategy implementation is a valid route to organisational performance. It is argued that the quality of people in an organisation will determine the level of strategy implementation undertaken.

According to Singh, Gang and Deshmukh (2010), SMEs often face constraints such as scarce resources, a lack of technical expertise, a paucity of innovation, reduced intellectual capital and the like. It would therefore be difficult if not impossible for SMEs, particularly in Zimbabwe, to have adequate resources to pursue identified strategies, but it will be interesting to see how these SMEs implement strategies in the face of these obstacles. SMEs find it difficult to employ and retain high calibre staff (Singh et al, 2010). Meta-abilities are the abilities which enable managers to utilise the knowledge and skills accumulated over time or on training courses (Meldrum and Atkinson, 1998); they are vital ingredients in the process of translating organisational imperatives into strategic intentions and effective action. Meldrum and Atkinson (1998) identify issues which frequently block individual effectiveness and can prevent managers from making the transition required to operate at higher levels of efficiency and responsibility. However, Singh et al (2010) point out that SMEs founders did not possess much personnel management or financial expertise and they operated with a dearth of talent within the ranks of senior management. There is therefore a need to foster individuals' abilities in order to enable managers to make a more significant contribution to the development of their organisations. The importance of organisational capability is emphasized by a change in business model (strategy implementation), improvement in the technology of products and processes and/or an increase in business volume; these changes lead to increased managerial complexity and a lack of organisational capability drives companies into organisational crisis known as the 'chaos zone', where the problems are greater than organisational capabilities (Garengo and Bernadi, 2007).

The degree of success of CRM implementation is directly related to the level of involvement of employees during the early and subsequent stages in the change process (Osarenkhoe and Bennani, 2007). The emphasis should be on what has to be achieved; this should penetrate the whole organisation and should start with a clear implementation plan.

Management practices are steeped in kinship networks and communal dynamics as evidenced by the fact that core staff in an enterprise are usually family members and relatives gradually cascading down to community and group members regardless of competence and merit (Shrestha et al, 2008). Shrestha et al (2008) add that the emphasis on intra-group networks, reliance, and reciprocity rather than formal contractual transactions tends to be compounded by and reinforces the ongoing practice of ethnic identity and the private sector's inability to produce sufficient jobs due to its underdevelopment. This leads to a lack of tangible and meaningful development that generates employment, raises standards of living, alleviates poverty and reduces inequality.

To cope with envisaged change, management training courses prepare people for a more commercial approach to business (Meldrum and Atkinson, 1998). However, in order to manage the situation, they opt not to invest in organisational capabilities and thus remain in the chaos zone; this may force an organisation out of the competitive market (Garengo and Bernadi, 2007). Given other business pressures, the majority of SMEs might view investing in people as a waste of resources and might implement strategies without the necessary capabilities, thereby jeopardising the success of the strategies. This view is indicative of the quality of management in place; Variyam and Kraybill (2001) contend that human capital plays a major role in strategy selection and by extension strategy implementation. They contend that the better educated the owner or manager, the higher the probability that the firm employs strategies such as planning and the use of new technology to promote growth. Garengo and Bernadi (2007) further suggest that in order to move beyond the "edge of chaos", companies can invest in improving their organisational capability by means of external support or projects that favour managerial growth.

How well Kenya can develop and sustain its competitive advantage in the global economy largely depends on how well human resources are developed and managed to bring about necessary and continuous improvements in the quality/efficiency of the

other environmental forces (Shrestha et al, 2008). The success of SMEs in Zimbabwe also depends on the quality of human resources in these organisations, but the quality is compromised by such factors as the brain drain. In conclusion improving understanding and commitment can close this dangerous implementation gap (Li et al, 2008). How then are SMEs in Zimbabwe trying to close the dangerous implementation gap through a human resources deployment approach? Klenke (2008) argues that social capital is indeed a typically scarce resource. How have Zimbabwean SMEs been able to build this scarce resource into their organisational fabric and what has it contributed to the implementation of strategy?

2.17.1 Training

Implementing strategy requires SMEs to change what they have been doing in order to take the organisation to the next level of development. One factor that might minimise fear of change is effective training (Marasini, Ions and Ahmad, 2008). Strategy implementation involves the development of new skills, attitudes and competencies to deliver new services and value to the customer (Enz, 2012). Training is considered to enable adaptation to the new order; however, all Marasini et al's (2008) interviewees commented on the poor quality of training, with one interviewee stating:

“Training actually increased the employees’ fear because it reinforced their fear of change that change was both difficult and disruptive.”

This situation arose because although the decision to implement the ERP system was made by the directors of the *company, the decision to implement the system over a six month period was a directive from the managing director* (Marasini et al, 2008). They further point out that the decision to implement the system was unpopular with employees, because of the company's reputation as a complex, inflexible system more suited to large organisations. The translation of innovations into results is highly dependent on the actions of frontline employees (Cadwallar, Jarvis, Bitner and Ostrom, 2010).

One employee highlighted the main concern as follows:

“There was a very big fear factor because the implementation of the ERP system. Typically it takes two years to implement whereas our schedule was six months so this put pressure on people who were already resentful that it wasn’t a system they were familiar with” (Marasini et al, 2008).

Enz (2012) observed that researchers have found that the multi-skilling of customer-contact employees was significantly related to both incremental and radical innovation. However all interviewees commented on the poor quality of training and stated that it actually increased their fear that change was difficult and disruptive (Marasini et al, 2008). Employees responded to the failure of formal training by forming a community of practice (CoP) to share ideas, find solutions and identify best practices. The foregoing suggests that SMEs would be hard pressed to provide formal training to employees at the required level. In Zimbabwe this could be a result of the lack of resources and the emphasis on the actual production or provision of services. According to Marasini et al (2008), the success of strategy implementation was largely due to CoP-directed informal learning that enabled knowledge creation, capture and transfer. The critical success factor in organisational learning was the synergy that developed knowledge management techniques and the CoP.

In conclusion Marasini et al (2008) contend that their study provides some evidence that improvisational models of change are aligned to SMEs’ culture and therefore offer appropriate ways of managing technological change in such organisations. Improvisation could be a key ingredient in the survival and growth of SMEs in Zimbabwe due to many factors, including the lack of resources and key personnel. How SMEs in Zimbabwe continue to survive in a turbulent environment can offer key lessons. If learning is by means of improvisation, how do SMEs use such learning in their future operations? Improvisation seems to be a once-off approach; how has the lack of such learning impacted strategy implementation among SMEs in Zimbabwe? It has been suggested that the solution is training, but without resources and an emphasis on

improvisation, organisations will be hard pressed to implement strategies. How have SMEs circumvented this challenge?

2.18 Communication

Communication plays a significant role in an organisation's performance. Implementation effectiveness is negatively affected by conflict and positively by communication especially in interpersonal and written form (Li et al, 2008). Li et al (2008) add that if members of an organisation are not aware of the same information, or if information passes through different levels, there will be a lower level of consensus. The organisation may fail to effectively implement strategies as employees might not know what is expected of them. Personal communication seems to be a very strong practice among SMEs, especially in Zimbabwe. According to Peng and Littlejohn (2001), communication and cooperation between diverse participants within an organisation have been recognised as crucial elements to maintain stability. Execution is carried out by different people at different levels in the organisation. Most managers struggle to communicate strategic plans to employees who did not participate in formulating them, yet are expected to implement the plan (Dandira, 2011). Functionalists are mainly concerned with the performance of organisations and regard an organisation as an entity where communication is a variable that shapes and determines operations and performance (Peng and Littlejohn, 2001). This approach focuses on goals and the intended and unintended outcomes of communication; it explores ways to improve communication systems and behaviour in an organisation. When a new strategy is implemented, staff members generally respond in four ways: indifference, resistance, disbelief and support (Speculand, 2009). These reactions are determined by how the strategic plan is communicated to the implementers. Dandira (2011) believes that most organisations lack people who can articulate the contents of a strategic plan and its vision. How they respond will have a significant impact on how well a strategy is implemented. The quality of communication practices (Nelson, Brunetto, Farr-Wharton and Ramsay, 2007) is likely to be associated with role clarity and job satisfaction.

Effective communication is critical for the development and maintenance of positive working relationships. According to Kumar et al (2006), excellent communication, which is one of the key ingredients in the success of the strategy implementation model proposed by Okumus (2001), and transparency between the parties involved, as well as clearly defined performance factors, play a vital role in the implementation and execution phase. They argue that well aligned communication and relationships are the foundation of trust building between the parties in the implementation and execution process. Successful implementation goes beyond ensuring that staff members understand the strategy; they must know exactly what to do and be motivated to do it (Speculand, 2009). The quality of relationships between employees and management determines employees' ability to access relevant information in order to solve day to day problems that arise in the workplace (Nelson et al, 2007). Organisations need to develop mechanisms that send formal and informal messages about the new strategy. Okumus (2003) outlines how this can be achieved:

- *“Operational plans, training programmes and incentives can be used as communication materials.*
- *The use of clear messages when informing relevant people within and outside the organisation.*
- *The implications of using (or not using) multiple communication (top-down bottom-up, lateral, formal, informal, internal external, one time and continuous communication).*
- *The problems and difficulties related to communication and their actual causes.*
- *The impact of organisational culture and leadership on selling the new strategy.”*

Any delay caused by poor communication or coordination could create conflict between the parties and have an impact on the business and relationships (Kumar et al, 2006). Communication barriers are reported more frequently than any other type of barrier to strategy implementation, which might be influenced by the organisational structure (Li et al). Managers spend a lot of time communicating and promoting strategy i.e. trying to sell it to different stakeholders (Souminen and Mantere, 2010). Much communication

about new strategy focuses on its launch, but it must also cover other issues like the actions that need to be undertaken to participate in the new strategy, ways to motivate those who implement the strategy, measures to track the new strategy and the new behaviours to be encouraged (Speculand, 2009). Communication in African culture is mostly top down, with the owner manager running the show, and is mostly negative. In the African culture, those in authority cannot be questioned and what they say is final; this approach is prevalent in SMEs activities and is at odds with the communication models advocated for strategy implementation. According to Nelson et al (2007), most SMEs do not have a developed HRM infrastructure, nor do they have well developed knowledge management processes and vehicles such as operational manuals, instructions and guidelines. Hence within the SMEs context, the relational dimension assumes that employees will use a range of communication processes, particularly the relationship with the supervisor, to gather information and skills in order to perform their tasks effectively. This emphasizes informality in communication; where a sourrelationship exists between the supervisor and the employee, strategy implementation is unduly affected. This can be a cause of frustration on the part of employees who might not receive all the information necessary for strategy implementation, to the detriment of the organisation. Social capital theory therefore provides an important perspective to better understand how the quality of communication processes affects working relationships and in turn impacts on organisational outcomes such as customer ambiguity, job satisfaction and employee commitment (Nelson et al, 2007). "The findings of this study suggest that much remains to be done in communication strategies in SMEs, given that a number of interviewees linked the problem of strategy implementation to communication," (Aaltonen and Ikavalko, 2002). This observation is confirmed by Al-Ghamdi (1998), who recommended that company management develop a good information system that will help managers to obtain the highest quality of knowledge in order to facilitate strategy implementation. Most SMEs in Zimbabwe have not developed effective systems for smooth communication and effective strategy implementation. A common concern is the creation

of a shared understanding of strategy among the organisational members (Aaltonen and Ikavalko, 2002).

However, Aaltonen and Ikavalko (2002) argue that sufficient communication does not guarantee successful implementation; what is important, is the interpretation, acceptance and adoption among implementers, since a lack of understanding of strategy is one of the obstacles to strategy implementation. They contend that there was an insufficient link between goals and objectives and it was challenging to transform strategy into concrete objectives; this problem becomes worse the lower one is located in the organisational hierarchy. Most employees of SMEs in Zimbabwe have only a basic level of education, making it a challenge to understand the goals and objectives of these organisations and interpret what needs to be done. Several different information exchange strategies can be used, including those focussed on individuals, individual counselling by managers and those at group level such as staff meetings, cross functional teams and focus groups, and the use of internal media (Enz, 2012). Given the challenge of employee quality in SMEs in Zimbabwe and the behaviour of most SMEs owners who are secretive about their operations, communication is likely to be a major issue in strategy implementation. The effectiveness of organisational communication processes affects the identity of the organisation and the organisational climate and in turn, impacts on the performance of the organisation (Nelson et al, 2007). If employees are not satisfied with the information received, they are likely to be uncertain about a range of organisational issues as well as their responsibilities. The content of such communication includes clearly explaining what new responsibilities, tasks and duties need to be performed by the affected employees; and should also include the why behind job activities (Li et al, 2008). Very few SMEs have systems to communicate vital information or why a new strategic decision was made in the first place. This tends to create uncertainty among employees. These uncertainties may increase role ambiguity and in turn affect job satisfaction and employee commitment, which are all essential for successful strategy implementation. A case in point is the study by Marasini, Ions and Ahmad (2008), which found that although the decision to implement an ERP system

was made by the directors of the company, the decision was a directive from the managing director. Consequently, this decision was unpopular with employees because of the complexity and inflexibility of the system. This seems to be the *modus operandi* among SMEs in general, where employees are simply assigned tasks to implement. According to Li et al:

“Organisational communication plays an important role in training, knowledge dissemination and learning during the process of implementation, as it relates in a complex way to organisational processes, organisational contexts and implementation of objectives which in turn have an effect on the process of implementation.”

Therefore the adoption of appropriate communication practices may well be an important strategy to influence employees' perceptions of organisational practices and policies and therefore employee commitment (Nelson et al, 2007). Nelson et al's (2007) findings confirm that employees' level of satisfaction with various aspects of communication processes affects their level of ambiguity about customers, their job satisfaction and organisational commitment and therefore could impact on SMEs' ability to grow. Therefore SMEs wishing to pursue growth and development strategies should be mindful of the impact of communication processes on organisational culture and outcomes (Nelson et al, 2007). This study explores how communication affects strategy implementation among SMEs given Nelson et al's (2007) call for further research to investigate suitable organisational interventions to enhance communication processes and the dimensions of relationships. This is particularly true for SMEs, whose key goals are growth and development. What interventions do SMEs in Zimbabwe use to improve communication and strategy implementation? In situations of one-on-one supervision, this can be achieved by recognising the kind of work that needs to be done and ensuring that company members accept their task and mandates (Huebner, Varey and Wood, 2008). Huebner, Varey and Wood (2008) argue that voice is a necessary condition if strategic issues or themes are to be turned into action and therefore the

crucial point is whether the speaker's voice is accepted as legitimate. In the SMEs in Zimbabwe, who gives voice to decisions and strategies? In the majority of cases, it is the owner. Does this impact how employees accept their mandates and eventually act? Are these acts always positive for strategy implementation or do they impede overall implementation?

Does SMEs' communication result in the building of teams and a focus on common goals? Masarini et al (2008) found that the formation of a community of practice (CoP) enabled a team to share ideas, find solutions and identify best practice. Employees have to find implementation methods that are not management guided. Some SMEs owners use fear as a tool to make employees implement strategies. Such anxiety led to the formation of the abovementioned CoP (Masarini et al). The question is whether such practices are present in Zimbabwean SMEs and to what extent employees take it upon themselves to seek ways to successfully implement strategies.

ICT plays a key role in facilitating communication; problem solving and knowledge capture (Marasini et al, 2008). E-mails and message boards enable problems and solutions to be shared, while authoring software enables the capture and management of tailored solutions. ICT usage among SMEs in Zimbabwe is still in its infancy and therefore they have limited alternatives to communicate messages which might have an impact on strategy implementation. If SMEs in Zimbabwe are having problems introducing ICT, how do they share experiences and solutions to make strategy implementation successful, given the observation by Marasini et al (2008) that the success of implementation was largely due to CoP directed informal e-learning that enabled knowledge creation, capture and transfer?

2.19 Control and feedback

If an organisation is good at execution, it will have tools, systems, techniques and abilities in place to realise when the strategy is not working and make the required changes (Speculand, 2009). According to Alstete (2007), organisations need to extract,

share, and preserve the tacit knowledge base and combine this with explicit knowledge to enable on-going product/service innovation for revenue generation. He further states that understanding the nature of one's own organisation and its current performance is critical in benchmarking best practices with other organisational units, competitors and industry leaders. Periodic assessments and analyses should be conducted to determine the level of management development, competitor levels and the ideal state which organisations can strive to achieve (Alstete, 2007).

The power to make decisions regarding strategic and managerial issues rests with the owner and this obstructs managerial activities and promotes organisational crises (Garengo and Bernadi, 2007). Garengo and Bernadi (2007) argue that the entrepreneur is in charge of both operational and managerial functions; he/she usually neglects managerial activities and obstructs the company's development. Consequently, information about company performance is often lacking: there are only some performance indicators and some traditional information about production costs. The approach to performance measurement is informal, unplanned and not based on a predefined model; some performance measurement is introduced to solve specific problems like organisational crises and the need to increase empowerment (Garengo and Bernadi, 2007). According to Alstete (2007), the varying clusters of practices at SMEs seem to indicate the management of knowledge in a dissimilar manner. Formal and informal mechanisms allow the efforts and results of implementation to be monitored and compared against predetermined objectives (Okumus, 2003). The key issues to consider according to Okumus (2003) are:

- *“Formal and monitoring activities carried out during and after the implementation process.*
- *Communication and operational plans are key to monitoring the process and providing feedback about progress.”*

Both the intended and unintended results of the implementation process, which can be tangible and intangible, should be examined. According to Okumus (2003) the key issues to consider are:

- *“Whether the new strategy has been implemented according to the plan. If not, the reasons for this.*
- *Whether predetermined objectives have been achieved. If not, the reasons for this.*
- *Whether the outcomes are satisfactory to those involved and affected by the process.*
- *Whether the company has learned anything from the strategy implementation process.”*

2.20 Summary

This chapter examined the definition of strategy implementation in general as well as from the perspective of SMEs. Various studies were reviewed in order to determine the scope of this study. This research study is anchored on the model developed by Okumus (2001); this chapter examined how the various components in this model contribute to business survival and growth among SMEs. The key issues to consider are:

- Whether the new strategy has been implemented according to the plan. If not the reasons for this.
- Whether predetermined objectives have been achieved. If not, the reasons for this.
- Whether the outcomes are satisfactory to those involved and affected by the process.
- Whether the company has learned anything from the strategy implementation process.

CHAPTER 3

3.0 METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology used to investigate how SMEs implement their chosen vision and strategies and whether or not, the manner in which these are implemented contribute to organisational success in Zimbabwe. Hussey and Hussey (1997, p.540) state that research methodology addresses the following elements of a research study:

- *“What information will be collected?”*
- *Why a research initiative collects certain information?*
- *Where the information will be collected?*
- *How the information will be collected?*
- *How the information will be analysed?”*

The research methods employed in this study are discussed, as well as the research approach, research design, research strategy, data collection techniques and the techniques used by the researcher to analyse the collected data. This chapter also discusses the ethical issues related to the study.

3.2 Overview of the research

The aim of this research study is to develop concepts that SMEs in Zimbabwe can use to strengthen their strategy implementation in order to ensure survival and growth. This requires an investigation of the following issues:

How does strategy implementation affect the performance of SMEs in Zimbabwe?

The following issues will be highlighted:

- Do SMEs in Zimbabwe practise strategic planning?
- What are the most common strategies adopted by these SMEs?
- What do SMEs consider to be the major prerequisites for strategy implementation?
- How do these prerequisites affect strategy implementation?

- What have been the outcomes of these strategies following their implementation?
- How have the SMEs implemented these strategies to obtain results?
- Why did the SMEs implement the strategies in the way they did?
- How should the SMEs implement strategies to ensure success and growth?

3.3 Research Approach

3.3.1 Research philosophy

3.3.2 Ontology of the research

Ontology concerns what is said to exist in the world that can potentially be talked about (Wand and Weber, 1993). It is a branch of philosophy concerned with articulating the nature and structure of the world. Uschold and King (1995) state that ontology refers to a set of terms and their associated definition, intended to describe the world in question; ontology is concerned with what our surroundings (nature) actually are, (Zajicek, 2005). Ontology refers to the subject of existence, a specification of conceptualisation, a description of the concepts and relationships that exist for an agent or a community of agents. It is used to make ontological commitments -a set of definitions of formal vocabulary- an agreement to use a vocabulary (i.e. ask questions and make assertions) in a consistent (but not complete) manner with respect to the theory specified by ontology. Tsoukas and Chia, in Elkjaer and Simpson (2011) contrasted two distinct ontologies: “being” which locates reality in substances, things and events; and “becoming” which approaches reality through flux, flow and continuity. Each research study has its own ontology. A sociologist will have implicit and explicit presuppositions about categories of reality that are

fundamental and related in the human and social systems that she/he studies in order to say something general about reality in a formal ontology/domain (Elkjaer and Simpson, 2011). Ontology says something specific about different areas of reality, (Elkjaer and Simpson, 2011).

This research study sought to establish how SMEs implement strategies and why. This requires an examination of management issues, which according to Moon (1999), "is a process." This is in line with the notion of "becoming" which Elkjaer and Simpson (2011) define as the adoption of a processual, "becoming" ontology. Strategy implementation is therefore in a state of flux, flow and continuity. Moon (1999) states that when there is instrumental rationality which is unidirectional, and that the tension between political authority and administrative knowledge is best resolved by a strategy that defines decision making powers for the actors dealing with the implementation gap between goal setting and product delivery. He adds that regardless of whether the strategy is to locate decision making authority at the top, bottom, or centre, once in progress, there is little ascribed capacity to modify implementation in the light of feedback messages. However such a point of view has been questioned and Moon (1999) appraises ideas of functional, substantive and procedural rationality. Bartlett and Baber (2005) contend that multiple forms of reality exist, which also highlights the theme of reasonableness. Bolan, in Moon (1999), also notes the 'Achilles heel' of instrumental rationality in the conduct of management. This research study is based on the views of multiple players which underscores the philosophy of "multiple forms of reality" in strategy implementation and the justification thereof. In this regard, an inductive approach will be used where the in-depth views and opinions of SME players will be solicited in order to build concepts of strategy implementation among SMEs. According to Pentland (1999), "We can build better process theory and better explanations in general through the use of narrative data and structural methods of analysis." This view is anchored on the conclusion reached by Elkjaer and Simpson (2011) that ultimately, organisation and management studies are an

intensely practical domain where practical problems demand practical solutions. Spens and Kovacs (2005) state, "The inductive research approach is a theory development process that starts with observations of specific instances and seek to establish generalisations about the phenomenon under investigation." Pentland (1999) concludes that process explanations that draw on narrative data are particularly close to the phenomena they purport to explain.

3.3.3 Epistemology of the study

Hieschheimet et al (1995) state that epistemology is concerned with the nature of human knowledge and understanding that can be acquired through different types of enquiry and alternative methods of investigation. Zajicek (2005) observes that epistemology studies the nature of knowledge which determines how we conceive of our surroundings and which tools we apply for the purpose, e.g. sense (physiology, or rational and irrational thoughts). Bryman (1995) argues, "The standpoint is to suggest that quantitative and qualitative research are each appropriate to different type of research problems, implying that the research issue determines (or should determine) which style of research is employed." An actor's worldview has profound influence on the perceived relative importance of aspects of enterprise modelling. Wand and Weber (1993) state, that, observers gain their knowledge of the world by experiencing it and that for qualitative research, it is generally possible to investigate the world without influencing it or the meaning of phenomena that is inherent to the phenomena and can be experienced by interacting with it. Cuba and Lincoln in Wand and Weber note that, "Realities are local and specific in the sense that they can vary between groups of individuals." Construction, being ontological elements of realities, is not absolutely true or correct in any sense, only more or less informed and sophisticated (Schwandt, 1994). Guba and Lincoln in Wand and Weber observe that, "Reality is actively constructed i.e. not merely discovered; reality depends on a particular actor and his values. Reality is socially constructed that is the

constructions are not personal or technical. The construction process involves other social and cultural artefacts and therefore inevitably become social." For example, Suominen and Mantere (2010) point out that managers' everyday practices, like tactics and ways of talking show how they are creatively using, resisting and appropriating the strategy discourse imposed on them by the orthodoxy of strategic management. Bryman (1995) defines an epistemological issue as a matter which has to do with the question of what is accepted as warrantable, hence acceptable, knowledge. Qualitative research can also be depicted as being underpinned by an epistemological standpoint, i.e. it advocates that more emphasis be placed on actors' interpretations. From this epistemological position, 'knowing' involves the (subjective) interpretation of meaning to create a context of a deep and emotional understanding of the research participants' "life world" (Nwankwo et al, 2010). Nwankwo et al (2010) add that this helps not only to unmask truth claims but also locate the key informant in the process and presentation of the narrative. This is precisely what this study intends to explore with regard to how SMEs owners implement and review strategies. It therefore focuses on exploring narratives in order to construct new sites of meaning and frame new explanations of the phenomena under study (Nwankwo et al, 2010). Qualitative methods such as case studies commonly follow realistic modes of inquiry, as their main objectives are to discover new relationships of realities and build new understandings of the meanings of experiences rather than verify predetermined hypotheses (Hunt in Riege, 2003). Bryman and Bell (2011) add that, "Secondly, any attempt to understand social reality must be grounded in people's experience of that social reality... so the social scientist must grasp individuals' interpretive devices which provide the motivational background to their actions." Failure to recognise and encapsulate the meaningful nature of everyday experience runs the risk of losing touch with social reality and imposing instead "a fictional non existing world constructed by the scientific observer (Schult)." Bryman (1995) adds that, "The most fundamental

characteristic of qualitative research is its express commitment to view events, action, norms, values etc. from the perspective of the people who are being studied." This study seeks to solicit the views and justification of SMEs players for certain strategic implementation modalities. Bryman and Bell (2011) are of the view that such description should at the very least be consistent with the perspectives of the participants in the social setting. Bryman (1995) adds that qualitative research exhibits a preference for contextualisation in its commitment to understanding events, behaviour etc. in their context.

This study sought to generate meaningful answers to the research questions. It will adopt a qualitative or interpretivist approach to the enquiry into how SMEs implement strategies and why. Okumus (2001) also used a qualitative research strategy and a case study approach in his study of a strategy implementation framework. He argued that qualitative methods are the most appropriate and sensitive approach to allow a detailed analysis of complex change cases. This will result in the interpretation of views from the source on how these strategies are implemented and the reasons why this approach is adopted. Olsen, in Moon (1999) notes, "that reality is fundamentally mental, and that we can only know the material and sense the world as collections of mental objects." Epistemologically, a central tenet in idealist conceptions of knowledge is that as concrete reality is open to interpretations, meaning becomes that which can be logically reasoned, (Moon, 1999). Therefore, in addition to conceptualising the concrete, the human mind could use theory to create abstract forms of concrete possibilities. Abstraction allows idealists to argue for a broader conception of reality.

This approach will be useful in generating new knowledge on how SMEs implement strategies and why, with a view to proposing theories and concepts on how to effectively implement strategies for the survival and growth of SMEs in Zimbabwe. According to Bryman and Bell (2011), "The qualitative researcher is in

a better position to view the linkages between events and activities and to explore interpretations of the factors which produce such connections." In conclusion, Onwuegbuzie and Beech, in Onwuegbuzie and Leech (2005) observe that, "all research in the behavioural and social sciences represent an attempt to understand human behaviour." Without discourse, there is no social reality, and without understanding discourse, we cannot understand our reality, our experiences and ourselves (Phillips and Hardy in Suominen and Mantere, 2010).

3.3.4 Axiology of the research

According to Klenke (2008), "the traditional scientific approach seeks research that is value free and unbiased. However all research is value laden and biased (Cederblom and Paulsen, 2001)". All researchers bring values to a study, but qualitative researchers make their values known (Cresswell, 2013 and Klenke 2008). These beliefs and values are made explicit by the researcher so that respondents and consumers of the research are aware of the context in which the research was conducted and have been exposed to critical examination (Klenke, 2008).

This study accommodated the values, opinions and beliefs of the researcher. As a result, the researcher analysed the contributions of the respondents, leading to the generation of certain themes which were not numerically derived but were an interpretation of the content of the responses from the point of view of the researcher. This allows the study to reach certain conclusions and offer recommendations based on the information provided by the respondents. These conclusions and recommendations were not necessarily made by the respondents, but are what the researcher understood to be the major key issues. This allowed for the formulation of certain models, theories and approaches to the subject of strategy formulation and implementation. This was informed by the desire to investigate how SMEs owners in Zimbabwe implemented strategy and why they adopted such approaches. According to

Klenke (2008), "values play a significant role in the study of leadership especially as evidenced."

3.4 Research Strategy

Research strategy can be either quantitative or qualitative. Bryman and Bell (2011, p.26) state, that, quantitative and qualitative research form two distinctive clusters of research strategy. They add that research strategy is a general orientation to the conduct of business research. According to Bryman (1995), "qualitative research tends to be more open". Qualitative research usually emphasizes words rather than quantification in the collection of data (Bryman and Bell, 2011, p. 26). This study will use a multiple case study approach, which, according to Riege (2003), is about theory construction and building, and is based on the need to understand a real-life phenomenon, with researchers obtaining new, holistic and in-depth understandings, explanations and interpretations about previously unknown practitioners' rich experiences, which may stem from creative discovery. The case study frequently encounters a public relations problem in that, despite well-known arguments to the contrary, it is held to be a sample of one, thereby raising concerns about representativeness and generalizability (Bryman, 2004). Bryman (2004) further argues that multiple case studies offer the prospect of producing results that are less likely to be deemed to be idiosyncratic. "Through our discourse analysis of the talk of managers in three case organisations, we can offer a novel view into strategy as a social practice practiced within organisations," (Suominen and Mantere, 2010). Case studies are particularly strong in terms of providing a detailed sense of the context that forms the backdrop to the ways leaders implement the change process (Bryman, 2004). Whyte, in Bryman (1995) states that ethnographic research derives much of its strength from its flexibility, which allows new leads to be followed up or additional data to be gathered in response to changes in ideas. This view is confirmed by Suominen and Mantere (2010)

who state that, “we chose a multiple case setting, based on interviews, as we wanted to move beyond contextual depth to wider level of generality about the condition of the strategist.”

3.5 Choice of methods- triangulation (mixed methods)

Onwuegbuzie and Beech (2005) note that, "... as advanced by methodologists (e.g. Newman and Benz, 1998; Onwuegbuzie; 2003), rather than representing a dichotomy, quantitative and qualitative research traits lie on an epistemological continuum. Exploratory research objectives in qualitative research allow qualitative researchers to make statements and are well established." This research study seeks to establish how SMEs owner/managers implement strategies and why. This will reveal how the SMEs implement successful or unsuccessful strategies. The study seeks to establish concepts and theories of how SMEs should implement strategies, but these theories need to be tested to confirm their applicability. This is in line with the view of Onwuegbuzie and Beech (2005):

"Simply put, hypotheses can be tested in a qualitative research. A qualitative analysis revealed ...the characteristics of effective teachers. . . . In this follow up study, the six themes were confirmed, with an additional theme emerging. Tin's confirmation of these six themes demonstrated that qualitative findings could be replicated."

In conclusion, Onwuegbuzio and Leech (2005) observe, "Exploratory studies typically attempt to develop theories about how and why a phenomenon operates as it does. In contrast, confirmatory studies involve testing hypotheses that arise from new or existing theories." They add that exploratory research objectives centre on theory initiation and theory building, whereas confirmatory research focuses on theory testing and theory modification. This view is confirmed by Creswell (2013) as follows: "The movement of researchers to a mixed methods approach indicate research designs that used "mixing" aspects of

the quantitative or qualitative approaches during different phases of the research i.e. design collection and analysis." The paradigm debate "has largely been resolved by Morse's (1991) review of nursing studies and Meekers' (1994) study of marriage patterns among the Shona speaking people of Zimbabwe, using mixed methods approaches; the pragmatic paradigm has become more firmly embedded in mainstream research," (Armitage, 2007). Osarenkhoe and Bennani (2007) confirmed that methodological triangulation facilitates the use of multiple data collection methods, including open-ended, face-to-face interviews with key informants, which is the approach adopted for this study.

This study uses the multiple case studies design to investigate how SMEs owner/managers implement strategies and why. The need for case studies arises out of the desire to understand complex social phenomena (Yin, 2009; p.4). Yin (2009) adds that the case study method allows the investigation to retain the holistic and meaningful characteristics of real life events- such as individual life cycles, small group behaviour, organisational and managerial processes, neighbourhood change, school performance, international relations and the maturation of industries. This study will focus on small group behaviour and organisational and managerial processes in SMEs as they go about implementing strategies. According to Eaton as quoted by Zach (2006), case studies are used when researchers want to gain an in-depth understanding of a relatively small number of individuals, problems or situations. How and why questions are more explanatory and are likely to lead to the use of case studies, histories and experiments as the preferred research methods (Yin, 2009). According to Yin (2009), such questions deal with the operational links that can be traced over time, rather than mere frequencies or incidence. SMEs players are different and will by nature implement strategies differently for different reasons. These differences will provide opportunities for theoretical replication. Assuming that the "how" and "why" questions are the focus of the study, a further distinction among history, case study and experiment is the

extent of the investigator's control over and access to actual behaviours. The case study is preferred in examining contemporary events when the relevant behaviour cannot be manipulated (Yin, 2009: p16). This study examines the contemporary issue of strategy implementation among SMEs and will not attempt to manipulate the relevant behaviours. Zach (2006) contends that "... interviews can be used to explore and contrast patterns and to confirm or disapprove the patterns of behaviour identified in earlier interviews." In addition to primary documents, case studies also use secondary documents. Cultural and physical artefacts also enabled direct observation of the events being studied and interviews with the persons involved in the events (Yin, 2009: p16). This study will use in-depth interviews, observations and both primary and secondary documents to unravel the issues involved in strategy implementation among SMEs in Zimbabwe. Interviews and participant observation are the two most prominent methods of data collection in qualitative research (Bryman and Bell, 2011: p.494).

There are general weaknesses and criticisms pertaining to case studies and qualitative research. According to Bryman and Bell (2011: p.408), these include the following:

- Qualitative research is too subjective and impressionistic. It over relies on the researcher's often unsystematic views about what is significant and important, and also on the close personal relationship that the researcher establishes with the people being studied.
- It difficult to replicate in business and management research because it is unstructured and often relies on the qualitative researcher's ingenuity.
- Problems of generalisation.
- Lack of transparency.

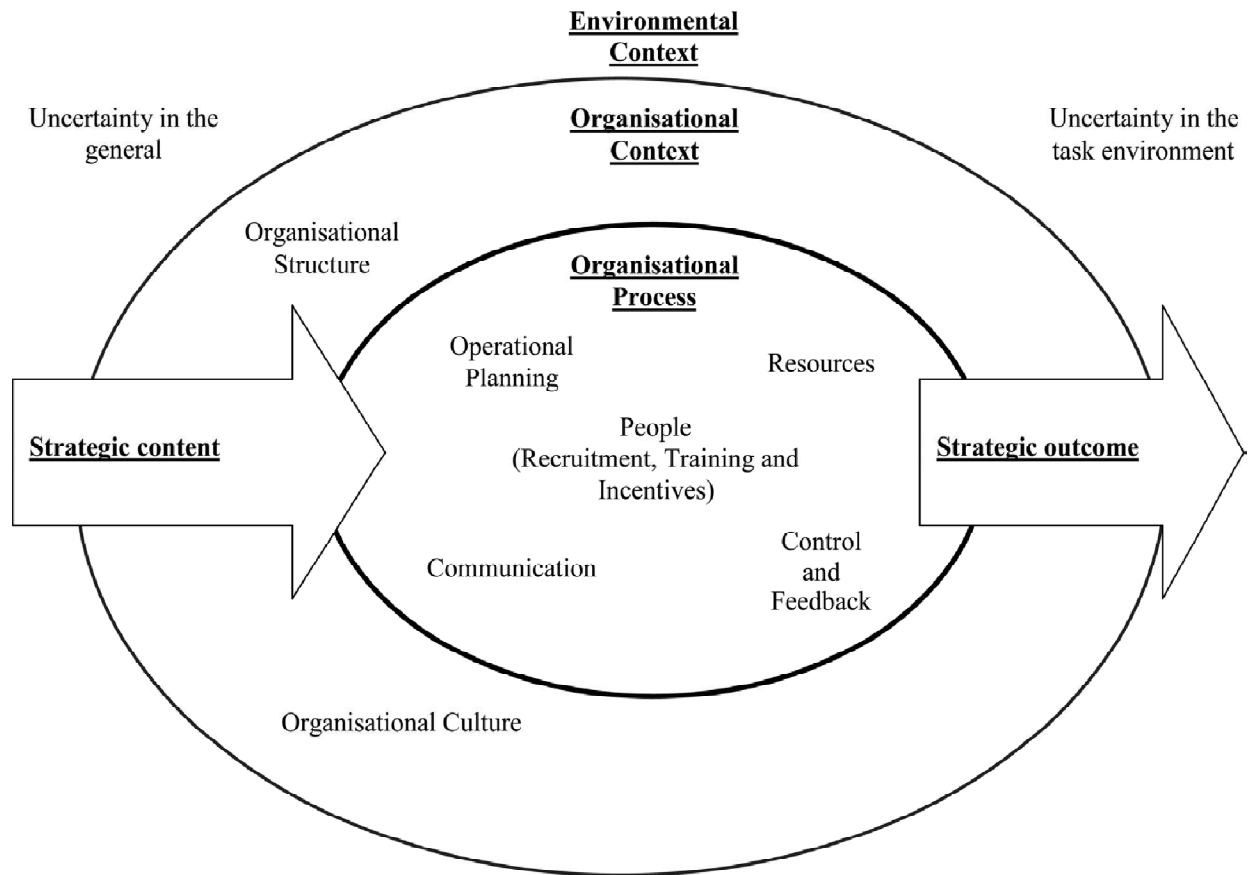
3.6 Time Horizon

This study is a longitudinal case study, with data collected over a period of one-and-a-half years. With a longitudinal design, a sample is surveyed and then surveyed again on at least one further occasion (Bryman and Bell, 2003). Data are collected in at least two cycles on the same variables with the same people or organisations. Bryman and Bell (2003) state, that, case study research frequently includes a longitudinal element. The researcher is often a participant in an organisation for many months or years (Bryman and Bell, 2003), or alternatively may conduct interviews with individuals over a lengthy period.

3.7 Research Methods

The researcher will use the framework developed by Okumus (2001) as the basis for carrying out this study since it was developed from several previous studies cited in chapter 2 of this thesis. The aim of this study is to understand how SMEs in Zimbabwe implement strategies and why they implement them the way they do. According to Li et al (2008), there is a clear trend towards more elaborate frameworks and model-based approaches to strategy implementation. For example, Noble and Mokwa (1999) proposed three dimensions, including a structural view, an interpersonal process view and an individual level process view, while Okumus (2001) added new variables to previous studies. The model is illustrated below.

Figure 3.1 Strategy Implementation Frameworks



- This framework is not meant to be all-inclusive, rather its purpose is to provide a direction or a train of thought for executives faced with implementing strategies.
- It is argued that to implement a strategic decision, there should be a 'fit' or 'coherence' between the strategy and these variables and between all variables themselves.

Source: Okumus (2001) International Journal of Contemporary Hospitality, 13/7

This study will use this model as a theoretical framework in a similar way that Nwankwo et al (2010) used Boulding's framework, which depicts knowledge as locating a person in time, space, personal relationships, the world of nature and the world of subtle imitations and emotions. The factors contained in Okumus' model incorporate those that were generated by other models (Li et al, 2009) as shown in figure 2.1 in chapter 2. In all 15 models were used to develop this models giving legitimacy for use in this study. The emphasis was that there must be a fit among the variables for successful strategy implementation which assumes that all variables should be present, while some variables were considered to be important while other were just stated. Given the scope

it was considered to benchmark this study on the model developed by Okumus (2001). However only the factors relating to strategy implementation will be adopted since the major contention of this study is that what entrepreneurs do internally, has greater impact on strategy implementation. Therefore the variables relating to the environmental context will be excluded from this study. This research study probed for sources of ideas, attitudes, and the attributes of contexts (e.g. specific events, actions and consequences which informed views and assumptions) (Nwankwo et al, 2010).

3.7.1 Sample type

This study used convenience sampling based on information from the database of SMEs provided by the Zimbabwe National Chamber of Commerce and the qualification of the SMEs to the criterion set in this study. The non-random sampling technique, where participants are specifically targeted, allows for maximum understanding of the underlying phenomenon of interest (Kardejejska, Tadros and Baxter, 2012). The phenomenologist uses purposive or theoretical sampling to identify informants who can illuminate the phenomenon of interest and can communicate their experiences (Klenke, 2009 and Bryman and Bell, 2011). In this case the companies under study were chosen on the basis of their having been in existence for five years or more since it was felt that they would have developed systems and practices that would assist the study to achieve its objectives. This also enabled the researcher to check whether or not the organisation was growing; this assisted in analysing how strategies were formulated and implemented. The study adopted the definition of SMEs as having less than 100 employees cited by the Government of Zimbabwe Policy Framework (2004), and only organisations fitting this criterion and practicing some form of strategic planning were targeted. The study covered owner/managers of the SMEs and two other persons in the organisation who play strategic and operational roles in strategy formulation and implementation.

3.7.2 Sample size

Two organisations were selected from each of the country's major cities, i.e. Harare, Bulawayo, Mutare and Gweru. This was based on the notion that meaningful economic activities are only likely to take place in these centres. They will thus provide a national outlook that will allow the findings to be generalised across the country. The number of organisations is in line with a multiple case study undertaken by Pettigrew and Whipp, who studied seven organisations using semi-structured interviews (Bryman and Bell, 2003). This view is corroborated by Ashil, Frederikson and Davies (2003), who collected data using a multiple case study based on Eisenhardt's (1989) suggestion that studies of between four and ten cases "usually work well." They state that, with fewer than four cases, theory can be difficult to generate, and with more than ten cases, the volume of data is often difficult to cope with. In all, three people were interviewed in the eight firms, bringing the number of respondents to twenty four (24). The number of respondents in phenomenological studies varies from two to 25; however, there is no consensus on the number of informants required (Klenke, 2008). According to Stake (1995), qualitative researchers seek to aggregate perceptions or knowledge over multiple respondents.

The table below shows the characteristics of the selected study units to comply with the delimitations of the study

Table 3.1 Indicators of growth in SMEs

FIRM	GRU1	GRU2	HRE1	HRE2	HRE3	BYO1	BYO2	MRE1
AGE in years	15	5	10	5	10	15	8	5
Number of employees								
2010	4	30	10	10	20	15	8	2

2011	4	30	10	25	20	15	18	3
2012	5	50	14	30	20	30	35	7
2013	8 + 20 casuals	70 + casuals	20	50 + casuals	17	36	50	10
Sector	Transport	Retail/ groceries	Advertising and billboards	Advertising and promotions	Computer software design and sales	Book sales	Borehole drilling and rigging	Services/ accounting
new business ventures	Construction, real estate and agency	Transport (2 to 12 trucks)	none	Geographical expansion into region	Computer training	Market gardening & ranching	Hardware & manufacturing	Retail fuel
expansion of core business	none	From 2 to 6 outlets		Acquisition of trucks (30 for business usage)		Investigating e-learning platforms	Building new factory premises	Transportation (1 truck)

This table provides evidence that the SMEs in this study had been in existence for a stipulated period of time and growth was evident in terms of employee numbers and business expansion both within the core business and new business ventures. Other forms of growth like acquisition of properties were not included although all SMEs had acquired buildings, stands and business assets.

3.7.3 Multiple sources of evidence

According to Yin (2009), some researchers use only one source of evidence or a single most appropriate source. However, individual sources are not recommended for conducting case studies and a major strength of case study data collection is the opportunity to use many different sources of evidence (Yin 2009). He contends that the use of multiple sources of evidence in case studies allows an investigator to address a broader range of historical and behavioural issues which has the advantage of developing converging lines of inquiry. Bryman and Bell (2011) confirm that interviews and participant observation are the two most prominent methods of data collection in qualitative research. This study seeks to investigate the human behaviour involved in strategy implementation, which makes the use of case studies and triangulation indispensable.

In qualitative research, data are usually collected through in-depth interviews, sometimes augmented by participant observation (Klenke, 2008). This study used open-ended or in-depth interviews and observations; this should give the study what Yin (2009) called 'construct validity', because the multiple sources of evidence allow for multiple measurement of the same phenomenon. This study used in-depth interviews, non-participant observation and a review of company documents. Methodological triangulation facilitated the use of data collection methods with key informants (Osarenkhoe and Bennani, 2007).

3.7.4 In-depth interviews

According to Bryman (1995) "Adler and Adler used participant observation and unstructured interviews to study basketball players at an American university to examine relationship between participation and academic performance among college athletes." Interviews are widely used technique to conduct social research (Klenke, 2008). Klenke (2008) adds that interviews provide a way of generating empirical data about the social world of informants by asking them to tell the researcher about their lives. Qualitative interviews go beyond mere fact gathering and attempt to construct meaning and interpretation in the context of conversations. Interviews provide access to the context of people's behaviour and afford researchers the opportunity to understand the meaning of that behaviour (Klenke, 2008). However, there are disadvantages associated with interviewing; Klenke lists these as follows:

- *"Far too often, interviews are regarded as a search and discover mission, in which the interviewer tries to find out what is inside the interviewee; the challenge lies in extracting information as directly as possible.*
- *Interviews are not pipelines for transmitting knowledge by reality, constructing meaning making occasions.*
- *Interviewers and interviewees are likely to grasp exchanges differently.*

- *When we use conversations in a scientific effort, the researcher's theoretical orientation, and ontological and epistemological assumptions determine the interpretation and the interview.*
- *Interpreting the depth of experience captured by interviews is complicated by issues such as perceptions."*

This study used in-depth interviews with key individuals and players associated with various aspects of strategy implementation. There is a need to establish the linkages and/or relationships between strategy implementation and the performance of SMEs. The interviewees included SMEs players i.e. owners/managers and selected employees.

Scase and Coffee, as cited in Bryman (1995) state:

"As with all social research, the methods adopted in this enquiry were largely directed by the nature of the research problem, i.e. set out to study the dynamics on small scale capital accumulation and the social processes which account for the reproduction of the entrepreneurial middle class . . . the complexity of these issues did not favour quantitative investigation.

"In our view the qualitative approach was more appropriate. Consequently, we undertook an intensive study of a limited number of proprietors using semi structured interviews which were, to a considerable extent, shaped by personal experiences of the respondents."

This study drew extensively on the experiences of the respondents in terms of how they implement strategies and why. The following primary issues were raised in the interviews:

- The existence of strategic plans in the SME businesses.

- The identification of the approaches used by the SMEs to survive and grow.
- An examination of the prerequisites for strategy implementation among the SMEs in this study.
- An interrogation of how the strategies were implemented by SMEs in this research.
- An investigation of why SMEs implemented strategies in a particular way.
- Comparing the performance of SMEs using the same strategies.
- Developing theories/concepts on strategy implementation for growth oriented SMEs in Zimbabwe.

According to Stake (1995), in interviews “the purpose for the most part is not to get simple “yes” and “no” answers, but descriptions of an episode, a linkage, or an explanation.” The research questions should be worked out in advance, with departures from the protocol limited by design (Stake, 1005). Case specific interview outlines were formulated for each organisation to ensure that the interviewees in each organisation were asked the same questions (Suomenin and Mantere, 2010). However, according to Stake “trying out the questions in pilot form, at least a mental rehearsal, should be routine.” The researcher conducted a pilot test on two SMEs in Gweru which were not part of the study and made the necessary adjustments to the questions.

The researcher aimed to conduct at least four individual interviews with identified individuals and four group interviews.

3.7.5 Observations

Besides the visual collection of data, observations involve listening, reading, smelling and touching (Cooper and Schindler, 2003). Cooper and Schindler (2003) add that observation includes the full range of monitoring behavioural and non-behavioural

activities and conditions. In order to increase validity, Suominen and Mantere (2010) proposed the use of observations to create triangulation to help put the organisations into perspective and create the necessary background information for the interviews. However Yin (2009) and Stake (1995) suggest that observational evidence is often useful in providing additional information about a topic being studied. Yin (2009) states that, “observation ... of an organisational unit adds new dimensions for understanding either the context or the phenomena being studied”. During observation, the qualitative case study researcher keeps a good record of events to provide a relatively incontestable description for further analysis and ultimate reporting (Stake, 1995).

This study used observation to corroborate and generate interview questions so that the researcher could let the occasion tell its own story (Stake, 1995). The researcher was a complete observer, entering the setting (SMEs) only to gather data and interacting casually and indirectly with individuals and groups while engaged in observation. Direct observation occurs when the researcher is physically present and personally monitors what takes place (Cooper and Schindler, 2003); this approach was adopted for this study. According to Cooper and Schindler (2003), this is a very flexible approach that allows the observer to react to and report subtle aspects of events and behaviours as they occur. As the study takes place in the natural setting of the “case”, this creates the opportunity for direct observation of relevant behavioural or environmental conditions (Yin, 2009).

Bryman and Bell (2011: p. 495) list the advantages of using participant observation as follows:

- Seeing through others’ eyes –in this way, the participant observer is better placed to gain a foothold in social reality. The participant observer is in much closer contact with the study subjects for longer periods of time; he or she participates in the same kind of activities as the social setting being studied.

- Learning the native language –business research requires an understanding not only of the formal language in an organisation, but the special use of words and slang that are important to penetrate the organisational culture.
- The matters that interviewees take for granted are less likely to surface in interviews than in participant observation, where implicit features of social life are more likely to be revealed as a result of the observer's continued presence and due to the ability to observe behaviour rather than rely on what is said.
- Deviant and hidden activities can only be gleaned from participant observation.
- Unexpected issues are more likely to be uncovered due to the unstructured nature of participant observation. Participant observation may also be more flexible because of the tendency of interviewers to instil an element of comparison in their questioning of different people.

Yin (2009) points out that a common procedure adopted to increase the reliability of observational evidence is to have more than one observer. This study employed two research assistants to collaborate in data collection through interviews and observations. An observation guide was used to facilitate the capture of relevant data. The story often starts to take shape during observation, but sometimes does not emerge until the write-ups of many observations are pored over (1995); the qualitative approach reveals the unique complexity of the case.

3.7.6 Review of company documents

The researcher reviewed company documents made available by the respondents, including strategic plans and letters of commendation. All in all twelve documents were reviewed for this study. These included one on the mission and vision of an organisation and a newspaper article lauding the performance of another organisation; while the remainder were letters of reference.

3.8 Research protocol

The research was carried out from June 2011 to September 2012 with owners and employees of SMEs in four major cities in Zimbabwe. A pilot study was conducted among small business owners to validate the semi-structured interview guide and to generate ideas to be explored further with SMEs owners in narrative face to face in-depth interviews. In-depth interviews were conducted with three key employees in the selected SMEs to validate the claims made by the owners regarding particular aspects of strategy implementation in these organisations. The research study was structured as detailed hereunder:

1. Follow up telephonic interviews with some of the participants to clarify issues as and when needs be. The first step was to telephone the respondent to introduce the researcher and to discuss the topic in general, including the reasons for the study. After agreement was reached on willingness to participate, the researcher obtained general information about the organisation concerned. It was then agreed to email the semi-structured questionnaire to the organisation in advance of the first visit. The purpose was not to get a simple yes or no answer but the description of an episode, a linkage, or an explanation (Stake, 1995). Appointments were made for the researcher to visit the organisation to carry out in-depth interviews.
2. A pilot study was conducted with four SMEs in Gweru who were not part of the study in order to check that the semi-structured questionnaire was clear and covered all the necessary aspects relating to the study. The questions were adjusted to address some of the shortcomings identified during the pilot study.
3. Face-to-face individual interviews were held with eight SMEs owners in the major cities of Harare (3), Bulawayo (2), Gweru (2) and Mutare (1). After making the necessary appointments, the researcher visited the organisations concerned to conduct the interviews and to conduct a tour of the business premises in order to understand the business operations and conduct general observations of

employees' behaviour in their work environment. The qualitative researcher should arrive with a shortlist of issue-oriented questions, possibly handing a copy to the respondent (Stake, 1995). Interviews were conducted in the organisational setting to ensure that they covered particular areas, but allowed considerable scope to follow feedback idiosyncratically so as to explore particular meanings with the research participant (Burzk, 2005). The interviews were recorded by long hand, since the respondents were not comfortable with the use of audio recorders. During the actual exchange, the interviewer needs to listen, and take a few notes as fits the occasion, but stay in control of the data gathering (Stake, 1995). At the end of the interviews the researcher requested the respondents to make company documents that were considered not to be sensitive available; only four organisations willingly availed such documents which were considered as data for this study.

4. 30 minute discursive interviews were conducted with two key employees to get their insights on certain issues of strategy implementation and their interpretations of how strategies were being implemented in their organisations.
5. Non-participant observations of employee and management behaviour in strategy implementation episodes and logging these, or during conversations not related to the study and related to the study.
6. All the data collected were then typed and saved. A copy of the typed script was sent electronically to the respondents so that they could read it and make any necessary corrections. Follow up telephone interviews were held with the respondents to discuss the contents of the typed interviews and to clarify issues both from the perspective of the interviewee and that of the researcher. Corrections were made to the typed text and were again forwarded to the respondents for them to verify whether the essence of the recorded data was representative of the discussion. According to Stake (1995) "a good interviewer

can reconstruct the account and submit it to the respondent for accuracy and stylistic improvements.” He added that interviewees are often dismayed when they read the transcripts of their interview not only due to the inelegance of their own sentences, but because they do not convey what they had intended.

7. A second visit was undertaken to carry out more detailed observations and interviews with selected employees. The key issues discussed included:

- The role of strategic planning and implementation in organisational performance.
- Issues related to the allocation of tasks.
- Training and compensation.
- Feedback and empowerment.

8. Document analysis i.e. from documents made available by the organisations and newspaper clippings relating to some of the organisations.

Once all the data were at hand, the data analysis commenced as discussed in the sections below.

3.9 Data Analysis

In qualitative research, the formulation and testing of theories and concepts proceed in tandem with data collection (Bryman, 1995). The relationship between theory and data in qualitative research is often formulated in terms of grounded theory, an approach that draws on analytical induction. Grounded theory is a means of generating theory which is embedded in the data (Glaser and Strauss in Bryman, 1995). Turner, in Bryman (1995) compiled the following useful sequential series of stages which provide the chief components of grounded theory:

- *“After some exposure to field setting and some collection of data, the researcher starts to develop categories which illuminate and fit data well.*
- *The categories are then saturated meaning that further instances HIT gathered until researcher is confident about the relevance and range of the categories for the research setting. There is a recognition in the idea of saturation that further search for appropriate instances may become a superfluous exercise.*
- *The researcher then seeks to abstract a more general formulation of the category, as well as specifying the criteria for inclusion in that category.*
- *These more general definitions then act as a guide for the researcher as well as stimulating further theoretical reflecting. This stage may be subsumed under the more general definition of category.*
- *The researcher should be sensitive to the connections between the emerging categories and other milieu in which the categories may be relevant.*
- *The researcher may become increasingly aware of the connection between categories developed in the previous stage and will seek to develop hypotheses about the links.*
- *The researcher should then seek to establish the conditions to which these connections pertain.*
- *At this point, the researcher should explore the implications of the emerging theoretical framework for other, pre-existing theoretical schemes which are relevant to the substantive area.*
- *The researcher may then seek to test emerging relationships among categories under extreme conditions to test the validity of the posited connection.”*

The researcher coded the data and categorised it according to differences, similarities and patterns (Potter and Wetherell in Suominen and Mantere, 2010). According to Bryman (1995), this:

"... provides a framework for the qualitative researcher to cope with the unstructured complexity of social reality and so render it manageable; and it allows the development of theories and categories which are meaningful to the subjects of the research, an important virtue if an investigation is meant to have a practical pay off."

For the purposes of this study, data was coded using Atlasti software, resulting in the creation of code families and quotations.

Content analysis was used to analyse the data collected from the in-depth interviews and observations made during the study. According to Elliger, as cited by Spens and Kovacs (2006), content analysis is a "method for the objective, systematic, quantitative and reliable study of published information, i.e. a suitable method for comprehensive literature reviews". Furthermore, content analysis can be used as an instrument for determining key ideas and themes in publications (Cullinane and Toy in Spens and Kovacs (2006) and for measuring comparative positions and trends in reporting. GOA in Stemler (2001) state that content analysis enables researchers to sift through large volumes of data with relative ease in a systematic fashion. A lot of data was generated during the in-depth interviews and observations and this had to be sifted through to generate themes and theories on how SMEs can implement strategies.

The process included the "coding and categorisation" of the data. Stemler (2001) notes that, "The requirement of exhaustive categorisation is met when the data language represents all recording units without exception." Stemler (2001) adds that one can use the emergent or apriori coding. This study employed emergent

coding. Stemler (2001) states that the following procedures should be followed in the emergent coding approach:

- *“Two people independently review the material and come up with a set of features that form the checklist.*
- *Researchers should compare notes and reconcile differences that show up on their initial checklist.*
- *Researchers use consolidated checklist and independently apply coding.*
- *Researchers check on the reliability of the coding (a 95% agreement is suggested) if the level of reliability is not acceptable then the researchers repeat previous steps.*
- *Lastly carry out periodic quality control checks.”*

To assist with the coding process and analysis, the researcher used team-based analysis of the in-depth data. Although the researcher considered using computer software to assist with the analysis, it was felt that adopting a human-based coding system was more useful in order to prevent the possibility of the richness, detail, and meaning in the in-depth texts being minimised (Davidson, Fielden and Omar, 2010). According to Bernard and Russell (2001), "Texts are as valuable to positivists as they are to the interpretivists". He adds that the following issues should be considered in qualitative research:

- *“Do you want to generate new theories or hypothesis?*
- *Do you want to achieve a deep understanding of the issues?*
- *Are you willing to trade detail for generalizability?”*

This research study seeks to achieve some of the issues raised by Bernard and Russell (2001), including a deep understanding of the issues. To a limited extent, an effort will be made to achieve generalisability of the findings given the

fact that eight case studies were used in four major centres. Zach (2006) notes that,

"The main approach to data analysis involved a detailed analysis of the interview transcripts. As a first step, ... notes from each interview ... were reviewed, highlights of new concepts were identified. Each interview was reviewed and coded.... each new interview was compared to the previous ones for confirming or disconfirming evidence - earlier interviews were reanalysed in the light of new concepts. Throughout the analytical process, multiple perspectives were used to interpret the data and to provide theory triangulation."

In conclusion, Bryman and Bell (2003) state that the outputs of the grounded theory approach are concepts, categories and theory at different phases of grounded theory. This study focuses on concepts and categories. They further state that one aid to the generation of concepts and categories is the memo, which are notes that researchers write for themselves. Memos help to crystallize ideas.

The analysis approach adopted by this study is similar to that proposed by Huebner, Varey and Wood (2008) which has been adapted and is presented in table 3.2 below.

Figure 3.2: The data analysis approach

Step	Steps in analysis process	Methods applied	Computer aided	Use of extant theories
1	Data collection on strategy implementation	In-depth interviews and observations		
2	Identifying relevant quotations	Sorting	X	
3	Assigning generic codes according to reference points in conceptual framework i.e.	Sorting	X	

	Okumus' model (2001)			
4.	Developing taxonomies for each reference point	Thematic analysis	X	X
5	Analysis of each of the themes as identified in the taxonomy	Thematic analysis		
6	Gaining deeper insight into each of the themes from discourse and strategic practices perspectives	Discourse analysis		X
7	Analysing discourse fragments assigned to each theme in order to identify implementation practices	Discourse analysis		X
8	Analysing interrelationships between the underlying implementation practices.	Intertextuality analysis	X	

The purpose of this research study is to investigate how SMEs implement strategies. Having collected the data, there was a need to edit it to remove mistakes and to check its accuracy. This was done by first typing the long hand notes after which the typescripts were sent to the participants. Telephone calls were made to get feedback from the respondents since they did not want to submit written responses.

Once agreement was reached on the content of the interviews the researcher read the typescripts five times, identifying key quotations, which were highlighted in HU protocol. Several quotations were identified. According to Bryman and Bell (2011: p584), "Coding is the starting point of qualitative data

analysis and will help reduce the amount of data that has to be dealt with.” The process began with reading through the initial transcripts, field notes and documents. Generic codes were assigned to the data and efforts were made to remove overlapping codes. Once the key quotations were segregated, coding of data commenced at the general level. The process was repeated several times, leading to the creation of 12 code families. Bryman and Bell (2011) termed this a review of codes to come up with general theoretical ideas in relation to the codes and data. Bryman and Bell explain that basic coding, which is general, is the first step. At the second level there is much more awareness of what is said, with the themes reflecting more of the language used by the interviewees.

Once the data had been coded, the researcher developed frameworks to help interpret it, using the themes identified in the literature review.

3.10 Reliability and validity

Without rigor, research is worthless, becomes fiction and loses its utility, (Onwuegbuzio and Johnson, 2006) and "... by validity we mean that a research study, its parts, the conclusions drawn, and the application based on it can be of high or low quality or somewhere in between." According to Simon and Burstein in McKinnon (1988), the main threats to reliability in field research are:

- *“Observer caused effects- which may be described as reactive effects of the observer's presence on the phenomena under study. The researcher's presence in the setting will cause the participants to change their behaviour and conversations and as a result the researcher is not going to observe the natural setting, but one which is disturbed by the researcher's presence.*
- *Observer bias by researcher - the tendency to observe the phenomena in a manner that differs from the "true" observation in some consistent fashion. It is what the observers see and hear that is of concern. It is the distorted effects of the researcher's selective perception and interpretation.*

- *Data access limitations - the researcher's role rise to three types of limitations on access to data in the field. First the researcher is only on site for a limited time and cannot observe what happened before they arrived or after they leave or may experience limitations imposed by the research host.*
- *Complexities and limitations of the human mind meaning that the statements subjects make may not be taken at face value. Subjects may consciously seek to mislead or deceive the researcher, perhaps reporting events in a manner most flattering or acceptable to him/her or their statements and reports are affected by natural human tendencies and fallacies."*

All these threats are likely to manifest themselves in this study; to address them, the strategies recommended by McKinnon will be adapted for this study, i.e.:

"The amount of time the researcher spends in the research setting, the longer the period to be spent in the field, the more the researcher can concentrate. In the early stages of the research, the researcher has simply too little data to work with and as a result, too many "interpretation gaps" that are closed with the researcher's own values, projections and expectations. The longer the researcher is in the field, the more they are exposed to, and forced to confront "anomalous data" events and statements that may be contrary to the researcher's preconceptions and expectations. In addition although subjects in the setting may seek to appear different from their usual selves to the researcher, the longer he remains with them, the less they are able to do so. Further the more the time spent in the field, the longer the interaction, the longer will be the number of events that form the data set for analysis. It also minimises the number of incidental events. This will make the data more reliable and valid."

Blach and Champion, in McKinnon (1988) note that the phenomena at issue in social research are typically abstracted concepts. There are no objective standards against which these concepts can be compared for verification. Researchers in the social sciences can never attain perfect validity and can only speak of degrees of validity. Field researchers are confronted by multiple indicators of phenomena and need to draw on multiple methods, such as observation, interviews and documentary analysis, in order to gain access to these multiple indicators.

This study employed different methods to collect and observe data. Bashir, Tanveer and Azeem (2008) note that many researchers (McMillan and Schumacher, 2006; Lincoln and Guba, 1985; Seale, 1999; Stenbaeka, 2001) agree that triangulation is a typical strategy to improve the validity and reliability of research or the evolution of findings. Pottin in Bashir et al (2008) believes that the use of triangulation strengthens a study by combining methods. This can mean using several kinds of methods or data, including both quantitative and qualitative approaches. In conclusion, Bashir et al (2008) observe that engaging in multiple methods such as observation, interviews and recordings will lead to a more valid, reliable and diverse construction of realities. Any case study finding or conclusion is likely to be more convincing and accurate if it is based on several different sources of information, following the corroboratory mode (Yin, 2009). Yin (2009) adds that with data triangulation, the potential problems of construct validity can be addressed because the multiple sources of evidence essentially provide multiple measures of the same phenomenon. One analysis of case study methods found that case studies using multiple sources of evidence were rated higher, in terms of overall quality, than those that relied on a single source of information (Yin, 2009). In line with the above advice, this research study used in-depth interviews and observations as source of data.

Yin (2009) also points out that a common procedure to increase the reliability of observational evidence is to have more than one observer making observations—whether of the formal or casual variety. Two research assistants were used in all the stages of this study. Bashir et al (2008) also contend that the step taken by researchers to involve several investigators or researchers' interpretations of data at different times or locations can be referred to as triangulation. This approach was also used in this study, where researchers were asked to carry out research at different locations and times as a way of validating the information and coming up with themes that were then compared. Where there was disagreement on an issue, further information was jointly sought from participants. The researcher's social behaviour while in the research setting is important. Good behaviour is warranted simply by the fact that one is a guest of the host. Beyond this, however, if handled sensitively and well, the researcher's behaviour can be a mechanism which not only combats many threats to validity and reliability, but also unlocks many doors to data.

This study is a multiple case study. Yin (2009) argues that analytical conclusions arising independently from two cases, as with two experiments, will be more powerful than those emanating from a single case.

3.11 Generalisability

Golafshani, in Bashir et al (2008) claims that if validity or trustworthiness can be maximized then more credible and defensible results may lead to generalisability. Therefore, the quality of a research study is related to the extent of the generalisability of the results and thereby to testing and increasing the validity or trustworthiness of the research. This will be achieved by using the grounded theory approach which first seeks to build the theory and then test it in order to establish whether or not it can be applied in general and, where necessary, amend it to make it generalisable. However according to Ruddin (2006) case study research need not make a claim about generalizability of their findings but

what is crucial is the use others make of them are chiefly what they feed into the process of naturalistic generalisation.

Bashir et al(2008) state, that, in qualitative studies multi-method approaches have been employed by researchers to generalise the research in order to enhance their reliability and validity. Researcher bias is minimised as the researcher spends sufficient time in the field and employs multiple data collection strategies to corroborate the findings. As a result the results of this study might not be applicable to the generality of SMEs but might be restricted to the top performing employees but others might also draw lessons of how they can implement strategies if they wish to be high performers.

3.12 Limitations

The lack of formalised strategic plans and strategy implementation reports made it difficult to verify the strategies that were being pursued and thus the researcher depended on the responses given by the respondents. The respondents were reluctant to provide documented information despite promises to do so. These were registered companies which according to the laws of Zimbabwe are expected to furnish returns. Tax compliance studies (Nyamwanza, Mavhiki, Mapetere and Nyamwanza, 2014) established that SMEs are reluctant to pay taxes and in cases keep two sets of accounts, and one of which is used for tax purposes. This study might have a sense of fear of exposure and might be the reasons behind the reluctance to furnish documentary evidence. The study was heavily dependent on the verbal discourse with the respondents i.e. the owner managers, observations and documents that were willingly made available or press clippings produced by some of the companies. The observation of some activities enabled the researcher to gain insight into the operations of these businesses and links were made to the strategic plans outlined by the owners.

It was expected that, due to the depressed economic environment, it might be difficult to gain access to organisations in the medium range category which might make it difficult to examine issues like culture and structure other than that driven by the owner manager. No formal reports on the actual performance of SMEs were made available due to the fact that they tend not to prepare such reports as assistance seeking tools and general suspicion regarding the disclosure of confidential information, making it difficult to verify actual organisational performance. The inability to test the applicability of the concepts generated by this study with regard to how SMEs should implement strategies in order to corroborate and verify the findings, was also a limitation.

3. 13 Ethical issues

As in most organisations, organisational politics might jeopardise this research study. According to McKinnon (1988), "Prior to having any real information, people in the setting will approach the researcher on arrival with feelings ranging from genuine interest to annoyance, disinterest, and fear of exposure, or they may see the researcher as a means to promote their own political agendas". This is certainly the case with SMEs, where management might like to drive a point home to employees or *vice versa*. McKinnon (1988) advises as follows:

"On entering the research site the researcher should prepare the ground for data collection and this involves ensuring that the participants understand clearly why the researcher is there and, creating the conditions under which they will be allowed access to the relationships of the setting. The importance of the researcher's behaviour in the field in terms of being accepted as a non-threatening, taken for granted part of the setting is stressed consistently in the sociological literature. The researcher needs to gain confidence, trust and respect of the participants and to be seen as personable and genuinely interested in them."

These issues required careful attention, given the lack of proper records in some cases among SMEs. The participants became key sources who had to be treated accordingly.

In addition the recommendations from Creswell were embraced in this study and these include the following:

- Informed consent whereby the participant are allowed to voluntarily participate in an interview.
- Non-disclosure of confidential information
- Use of numbers to reflect the respondents and
- Freedom of choice of whether to continue with the interview or not.

3.14 Bias

The researcher used triangulation in data collection including in-depth interviews, observations. Triangulation may involve the use of different methods, especially observation, focus groups and individual interviews, which form the major data collection strategies for much qualitative research (Shenkton, 2004).

The researcher also made presentation to peers. Opportunities for scrutiny of the project by colleagues, peers and academics should be welcomed, as should feedback offered to the researcher at any presentations (e.g. at conferences) that are made over the duration of the project (Shekton, 2004). The fresh perspective that such individuals may be able to bring may allow them to challenge assumptions made by the investigator, whose closeness to the project frequently inhibits his or her ability to view it with real detachment. Questions and observations may well enable the researcher to refine his or her methods, develop a greater explanation of the search design and strengthen his or her arguments in the light of the comments (Shekton, 2004).

The research also had several sessions with respondents to verify previous claims. This was collaborated by sending the typed script to the respondents for corrections and additional comments. Efforts were also made to collect data from more than one person in an organisation.

3.15 Summary

This chapter presented the research methodology used to investigate how SMEs implement their selected vision and strategies and whether or not, the manner in which these are implemented contribute to organisational success in Zimbabwe. This chapter discussed the research philosophy, research strategies, sampling methods, data analysis, reliability and validity, generalisability and ethical issues.

CHAPTER 4

4.0 DATA ANALYSIS: PRESENTATION OF DATA: CONTEXTUALISATION OF SMEs IN STUDY

4.1 Introduction

This chapter presents the data on the businesses and individuals who participated in this study. This will situate the later presentation of the findings and the discussion of issues in this study. The organisations under study were GRU1, GRU2, HRE1, HRE2, HRE3, MRE1, BYO1 and BYO2.

4.2 Organisation GRU1

The owner trained as a cement technologist in China and started working at Sino Cement Zimbabwe, rising to the position of shift manager. Sino Cement manufactures cement for the construction industry. The product was not well received by the market. Zimbabweans considered the Chinese made cement inferior and did not buy the product. They preferred brands they were used to i.e. LaFarge and PPC products. This availed an opportunity for him and a partner to approach a Chinese national to propose that they form a business to sell the product. The company started operations in 2003.

Although Chinese made, local raw materials and American and Nordic technology are used in the production of the cement. This makes the cement comparable with other products on the market. GRU1 went into a partnership with another employee who was a Chinese national. The Chinese national approached the company to purchase cement on credit and permission was granted for terms of 30 days. With the product now available, a decision was made to sell it in remote areas where cement is not readily available.

The product was taken to remote Nembudziya about 360 kilometres from Gweru and eventually to Chodha, another very remote area. Demand for cement was very high and people in these areas did not care about branding. There was growth in the demand for the cement. Gweru-based transporters were hired to ferry the cement to Nembudziya, a remote area in Gokwe District. As demand grew, the truckers who were used to ferry the cement failed to meet their obligation to deliver cement to Gokwe, being evasive, and offering lame excuses for failing to provide transport. Eventually they refused to ferry the cement and an investigation revealed that the transporters had taken over the market and were thus deliberately denying GRU1 vehicles to transport the cement to Gokwe. Without transport, they could not retain the market they had established, so they decided to complement cement sales by venturing into the transportation industry. The business was trying to be independent in terms of servicing established markets.

Since the marketing and selling of cement was done on a cash basis, it was easy to raise money for the purchase a 15 tonne truck which was then used to ferry the cement to remote markets. This marked the birth of the transport unit of the business which has grown to seven trucks with three additional trucks in transit at Namport in Namibia.

The cement product had now been accepted by the market and sales increased significantly. The Chinese manufacturers changed their terms from a 30 days credit facility to a cash basis as demand outstripped supply. Furthermore, market conditions also changed as other brands began to flood the Zimbabwean market, thereby rendering GRU1's initial business less profitable.

Following the economic meltdown from 2004 onwards, the business was restricted when one partner in the business decided to step down in 2007 and sell his share. GRU1 paid off the partner and assumed total control of the business thereby converting it into a family business.

After setting up the business GRU1 continued to work for Sino Cement Zimbabwe. The business operated from leased premises for some time. As it was still small, the administration of the business was done by one of the landlord's employees until GRU1 withdrew from cement manufacturing to focus on running the transport business from the rented premises. Due to his advanced age, the landlord who was in the construction business began to scale down his activities, but retained his property interests. This association with the landlord helped GRU1 to diversify by setting up a construction company over and above the transport business. In the initial phases, the then landlord advised GRU1 to secure construction projects and use part-time builders. This has been a great success. The other business arms are not performing well in the current economic environment and are now being funded from construction contracts. The transport unit was experiencing a lot of down time due to depressed economic activities

in the country, yet employeewages still have to be paid,as its employeesare full time andhave their own obligations.

The business normally hires its trucks on contract to private and not for profit organisations. However contracts are now becoming difficult to secure due to the scaling down of operations by Non-Governmental Organisations in Zimbabwe. GRU1 had responded to several transport service provision tender invitations but everything was in abeyance until the political situation in the country became clearer.While the focus was on construction contracts, there werefew government construction tenders,and the major construction work at a local university was beyond the capability of GRU1 due to the tendering process that excluded small players. However GRU1 was aggressively approaching contractors at major projects with a view to beingengaged as a subcontractor.

GRU1 also approached property owners with a view to renovating buildings since most buildings in the Gweru City were in a deplorable state of disrepair.Most business owners do not have the resources to repaint their buildings. GRU would approach a paint manufacturing concern to supply the paint in terms of a payment plan prepared by the customer. This would be a win-win situation where the paint manufacturer, a new player, would be able to sell its products and GRU1 would pursue a new business opportunity to complement its construction entity.

GRU1 reported that:

“In this regard we have started approaching large companies in Gweru which are due to be reopened within the next three months to repaint their premises and pay for the service later. All they have to do is to prepare a payment plan for the refurbishments. We will then use the plan to approach the paint manufacturer to supply the paint on credit terms based on the payment plan.We will derive the bulk of our income from the repaint work as we will provide the painters. We will

remove the retailer in the value chain and this should help end users to get the products at reasonable prices. We will also approach other companies if we successfully undertake a project.”

The company currently employs seven permanent employees: six drivers and the office administrator. This organisation was considered suitable for the study as it employs less than 100 people. The drivers were qualified diesel plant fitters or diesel mechanics. This recruitment approach obviates the need to hire motor mechanics as the driver will be responsible for the repair and driving of the trucks. This is a cost saving measure. The administrator was an HR practitioner who used to work for Sino Cement Zimbabwe. The construction unit employees are hired per project and are laid off when a project is completed. Most of the employees are artisans and the number is determined by the project size and deadline for the projects which can be tight. The number can of employees increases to 20 depending on contracts secured at any given time.

“When I started, I just saw an opportunity to make money because Sino was failing to sell its product. The motivation was to make money and live a better life. This has since changed in that I want to make a change in people’s lives. Basically we are a transport and construction business but we are now gravitating towards a real estate business. We have acquired a two hectare stand in the industrial area where we intend to move to as we seek to do away with rented premises. We hold a number of residential stands which we want to develop. Real estate is a smart business where you will continuously receive revenue even in retirement. We took a leaf out of the landlord’s book, who weaned off other businesses to remain with the property business. His rentals are about \$40000 per month and we are responsible for collecting them. In our case we are ten months in arrears but he understands our financial position at the moment because we always inform our landlord of the problems we are experiencing. However we make sure that we collect all the other rentals due to

him without failure. We will have to work hard to pay the rentals. For collecting the rentals the administrator is given a token fee of \$100. He has been of great assistance to me over the years.”

The fact that the business was formed during Zimbabwe’s lost decade and survived the harshest economic environment makes this business a suitable candidate for scholarly investigation. In addition to surviving in an environment where others have failed, the business has shown signs of growth and diversification. There are definitely lessons to be learnt from this organisation’s approaches to strategy implementation.

4.3 Organisation GRU2

GRU2 started operations in 2009 after the economic meltdown experienced in Zimbabwe when basic commodities were not available in shops due to the hyperinflationary environment and the lack of foreign currency that made importing foodstuffs impossible. GRU2 tried to bridge the gap created by the economic meltdown and grabbed the opportunity to supply basic commodities that were not locally available. The company supplied cooking oil, maize-meal, and washing soap, among other products, which people required for basic survival.

At that time, salaries were either non-existent due to the limits on amounts which people could withdraw from the banks, or were very low for most working people. The business allowed the owners to augment their salaries. Furthermore, it was difficult to withdraw money from financial institutions due to liquidity challenges, making it essential to generate money outside the banking system in order to survive. As was the practice in the country, everyone tried to augment their salaries by selling groceries, and there was no big project in mind when GRU2 started its retail business. The business was really born out of necessity.

The main goal of making a living was resoundingly achieved and GRU2 began to build an organisation based on its initial success. The business has expanded tremendously, despite its modest initial objectives. GRU2 now has three branches in Kadoma, one in

Harare, one in Gweru, one in Kwekwe and one in Chinhoyi; making a total of seven retail outlets throughout the country.

Sales volumes were considered to still be low, as were profits per business unit. Five of GRU2's shops are wholesale outlets and two are small retail operations. The business now employs 70 permanent workers but this number is complemented by contract workers as and when needed. In addition to the retail outlets, a transport division was added, first to facilitate the importation of products from South Africa and then to provide transport services to external clients.

The business' growth was not planned and GRU2's owners do not have a formal business or strategic plan but follow their instincts. Most of what has happened was guided by the vision of the founders and most importantly by what is happening in the business environment. However, the owners know where they want to go as an organisation. The first step was to do away with rented premises for the shops, as these were proving to be very expensive and were affecting the overall profitability of the business. Efforts were being made to acquire commercial stands in Mutare, Kadoma and Kwekwe on which GRU2 could build shops. They are also planning to operate a Spar franchised supermarket at one of the properties. Internally generated funds will be used to finance this growth.

Operating from leased premises adds significantly to costs and there is a need to manage costs, given the low profit margins experienced in the retail business. Owning premises would go a long way to address this challenge. There is also a need to build a huge capital base for one to be successful in the retail business given the inherent high overhead costs in this line of business, especially rentals. Suggestions that help the organisation to reduce costs are quickly implemented. For example, the business used to hire trucks to ferry foodstuffs from South Africa and it was suggested that it should purchase trucks for this purpose. This resulted in transport cost savings of over US\$800

per load. The plan was to reduce transportation costs on imported groceries but now a separate business unit has been established to focus on transportation services for other customers.

Responsibility for strategizing lies with the husband and wife directors, complemented by a team of managers reporting directly to them. However, there are no joint management meetings to map the way forward as each branch operates independently of the others.

“Once we have agreed on what is to be done as the directors we try by all means to interact and communicate with the branch managers. In addition employees also made contribution with regard to premises selection for our outlets and this has proved to be very successful and profitable choices. This has given us confidence in seeking the opinions of our workers.”

Communication with workers is mostly informal and sometimes through meetings held with branch managers when the directors visit the shops:

“We discuss ideas and problems with our branch managers and other employees. Branch managers are also required to submit oral or by email end of day business reports and banking details. However we do not have business meetings with all branch managers in one place. Logistics have made this impossible. We also do not keep records of our branch meetings.

“What happens is sometimes very discouraging and you want to quit. This is more so in the retail business where you need a lot of controls especially with regard to pilferage and breakages. The whole business can be wiped out by these two factors. The quality of the people contributes to the success of the company and everyone must ensure that these are kept to a minimum. We try to tell people our problems as an organisation and that they should try to keep the bigger picture in mind as to where we are going as a business. We review our

figures every month to assess our performance against our targets. We do not have forward looking targets but measure our performance against historical data and then compare the current performance against previous months or similar past periods. We have no set monthly targets but we normally implement our strategies agreed to.”

Despite the lack of other business data, there is strong evidence that the business grew from one outlet in 2009 to seven in 2013. This is also shown by the growth in the number of employees to 75 with the transport sector growing to five heavy duty trucks over the same period. This made this business a good candidate for this study despite the lack of formalisation in all organisational systems.

4.4 Organisation HRE1

This organisation is in the printing and advertising sector and is located in Harare. The company started in 1994 in a garage and essentially offered data and graphics services as well as the erection of bill boards. The company has three divisions i.e. design, printing and steel fabrication.

Presently there are 20 employees working in the three units - three in the computer section where the origination and printing takes place, ten in the cutting and stripping unit which does not require a lot of technical skills and the remainder in the steel fabrication unit where all sorts of frames and billboards are fabricated; other metal works are also undertaken by this unit.

“Emphasis is on teamwork because we work with very tight schedules. There is continuous interaction between the printing guys through to job cutting. We have to interact all the time to ensure that we put out quality work. One group does one part of the work before it is passed on to the next hence the need for

coordination and team work. Most of the communication is verbal and the size of the operation allows for a lot of verbal communication.”

The organisation places high priority on precision, since there is no room for errors in this business. A great deal of care is taken to get things right before they reach the customer. Any mistakes would have dire consequences and could result in lost business. Therefore everything is thoroughly checked before it gets to the customer, especially the small things. A case in point was when a subcontractor was hired to provide samples of rugby field markers. The samples supplied were of high quality and an order was issued to manufacture the required number. Unfortunately the product that was eventually supplied used poor quality foam rubber. The company rejected the products and asked the supplier to provide the right quality using the material originally agreed to. Suppliers often quote prices then seek to make a profit by using substandard material that affects the quality of the final product and the reputation of the organisation. Customer satisfaction is very important in the visuals industry because future work depends on previous work done or referrals.

Although financial performance indicators were not available, there was evidence of growth and business survival given the number of years the business had been operating.

4.5 Organisation HRE2

HRE2 considers itself “The King of Media Alternatives”, offering unique, skilled, results-oriented marketing strategies and expertise to a myriad of brands and companies. The company was started in 2009 by two friends. One of the directors owned a supermarket which he sold to start the venture when the retail sector became flooded with both small and large players. The other director was involved in the sale of electronic equipment as a side business to formal employment. Whilst at work, they launched Metromedia. Initially, they kept a very low profile. This was necessary as it could have resulted in

contractual problems with their then employers. It is difficult to approach your employer with an offer to do their marketing when one is employed to do the same work. When the business was set up, they resigned to run it full time.

“The vision was already in place earlier on i.e. to be leading provider of media solutions in Zimbabwe and eventually internationally. Our vision was to be ‘The leading provider of alternative media solutions’. We are respected and revered by competition and clientele alike for our dynamic, innovative, progressive media and marketing solutions.”

When HRE2 started, the goal was to provide the market with the products available as a seller's market was in operation. The situation has changed significantly and HRE2 are now operating in a buyers' market. There is a general trend in Zimbabwe from an informal sector where people made outstanding profits for doing literally nothing for the customer to meeting customers' needs. The market is now demanding professionalism in the execution of marketing and promotion assignments. It was imperative that HRE2 become more professional in order to retain and attract customers as well as to tap money from the formal sector. During the informally driven market environment, many people set up businesses, but in the changed business environment, these are now closing shop due to very narrow margins. A case in point is the chain of supermarkets that HRE2's partner sold, which flourished for some time after the acute shortage of foodstuffs. The new owners are closing the business due to increased competition from established supermarket chains. There is large scale competition and the sellers' market is long dead; hence the need to strategise and implement well thought-out strategic plans.

“The key to success in this environment is to start with a sound business idea, then, usually money follows good ideas. As far as we are concerned there has never been a shortage of money to support good ideas. We started off with one truck but this fleet has grown significantly in our short history to include the following:

10 x 30 tonne trucks

5 x 15 tonne trucks

3 x 8 tonne trucks

4 x 3 tonne trucks and several other smaller vehicles bringing the total fleet to 30 vehicles.

“The employee contingent has grown to fifty permanent employees and the number can go up to 300 employees during major marketing initiatives. HRE2’s business operations started in Zimbabwe but the company has since moved to Zambia, Mozambique and Lesotho and our strategic plan involves moving into Uganda, Kenya, Nigeria and Malawi within the next six months. The long term goal is to expand into Asia and other parts of the world with India and Brazil being the principal targets. The principal goal is to be listed on the New York Stock Exchange and this growth will be driven by mergers and acquisitions. International growth cannot be driven by organic growth which was relied on in the initial growth model.

“Our revenue grew from our first cheque of US\$263 (2009) to US\$2.9 million in 2011 and were estimated at US\$3.6 in 2013 which is illustrative of our growth as an organisation.

“We have a written down strategic plan and the two directors i.e. the CEO and the Operations Director are responsible for coming up with the strategic plan. These two are supported by senior management comprising the Finance Manager and the Operations Manager. In addition we strongly depend on mentors who are not directors and from God.”

The strategic plan drives business. Furthermore, the organisation is driven by the strong spiritual convictions of the founding members.

4.6 Organisation HRE3

The company started in 2003, offering IT solutions to business organisations, mainly accounting and ERP packages. The business has been operating in partnership with Microsoft Corporation and other IT solutions providers. HRE3 sells software packages to various clients and then implements them. The business was started on a part time basis but went full time in 2005. In addition to selling readymade IT packages, they are now developing customer specific solutions for several institutions and to date have developed systems for hospitals (West End Hospital and Baines) and the Constitution making committee (COPAC) for data collection.

When HRE3 started, the applications were not being marketed and it was felt that they could offer better packaged IT services. The IT solutions sold by HRE3, aim to help companies grow their profits by solving their problems. IT people are often unable to speak the language of business people and are too technical for business people to understand the solutions on offer. Coming from a business training background, the business was better placed to provide solutions.

The main business motivation at that time was not profit, but making a difference to the business community, and the opportunity was there for the taking. HRE3 has been able to offer employees various opportunities, including travel to different countries. The business owner has been to 19 countries as part of the training offered by software providers and this is fulfilling in itself. Individual goals have been achieved, especially making a difference to the business world by improving the interaction between software packages and organisations. Businesses are now able to appreciate the usefulness of computers and supporting software packages.

“In 2005 we developed a strategic plan to set up branches in five countries but three years later the organisation had not realised the set goals and a decision was made to consolidate our operations in Zimbabwe. Following the economic

down turn in Zimbabwe, our goal post 2008 was to become a profitable business again. During the Zimbabwean dollar era we thought that we were making profits but these were wiped out and we had to build from scratch when the multi-currency regime was introduced. We needed fresh capital but this was not easy to access and we have had to rely on our own resources to grow the business. Organic growth in this environment is very slow given the business volumes and the low mark ups.”

When the business started there were only two employees, a receptionist who was responsible for selling computer consumables and the owner working part time in the business. The business grew to 20 employees, but due to economic challenges and low business volumes this was reduced to 17 as efforts were made to realign operations. The business also takes two students on attachment to complement its staff. To augment revenue, HRE3 had added two employees following the recent introduction of a training division where clients' employees are trained in the use of HRE3's software packages. The addition of unit was evidence that there was growth in the business.

When the owner completed his studies at the University of Zimbabwe, Business School in 1999, he joined an organisation that provided business solutions. The organisation was essentially run by IT person who did not understand the needs of business and therefore provided solutions from a developer's perspective rather than a business perspective. This made most clients apprehensive of the solutions provided as they were considered to be of little value to user organisations. Consequently, in 2001 HRE3 was started as a partnership with other employees to compete with their previous employers. The partnership was dissolved in 2007 due to the economic hardships experienced in Zimbabwe. The business is now wholly owned by the respondent following the dissolution of the partnership.

4.7 Organisation MRE1

This accounting business started in 2009. When the multi-currency regime was introduced, state agencies like the Zimbabwe Revenue Authority (Zimra) and National Social Security Authority (NSSA) targeted the Lowveld area of Zimbabwe in a bid to raise revenue for Government operations. They targeted all businesses, including the sugarcane farmers who had not been paying taxes and making contributions to NSSA, the compulsory state-run pension fund. The business people were ill-prepared in terms of the preparation of accounts, and both Zimra and NSSA effected garnishee orders against individuals' bank accounts based on estimates. They would simply estimate revenue generated at, say, US\$1.5 million and then remove 60% for operating costs and the balance would be taxed at 30%. In addition to the tax owing, Zimra also imposed penalty fees which were 100% of the amount owing. This placed a heavy burden on the business people concerned.

MRE1 was in Harare on personal business, when a businessperson who had been garnisheed US\$80 000 by Zimra, telephoned and invited MRE1 to visit their offices immediately to sort out the issue. These figures were way out of line with what the farmer was generating from operations. On return to Chiredzi, MRE1 went through the books and produced proper accounts which other consultants were unable to do. After preparing the accounts, several meetings were held with Zimra personnel to discuss the tax obligation. Eventually, the tax owing was reduced to US\$3000 from the initial figure of US\$80000. This was the beginning of MRE1's journey to success.

An initial survey revealed that there were no professional accountants in the Lowveld area. Most were briefcase accountants with no offices and hence were more interested in the revenue side of the transaction rather than helping individuals affected by the blitz. The owner proceeded to open an office in Chiredzi Town, which gave the new business a professional image. The Zimra blitz drove customers to the business. The number of clients has grown to 80 businesses and individual farmers. MRE1 left

employment with a sugar processing entity to venture into the business full time and since then has never yearned to become an employee again!

Towards the end of 2009, MRE1 opened a fuel business at a rented service station at Checheche Centre in Manicaland. The lease agreement was entered into in June 2009 and rental was paid for six months without selling a single litre of fuel. In 2010 the business entered into a deal with an established fuel supplier, but supplies were very erratic as fuel was supplied only once per month. This meant that the business did not have fuel for two weeks in every month. Although this affected operations, the relationship was maintained until the end of 2010 as the options were very limited.

To ensure a continuous supply, MRE1 resorted to buying fuel on a cash basis from other service stations in the area. MRE1 used a pickup truck to transport fuel in batches of 1000 litres per trip and the business managed to stabilise supplies using this method. Towards the end of 2010, MRE1 negotiated a contract with another supplier but they did not make any fuel deliveries until the beginning of 2011. They had undergone restructuring and were now serious about the business.

Business volumes at the rented premises increased significantly following the securing of a solid supplier and eventually MRE 1 bought a commercial stand measuring 10 000m² on which they built their own service station. Two storage tanks were installed on the site, a 10 000 litre tank for petrol and a 15 000 litre tank for diesel. The whole fuel business was financed from internal funds generated from the accounting business. MRE1 has never borrowed to finance its operations. It has now refocused operations to concentrate on the fuel business. The business also bought another stand on which it plans to build a lodge in the long term. Another plan in the pipeline is to build a 24 hour clinic on the stand where the service station is located. There is no 24 hour clinic to service the community around the Checheche business centre and MRE1 has borrowed the concept from a nursing home in Mutoko district. The health facilities in the area are

company owned and not available to the community so there is a huge potential for such a facility.

The business model will revolve around doctors visiting the facility on specific days to attend to patients. They will charge consultation fees and once established they will pay rent for using the facility. MRE1 will only hire and pay salaries for nurses and other ancillary staff. The clinic will be complimented by a laboratory that a friend plans to establish at Checheche Centre.

MRE1 employs 10 people: the directors (husband and wife), the operations manager, three guards and four petrol attendants. They plan to have five security guards in the nearfuture. Their goal was to be independent, run a personal business and acquire assets to support the business.

4.8 Organisation BYO 1

This company was registered in 1988 and its sole purpose was to eventually create employment for BYO1's children and to change his life style.

“The major driving force was my father’s condition who suffers from Parkinson disease and an uncle who went blind at age 60 years. These conditions forced me to go into business to prepare for self-reliance should any of the conditions mentioned affect me. I wanted to prepare myself to be self-reliant in good health or poor health which formal employment could not provide. Going into business was a sure way of preparing for old age or disability.”

From the outset, BYO1 was never satisfied with the proceeds of employment; hence he embarked on several income generating projects to supplement his income:

“In my early teaching days I always started small businesses which included keeping cattle, crop farming among other activities. I just wanted to supplement income whenever I could.

“The business has grown phenomenally since inception. We started with three employees being myself, my wife and a friend in 1998. The staff complement for the bookshop has since grown to 15 employees. From the bookshop we bought three properties in the central business district of Bulawayo city including a five storey building. We have grown phenomenally and our lifestyle has also significantly changed. However recently we have had to sell the CBD property to government for US\$1 million dollars. The free market of the property was US\$1.3 million. We decide to sell the property because it was not giving adequate returns from investments. Rentals were supposed to be in the US\$10000 but we never got the full rentals due the rental defaults. Since other businesses were giving better returns we decided to sell the property and reinvest the proceeds to businesses that were giving better returns. We therefore sold the property to boost businesses giving better returns on investment.”

When the bookshop was launched, the vision was to provide high quality services over and above merely selling textbooks. Competition was stiff in the CBD area. Customer service is the key to success in this sector and the personal touch and delivery times are very important. The business sought to complement government efforts to provide education to all Zimbabweans.

However the bookshop business is facing stiff competition. Recently the government floated an international book supply tender and eventually awarded it to the Chinese. This had serious consequences for local bookshops with the vast majority closing shop. In addition technology is posing a serious threat to the traditional bookshop. People now prefer internet based sources. In response, BYO1 started working with a South African IT specialist to develop e-learning software. The business has a website which at the time of the study was a month old and it was proposed that the bookshop work with school heads to develop an e-learning platform. Hopefully, customer specific cards will

be developed which they can use to browse what is available in the bookshop from the comfort of their offices. They will be able to make inquiries and place orders online. To facilitate the uptake of the technology, a workshop will be held for school heads. This approach would give BYO1 a competitive edge in a technology-driven business environment.

“In addition to taking initiatives in the bookshop business we have begun to diversify our operation to market gardening and beef cattle rearing at our Bulawayo and Mvuma farms respectively. Efforts are being made to commercialise both operations since the bookshop business is now under serious threat. Going forward our business portfolio will be driven by the agriculture and can survive on that side of the business. The business activities now employ 36 people on a permanent basis but this number can grow to 50 employees with casuals as an addition especially at the market gardening concern.”

4.9 Organisation BYO2

This company is involved in borehole fitting and the manufacture of accessories. It started operations in May 2001 out of an earlier operation with a friend as co-director and founder member. Ownership was on a 50/50 basis. The company was operational for only two years before, as often happens when friendship and business mix, there were squabbles between the partners and it was decided to dissolve the business completely so that no one benefited from what had been accomplished. The assets were shared and the business partners went their separate ways, with the other partner starting his own business which he ran for five years until it was wound down and the friend going back to driving as an employee. BYO2 started an entirely new business not linked to the previous one.

“My major reason for going into business was to create value not just for myself but the community as well. In the process I wanted to improve my life style. My

major passion was to start a manufacturing business concern and to buy an industrial stand on which to build a hardware shop. All these goals have been achieved but goals are incremental and keep shifting.”

BYO2 now wants to consolidate the business and expand into manufacturing extrusion, copper pipes and gate valves which they are currently importing. They were building further premises on a larger industrial stand. The goal was to explore possibilities of import substitution to ensure that revenue money generated in the local economy continued to circulate locally, thereby significantly addressing the liquidity crunch.

BYO2 recently established a hardware outlet in the CBD. All the physical assets are owned by the business and these were acquired from the profits from business operations. The profit figures are as follows:

2009	US\$75 – 100000
2010	US\$150000
2011	US\$69000
2012	\$200000 and breakeven for the hardware outlet
2013	\$65 000

These figures indicate that the business was on a growth trajectory. It has also grown in terms of employee numbers. When the business started in 2001, it had two employees, a secretary and a messenger. The labour force has now grown to 50 employees at business peak but the working average is 35 employees. BYO2's long term goal was to expand the business into extrusion at a cost of US\$1 million and to operate from new premises that will be developed soon. When fully established the business would employ 200 people.

The characteristics that the businesses under study reflected are growth and the number of employees.

4.10 Summary

This chapter provided information on the organisations that were surveyed for this study so as to provide the context of the organisations. All these organisations had some form of strategic plan that they used to guide their operations. Only two had formal strategic plans, while the other six had visions and goals that they sought to achieve. Evidence was provided to show that the organisations were experiencing some form of growth but it was not possible to use uniform measures of growth as the owner/managers were reluctant to provide sales or profit figures. So growth was measured mostly in terms of employee numbers, growth in number of units and business expansion.

CHAPTER 5

5.0 DATA PRESENTATION AND ANALYSIS

5.1 Introduction

According to Helfat et al (2010), “Strategy matters most during times of change”. The Zimbabwean business environment is undergoing significant changes which affect SMEs in a number of ways. Both businesses and individuals find it far easier to do more of the same than to do something different (Helfat et al, 2010), “but the world does not stand still and companies cannot rest on their laurels”. This research study examined how SMEs in Zimbabwe implemented strategies in order to survive and grow. It organised the SMEs into two clusters i.e. those pursuing traditional business models

and those that operate in a highly competitive environment. The traditional business model involved business that black Zimbabweans have operated since colonialism such as retail, transport and agricultural concerns. The innovative businesses had operations in advertising, IT and manufacturing. Depending on their structure and business model, the SMEs tended to adopt different approaches to strategy formulation and implementation.

To survive and prosper under changing conditions, firms need to develop “dynamic capabilities” to create, extend, and modify the ways in which they make their living (Helfat et al, 2010). These capabilities are at the core of the differences in organisations’ approaches to strategy implementation. This is pertinent in the Zimbabwean business environment that has seen significant changes in the operating environment. The economic environment moved from hyperinflation to stability after the adoption of multiple currencies in February 2009. It might be expected that due to the unique situation in the country, Zimbabwean SMEs might require different capabilities from those noted in the literature review. Helfat et al (2010) defined capability as “the ability to perform a particular task or activity” and “dynamic capability as the capacity of an organisation to purposefully create, extend, or modify its resource base.” This chapter presents the research findings on how SMEs in Zimbabwe approached strategy implementation, beginning with vision formulation and strategic planning.

5.2 Vision formulation and strategic planning

The study sought to establish whether or not SME owners in Zimbabwe adopted a vision as a necessary precondition for strategy formulation. All eight business owners confirmed that they had a vision at the inception of their businesses; however, this was not a formal, written document. Furthermore, only two out of the eight business owners interviewed had formal, written strategic plans; these SMEs were in the highly competitive manufacturing and marketing sectors.

The vision at inception seemed to address social rather than business issues.

Respondent BYO 1 commented:

“The sole purpose of starting a business was to eventually create employment for my children and to change my life style. The driving force was my social condition as my father had Parkinson disease and my uncle went blind at age 60 years. These conditions forced me to go into business to prepare for such an eventuality.”

This was further corroborated by GRU 1, who stated:

“When I started, I just saw an opportunity to make money because Sino cement manufacturing was failing to sell its product yet there was a large market for cement. An opportunity arose to sell the product. The motivation then was to make money and live a better life.”

The motivation for the entrepreneurs involved in traditional business lines like retail, transport and construction was anchored in social needs and linked to improving the personal life of the owners and their immediate families. For example, this was the case with GRU 1, GRU 2, BYO 1, and MRE 1. MRE 1 did not actually set out to establish a business, but the circumstances confronting sugar cane farmers following a government blitz to collect astronomical amounts of tax motivated them to seek out someone who could assist them. MRE 1's business was not therefore planned, but an attempt to help someone in desperate circumstances. In this instance, a farmer had been charged US\$80 000 in taxes, plus penalties by the Zimbabwe Revenue Authority (ZIMRA). Paying such amounts would have ruined the farmers. MRE 1 prepared a proper set of accounts and the tax burden was reduced to US\$3 000. Thereafter, several other farmers approached MRE1 for assistance, resulting in the launch of an accounting consultancy.

MRE1 said the following about going into business:

“This is how it all began and since then we have never looked back. The number of clients has grown to 80 business clients and individual farmers. I then left my employer Hippo Valley Estates to concentrate on the business and since then I have never wanted to be an employee again in my life.”

It was only when MRE 1 ventured into the fuel business that targets were set.

However, the SMEs in competitive industries like advertising (HRE 1 and HRE2), manufacturing (BYO 2) and computer solutions (HRE 3) had very different visions. They tended to focus more on a business than a social vision. This related to the quality of products and solutions offered to clients; hence the client was at the centre of their activities while the other group focused on product availability. The way of thinking of the entrepreneur would influence the implementation of the vision and strategy.

HRE 2's vision is:

“(to be) the leading provider of alternative media solutions. We are respected and revered by competition and clientele alike for our dynamic, innovative, progressive media and marketing solutions.”

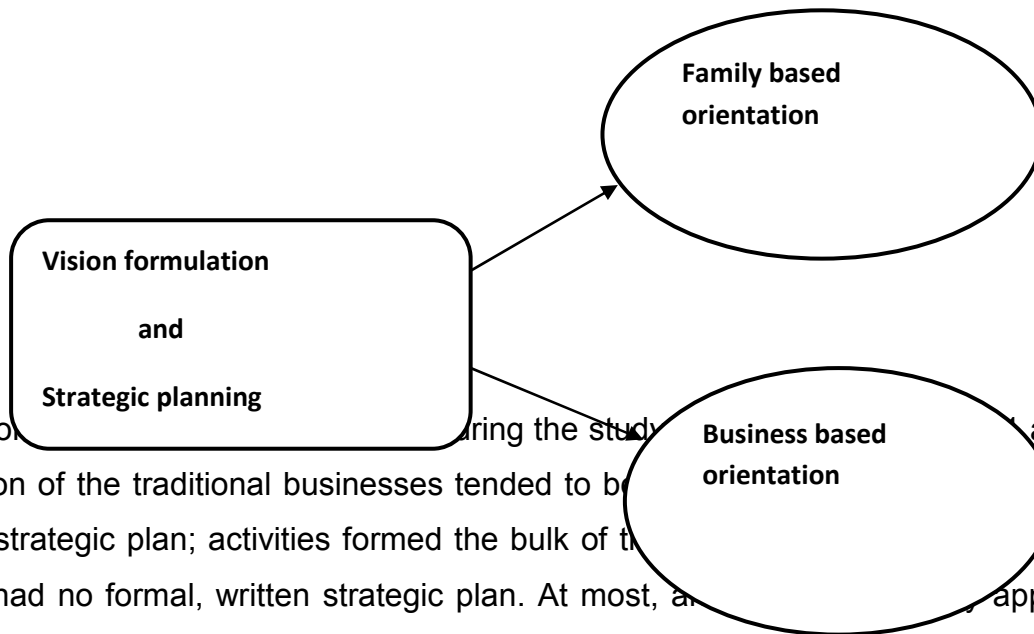
This SME targeted national, regional and international expansion. The business cluster that experienced intense competition tended to pursue closed expansion where they expanded in one line of business; for example, the manufacture and fitting of borehole equipment complemented by selling hardware. Those with a vision of social wellbeing tended to pursue any idea that had the potential to raise additional income, as well as safe investments like property (GRU 1, GRU 2, MRE 1 and BYO 1). They shifted from one business idea to another. For example, GRU 1 had interests in transport, building materials, maintenance and construction and real estate management, among other activities. MRE 1 offered accounting and business advisory services, and moved into fuel retailing. Strategy implementation tended to vary according to the founding vision, with those in traditional industries pursuing anything with the potential to make money

and improve their social position, while those in competitive sectors pursued one business line and sought to grow it.

5.3 Vision and strategic planning approaches

Businesses adopt various approaches to strategy formulation and figure 5.1 below shows the approaches used by the SMEs studied.

Figure 5.1: Vision and strategic planning approaches



Two vision... during the study... above. The vision of the traditional businesses tended to be... There was no strategic plan; activities formed the bulk of the... example, GRU 1 had no formal, written strategic plan. At most, a... approach was adopted. This was said to be necessitated by the rapidly changing operating environment. Generally, the approach to starting the business was accidental rather than by design. Going into business was driven more by necessity than strategy. As long as money flowed into the business, the business owners were satisfied. This is demonstrated by the people who were hired by GRU 1 to transport cement to remote areas stealing the market.

The transporters simply told GRU 1 that transport was not available due to breakdowns or pressure of work;GRU 1 did not go to the market to determine what was actually happening. They discovered the lost market by accident when money stopped flowing into the business, thereby affecting their new lifestyles. This reflects a serious planning

and monitoring deficit on the part of traditional entrepreneurs (those going into businesses that were traditionally undertaken by black Zimbabweans). GRU 1 accepted the word of an interested party without going to the market to investigate. The table below shows the frequency of the use of the word ‘planning’ (plan) during the interviews.

Table 5.1 Evidence of Planning

Respondent	GRU 1	GRU 2	HRE 1	HRE 2	HRE 3	MRE 1	BYO 1	BYO 2	TOTAL
Number of times PLAN was used	4	3	2	7	13	9	0	4	42
Percentages	9.52%	7.14%	4.93%	16.67%	30.95%	21.43%	0%	9.52%	100%

The table shows that the word ‘planning’ was used 42 times during the interviews, compared with the tens of thousands of words in total. This reflects an average usage of the word ‘planning’ five times per organisation. This is very low given the level of education of the owners of the businesses who either had first degrees in business or a masters’ degree in business management, with one respondent completing a higher degree. Only one of the respondents has an accounting diploma, which was by far the lowest qualification. This suggests that these business owners were aware of the benefits of planning, but paid very little attention to this business function. Only two businesses in the sample had formal, written strategic plans; while the other six acknowledged the importance of such a document, they had not prepared one.

These findings seem to debunk the notion that high levels of education have a positive impact on management processes. The government of Zimbabwe often boasts that Zimbabweans are highly educated and skilled. Given the highly qualified people operating these SMEs, strategy formulation should be a natural process that has a significant impact on organisational survival and growth. Indeed, the SME (HRE 3) with

the highest usage of the word 'planning' (30.95%) categorically stated that they did not use the plan for operations but had prepared it for the purpose of raising capital. Planning was therefore not used in a positive sense to enhance organisational performance linked to strategy formulation and implementation.

The majority of the SMEs under study did not have written strategic plans in place because they were making money and hoped that the situation would continue since they were pioneers in the market and therefore the market would remain loyal to them. They depended on intuition for business direction and implementation activities and as a result used business models adopted elsewhere. The business environment in Zimbabwe is changing fast, rendering business models outdated. GRU 1 only woke up to this fact when the market moved on and at that point they decided to secure their own transport to make their own deliveries, but they had to look for new markets which were more distant than the old ones. Six of the SMEs did not have a written vision statement. This could be the missing link in SMEs' operations, where the vision is housed only in the mind of the founder. Such SMEs tend to simply carry on with no clear focus, primarily motivated by the desire to make money. When challenges arise, they tend to lose focus and pursue several opportunities at once to the detriment of business growth.

This did not equate to the absence of strategic planning among SMEs in Zimbabwe. Most planning was anchored in personal targets, but these were rarely annual or long term targets and related mainly to daily sales or raising funds with very little attention to markets or growth. The majority of the SMEs under study could therefore be described as being in survival rather than growth mode.

Those with a written vision statement continued to grow in the same line of business rather than assembling a cluster of SMEs that were all struggling due to a lack of resources. The same applies to single line businesses that do not have written vision

statements. While their growth is certainly stunted by a lack of resources, it is equally constrained by the slant of their vision, in terms of which they sought locations considered to be profitable. Mboko and Smith-Hunter (2009) noted that the micro and small enterprises they surveyed exhibited different growth patterns. These could be anchored in the visions that the owners have for their businesses; in the majority of SMEs surveyed, the vision was to make money in order to improve one's life style; this was confirmed by respondents GRU 1 and BYO 1.

The owner's personal goals rather the goals of the organisation drove performance. This relates to vision formulation. The visioning tended to support the business owner's preferred lifestyle rather than growth. Most SMEs owners were able to change their lifestyle and this affected the way strategies were implemented. However the vision tended to be short term which is consistent with a survivalist approach. This approach is also consistent with the economic and other changes taking place in Zimbabwe.

5.3.1 Vision formulation responsibilities

The ownership or source of the vision is also critical to strategy formulation and subsequent implementation. The formulation of a vision could reside in the owner or the team, i.e. the organisation. Two of the eight SMEs used the team approach to strategy formulation while the other six were convinced that the founder should provide such direction. According to MRE 1:

“Generally the owner is responsible for the strategic direction of the company which is the backbone of any business. If you do not make the strategic direction of the business then you are not likely to be successful. I have the vision of where I want to take the business. In the operating environment you have to be proactive in responding to changes. You are bound to make mistakes and you need to learn from your mistakes which speed up your learning process especially when you are new in business.”

In the traditional businesses, the owner or family was responsible for strategic planning. During their interaction with the environment, they discovered opportunities and drove the organisation in new directions. For example, BYO 1 saw opportunities in agriculture, decided to move the organisation in that direction and immediately recruited someone to implement this plan:

“We have begun to diversify our operation to market gardening and beef cattle rearing at our Bulawayo and Mvuma farms respectively. We are trying to commercialise both operations since the bookshop business is now under serious threat. Going forward our business portfolio will be driven by the agriculture and can survive on that side of the business.”

In the majority of cases, a trial and error approach was adopted in order to test what worked or did not work; this suggests a level of reactive strategic planning. The traditional businesses knew what had to be done to make their family members' lives comfortable and uncoordinated diversification was a sure way of boosting their personal security. The competitive businesses involved key employees in their strategic planning that was more market driven. This facilitated buy in and shared responsibility for implementation. The SMEs that seemed to be growing were driven by a business-focussed vision statement. For example, HRE 2 stated:

“The vision was already in place earlier on i.e. to be leading provider of media solutions in Zimbabwe and eventually internationally.”

On the other hand BYO 1's vision had a very different focus and prioritised the family and its welfare both in the present and the future:

“I wanted to prepare myself to be self-reliant in good health or poor health which formal employment could not provide for. Going into business was a sure way of preparing for old age disability.”

Based on this family orientation, their growth trajectory was very different from that of HRE 2 or BYO 2 (which had a business focus and planned to expand to all parts of Zimbabwe and the region) while BYO 1 tended to spread the business portfolio to ensure security rather than growth or related diversification. The former had a more aggressive approach to implementation while the latter opted for unrelated diversification. This aimed to reduce personal risk and provide for the personal security of the owner should any of the businesses in the portfolio underperform. However, subsequent to diversification, the founding business tended to struggle; this was the case with BYO 1 and GRU 1. There was a tendency to diversify too quickly without the necessary resources.

This suggests that the vision had limited success in terms of business growth with many goals still to be met, but more significantly, a lack of business focus, given the notion of pursuing any opportunity with the potential to enhance the short term financial status of the business. Profits became the driving force, to the detriment of other business activities. This approach was detrimental to long term organisational performance. A case in point was the views expressed by HRE 3 who stated:

“During the Zimbabwean dollar era we thought that we were making profits but these were wiped out and we had to build from scratch when the multi-currency regime was introduced. We needed fresh capital but this was not easy to access and we have had to rely on our own resources to grow the business. Organic growth in this environment is very slow given the business volumes and the low mark ups.”

In the Zimbabwean dollar era, profits were not linked to business growth but to price manipulation due to chronic shortages in the economy. The ability to make price adjustments was cruelly exposed when the country adopted a multi-currency system post February 2009. A new approach was necessary for survival but the majority of businesses stuck to the price adjustment model. Most SMEs tended to slow down and

there was a low appetite for risk taking; the SMEs were in survivalist mode and preferred to grow organically. This approach led to uncoordinated diversification.

HRE3 provided further evidence of this lack of growth occasioned by the neglect of strategic planning.

“We started with two employees and we grew the business to 20 employees but have now shrunk to 17 employees as we try to realign our operations including two students on attachment. When we started we had a receptionist who was responsible for computer consumables but we have since moved out of that. We now have two additional employees on the recently introduced training division where we train client employees on the usage of our software packages. But generally we have had to scale down on our operations as we adjust to the new macroeconomic environment.”

When the business environment changed, this business opted to scale down operations or try new opportunities with a view to growing the business in an evolutionary manner. This is reflected in the reduction in both business activities and the staff complement. Furthermore, a low resources consuming business line was adopted which was intended to be complementary but was paid for in the form of training. This was an attempt to diversify the revenue stream.

In contrast, BYO 2 adopted a different strategic formulation process where the team was central in providing impetus:

“We have a strategic plan in place. Normally we sit down at the beginning of every year say around 2 January where we go for a management retreat to map goals for the year. We write down what we want to achieve including a vision statement. Our short term goals include the purchase of trucks for the business. Management is responsible for strategy formulation and by this we mean the departmental heads i.e. Marketing, Finance, Human Resources and Production. We go for a strategic planning retreat. Shortly we will create the position of

hardware supervisor who will be a member of the management team together with the co-directors.”

Although this was not immediately apparent, these differences could be based on the “Principal/Agency theory”, where HRE 3 and GRU 1 were the sole architects of the strategy and were responsible for running the business. Self-interest was the driving force behind the vision. However, with BYO 2, the management structure determined the strategy, giving focus to business activities. There was prior agreement on what the organisation had to do to move forward and every manager was held accountable for certain outcomes and ultimately the whole organisation. The welfare of the organisation took precedence over self-interest; such organisations tended to grow while the others tended to survive.

BYO 2’s business results were quite different from those of HRE 3 and confirmed that when everyone in the business is involved in planning, performance tends to improve significantly over time. BYO 2 reported:

“We are now emphasizing on business expansion and will build larger premises where our extrusion operations will be located. We have also recently established a hardware outlet in the CBD area. All the physical assets are owned by the business and these were acquired from the profits from business operations. Our profit figures are as follows:

<i>2009</i>	<i>US\$75 – 100000</i>
<i>2010</i>	<i>US\$150000</i>
<i>2011</i>	<i>US\$69000</i>
<i>2012</i>	<i>\$200000 and breakeven for the hardware outlet”</i>

HRE 3 was reluctant to disclose specific details about the business and did not talk with passion about the direction of the business, merely pointing out that the organisation did not have the requisite skills to put together a strategic focus or to implement the vision. The only indicator of performance was a decline in employee numbers from 20 to 17, but the owner did not link this to the business strategy. It was more a case of the owner trying to move the organisation forward. This was confirmed by the statement that democracy does not work in organisations and by the constant belittling of employees. In contrast BYO 2 used the words 'we' and 'our' many times which was not the case with the other respondents in traditional business lines. This showed a level of togetherness in trying to move the organisation forward.

HRE 3 had this to say about the strategic plan:

“We have had a five year strategic plan but we are still to review it given the new circumstances obtaining in business. We were targeting external funding when we drew up the strategic plan but this never came and we have had to abandon the strategic plan. Without resources we have now resorted to doing things our own way and do not follow the strategic plan to the letter or managing the business by the book.”

The strategic plan was created by the original partners who started the business with a view to expanding it to five countries in the region; many Zimbabwean businesses adopted this approach in order to mitigate market related risks. The strategic plan was not created to manage the business, but to mobilise resources. Intuition determined what needed to be done and how it was done. The organisation was not bound by the strategic plan in anyway; strategic planning was a matter of going through the motions. The partners decided to go their separate ways; this resulted in the abandonment of the vision when respondent HRE 3 bought out the partner. There is evidence of stagnation since that time.

The remaining owner dusted off the same strategic plan and was using it to approach new investors without reviewing it, despite the changes that had taken place since it was prepared some five years earlier. There seems to be a leadership deficit. The strategic plan was not meant to drive the organisation, but to secure funding and it is very doubtful whether the drive is still to go regional as envisioned when the Zimbabwean economy was in a tailspin. While this respondent acknowledged that the business needed a more diversified board of directors, it was stated that the state of the business would not allow for appointments at the present time.

Another interesting observation regarding strategy formulation was expressed by BYO 1, who stated:

“In coming up with the strategic plan we first meet as a family and agree on the way forward. Once we agree as a family on what is to be done, we then meet with the senior employees and discuss our intentions.”

Family considerations took precedence over business considerations, with some family members being detached from the business but still expected to move the organisation forward. For example, BYO 1's wife was not part of the business and the eldest sons were at college and were only involved in it during vacations. The organisations that were poorly structured lacked impetus. This is reflected in HRE3's reduction of its workforce when one of the founding directors resigned and was bought out. The owner acknowledged that the organisation lacked quality human resources; this is likely due to the fact that when the partner left, the strategic plan was abandoned. The vision left with the director who resigned, resulting in a lack of traction to go forward. In the case of BYO 1, there was only one person with intimate knowledge of the business and therefore their vision or goals carried the day.

What qualities are required for SMEs to perform well? Sum et al (2004) found that, “A large part of Singapore's competitiveness and high economic growth is due to the presence of an excellent business infrastructure and a pool of competent local (mostly

SMEs) enterprises to provide operational support in materials, product design, and support services to multi-national corporations operating in Singapore”. In traditional businesses, there was very little push from some owners to move the organisation forward; if there was movement it tended to be sideways.

Mboko and Smith-Hunter (2009) argued that entrepreneurs who use reactive strategy find it difficult to anticipate needs and therefore often fail to develop firms with the capacity to implement day to day operations. They added that such firms are generally panic stricken, run around a lot and have high levels of frustration. The less competent managers cite more problems and seem to have more critical issues to attend to than those who use the planning approach.

This is a very interesting observation in light of the approach adopted by GRU 2 which was not that different from the approach adopted by traditional businesses. GRU 2 identified areas with high potential sales to achieve the goal of social well-being:

“Our goal of making a living was resoundingly achieved and that way we began to build an organisation and we are here today talking about what we have done. We have advanced in a big way despite having no initial goal of building a retailing business. We now have three branches in Kadoma, one in Harare, one in Gweru and one in Chinhoyi.”

GRU 2 added:

“Now we are an SME business and now growing more. Our sales volumes are still low, so are our profits. We now run six shops, four of which are wholesale outlets and two are small retail operations. We now employ over seventy workers but this number can be complemented by contract workers.”

The growth in the number of outlets and employees did not translate into improved performance. The admission that profits were low was consistent with the mere replication of the original business in different geographical areas; the management

systems and personnel that could have significantly improved profit were not in place. It was simply assumed that the same model would work in all geographical areas.

The following statement by GRU 2 confirms that there was little or no strategic planning for the expansion:

“Our growth has not been planned and we do not have a formal business/strategic plan. Most of what has happened is the vision of the founders guided by what is happening in the business environment. We now know where we want to go as an organisation.”

Those who started with a social needs vision for their business have generally opted for geographic expansion, replicating the model in different locations (GRU 2) or unrelated diversification (MRE 1- Accounting Firm and service stations; BYO 1- bookshop, cattle ranching and market gardening; GRU 1- real estate, transport and construction; GRU 2- geographical spread with six supermarket outlets in different cities). The growth is not related to the vision in anyway but to what the entrepreneurs considered was capable of being profitable and in some cases the ability to generate funds to support their original business idea. This confirms Mboko and Smith-Hunter’s observation that SMEs tend to run around a lot.

The business focus only evolved once operations started; this further suggests that these entrepreneurs went into business to secure their social needs rather being opportunity driven. Indeed, it seems that the majority of SMEs did not come up with original business ideas, but adopted what they observed from others and learned as they spent time in the business.

This is captured well in the following statement by GRU 2:

“We do not sit down and come up with a written strategic plan. Most of our strategies are driven by happenings in the business environment and the

customer behaviour especially the availability of key products is key to organisational success i.e. sugar, washing soap and powdered milk.”

There was much running around to secure supplies from South Africa and managing and coordinating the activities of the six outlets. The owners tended to visit the outlets when there was a crisis such as theft, rather than having a planned schedule of visits. They were rarely at the individual outlets, and they were entirely dependent on daily takings and banking. They did not have structures that all branch managers reported to; each manager reported directly, hence the overwhelming responsibilities shouldered by the owners.

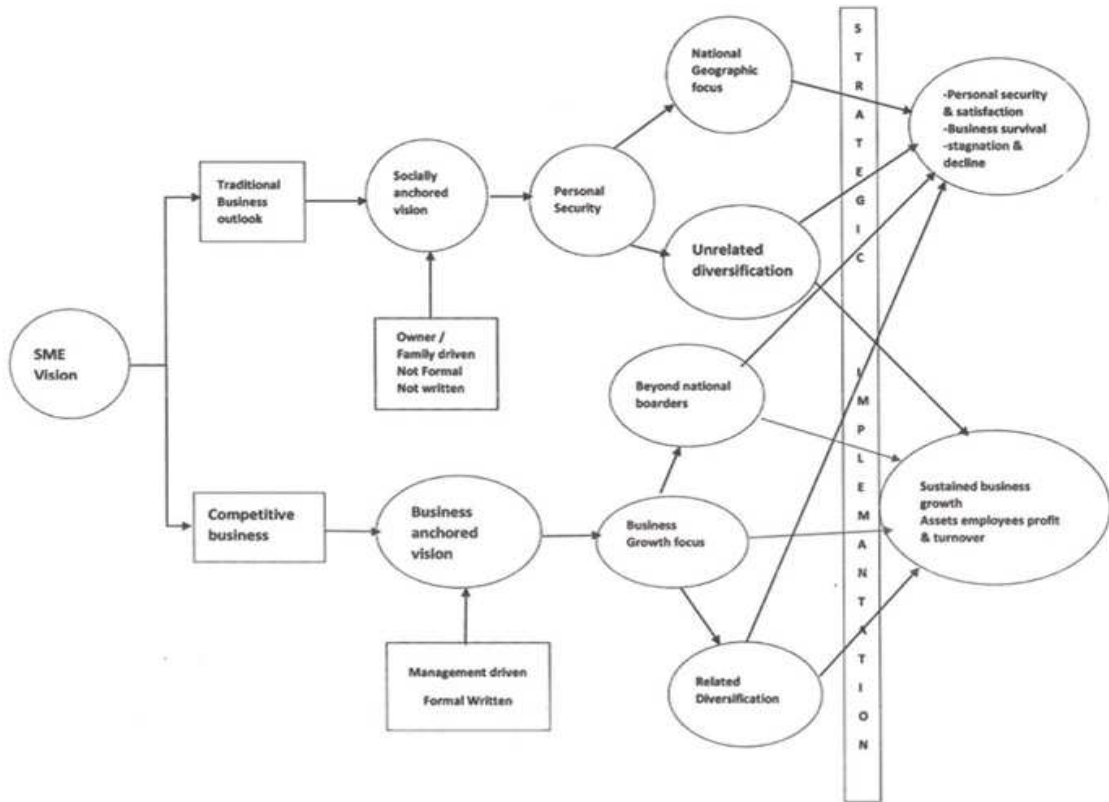
Mboko and Smith-Hunter (2009) found that, at the operational level, SMEs used critical point strategy which is survivalist. In Zimbabwe, the ability to survive is critical in the environment in which businesses operate and, as stated by MRE 1, it would be a significant demotion to become an employee again. The SMEs tend to do everything to ensure survival at all costs.

The desire to survive, underlined by the desire to be independent, is more important to the majority of entrepreneurs than growth. This was reflected in the initial vision of the businesses under study that had firm social anchoring. The vision tended to change somewhat over time, but they are still heavily embedded in the social security framework in the mind of the entrepreneur.

“This has since changed in that I want to make a change in people’s lives. Basically we are a transport and construction business concern but we are now gravitating towards a real estate business. We have acquired a two hectare stand in the industrial area where we intend to move to as we seek to do away with rented premises. We hold a number of residential stands which we want to develop. Real estate is a smart business where you will continuously get revenue even in retirement.” (GRU 1).

GRU 1’s vision has not moved away from social and personal security issues despite the many years in business. The above discussion is summarised in figure 5.2 below:

Figure 5.2 Planning and implementation matrix for SMEs in Zimbabwe



- The first component of figure 5.3 is the vision of the SMEs; it is considered that each SME has a vision of some kind at business start-up or later in the life of the business. The vision would differ depending on whether the owner adopted a traditional business or a competitive business approach.
- The majority of Africans in Zimbabwe adopted the traditional business approach; these include retail outlets and transport among others. The competitive businesses included IT, marketing consultancy services and manufacturing.
- Traditional businesses are anchored in social visions which have to do with the welfare of the owner and/or the family hence the social visioning, while businesses in competitive sectors tended to pursue business strategies. The traditional businesses pursued a vision created by the business owner or the family and most of these were neither formal nor written. In competitive businesses, the management team was responsible for crafting the vision and this was prepared in written form to use as a reference point when implementing strategies.
- Social visioning was aimed more at social security and was induced by the economic environment or destitution, while the business focussed approach targeted growth.
- Those pursuing social growth emphasized national geographic expansion and unrelated diversification, while those with a business focus orientation pursued expansion beyond national borders and related diversification or vertical integration.
- Implementation was instrumental in achieving organisational goals and organisations differed in the approaches adopted to implement strategies. This will be elaborated on in subsequent sections.

- The results of strategy implementation were survival or growth. Survival is associated more with traditional businesses, but can also affect competitive businesses. However, competitive businesses showed strong signs of growth.

The research study revealed that SMEs adopted different approaches. In the traditional businesses, the vision was anchored in social goals and aimed to maintain or upgrade the owners' standard of living. Competitive businesses had businesses strategies/vision which had a strong bearing on the results obtained. By extension, the manner in which strategies were formulated had strong bearing on how they would eventually be implemented and whether the business survived or achieved significant growth. The mentality of the owner could thus not be separated from the eventual implementation of the strategies adopted.

5.4 Strategy implementation

Strategy implementation is an integral component of the strategic management process; it transforms the formulated strategy into a series of actions and ensures that the vision, mission, strategy and strategic objectives of the organisation are achieved as planned (Thompson and Strickland 2003). Strategy implementation is a dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employees affected by a number of interrelated internal and external factors to make strategic plans a reality in order to achieve strategic objectives (Li and Eppler, 2008). The strategy planning process is outlined in figure 5.3 below.

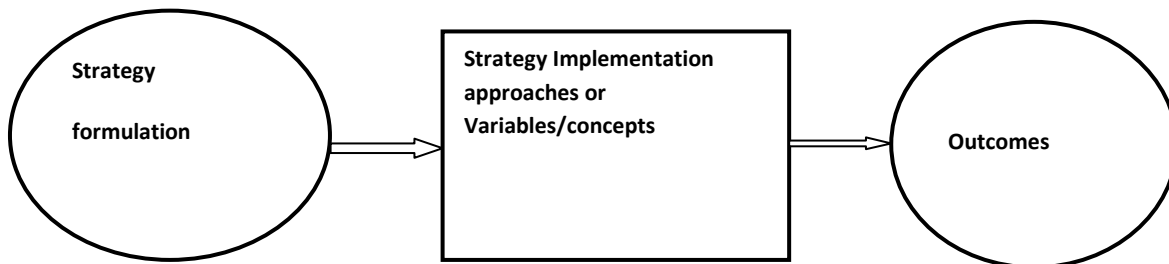


Figure 5.3 Strategy planning and implementation process

Despite the apparent lack of formalised planning, entrepreneurs in Zimbabwe were well aware of the importance of strategy implementation and the attainment of results. Table 5.2 below shows some of these entrepreneurs' insights into strategy implementation.

Key constructs of strategy implementation	H1	H2	H3	B1	B2	G1	G2	M1
Achievement of goals			✓	✓	✓		✓	
Organisational success					✓		✓	
Execution of activities	✓					✓		
Attainment of results						✓		
Action oriented		✓						✓

Table 5.2: Strategy Implementation concepts

The concepts generated by the interviews generally indicated that SMEs owners were clear about the meaning of strategy implementation. Four entrepreneurs stated that strategy implementation led to the attainment of goals, two pointed out that implementation led to success, two believed that implementation was the execution of activities and one linked it to the actions organisations take to get results. These confirm Thompson and Strickland's (2003) definition of strategy implementation. Although different descriptive terms were used by the respondents, the sum total of the terms used equated to the definition of strategy implementation and therefore reflected a clear understanding of strategy implementation on the part of the entrepreneurs.

HRE 2 stated:

“Strategy implementation brings to life our strategies. We need to action the goals of the business so that we can achieve the intended goals. Strategy implementation should not be by chance but by design. We cannot leave the

organisation's future to fate. What you do in organisation or what you want to do must not be left to chance."

HRE 2 was one of the two organisations with a written strategic plan. They felt that organisations should clearly map out the activities to be implemented if strategy implementation is to be successful.

This was confirmed by BYO 2:

"Normally we discuss the tasks that each manager will be responsible for. In addition we set each deadlines so that we are able to check on overall progress towards the set goals."

Activities that would move the organisation forward have to be identified prior to implementation and clear responsibilities should be spelt out. Random actions will not enable strategy implementation to generate the desired results:

"A lot of people come up with good plans but miss it on implementation. Success for every organisation hinges on execution. To be very honest in 2010 we set ourselves five targets to achieve in that year. We wanted to buy a galvanising plant, a T35 truck, a property in town and a drilling rig for the company. We managed to purchase all the other items but failed to purchase a drilling rig. Instead we ended up buying two adjacent properties at a bargain, so our failure to buy the rig was an opportunity cost that the business took."

(BYO 2)

This statement confirms that results were obtained through execution which makes strategy implementation a core activity in any business operation. Organisations need to implement strategies in order to survive and grow.

GRU 1 felt that:

"The implementation of strategy is the key to achieving our goals and is important to organisational success. Without implementation you will not be doing anything."

HRE 3 added that, *“Implementation is the key to driving an organisation to achieving certain goals,”* and BYO 1 was of the opinion that strategy implementation occurs when every employee works towards the realisation of the set goals. Therefore success hinges on the deliberate execution of strategy.

MRE 1 was clear that there is a need for both strategy formulation and execution if organisations are to survive and grow:

“Formulation is about the dream that we want to live and generally determines where you want to go. Once the direction has been set then there need to sell your idea to your people so that everyone knows the intention of the organisation. Everyone should be signing the same chorus. Implementation is key and determines the activities that will get us where we want to go. Implementation is key to organisational success. There can be no way in which an organisation can be successful without implementation. After implementation then you are in a position to measure how success an organisation has been. Failure to implement results in organisational failure, hence implementation is the key to success. Failure or success is a result of how we implement strategies.”

These excerpts illustrate that the SMEs owners were very clear on the impact of implementation on the performance of their organisations. This was despite the fact that most did not have written strategic plans. It was clear from the interviews that the respondents felt that organisations cannot survive or grow without implementation. What are the prerequisites of successful strategy implementation? This issue is addressed in the following section.

5.5 Prerequisites for strategy implementation

This study sought to establish whether or not entrepreneurs understood what was required in order for them to successfully implement strategies. Table 5.3 below lists the issues the entrepreneurs believed to be important in strategy implementation. It is clear that the prerequisites for strategy implementation are many and varied.

The interviewees identified fourteen (14) potential prerequisites for successful strategy implementation among SMEs in Zimbabwe. Given the country's economic meltdown spanning more than a decade, all the interviewees agreed that resources were important to successful strategy implementation. This seems to confirm the notion held in Africa that a problem can be solved by throwing resources at it. Resources have not generally solved SMEs problems; most tend to struggle even when resources are available or tend to abuse them. BYO 2 stated:

“Thirdly we have to look for the resources since resources were considered important to strategy implementation. We need competent human resources for successful strategy implementation. Resources can be unlocked from various sources including suppliers, customers etc.”

Table 5.3 Prerequisites for strategy implementation

Prerequisites for implementation	G1	G2	H1	h2	H3	B1	B2	M1	%
Resources	✓	✓	✓	✓	✓	✓	✓	✓	100
Skilled employees	✓		✓	✓		✓	✓		62.5
Financial discipline		✓							12.5
Management/leadership	✓				✓		✓		37.5
Understanding of environment			✓	✓					25
Clear vision & goals				✓	✓				25
Experienced & competent employees							✓		12.5
Planned activities/tasks & deadlines	✓		✓	✓	✓		✓	✓	75
Effective communication	✓			✓	✓			✓	50
Evaluation of organisational capabilities							✓		12.5
Management systems				✓	✓	✓			37.5
Strategic thinking				✓			✓		25
Organisational culture & values	✓			✓			✓		37.5

The second most noted prerequisite pertained to planned activities and setting deadlines for the achievement of set targets. Only two of the six interviewees that cited this factor had strategic plans and planned the activities they needed to undertake to generate results. There is therefore a gap between theory and practice, illustrated by the lack of strategic plans or budgets for that matter in the traditional business ventures associated with the retail sector. This factor is considered in more detail when examining the process

of strategy implementation adopted by the SMEs. Suffice to note that consideration of the activities to be undertaken prior to implementation is considered pertinent.

HRE 2 listed nine (9) prerequisites while BYO 2 listed eight (8). These two businesses had strategic plans in place. Those without strategic plans listed six (6) or fewer prerequisites. This suggests a strong correlation between strategic planning, identification of prerequisites and sustained growth.

Identifying the prerequisites for implementation is a possible key factor in successful strategy implementation among SMEs in Zimbabwe. BYO 2 stated:

“It is also important to determine the organisation’s capabilities. In this regard the business will decide the tasks to be carried in house and contract out those which the organisation is not capable of doing in house. Sometimes we have to hire engineers from outside the organisation for special projects and undertake certain structural work.”

This approach enabled the organisation to identify the tasks it was capable of executing in house and those that required outside help. These key decisions were made prior to implementation, thereby enhancing potential successful strategy implementation. This view is shared by BYO 1, who postulated that:

“The pre-requisites for strategy implementation is having the right people with the right level of know how in place. People with skills is a must if an organisation is going to implement its strategies successfully.”

In some businesses, social issues and loyalty took precedence over skills and abilities. The oft-given excuse was that the SMEs could not afford the salaries that people with skills can command, or that the skills were not simply available. Successful strategy implementation was therefore compromised at inception due to the lack of a key prerequisite.

The second critical issue is that the necessary resources should be in place to implement the strategy. These relate to the equipment and materials required to execute the set tasks. Several studies have found that a lack of resources negatively affected the

ability of SMEs to implement strategy. Given the lack of resources, entrepreneurs in Zimbabwe navigated the problem of their survival and growth through organic growth. The observation seemed to debunk the Principal/Agency theory in the case of Zimbabwe; agencies are more interested in business growth while the owners were more interested in personal satisfaction. For example, HRE 3 and MRE 1 depended solely on internally generated resources to grow their businesses and this tended to impede growth. The lack of liquidity and the cost of money in Zimbabwe could have been a major incentive to grow organically in a slow market.

On the other hand, BYO 2 and HRE 2 had reasonable levels of resources and their growth has been commendable; these resources were internally generated. HRE 2 boasted that resources always follow a good idea and therefore they have never confronted challenges in pursuing their ideas. BYO 1 and GRU 1 had to sell other company assets to implement new ideas. This confirms the importance of marshalling resources ahead of implementation. Again, there is emphasis on the utilisation of own resources to keep the business going.

The management of a business was also regarded as a key to successful strategy implementation. Systems should be in place to ensure successful strategy implementation. Although only one respondent highlighted this issue, its importance cannot be overemphasized. According to BYO 1:

“There must be the right management systems in place to ensure efficiency in execution of the strategy.”

BYO 2 also emphasized the need to produce the right documentation to support any activity or purchase without which the organisation would merely drift. This includes formal strategic plans, action plans, evaluation reports and even receipts for purchases. HRE 2 kept track of all promotions undertaken on behalf of clients and produced reports for them. Any abuse of clients' materials was met with speedy disciplinary action. Businesses with management systems tended to perform better than those that adopt an *ad hoc* approach to implementation.

Although BYO 1 blamed employees for their reluctance to adapt to new business opportunities, very little investment was made in preparing employees for new prospects. For example, successfully retailing books did not prepare them for life on the farm and this could be construed to be constructive dismissal. While management systems were considered a prerequisite, in practice this was not the case, hence the failure to convince any of the four employees to change professions. Entrepreneurs knew the right way to implement strategies but rarely practiced these in running their businesses.

HRE 2 confirmed that strategy implementation should not be spontaneous, but requires proper planning to achieve the desired results:

“Strategy implementation brings to life our strategies. We need to action the goals of the business so that we can achieve the intended goals. Strategy implementation should not be by chance but by design. We cannot leave the organisation’s future to fate. What you do in organisation or what you want to do must not be left to chance. Success is a result of effective strategy thinking and implementation. We did a market analysis and came up with entry and establishment strategies that saw the launch of the organisation and eventually its growth.”

Therefore strategy implementation cannot be divorced from strategic planning and the identification of prerequisites for successful implementation. Establishing the prerequisites is part of the planning process necessary for the success and growth of a business. Divorcing strategy formulation from strategy implementation results in implementation through trial and error; leading to mediocre results and a waste of critical organisational resources. For example, BYO 1 planned the production side of the business in terms of the amount of land needed for greenhouses but came short on water availability which affected the quality of the tomatoes and markets for the produce. Implementation was negatively affected by a lack of planning, resulting in average performance. Planning production would have identified what the market required as well as the availability of water, rather than resting on hope as in this case. Strategy

implementation is determined by the leadership in the organisation and the quality of that leadership determines the level of success of such implementation.

5.6 Leadership and strategy implementation

Leadership is directly related to organisational performance and is dependent on managerial capabilities. Like dynamic organisational capabilities, dynamic managerial capabilities arise from prior learning and experience (Helfat, et al, 2010). However, small firms either do not have capacity for innovation or they lack the resources to increase such capacity (Sedita, Belussi and Fiscato, 2011). SMEs, particularly in Zimbabwe, lack resources for innovation.

Strategy implementation can be described as a product of the strategy formulated and the methods deployed to move the organisation to its desired destination, resulting in certain performance outcomes. The leadership in the majority of the SMEs seemed to lack a passion for strategic planning or did not have the requisite skills. Certain processes lead to survival, growth, value creation, and competitive and sustained advantage. According to Helfat et al (2010), the key to successful implementation is the development of dynamic capabilities. Sedita et al (2011) ask whether this relates to a firm's dynamic capabilities alone, or the intensity of ICT, the strong role of regional Knowledge Intensive Business Services (KIBS), or a combination of these factors. Capability involves the integration of tangible assets, knowledge, and skills to perform a task (Helfat, et al, 2010).

Leadership activities in this regard include the selection and search for resources/decision making, and the configuration and deployment of resources/implementation (Helfat et al, 2010). These activities determine the level of performance of any organisation. When poor decisions were made, the businesses tended to struggle. For example, BYO 1 sold a commercial property in order to raise funds for the agro business, citing poor returns from rentals. The leadership was seeking a new business direction. The idea was to venture into the non-performing agro sector affected by land reform, but the owner lacked the necessary expertise and resolved this by hiring an agronomist. According to Sedita et al (2001), the concept of capabilities is

rooted in the evolutionary economics approach, which emphasizes knowledge creation, variety and selection. Although some of owners had no prior experience, they tried to create knowledge by sourcing it from outside the business. While there was a clear lack of internal innovation, there was evidence that the direction taken was generating growth as measured by employee numbers. This resulted in a serious mismatch between the production levels where expertise was sought and marketing, which was supposed to absorb the resulting over production. The technical production side was well catered for in terms of knowledge and expertise, but the marketing side of the business was non-existent and more *ad hoc*. The owner was responsible for the marketing side of the business, but had very little experience in marketing agricultural products. With time, the SMEs learnt the importance of securing markets as well in orders to absorb what was produced. Firms must learn from multiple sources; knowledge results from various learning processes (Sedita et al, 2011).

Tracing the history of the individuals who started the businesses in this research study was very instructive in terms of their capabilities as individuals. BYO 1 was a school teacher who ventured into a bookshop related business, then wandered into cattle ranching and market gardening. BYO 2 was in accounting but ventured into the production and fitting of borehole components, while GRU 1 was a cement technologist who initially started offselling cement, branched into transport services and later expanded into construction and real estate. GRU 2 was an accounts clerk in a state-owned enterprise, but ventured into the retail sector. Only HRE1 and HRE 2 had prior industry experience before starting their businesses. What capabilities did these owners have to run their businesses in the first place? There seems to be little or no fit between what the entrepreneur did and their relevant experience; this proved costly. The lack of experience negatively affected decision making and ultimately strategy implementation and business performance since the businesses owners were learning about the business while at the same time seeking survival and growth. They could not therefore provide the necessary strategic leadership. BYO 2 addressed the lack of expertise by hiring highly competent technical staff who participated in strategy formulation and implementation - the team leadership approach. Therefore business success is not only linked to dynamic capabilities. Out of all the factors, dynamic capabilities (linked to the

existence of high levels of formal and informal learning and to the issues of improvement of existing routines) proved to be a very influential factor.

Helfat et al (2010) state that a dynamic capability consists of patterned and somewhat practiced activity and to qualify as a capability, it must not be an ad hoc problem solving ability, but dynamic capabilities must contain some patterned element. They further argue that the attribute of intentionality differentiates the patterned aspects of dynamic capabilities from rote organisational activity, which further distinguishes capabilities from accident or luck.

MRE 1 stated that:

“The Accounting firm created the fuel business towards the end of 2009. I started by renting a Service Station at Checheche Centre in Manicaland. The lease agreement was entered into in June 2009. I paid rentals for six months without selling a litre of fuel.”

This statement points to the fact that the owner did not deliberately plan to move into this line of business. It was simply an opportunity that cropped up, and had to be locked in for the appropriate time when resources permitted. Moving into this line of business entailed recurring costs such as rentals and security fees when the business had not yet started operating. There was no plan to venture into such a business but the opportunity was too strong to ignore and paying rental for the premises was considered a small price to pay; however, this was a skewed deployment of resources. This decision was not informed by the kind of well-formulated plan that one would expect when a major decision is made but simply in the hope that it would be profitable in the long run.

Due to lack of experience in the fuel sales business, several mistakes were made during implementation with disastrous results. MRE 1 indicated that:

“For example when we opened the service station, we had the worst disaster ever. 15 000 litres of petrol was delivered to the service station and we immediately poured the fuel into the storage tanks. We lost everything as the breather pipes had been blocked off by the stand owner who had erected a

building over the breather pipes thereby blocking them off. The holding tanks just exploded and all the fuel decanted went to waste only recovering 2 500 litres.”

There was no prior inspection of the facilities to ensure their usability. The accident affected the cash flow of the business as well as overall performance. The wasted fuel had to be paid for and the tanks had to be restocked in order to keep the business running. Thereafter, the entrepreneur began to build knowledge of the business and this led to growth in sales volumes.

This example points to the fact that SMEs owners often entered businesses that they had little experience in and tried to learn about them during the implementation phase, with significant costs. Furthermore, the necessary industry knowledge was not acquired before the launch of the business. There were no locked in suppliers and product shortages were therefore the order of the day. The chosen supplier consistently failed to provide fuel, even when firm orders had been placed. To address the supply side problems, MRE 1 opted to secure 1 000 litres of fuel from other service stations at significant costs simply to maintain a market presence. It is clear that action was more important than planning and low key activities were regarded as a semblance of progress; this could reflect SMEs owners' thinking in Zimbabwe.

This business owner failed the critical test of leadership. According to Hamel (2012:3), “If you are a leader at any level in any organisation, you are a steward of careers, capabilities, resources, the environment, and the organizational values.” In MRE 1's case, the owner failed to deliver in several respects, including the loss of resources, damage to the environment and a lack of capabilities. This was a consequence of the lack of relevant experience in the field. Rather than taking concrete steps to address personal shortcomings, the leader recruited family and church members. Furthermore, leadership underscored by strategic planning and implementation was totally absent in the case of MRE 1, who stated:

“We do not have a formally written strategic plan. You can forego to draw up a strategic plan when you are in a monopolistic environment.”

The lack of competition seemed to justify the absence of strategic planning on the part of SMEs; in such an environment mistakes were covered up by means of high prices. However, when competition emerged, the businesses struggled to survive, let alone grow. In the majority of cases, competition caught them unaware of the changes in the operating environment.

For example MRE1 was experienced in the accounting field but decided to venture into fuel distribution with no prior experience. No planning was undertaken to include people with experience in this sector. This disregard of strategic planning was further demonstrated by a desire to move into bulk fuel supplies because other people were involved in this business and seemed to be operating very profitably at very little cost:

“We want to integrate backward along the value chain as we have noticed that people without a service station have structured deals to procure and supply fuel products to service stations. They get 50% of the funding from the service station owners, who pay the difference within 30 days. They take the 50% to a bulk supplier and negotiate to pay for the fuel within 30 days and hire trucks to deliver the fuel. They are using the clients’ money to supply them with fuel at no cost to themselves. We are interested in going that way in addition to other business initiatives on the table” (MRE 1).

Interestingly, the tendency was to look at what others were doing; as long as there was money to be made then they would do it, an attitude which clearly shows a lack of strategic leadership. Rather than developing their own strategic business models, they copied those who were making money from their own business models. In addition to the businesses already launched, MRE 1 wanted to establish a private clinic, based on what he had seen in Mutoko. With very little knowledge of the business, he proceeded to implement it. The same situation was also evident at BYO 1, where the entrepreneur had four hectares producing eight tonnes of ripe tomatoes a day. At that time, the market had the potential to absorb one tonne per day. The owner moved from institution to institution trying to secure a market for the ripe crop. The technical personnel and production plans were in place, but marketing was non-existent. Without a clear vision and leadership one

tended to run in circles with limited success. Instead of blaming poor implementation, BYO 1 blamed the market:

“There is a bit of hostility in the farming sector most of it born out of the land reform programme especially in the market gardening activities. Most whites who were displaced moved onto small plots where they undertake market gardening activities. They have cornered the market since the bulk buyer is only one businessperson who first buys from these farmers. They only buy your product when the white farmers do not have any produce. When they buy from the blacks the prices are sometimes manipulated to the disadvantage of black farmers. There is therefore strong competition in the upmarket vegetables category. We have made a breakthrough in the black run hotels and supermarkets. Presently we are managing to sell a tonne of tomatoes per day. We can only sell our produce to these guys when their white suppliers do not have vegetables.”

There is a general belief that whites still dominate the agricultural produce market and that this was the result of the much criticised land reform programme. It is assumed that preferential treatment is given to white farmers. While this may be true to some extent, it tends to mask the lack of planning on the part on entrepreneurs. It is unthinkable that someone should put crops into the ground without an inkling of where they are going to sell the crop. While they attribute this to racism and price manipulation, they fail to recognise the problems of oversupply or suppressed demand. Planning is limited to planting crops and hoping for the best.

There seemed to be a serious lack of understanding of the marketing environment. According to black Zimbabweans, there is an ‘old boys’ club’ that excludes them. Business success seems to hinge on networks rather than deliberate strategies to exploit markets. This is manifested in the sale of produce through third parties rather than strategically developing their own markets and marketing strategies.

In contrast, HRE 2 had a strong vision to activate the organisation:

“The vision was already in place earlier on i.e. to be a leading provider of media solutions in Zimbabwe and eventually internationally. Our vision is to be ‘The

leading provider of alternative media solutions'. We are respected and revered by competition and clientele alike for our dynamic, innovative, progressive media and marketing solutions."

In their short history, they have moved to realise their dream and have achieved the following:

"We started in Zimbabwe but we have since moved to Zambia, Mozambique and Lesotho and our strategic plan involves moving into Uganda, Kenya, Nigeria and Malawi within the next six months. We intend in the long term to expand into Asia and other parts of the world with India and Brazil being the principal targets. Our goal is to be listed on the New York Stock Exchange and this growth will be driven by mergers and acquisitions."

One factor in HRE 2's success was a strong vision. According to Criswell and Cartwright (2010), "if you want to be an effective leader at any level, you need to pay attention to vision. Centre for Creative Leadership suggests that leaders who communicate a strong vision are seen as more effective than those who do not."

GRU 1 stated that, "our goals were to make money", which later morphed into leaving a legacy. The first goals had nothing to do with the organisation formed and if this was what was communicated to the employees, one would be inclined to conclude that there was nothing in it for anyone other than the owner. If there was no buy in, the employees would do just enough to earn their salaries, contributing very little to the development of the business. This would result in stagnation and survival at best. There is no passion to excel. This was reflected in their passion to quickly get a truck back on the road so that they could generate income to pay salary arrears. In addition to raising income for the business, the drivers were given permission to carry small loads for their own benefit. This satisfied personal rather than organisational goals, which could explain why the business was struggling. The owner was buying loyalty in order to generate results.

The second attempt was not a significant improvement, since it was still owner focused. This was also true in the case of HRE 3, where signs of a dysfunctional organisation were very evident.

“As an organisation it has been difficult to recruit the talent that is needed to implement the strategy in place and we have to just do with what is available, i.e. people without the necessary experience but with the right education. Hence the director is the only person focused on the long term bigger picture” (HRE 3).

This suggests that the owner has written off the people he recruited and is going it alone. The staff complement shrank from 20 to 17. There was no deliberate effort to sell the vision or to communicate a strong vision and as a consequence the organisation was at most trying to do enough to continue to survive. This was demonstrated by the introduction of a training arm to improve revenue flows and hopefully place the organisation in a better financial position to pursue its long term vision. The maxim here is: postpone the vision in order to raise money internally to pursue it later.

In this case, the strategic plan was not created to guide organisational activities but to secure business funding. However, the business failed to secure an investment partner. HRE 3 stated clearly that, *“We do not use the strategic plan for our business activities.”*

The same statement was repeated later in the interview:

“We have not however used the strategic plan for most of the activities we are undertaking in the organisation. Hence we have not achieved what we have set out to do in our strategic plan.”

HRE 3 justified the failure to implement the strategic plan by saying:

“It is very difficult when the quality of your people is very low. So times you have to suspend the drive until the quality of the team improves. You need the team to be behind you to do what is necessary to achieve the organisation’s goals.”

The strategic plan had to be abandoned when funding did not materialise. HRE 3 had this to say:

'We have had a five year strategic plan but we are still to review it given the new circumstances obtaining in business. We were targeting external funding when we drew up the strategic plan but this never came and we have had to abandon the strategic plan.'

There is no leadership in place to propel the organisation to improved performance; this represents a leadership deficit. Implementation did not receive the kind of attention required for the growth of the organisation; hence the SMEs tend to be survivalist. This approach is at variance with the proposals in figure 5.1 where leadership is required to make key decisions and then implement them.

Business owners seemed to be resigned to fate and at best hope for survival by reacting to the environment. This was exemplified by the following statement:

"The market is still way behind the solutions that we are offering and therefore there are no takers for our IT solutions" (HRE3).

Another clear example came from GRU 1 who stated that the current contracts would expire within a month and that they would hopefully be renewed for another six months given that government had declared the cropping season a disaster. Apart from waiting for tenders for food deliveries, leadership had no alternatives to make the business successful. This represents a reactive approach to strategy implementation and results. There was no belief in the business itself because the purpose of generating income was being met. This was reflected in the statement:

"After setting up the business I continued to work for Sino Cement Zimbabwe. The administration of the business was done by the landlord's employee" (GRU 1).

The failure to be strategic and innovative was self-evident in the following statement:

"The fact that we are in arrears is indicative of our cash position and this has affected salary payments as well. Eventually when we get a contract, the employees determine what is to be done with the money. In cases they select the

employees with the greatest need to benefit first i.e. the neediest cause or the payment of overdue bills likely to affect operations like electricity bills etc.”

There seemed to be a belief that if they were patient, the problems would resolve themselves.

It appears that the organisations were poorly structured and lacked impetus. This is reflected in the reduction of HRE 3's workforce from 20 employees to 17. Business stagnation resulted from the lack of a strategic compass.

“But generally we have had to scale down on our operations as we adjust to the new macroeconomic environment” (HRE 3).

The business has adopted a reactive strategic approach, waiting for the environment to change and trying to keep the organisation functional in the new environment. Without direction from the top, there is no energy to move forward and therefore the organisation has had to scale down operations and reduce its staff complement.

“Without resources we have now resorted to doing things our own way and do not follow the strategic plan to the letter or managing the business by the book. Resources have been the biggest setback. The structures that we have cannot reasonably be funded by internal funding.”

The organisations seemed to lack quality human resources; this is evident when one considers that the strategic plan was abandoned when the partner resigned from the business in the case of HRE 3. There is no body of directors in this case, leaving decision making to an individual. The other fact to consider is that the sole owner has dusted off the same strategic plan and is using it to approach new investors without reviewing it, but not to direct operations. Okumus (2001) argues that operational process variables are those which are primarily used and directly involved in the implementation process. It is assumed that companies have substantial control over these variables, at least in the short term.

“Resources have been the biggest setback. The structures that we have cannot reasonably be funded by internal funding. We still believe in our strategic plan and

we are currently talking to new investors who will get some shareholding in the business as compensation for providing the funding” (HRE 3).

There seemed to be a leadership deficit in terms of what must be done to move the organisation closer to its intended vision. There is very little leadership to move the organisation forward. GRU 1 seems have the identical problem, as reflected in this statement:

“The major handicap was the board of directors where the owner and the wife were the board members who were active and a third one who was based in the UK, who was responsible for the procurement of trucks and other requirements.”

This did not add value to the business and there was a need to make the board more professional, which will give the organisation the type of hands on leadership that it requires. The owner noted that, “I can be away from the office for a month looking for contracts.” This implies that he does not devote much attention to leadership issues.

Conversely, where there was a strong vision, the organisation tended to have significant forward drive as was the case with HRE 2:

“Our vision is to be ‘The leading provider of alternative media solutions’. We are respected and revered by competition and clientele alike for our dynamic, innovative, progressive media and marketing solutions.”

HRE 2 used this vision to mobilise the required resources:

“We started off with one truck but this fleet has grown significantly in our short history to include the following:

- *10 x 30 tonne rigs*
- *5 x 15 tonne rigs*
- *3 x 8 tonne rigs*
- *4 x 3 tonne rigs and several other smaller vehicles bringing the total fleet to 30 vehicles.”*

Apart from having access to the vital resources required to move the organisation forward, the focus was also on other components of the vision:

“We started in Zimbabwe but we have since moved to Zambia, Mozambique and Lesotho and our strategic plan involve moving into Uganda, Kenya, Nigeria and Malawi within the next six months. We intend in the long term to expand into Asia and other parts of the world with India and Brazil being the principal targets.”

The results of this business strategy are self-evident:

“Our revenue grew from our first cheque of US\$263 to US\$2, 9 million in 2011 which is illustrative of our growth as an organisation.”

It is clear that organisations with a powerful vision tend to grow faster than organisations that just trudge along with no clear vision. HRE 2 concluded:

“The key to success in this environment is to start with a sound business idea, usually money follows good ideas. As far as we are concerned there has never been a shortage of money to support good ideas.”

5.7 Human resources and strategy implementation

The term ‘capacity’ refers to the ability to perform a task in at least a minimally acceptable manner (Helfat et al, 2009), or adequate performance. At the centre of strategy implementation is the human resource capability of an organisation. The human resources available to an organisation should therefore fit the strategy being implemented if an organisation is to survive and grow. Is there a fit between the strategy pursued and the human resources available to SMEs?

HRE 2 argued that:

“Correct skills sets are critical within the business and are a key prerequisite to strategy implementation.”

The SMEs owners indicated that they recruited employees using different methods but it was apparent that it was difficult to get skilled and experienced employees. The brain

drain was blamed by some, while others attributed skills shortages to the lack of resources to attract talented employees. HRE 2 stated that:

“The major challenge in our line of business is the need for the right skills set in employees which are simply not available in the market place. We have had to recruit straight from colleges but these employees have the right academic qualifications but lack the skills necessary to compete in this industry. We have had to train these employees on the job but the lack of skills has resulted in delays and speed of action to get to our goals. Delayed results and costly mistakes have been the hallmark of our growth journey. These mistakes have affected the company and clients negatively. The skills shortage is a product of the brain drain experienced in the last decade. So we end up getting people with a certain level of education but no industrial skills. There is simply no on the work training and even you recruit from other organisations, the problem of skills shortages span the whole industry. The challenge has never been that of resources or money but that of the lack of the relevant skills levels to be able to effectively compete.”

HRE3 concurred:

“As an organisation it has been difficult to recruit the talent than is need to implement the strategy in place and we have to just do with what is available people without the necessary experience but with the right education. Hence the director is the only person focused on the long term bigger picture.”

HRE 3 added:

“We now have young people who might not appreciate what we are trying to do. These young people are just coming from school and have no relevant experience, so they are basically looking for a job to get some income not to build an organisation. They are more focussed on the short term. This situation has been particularly bad as a result of the massive brain drain that ravaged the country and has thus affected our recruitment policy.”

This is compounded by a lack of resources/funding. One is tempted to think that skills are not available in the country, but HRE 1 and BYO 2's approach belies this assumption. For example, HRE 1 asked employees to recruit skilled people known to them and as a result the best available talent was lured to the business, making it competitive. Furthermore, there was one particular employee who the business owner admitted he could not afford to hire on a permanent basis; however, the employee was available as and when needed and a contract fee was agreed. To retain the employee, HRE 1 agreed that he could do private work and use company resources free of charge. On the other hand BYO 2 sub-contracted special work that could not be done in house to specialists at an agreed cost. The problem with the other businesses was that they wanted permanent employees, yet they could not afford them. This mentality could have affected the ability of these organisations to secure relevant skills.

HRE 3: "This has been coupled by lack of resources/funding. As an organisation it has been difficult to recruit the talent that is need to implement the strategy in place and we have to just do with what is available i.e. people without the necessary experience but with the right education. Hence the director is the only person focused on the long term bigger picture."

The lack of experience was not strategically addressed. Given the right level of education, it should be easy to train such employees in house. If the owner could do the work, he should be able to train subordinates. While the lack of robust training could be due to a lack of resources, equally important was the mobility of personnel in various sectors. Hence employees were expected to learn on their own with the owner doing the bulk of the work, thereby drowning him in activities at the expense of the bigger picture. The fear of offering training could result from the concern that once empowered with skills employees would leave the organisation and either join a competitor or, indeed, become the competition.

Despite the relative lack of skilled personnel, SMEs adopted different strategies to ensure successful strategy implementation. Sourcing capable employees was central to survival and growth. For example, HRE 1 pointed out:

“The personnel were recruited from people who had experience in the field and most employees were referrals from employees already in the organisation. All I asked the employees to do was to get a good guy from the industry. This is fairly easy since the industry is fairly small and everyone almost knows everyone else. This has given the organisation its competitive edge because it has been able to recruit the best who can work well with existing employees.”

This is an interesting approach to recruitment, where the organisation got the best from what was available and brought in people who were a perfect fit and who could hit the ground running. The ability to attract suitable employees helped the organisation to secure big event contracts from well-known organisations. Another interesting observation by HRE 1 related to the quality of work and the nature of the industry:

“Employees are allowed to give their input since they are specialists in their areas of expertise. I am not happy when they mechanically perform their duties. There are costs when something is not done right which we have to avoid at all cost. A print job is customer specific and cannot be sold to another waiting customer and the costs of errors will have to be carried by the company which has little scope for errors.”

Therefore recruitment becomes a key success factor in strategy implementation. However, in the majority of the SMEs, this issue received the least attention.

For example in the case of GRU 2, the recruitment of employees was primarily based on a church relationship with no particular qualification required. On the job training was provided by members of staff that had served the organisation for a long period of time. They also recruited additional part time employees to offload trucks. These employees had no merchandising or security experience. They were not trained for these roles and did not perform in accordance with expectations; it was stated that they often used abusive language to customers. Shelves were empty, yet stock was available. This frustrated customers. Processing at the till points was also very slow in a hot and stuffy environment. This organisation's key value was customer care, but no one seemed to be bothered. The shopping environment was noted to be the same at all the

six shopping outlets operated by GRU 2 which were crowded both in terms of displays and customers.

Consequently some customers left the shops without making any purchases. Others simply endured because of the prices on offer. While the owners of the business are aware of these shortcomings, they have done nothing to remedy them; they stated that the best way would be to build their own shops and join the Spar franchise. Evolutionary fitness depends on the external “selection” environment; evolutionary fit dynamic capabilities enable a firm to survive and perhaps grow, and to prosper in the marketplace (Helfat et al, 2009).

The SMEs in the fast paced and competitive business sectors faced recruitment challenges in an economy decimated by a massive brain drain. HRE 2 observed:

“The major challenge in our line of business is the need for the right skills set in employees, which skills are simply not available in the market place. We have had to recruit straight from colleges but these employees have the right academic qualifications but lack the skills necessary to compete in this industry. We have had to train these employees on the job but the lack of skills has resulted in delays and speed of action to get to our goals. Delayed results and costly mistakes have been the hallmark of our growth journey. These mistakes have affected the company and clients negatively. The skills shortage is a product of the brain drain experienced in the last decade. So we end up getting people with a certain level of education but no industrial skills.”

The focus shifted from people who could make an immediate impact to those who were trainable; on the job training became a key success factor in strategy implementation. The cost to the organisation was delayed implementation and costly mistakes, but the journey to successful strategy implementation was definitely on track. This approach was significantly different from the approach adopted by HRE 3, who was more concerned with retaining control; this perpetuated skills shortages. HRE 2 opted to develop the required skills through training, suffering delays in the short term. However, once the skills were developed the company stood to benefit. The results of the two entities were

very telling, with HRE 2 experiencing growth while HRE 3 experienced shrinkage. The growth of the former could be attributed to the positive approach to human resources development rather than waiting for employees to acquire skills through trial and error, and self-development. There are no timeframes to this last approach and as a result the organisation could lag behind; markets could be taken by the competition willing to invest in human resources development. HRE 2 accepted that every business has a responsibility to develop human resources for the benefit of the industry and the country. Human resources development was therefore part of its vision.

In traditional business lines like retail and transport, the employee pool was very large with no need for special skills. GRU 2 and MRE 1 valued loyalty more than ability. MRE 1 stated:

“I have two brothers who work at the service stations. The older one is a petrol attendant, while the younger is the operations manager. I told them in a meeting that the younger one is older at work and gives instructions but the older one will give instructions when they are at home. I also stressed that they did not own the business and that their main responsibility was to sell fuel and make sure that the business grows for everyone’s benefit. We also hired an “O” level graduate because we were sympathetic to his case.”

In the African culture the elder brother gives instructions to the younger brother regardless of work position; to get around this problem more power was given to the younger brother at work. By virtue of position, the operations manager, who was younger than the entrepreneur, would strictly follow the entrepreneur’s instructions. Hiring was therefore anchored in loyalty or sympathy. The entrepreneur was either addressed as father (Baba) or brother (mukoma) in the biblical sense. It was only at HRE 2 and BYO 2 that employees addressed the entrepreneur as ‘Sir’ which created formal communication channels. Survival is guaranteed in a business emphasizing loyalty, as reflected by the number of years in business (most of the businesses had been existence for periods exceeding five years), which was not be matched by business growth. Owners in the retail line of business hired family and church members in the majority of cases and their

emphasis was on loyalty rather than skills. This could negatively affect their growth, but was in line with their personal security goals discussed earlier. The development patterns of the SMEs followed different trajectories depending on their recruitment approaches i.e. skills as opposed to loyalty being more in line with business growth. The business oriented SMEs hired people with high development potential and quickly developed employees to enhance their potential to make a contribution to the business.

5.8 Employee rewards, recognition and strategy implementation

“A major key to achieving motivation is to build into the job and work setting a set of rewards that match well with individual needs and goals” (Schermerhorn, Osborn, Uhl-Bein and Hunt, 2012). The link between motivated employees and successful strategy implementation cannot be overemphasized and SMEs owners were fully cognisant of this fact.

According to GRU 1:

“Rewards are key to strategy implementation. Every month we report on the overall performance of the organisation against our objectives. These monthly reports tell us how well we are doing. Most of the times, we are not doing well due to circumstances in the environment.”

Although there is recognition that employee motivation is key to strategy implementation, the organisation has been found wanting in this regard. Employees go for months without salaries. This is bound to affect performance but the organisation believes that the environment is more influential. For example at GRU 2 employees were given basic monthly salaries that were considered to be above those set by the employment council. It was also claimed that employees were given performance related salary increments. The till operators were observed to be the most demotivated; this resulted in long queues with no consideration for the impact on customers. Customers were observed to be changing their buying times in order to avoid the queues and preferred making purchases after normal working hours. After 17h00, the till operators discouraged employees manning the entrances allowing customers into the shop by using abusive

language against colleagues. There was a general lack of enthusiasm to help with strategy implementation and to live the company's values.

At GRU2 the employees responsible for dispatch were contract workers who helped offload supplies from delivery trucks. These were paid piece work rates after offloading each truck. However when they became permanent, they were moved to monthly salary packages. To compensate for the lack of daily income, they demand payment from those who buy in bulk to speed up the dispatch of the items. Those who do not pay such a tip encounter delays which are very frustrating. The attitudes displayed by various groups of employees frustrated customers and some shifted to other outlets. The way employees are rewarded had a significant impact on the overall performance of the organisation.

HRE 3 indicated that a reward system had not been institutionalised as yet. The organisation was of the view that a reward system whereby a certain percentage of a contract charge was given to the team that successfully completed an activity or task promoted loafing. As a result, HRE 3 stated that they:

“... were in the process of creating job descriptions for each and every employee which show what each employee is expected to generate in terms of revenue. Thereafter the employees will be given a percentage of their salary based on performance rather than a reward on income generated on a project.”

This should be viewed in the context of salaries that were said to be uncompetitive, meaning that the percentage of salary would not act as a significant incentive to employees. The mentality of the organisation would be to maximise income for the organisation, giving very little to employees; this would negatively affect employee performance.

A further indication of the lack of an incentive policy was reflected in the following statement from HRE 3:

“Sometimes when an employee does a good job we do not offer rewards. When they try to innovate, they end up trying to hog the limelight for themselves and not

for the organisation's good. We are trying to discourage individualism and promote the organisation."

Such inconsistencies seemed to work against employee motivation and ultimately organisational performance.

There seems to be no plan in place to generate sufficient work for employees and there is a tendency to wait until work becomes available. Where salaries are linked to the work done; the lack of work is likely to demotivate employees and strategy implementation. HRE 3 indicated that computerisation was not a priority for organisations as they were concerned about the recapitalisation of production processes. This was compounded by the fact that the organisation also failed to attract paying contracts due the quality of its employees. This meant that the introduction of incentives would not make much sense to employees.

The industry average or national employment council figures were used to determine employee salary rates. No incentives were added. Due to economic challenges some SMEs failed to pay salaries on time. This resulted in employees being paid in kind. For example, GRU 1 allowed employees to earn additional income by carrying small private loads and passengers. This acted as an incentive to keep a driver on the road rather than staying at home. This was also the case at GRU 2, where employees were allowed to purchase breakages at giveaway prices and at BYO 1 where employees were allowed to take vegetables for their own consumption.

There was evidence that GRU1 was facing serious challenges in its day to day operations but, while acknowledging its liability to pay salaries, it bought employees' loyalty by pretending not to see the irony of them carrying small loads en route to a business sanctioned trip. This is literally a dismissible offence. The 'I know what you are doing was illegal attitude" coerced employees to be loyal to the organisation and prevented them from complaining about the lack of salaries. The organisation continued to benefit from the employees' labour. The employee was forced to continue working since driving the truck would ensure that they raised some money for their family while waiting for their salary. In such a scenario, employees grudgingly implemented goals.

The employer created the impression that it was consulting with employees by asking them how the income generated should be distributed. The employees generally suggested that the money should be used to repair the trucks so as to ensure that they could continue to operate their private business on the side.

According to GRU 1, another way to ensure staff loyalty was to hold a year end Christmas party to which family members were invited. Every major contract won is celebrated with the workers and their families. This was one way of bonding the employees to the company. Employees were also encouraged to take their wives with them on long trips because family values are very important to the organisation. GRU 1 also made it a point to know every child's name and those of their pets, as well as the problems facing the family. This further entrenched the loyalty capital which helped SMEs overcome financial challenges.

In similar vein BYO 1 involved family members in company activities and hoped that the family link would help motivate employees to be loyal to the organisation. These included Christmas parties and social events for spouses and other family members. Being loyal was seen as the equivalent of being performing employees. All the SMEs tried to build a certain level of loyalty among their employees; employees were sometimes pardoned for blatant mistakes or had communal meals where everyone ate from the same plate, African style.

According to BYO 1:

“Dismissal of employees does not work in small organisations like ours but would work for large organisations. In our case we get to know family members and the family situation. This helps a lot in monitoring and controlling the behaviour of employees at work. Once rehabilitated, they become very principled employees and very honesty in their business dealings as was the case with the stationery employee.”

This could be the result of the strong bond established in the running and management of the business, where the employee's behaviour is compensatory to being pardoned for

misdemeanours. An employee's contract of employment might thus not be governed by labour laws, but by social factors in the organisation.

BYO 2's owner and HRE 2's owner for example stated:

"However in case we have had to fire employees but we normally do this within the confines of the Labour Act. This normally sends the right message to the other employees on how they should behave and in case where we are dealing with contract employees, we normally do not renew contracts for employees who are problematic. Normally we let them go for say a month and thereafter call them back. On their return, they become the most well behaved employees, who are hardworking and loyal to the organisation."

The extension of social capital to the family buys the loyalty of both employees and family members. BYO 1 observed that:

"2008 was a very difficult year for every business as no sales were being generated from the business operation. We however managed to keep all our employees and paid all their salaries without failure. The money for salaries was being derived from rentals from our commercial buildings. This was a good gesture to our employees which we hoped our employees appreciated."

Therefore when four employees turned down the offer to be transferred to the agro business, it was seen as betrayal and the parties went their separate ways. Loyalty was viewed as very important in the operations of SMEs; indeed, it was regarded as negating the other disadvantages organisations suffer. The value of loyalty could not be expressed in monetary terms but it had a serious impact on organisational performance. It might not result in growth, but was a key element in survival.

5.9 Organisational culture and strategy implementation

Criswell and Cartwright (2012) stated that "the question for leaders is how to go beyond old boring statements and consider what deeply held values do or should do: underpin the daily life of the organisation." The role that values play in organisational performance has been well documented and SMEs in Zimbabwe are no exception. Figure 5.4 below

shows some of the values that SMEs owners purported to uphold as they sought to implement various strategies.

VALUE	GRU 1	GRU 2	HRE 1	HRE 2	HRE 3	MRE 1	BYO 1	BYO 2
Honesty	✓	✓					✓	
Integrity	✓	✓			✓		✓	
Professionalism		✓		✓				
Social responsibility		✓						
Teamwork and team spirit	✓							✓
Quality of work			✓	✓				
Meeting deadlines			✓		✓			✓
Trust			✓					
Customer service				✓	✓			
Innovation				✓				
Accountability					✓			
Equality/inequality						✓		
Self-dependence						✓	✓	
Hard work- long hours						✓		
Christian values						✓	✓	

Figure 5.4 Values guiding strategy implementation in SMEs

A mixed bag of values was listed by the respondents. Each organisation purported to have separate values and these varied from organisation to organisation. Only two organisations, HRE 2 and BYO 2 had written value statements.

“These values are written down because if you want a system to work for you, you have to write it down on paper and in our hearts. Values just like strategic plans are not just nice things to say but we have to live them. When we recruit new employees, we preach the word of God to them. Our interviews do not seek to know people from the flesh point of view but from a spiritual point of view. 30% of the interview questions or discussion focus on the skills, qualification and experience realm and the remaining 70% focuses on the spiritual side of the person. We will be looking for values that are compatible with our business world view and want people who will assimilate our values from the onset” (HRE 2).

The organisation tried to live their Christian values through morning prayers for management and employees and Friday evenings were dedicated to ministering in hospitals and prisons. While GRU 1 did not have written values, they emphasized that they tried to live their values at all times:

“These organisations have written letter of commendation and reference letters to other clients. We also check with these organisations on the behaviour of our employees and whether they are living our values. These letters are testimony they we live within the parameters of our values.”

Seven letters of commendation were produced as evidence. However these were solicited in order to approach other organisations for business, rather than being a measure of the service provided.

The majority of the SMEs did not have written value statements and there was very little evidence that values were used to facilitate strategy implementation. However it was observed that values were headed in a different direction from goals. For example, teamwork was said to be pivotal to successful strategy implementation, but GRU 2’s employees were individualistic and often very rude to customers; yet the organisation claimed to be driven by customer service. There was no leadership to ensure that this value was upheld since leaders/supervisors were picked from the same group of employees:

“We are in a very difficult position in that the skills that we require are not easily available and are expensive to acquire. Hence we decide to keep people who do not live our values because we might not be able to replace them. We would rather keep these people in the office than letting deal with customers, which might prove costly to the organisation”(HRE 3).

However, six of the organisations under study sometimes deviate from the stated values in order to enable the organisation to continue to function. HRE 3 had no mechanisms to enforce the values or to dismiss employees who violated them. Seven organisations tolerated all manner of breaches on the part of employees; in return, they became loyal to the organisation. All the owners stated that their employees were honest about their misdeeds and had made genuine mistakes.

Examples of misdeeds included using company resources for personal gain (BYO 2, using a company truck to ferry private loads and passengers for own gain; unfortunately, the driver was involved in an accident resulting in the death of a passenger)and (GRU 1) a driver who sped down a steep descent in top gear and tried to reduce speed by shifting to the lowest gear, resulting in extensive damage to the gearbox and engine. While these were dismissible offences, they were forgiven because they had already been traumatised by the incidents.

HRE 3 noted that:

“There are no mechanisms at the moment of enforcing the values of the organisation at the moment. We have tried to run a democratic organisation. We have tried to look at people in good light but they let you down at key moments. We are still working modalities of how we can enforce our values but what is key is that we have tried keeping an open door policy but this has not worked. We sometimes have to use dictatorship to make the organisation work.”

The lack of consistency was demonstrated in the case of GRU 1, where a driver was dismissed for proposing love to woman who was a recipient of food aid from a contracting welfare organisation. The driver was dismissed for potential misuse of food resources by stealing food hampers in transit for personal benefit:

“To compound matter drivers are not allowed to propose love to widow beneficiaries or any other beneficiary, the driver again had breached this policy. It was felt that it was in the best interest of the organisation to relieve the driver of his duties. Chances were that he could go further and steal food donations to give to his girlfriends which tarnishes the image of the donor organisation and eventually the company, which might lose contracts as a result of employee misbehaviour”

(GRU 1).

The employee was dismissed not because of what he had done, but for what he could potentially do. No opportunity was given to the employee to rehabilitate, possibly because he did not demonstrate loyalty to the organisation.

HRE 3 also stated:

“Culture is very important in strategy implementation; however the attitudes of your people are key. If they have certain beliefs that militate against these values, then our value system falters. We now have people who are rude to customers or lie to clients and this attitude affects what we are trying to do.”

The owner acknowledged that the breakdown of the value system had negative consequences for strategy implementation and that employees took advantage of the organisation’s overall weaknesses. Acts like stealing projects from the organisation were said to be common and there were no remedies in place for such behaviour. As HRE 3 acknowledged, employees were in a position of strength:

“We are in a very difficult position in that the skills that we require are not easily available and are expensive to acquire. Hence we decide to keep people who do not live our values because we might not be able to replace them. We would rather keep these people in the office than letting deal with customers which might prove costly to the organisation.”

Consequently, many projects ran over the set timeframes and with the long project cycles to develop computer software, the company had cash flow problems. Despite these issues, the organisation could not take concrete action against employees.

Employees were said to be taking over company projects for personal gain but no action was taken. Again, this approach indicates that the organisation was built on loyalty rather than trust; this was common practice among the organisations under study. Instead of trying to eradicate the practice, HRE 3 tried to withhold information regarding projects from employees:

“It was very difficult to let all people know about projects because of the fear that ideas could be stolen and individuals will pursue them for their own good.”

This control mechanism meant that employees could not move to the next level of implementation and had to wait for fresh instructions. This slowed down implementation. HRE 3 admitted that management ended up doing the work of subordinates.

While all eight organisations acknowledged the importance of values in strategy implementation and provided a list of what they considered to be important values, the majority had not written these down and did not have value enforcement mechanisms in place. This means that such values were ‘nice to have’ rather than contributing to strategy implementation. To get things done, owners resorted to using loyalty capital whereby employees became obligated to them by virtue of their kindness in overlooking serious breaches. They paid for the pardon by being loyal to the owner. In a sense, this could assist strategy implementation because loyal people normally do things that would please the pardoning person. Where loyalty did not work, there were deliberate efforts to starve the employees of information and other resources in order to control how they behaved.

5.10 Organisational communication and strategy implementation

“Communication is generally defined as a process through which people acting together create, sustain, and manage meanings through the use of verbal and nonverbal signs and symbols within a particular context” (Conrad and Poole, 2012). During the interviews, owners revealed very different perceptions of the need for effective communication in the organisation. For example, HRE 3 stated:

“It was very difficult to let all people know about projects because of the fear that ideas could be stolen and individuals will pursue them for their own good. However now there is more sharing on the status of projects at our Monday meetings. This is where we share tasks and update each other on the progress being made on the various projects being undertaken by the organisation.”

There seemed to be an over reliance on meetings to discuss what had transpired in the organisation during the week. A major weakness was that there was very little use of previous experiences.

“Pharoah Ptah-hotep instructed his sons and managers in the importance of listening skills, the need to seek advice and information from subordinates, the importance of staying informed about what is taking place around them, and the necessity of clearly explaining each worker’s tasks and documenting these in writing” (Conrad and Poole, 2012:74). These lessons seemed not to have been learned by the business owners as they did not deliberately establish communication systems to tap into the ideas of employees.

“In IT we need to be constantly sharing information. However, most IT people do not like holding meetings, they more interested in their technical work. We definitely need to improve on information sharing, and to this end we have had to use emails extensively. We need to discuss issues face to face and in the process improve on accountability”(HRE 3).

GRU 2 had six branches in Zimbabwe but there was no communication between branch managers, nor were there joint meetings to discuss the activities in the various areas. The communication between branch managers was informal and driven by the grape vine whilst that with head office was limited to placing orders and reporting sales figures. The needs of branches were often not met, resulting in serious stock outs or the delivery of items that the branch did not need. For example, the Gweru branch received 10 tonnes of fine salt which was way in excess of requirements. There was no effort to establish what customers wanted; the thinking was that if something was available, it

would eventually sell. A lot of capital was tied up in products that moved slowly; this eventually affected the availability of products in demand.

Of interest was the fact that every employee had direct communication with the owner of the business, enabling the owner to obtain first-hand information from the workforce. “The decision makers at the top of the organisation must receive accurate, complete, concise, and timely information about the extent to which orders have been carried out and tasks completed” (Conrad and Poole, 2012:78). However, the organisational environment became poisoned, leading to the impromptu suspension of supervisors and transfers. The owner tended to only visit a branch in response to a crisis and employees were never brought together for a group meeting. One-on-one meetings perpetuated gossip and witch-hunting. Four branch managers were suspended at one outlet but were subsequently reinstated after serving three months suspension.

There was a lack of trust and employees tended to be cautious in the execution of their tasks. Each employee tried their best to be closest to the employer, to the detriment of the organisation. This cautious approach slowed down strategy implementation; hence the study revealed growth only in terms of the number of outlets and employees; information on sales growth was not available due to a lack of records and a strategic plan. This approach resonates with Conrad and Poole’s (2012) observation that if subordinates do not trust their supervisors, other factors come into play.

GRU 2 used an interesting communication tactic in the form of the transmission of a message that the owner was watching over everyone in the organisation. The owner used the grapevine to keep everyone in line and when action was required, the branch manager and other key personnel would be suspended for periods ranging from a month to three months. A powerful message was thus transmitted that one had to perform or they would find themselves out of work. The fear factor was used to get results and employees were played against one another to the benefit of the entrepreneur. This is a regular occurrence in countries with high unemployment rates like Zimbabwe. This threat hardly ever works in economies with near or full employment. Nor does it work where labour laws and courts to resolve disputes work properly.

“We now have young people who might not appreciate what we trying to do. These young people are just coming from school and have no relevant experience, so they are basically looking for a job to get some income not to build an organisation. Employees should be able certain decisions but they lack the maturity hence it is too risky at times to give them a blank cheque to undertake certain activities, decisions or calls. They lack the maturity as they are still too junior. It is not their fault as they still coming out of college. So we have to forgive them for the challenges as they build the necessary the necessary experience”
(HRE 3).

In most cases, the employees were starved of information; the information they did receive was geared towards ensuring that they performed their allotted tasks. They were debriefed after the tasks were completed.

“Friday meetings are the normal means of communication where employees are allowed to voice their concerns and bring forward any ideas and challenges for discussion. Monday meetings are for planning the week’s programme and to discuss how all employees can better support what the organisation is trying to do”
(HRE 3).

The meetings were intimidating in that employees did not fully participate due to the apparent lack of trust among the parties. This lack of trust was observed during the interviews when the owned lowered his voice and closed the door when commenting on issues related to employees.

The most common method of communication was weekly meetings, complemented by email communication. In GRU 2’s case, communication was limited to ordering stock items and informing the owners of sales figures and banking. This information was of little use in strategy implementation since in some cases the orders received were different from those ordered. The owner targeted purchase discounts in order to enable the business to sell products more cheaply than its competitors.

In contrast, GRU 1 communicated the activities that the organisation intended to undertake, but emphasized the problems that the organisation was facing, especially financial problems.

“We have an open door policy where employees come to the office with their problems. They are encouraged to come up with suggestions which are discussed. Teamwork and team spirit are also encouraged and easy to institute when you transparent in your dealings. The fact that we are in arrears is indicative of our cash position and this has affected salary payments as well. We generally talk about the problems the company is facing.”

Talking about these problems was instrumental in buying employee loyalty. In this regard, communication was used effectively to ensure the survival of the organisation; employees had to forgo salaries for the good of the organisation. They received temporary relief by being allowed to transport small loads for their own benefit. However this approach had the effect of undermining the organisational structure; employees tended to bring trivial issues to the owner/manager. This was observed when an employee came to complain about the supply of the wrong bolt required to repair a truck. This could have been handled administratively.

“Eventually when we get a contract, the employees determine what is to done with the money. In cases they select the employees with the greatest need to benefit first i.e. the employee with the most pressing need. Sometimes they suggest how the money can be used for organisational purposes e.g. payment of overdue bills likely to affect their operation like electricity bills etc.” (GRU 1).

While GRU 1 communicated its problems to employees as well as the way in which it hoped to solve the problems, at GRU 2 and HRE 3, communication was limited, resulting in mistrust and a top down management style.

In the case of the fuel retailer, MRE 1, compliance was considered to be pivotal to successful strategy implementation since the costs associated with penalties would negatively affect the organisation’s target to sell 400 thousand litres of fuel per month. MRE 1 stated:

“Compliance with statutory bodies is also key to the success of our business. Once regulations are issued I communicate with my people. I ask them to read the articles that affect us as a business e.g. the recently published story to do with licensing of service stations and the fines. I personally phone to alert them and then send a text message to emphasize the requirement to immediately implement the new requirement. Businesses fail to do well because they do not comply with regulations.”

HRE 2 and BYO 2 adopted a very different approach to communication compared with those in the traditional lines of business. At HRE 2, communication commenced by communicating the vision of the organisation during morning prayers:

Our philosophy involves starting work at 7h00 and this involve directors prayer meeting which end at 8h00. From 8h00, we have prayers with all staff members who voluntarily join us for the prayers. Eventually others have tended to join us in these prayers even when at first they were not convinced of their value. We have managed to turn around some individuals through this practice. At our prayers sessions we emphasize our motto, ‘We are the biggest, the best and the most profitable in the whole world, for the sake of expanding the kingdom of God, Amen. Fire! Fire! Of our increase and growth there should be no end’”.

The prayer sessions were used to keep everyone focussed on what the organisation wanted to achieve. The goal was very clearly linked to spiritualism and thus appealed to the spiritual being of workers and worked on their emotions. The link between faith and work was clearly demonstrated. Not only was the focus on the emotional side of work, but there were also efforts to energise employees every morning by means of the slogan that was repeated in every prayer session, a call to action on the part of all workers. This passion seemed to have a positive effect, reflected in the growth of the organisation. They also came together to discuss the execution of projects prior to going into the field.

“Constant communication helps to make employees remain locked in the vision and the direction in which the organisation is moving. Employees should always be informed about the progress the organisation is making towards satisfying and

meeting its goals. We however do not display chart and other materials for the consumption of employees but they know generally how well the organisation is doing from the information we give them”(HRE 2).

HRE 1 also highlighted the importance of teamwork, pointing out that communication was instrumental in the successful execution of tasks:

“Emphasis is on teamwork because we work with very tight schedules. There is continuous interaction between the printing guys through to job cutting. We have to interact all the time to ensure that we put out quality work. One group does one part of the work before it is passed on to the next hence the need for coordination and team work. Most of the communication is verbal and the size of the operation allows for a lot of verbal communication.”

Communication is essential in the fast paced advertising industry, where products are client-specific. In this regard HRE 1 stated:

“The organisation’s values are precision- there is no room for mistakes in this very precise business. We need to exercise a great deal of care in getting everything right before it gets to the customer. Any mistakes will have dire consequences on the company and could result in lost business. We have to thoroughly check everything before it gets to the customer especially the small things. We cannot leave it to the customer to discover it.”

Communication helped to ensure that everybody in the organisation was aware of new developments and took immediate steps to implement them. Compliance was essential to successful strategy implementation. The foregoing examples demonstrate that entrepreneurs used different methods of communication, emphasizing what they considered important for the welfare of the organisation. While communication played a very important role in coordinating the activities of employees in competitive industries, it played a very peripheral role in traditional industries like retailing where there was minimal communication.

5.11 Organisational resources and strategy implementation

Resources were considered to be very important to strategy implementation; this was depicted in figure 5.4 above where all the respondents (100%) indicated that resources were a prerequisite for successful strategy implementation. BYO 2 confirmed that:

“Thirdly we have to look for the resources since resources are key to strategy implementation. We need competent human resources for successful strategy implementation. Resources can be unlocked from various sources including suppliers, customers etc.”

Only HRE 2 indicated that resources were limited, but added that this had not negatively affected strategy implementation.

“The key to success in this environment is to start with a sound business idea, and then usually money follows good ideas. As far as we are concerned there has never been a shortage of money to support good ideas.”

Although they did not state their source of funding, the implication was that they were not short of financial backers either in the form of investment or loans; consequently their growth has been phenomenal since 2009. On the other hand, the other seven businesses adopted the approach of growing the business organically from the profits generated. These entrepreneurs indicated that they did not want to bring in partners or to borrow to support the growth of their ideas. They were prepared to grow their businesses slowly. This resulted in serious delays in project implementation. BYO 1 noted that:

“Each operation has to be self-sustaining otherwise it will not be prudent to keep it operating on the back of others. However we share the trucks among the business units. However we availed all required resources to the business units. However resources are never adequate. We are always over ambitious and need to expand always. We have had to dispose one asset to finance business operations. We have always tried to finance our activities internally so that our businesses grow organically. We have not resorted to borrowing to finance our business activities. Our maxim has been to start small and let the business grow organically. If there need to increase production, the market will tell and you will

have to respond accordingly. Growing the business organically will not create pressure to perform in order to service loans.”

BYO 2 adopted the approach of reviewing what needed to be done and then prioritising projects subject to funding availability. He pointed out that:

“We do not need to overstretch our resources but then prioritise the projects that get funding. For example the company opted to purchase a commercial property which was on the market instead of buying a drilling rig. Our construction works are generally funded internally and consequently we have to discuss and agree as to how the resources are to be used. It just has to be a collective decision if we are going to get a buy in on how resources will have been deployed.”

However resources were the major challenge confronting six of the SMEs under study. GRU 1 and HRE 3 were the most affected by a lack of resources and this negatively affected strategy implementation. GRU 1, for example, did not plan how the resources, especially cash, would be used, but asked employees to determine the most urgent use for any resources generated by the business. This was a hand to mouth approach to distributing resources:

“They are will to forego salaries for the vision. In this regard when limited finances are raised they decide how the money should be used e.g. they may decide to give it to the most deserving employee or the most deserving business use at the time.”

Where resources were not available from operations GRU 1 tended to use parts from other trucks to service those that had been contracted, especially when it came to replacing tyres, or resorted to selling long term assets. This approach was also adopted by BYO 1, who sold a five storey building for one million dollars to support the agro projects.

HRE 3 also faced serious cash flow problems and adopted a completely different approach. In the first instance, he would ignore all requests for resources and hope that employees would work their way round the lack of resources:

“Resources needed by the organisation are in the form of human and financial resources and these are hard to come by. Employees in the business development unit are always complaining about the lack of resources. There is just not enough money to undertake the work they are charged to do. Without resources they just sit back and do nothing until they are pushed to do something within the resources that are available.

“Limited resources make organisations walk a tight rope to balance the need for resources. We have had to depend on internal resources rather than external resources, thereby making the resources situation very tight. As a result several business issues have had to be parked until the business’s financial position improves.

“Employees put you under pressure by sending weekly emails demanding for resources and requesting for material for use in the work in the organisation. You will initially resist the demands but eventually you will have to give in and allocate resources to the employee or team that exerts the greatest pressure.”

This approach often frustrated employees with some not taking any initiative and simply waiting for resources to be made available. This was particularly the case with the less vocal employees who did not fight for resources. There was no prioritisation of projects and consequently resources might have been misdirected to the detriment of effective strategy implementation. This was demonstrated by the reversal of growth in the business. HRE 3 adopted a reactive approach to resources allocation and this was detrimental to effective strategy implementation; the thrust was survival. Indeed, it was surprising that the owner expected employees to take initiative given their lack of experience, the lack of rewards and recognition, and the skewed resource allocation. This was confirmed by HRE 3:

“Due to lack of resources, we have lost many deals. We try to do everything or the manager responsible for a project will end trying to do everything due to lack in trust of subordinates and we eventually miss important deadlines. As an organisation we have lost a lot of money through the behaviour of our employees

and in one case it amounted to US\$30 000. We do not have compliance policies and regulations in place and sometimes we have been forced to pull out of a contract due to the delivery breaches.”

SMEs in Zimbabwe generally had problems mobilising resources to implement the strategies adopted. Only one of the organisations under study claimed that they had few problems mobilising resources, but at the same indicated that human resources were hard to come by. This problem was common to most SMEs and is discussed elsewhere. However, only one organisation, BYO 2 sought to prioritise projects, producing budgets for all projects. BYO 1 and GRU 1 resorted to selling assets or using existing assets to serve new purposes. HRE 3 decided to delay projects or completely pull out of projects and in the process tarnished the image of the company; no criteria were set to allocate the available resources and in the end resources were availed to the employees who were the most vociferous. Consequently, the SMEs with clear criteria for allocating resources grew faster than those that opted for organic growth or had no set allocation criteria.

5.12 Organisational process and strategy implementation

Helfat et al (2009) stated that because managerial and organisational processes are inextricably linked to dynamic capabilities, in order to understand capabilities, it is essential to understand those processes.

According to MRE 1:

“We plan extensively before we implement strategies given the disaster we faced at inception of the business. We always try to implement most of the strategies that we adopt. For example we started by leasing a service station but we were worry about the intentions of the landlord. We also have meetings where we discuss the way forward for the organisation. We discuss everything and do not hide anything from them.”

It seemed that most SMEs emphasized a discussion of tasks before undertaking any activities. Most discussed these tasks at Monday morning meetings. Responsibilities

were assigned to various individuals at these meetings. However, the businesses that exercised formalised planning emphasised examining a project; in the case of HRE 2, this might be a promotion for a client. Clear duties and responsibilities were set down before the promotion event. In the case of BYO 2, budgets were prepared once agreement had been reached at the beginning of each year to support critical projects. Feedback is constant throughout project implementation and due to the interactive nature of this work changes were made in the field. At the end of the project, there was robust evaluation of the promotion and written feedback was given to the client. On the other hand, GRU 1 focussed on the activities to be performed, termed 'activity-based planning'. Resources would be directed to those activities that were deemed to be capable of generating cash resources. In the six organisations that practiced informal planning, there was no budgeting as such, nor did they hold project evaluation sessions. Therefore these organisations did not benefit from accumulated organisational knowledge, as they were always trying new things, nor did they use what they experienced to formulate future plans.

5.13 Review of progress and evaluation

Evaluation is a key component of strategy implementation. Only two of the eight organisations had evaluation programmes, i.e., HRE 2 and BYO 2. HRE 2 held review sessions after each promotion to review the effectiveness of the activity.

According to HRE 2:

“We have not experienced failure per se but we have had some hiccups here and there that have delayed our movement towards our goals. If there is no way, then you have to make the way as you move forward. As far as we are concerned failure is not an option but challenges are what collectively makes grow.”

All businesses had meetings to review projects and activities, but these were not used to improve strategy implementation. HRE 2 evaluated promotions and produced a report that was forwarded to the client, a form of debriefing. Subsequent reviews were also conducted long after the promotion to assess whether there had been changes in

behaviour. This was necessary because the effectiveness of the promotion was the basis of a long term relationship with the client which was important for HRE 2's wellbeing. Apart from the promotion reviews, there were performance reviews, reflected in the production of financial performance reports. HRE 2 and BYO 2 provided information about their financial position at the end of the trading year.

MRE 1 set targets for fuel sales:

“The Lowveld has peculiar demand periods and you have to be cognisant of the season when ordering products. The peak demand for fuel is during the cotton delivery period. Although demand varies we are targeting to sell 200000 litres of petrol and 200000 litres of diesel per month for a total of 400000 litres per month. Current we are selling 180000 per month on average. We are now moving towards our goal of 400000 litres per month.”

The targets seemed to be arbitrary and were not time bound; however the owner was happy with the increase in sales. Meetings were used to review performance. Information about sales could have been available due to mandatory stock takes. BYO 1 confirmed that it used meetings to promote strategy implementation:

“Most of our organisational communication is through meetings. However we do not have scheduled meetings but when necessary. There has to be a need for the meeting. The only scheduled meetings are held at the beginning of every year to agree on targets and the beginning of every term in the case of the bookshop. We have to prepare for the year and upcoming major events.”

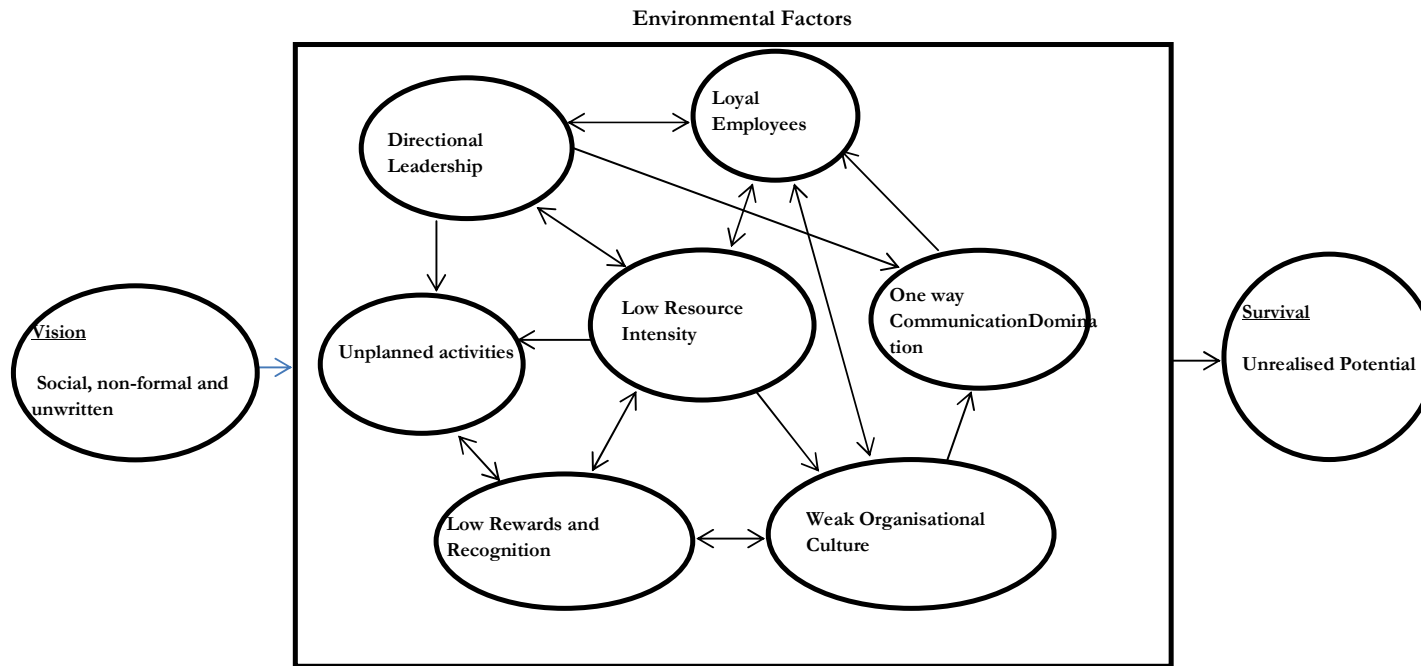
There was no evidence of documentary reviews on whether the targets set had been met and rewards when targets were met. BYO 1 and GRU 1 admitted to scrapping incentives due to serious financial constraints. Therefore performance targets were not beneficial to employees and did not motivate them to enthusiastically pursue objectives. Most of the SMEs under study lacked robust evaluation systems and therefore there was no foundation for strategizing; consequently the SMEs ended up doing more

of the same year in and year out. It is clear that the focus was survival rather than sustained growth.

5.13 Strategy implementation in SMEs: an overview

It was interesting to note that for the SMEs that were growing, the model developed by Okumus (2001) was substantially applicable; however, success was not only measured in terms of growth in Zimbabwe. In the majority of cases, it was measured in terms of the organisation's ability to survive. Only two out of the eight businesses under study had a focussed growth strategy while the others focused on evolutionary growth as demonstrated by their conviction that growth should be internally driven; according to the respondents, this was less risky. SMEs were found to be very conservative in growing their businesses and as a consequence the businesses did not reach their full potential. It must be noted that the term conservative means growing the business by venturing into unrelated diversification rather than growing the core business. They also used profits rather than loans and investors to grow their businesses which resulted in slow growth; for the purposes of this study, this is classified as organisational survival strategies rather than growth oriented strategies. Figure 5.5 captures the pivotal approaches to strategy implementation by SMEs pursuing survival strategies.

Figure 5.5 Survival approaches to strategy implementation in SMEs



- The majority of the SMEs under study emphasized social welfare anchored vision in pursuit of current business opportunities and in preparation for retirement. This would ensure that they lived a comfortable life both in their current scenario and in retirement. Although pertinent, this vision was formulated by the owner or the owner's family. The visioning had an impact on strategy implementation; the owner was cautious and opted for a multi-pronged approach to growing the business rather than focusing on a core business activity. Extra revenue was then invested in property given in rentals potential and appreciation in value and in a way denying the core business a real opportunity to grow.
- Several factors impact on SMEs strategy implementation in Zimbabwe; they include unplanned activities, where the owner abandons the major activities of the organisation to pursue other activities with an early pay off in order to generate funds. This approach, in the majority of cases this put a lot of strain on the business. For example, GRU 1 and MRE 1 ventured into activities that were not related to the initial business or the major business activities; this is classified as unrelated diversification.
- The owners of SMEs in Zimbabwe used directional leadership where employees waited to be allocated tasks and had very little discretion. This was very apparent in the case of HRE 3, where employees were only given information for part of the task or the managers ended up undertaking all the activities for fear of projects being taken over by employees for personal rather organisational gain.
- A lack of resource intensity was another major finding of this research study. Consequently, most businesses preferred to grow organically, which is widely regarded as the best practice in many situations, but took a long time to achieve. Businesses often delayed implementation while they were mobilising resources from business operations and this could result in missed opportunities. Most ruled out borrowing as the risk of failure was relatively high and this might jeopardise the

business undertaking. This was also highlighted by the inability to attract quality employees.

- The emphasis was on loyal employees who would do the bidding of the employer and forfeit some of their rights such as salaries not being paid on time. For example, GRU 1 had salary arrears of about ten months but the employees continued to come to work and the organisation allowed them to carry small loads enroute to an authorised destination. This allowed employees to generate income beyond their salaries. Misdeeds were quickly forgiven and as a result these employees became loyal to the employer. This was reinforced by selective recruitment from one's family or church.
- Consequent to the above, rewards and recognition tended to be absent. In the case of GRU 2, this resulted in employees demanding tokens of appreciation to serve bulk customers. They would demand US\$1 to serve a customer, which drove certain customers away.
- There was also evidence of a weak organisational culture; most organisations ended up evangelising their employees rather than motivating them to perform. The values of the organisation were said to be in place, but no one bothered to enforce them.
- The outcome of strategy implementation was survival rather than sustained growth which might be consistent with the operating environment in Zimbabwe. Most SMEs did not realise their potential to grow their core business activities and hence fail to contribute significantly to economic growth that SMEs elsewhere have achieved. SMEs need to do more in Zimbabwe if the economy is to grow. Organisations in survival mode will not adequately provide jobs and economic growth until they are more focused on what they excel in.

5.14 Summary

This chapter presented and discussed the findings of the study which identified two approaches to strategy formulation and implementation. Six of the businesses examined in this research study used a family anchored approach to both formulation and implementation. Consequently the goal of

most SMEs owners was to live comfortably or leave legacy, their approach to business was survival rather growth. Only two businesses really pursued growth strategies. SMEs should have focused growth rather than unrelated diversification for their jobs and economic growth to be significant. Unrelated diversification tended to spread resources too thinly thereby jeopardising the survival of business units involved.

CHAPTER 6

6.0 FINDINGS

6.1 Introduction

This chapter presents the major findings on how SMEs in this research implemented strategic plans for survival and growth. Comparisons will be made with the findings outlined in the literature review with a view to establishing whether or not there are similarities and differences between this study and other studies. Conclusions will also be drawn based on the findings of this study; thereafter recommendations will be made on how SMEs in Zimbabwe can implement strategies for survival and growth.

6.2 Summary of findings

The major findings of this study are outlined in the sections below.

6.2.1 Strategy formulation

The study revealed that SMEs in Zimbabwe generally practice strategic planning. However, only two organisations had written strategic plans and went through a formal strategic formulation process. The management team jointly came up with the strategic plan. With regard to the other six organisations, the owner or family members came up with the strategic plan/vision. As a result the emphasis was on the social security of the owners rather than a business focussed vision and goals. The focus of those SMEs who planned formally was business growth, while those that focussed on social security aimed more at survival. Stonehouse and Pemberton (2000) confirm that the vast majority of organisations participating in the service sector appear to plan strategically in the sense of having a clearly articulated vision and mission statement supported by business level objectives. They report that organisations also set strategic targets in terms of sales, profits and costs, with the manufacturing sector placing greater emphasis on these aspects than service oriented companies. Unfortunately, these targets did not exist in the SMEs studied in Zimbabwe. The findings resonate with Tan and Platts's (2006) study that observed that current strategy frameworks and processes focus on broad direction and the establishment of manufacturing objectives. However there was no indication in their study of whether or not

SMEs actually implemented these visions or targets and how these targets were actioned or achieved.

The above findings seem to be at variance with Kraus et al (2006:336), who propounded that strategic planning is commonly characterised by the following three criteria:

- *“A long term view*
- *Strategies in written form; and*
- *Evaluation and control (Rue and Ibrahim, 1998).”*

The differences could have been due to differences in the operating environment. While Kraus et al conducted their study in a stable environment the Zimbabwean environment has at best been very volatile, not allowing business to focus on either the long term view or the formalised and written version. Temtime and Pansiri (2006) note, that, most SMEs in developing economies do not have formal structures, lines of communication, formalisation and standard policies. Stonehouse and Pemberton (2002) point out that in terms of planning, the time horizon provides an indication of whether this is short, medium or long term. They add that for both sectors (manufacturing and services) there is close agreement, with a median value of three years. The SMEs under study tended to plan for periods of up to one year in the case of the manufacturing concern, while the others had shorter planning horizons depending on the economic environment.

Save for HRE 2 and BYO 2, the SMEs under study did not have written strategies or robust evaluation and control mechanisms. Despite the owners' high levels of academic achievement, the other six did not have a long term focus or a formalised planning system. They did not evaluate performance, save for the ability to meet obligations and when they failed to meet obligations they tended to negotiate with employees to forego salaries.

The six entrepreneurs adopted an approach similar to that noted by Mboko and Smith-Hunter's (2009) study. They found that while those cases using

complete planning have a vision, it is short term in nature and has a high situational responsiveness. BYO 1, GRU 1 and MRE 1 favoured this approach; they de-emphasized their business focus to pursue ideas that had income generating potential. This could have been influenced by the rapidly changing business environment in Zimbabwe. As businesses struggled to recapitalise in an illiquid market, SMEs could have been more inclined to focus on survival rather than growth.

This study also confirmed that SMEs in Zimbabwe adopted some form of strategic planning. Kraus et al (2006), Mboko and Hunter-Smith (2009) and Temtime (2001)'s findings show that smaller enterprises do in fact plan strategically. In addition, Kraus et al's empirical investigations show that strategic planning can contribute to performance. However, the empirical results draw a differentiated picture of the relationship between strategic planning and performance in small firms. Although there was evidence of growth in the SMEs due to some form of strategic planning, what was apparent was the nature of the vision adopted by the businesses. Traditional businesses including retailing and transportation operations in this study focussed more on socially driven visions, where the emphasis was on the social security of the owner. When they implemented strategies they tended to adopt diversification in unrelated businesses, e.g., GRU 1 started by retailing cement, then moved to transport, estate management, construction and is now gravitating towards real estate. This was also the case with the other five SMEs classified as traditional businesses. This provides evidence of some form of strategic planning and the selection of particular strategic choices. Mboko and Hunter-Smith (2009) concede that SMEs' planning tends to be survivalist oriented, which is slightly different from the findings of this study which points to a social security anchoring.

On the other hand, businesses in competitive sectors like manufacturing and advertising adopted formalised strategic plans which were business focussed and used these to drive their organisations. Consequently these businesses witnessed substantial growth in both revenue and business assets. HRE 2 and BYO 2 confirmed the notion that formalised strategic planning

enhances organisational performance. Stonehouse and Pemberton (2000) found that when SMEs practiced strategic planning, performance tended to be high. On the other hand, informal strategic planning led to suboptimal performance; the owners were merely concerned with their own security. Although the literature does not confirm this view, one would be inclined to believe that a lack of planning leads to suboptimal performance.

6.2.2 Generic strategies used

The SMEs that practiced formal strategic planning focussed on related diversification or vertical integration and expanded beyond national boundaries. Those whose main goal was social security focussed on safe investments such as property at the expense of investing in the business, unrelated diversification and expansion within national boundaries. However the major strategies used by SMEs in developed countries included the adoption of IT based systems (Popudopoulus and Martin 2011; Fellis and Lee, 2011; Agndel and Chetty, 2007 and Doole, Grimmes and Denmark, 2006), internationalisation (Ongori and Migiro, 2010; and Thoburn et al, 2000), strategic alliances (Saungweme and Naicker, 2009), and total quality management. These strategic issues did not receive much attention from the owners of SMEs in Zimbabwe, as all the businesses tended to pursue either diversification or geographical expansion to grow their businesses. This could be indicative of the level of development of SMEs in Zimbabwe. Their strategic approaches seem to lack sophistication and focus on the Zimbabwean environment, which left them exposed to competition from outside Zimbabwe. Ibeh (2003) identified an appetite for trade beyond national borders as a determinant of enhanced SME performance. In this study, only HRE 2 sought to expand its business beyond national boundaries while the other seven businesses tended to have a more local focus.

The strategies adopted in developed countries sought to bring both value and growth to SMEs; the SMEs in this study emphasized survival and unstructured growth. This related to social security issues rather than the significant development of SMEs which led to economic growth in other countries. The focus on survival seemed to overshadow growth and could be

symptomatic of the behaviour of SMEs in Zimbabwe in general as the economy continues to underperform.

The objective of this study was to establish whether or not SMEs in Zimbabwe adopted similar strategies. The study confirmed that SMEs in different economic sectors adopted national expansion in active economic nodes and unrelated diversification as their major strategies. This allows an organisation to spread its risks. Given the unpredictable Zimbabwean operating environment, this approach is likely to resonate with Zimbabwean entrepreneurs, but might not be applicable to organisations in a more stable environment. A competitive business environment would dictate a focussed approach, with related diversification and total quality management being the strategies of choice, as demonstrated by the approaches adopted by HRE 1, HRE 2 and BYO 2.

6.2.3 Strategy implementation

All the respondents were aware of what strategy implementation entails and the aspects that they identified matched those proposed by Strickland and Thompson (2003). They were also aware of the prerequisites for strategy implementation. Although they mentioned different aspects, they agreed that human and financial resources are fundamental to successful strategy implementation. However, the efforts made by these entrepreneurs to mobilise resources did not match the importance they placed on this aspect of strategy implementation. This suggests that while SMEs owners in Zimbabwe had the necessary theoretical knowledge of strategy implementation, they not know how to make it work in their organisations. While all the respondents had tertiary education qualifications, including MBAs, awareness alone did not result in strategy implementation. Some businesses, including HRE 3, abandoned the formulated strategy, preferring to run the organisation off the cuff, while MRE 1 opted to formalise strategic planning and implementation once the business was well established. Therefore the level of education could not be correlated to effective strategy formulation and implementation, making both processes arbitrary. Various factors influence strategy implementation, including leadership, human and

other resources, communication, culture and processes. The sections below outline this study's findings on how these factors influenced strategy implementation among SMEs.

6.2.4 Leadership and strategy implementation

SMEs owners often entered sectors that they had little experience in and tried to learn about the business during the implementation phase at significant cost. There were no locked in suppliers and consequently lack of product availability was the order of the day. In the case of MRE 1, the chosen supplier consistently failed to provide fuel even when firm orders had been placed.

Szabo (2001) argues that the main constraint faced by SMEs is the lack of entrepreneurial, management and marketing skills. While most owner-managers and start up entrepreneurs are experts in their product and service, they often lack broader managerial skills and this hinders long term success. Szabo (2001) adds that strategic planning, medium term visioning, marketing, finding customers, being patient not expecting 'to get rich overnight', management of innovation, commitment to quality and knowledge of quality systems, cash flow management, and information technology are the critical elements required to meet the challenges of the market economy, especially at international level. Zimbabwean SMEs exemplify some of the characteristics highlighted by Szabo (2001) which significantly impact on how these SMEs owners implement strategies. As noted by Mboko and Smith-Hunter (2009), they are driven by a short term focus. In the majority of cases, the vision driven by the owners was directed at their own social security and had very little to do with business development. As long as they were secure, they did very little to reshape the organisation to respond to organisational challenges.

Furthermore, business leadership was entrenched in the hands of the owner or the immediate family despite glaring skills and knowledge deficiencies. There was very little effort to expand the organisational skills base; the

SMEs' recruitment policies tend to focus more on relatives, church members and other non-performance linked criteria.

The vision these SMEs embraced seemed to be anchored on the social security of the owners and their families. The approach adopted did not energise employees to give of their best in driving the organisation on a growth trajectory, because the focus was never growth, but survival. This lack of buy in resulted in employees merely doing what the owners wanted them to do and not taking the initiative.

6.2.5 Human resources and strategy implementation

Agndel and Chetty (2007) posit that SMEs in particular tend not to have adequate internal resources to mobilise relevant knowledge and therefore depend on external sources.

A major finding of this study was that the majority of SMEs in Zimbabwe have very different human resources approaches from those outlined in the literature. The majority were handicapped by the unavailability of competent staff. They had to make do with what was available on the market. Their ability to secure the best talent on the market was handicapped by the lack of financial resources. Therefore, they sought out people who would be loyal rather than focusing on quality employees that met the requirements of strategy implementation. Relations, church members and those recruited after serving as casual employees from time to time were in the majority. Recruitment was therefore not driven by strategy implementation requirements, but by social relationships. These employees rewarded the owner with support and allegiance rather than commitment, but added little or no value to the organisation's ability to pursue and implement chosen strategies. This was the case with GRU 1. In order to buy loyalty, employees were forgiven for serious offences; all the businesses acknowledged that forgiven employees were the most loyal. For example, in the case of GRU 1, a driver damaged both the gearbox and engine of a low-bed truck while travelling at high speed and negotiating a very steep descent. The employee was quickly forgiven for having been honest. At GRU 2, employees were

promoted to become branch managers without the necessary qualifications and experience. There were cases of large stock pilferage and stock outs for fast moving articles. The managers involved were suspended for two months and thereafter restored to their position or transferred to another branch. Both employers conceded that these employees had become the most loyal. Furthermore, BYO 1 and HRE 3 stated that dismissals were not in the best interests of SMEs.

Garengo and Bernadi (2007) found that employees were often managed in an unsystematic manner by entrepreneurs, and individual performance and knowledge were seldom measured; when they were, *ad hoc* systems were used. The current study confirmed these findings as all the organisations lacked performance management and reward systems. The owners blamed this on a lack of resources. The SMEs owners revealed that the main criteria used are trust and feelings. There have been sporadic attempts to link rewards to performance. For example, GRU 1 used to give an employee one hundred dollars (US) when a letter of commendation was received from a client, but this was discontinued due to financial challenges. HRE 3 used to give employees a percentage of revenue earned but this was discontinued for the same reason. While incentives aim to boost performance, SMEs scrapped them in order to cap expenditure. It is likely that other SMEs that face the same predicament as those under study would resort to the same approach. However, the lack of a formal performance management system is an impediment to the use of reward systems and empowerment processes.

One would assume that successful strategy implementation, requires certain skills levels but the entrepreneurs did not recruit quality staff; nor did they seek to upgrade the skills of their employees in line with what was required to implement the strategies. The exceptions were HRE 1, who sought the best skills available, BYO 2, who subcontracted highly technical work and BYO 1 who recruited skilled farm labourers. Output was higher when there was match between skills and strategy. This was not the case with regard to GRU 1, GRU 2 and MRE 1 who recruited people on a social rather than skills basis. Variyam and Kraybill (2001) argue that a planning strategy may yield

higher returns to firms that have higher endowments of human capital, and technology may bring higher returns to firms belonging to a sector with a favourable technologies regime. Logic suggests that human capital will have a powerful effect on strategy formulation and implementation. Firms with higher levels of human capital have better command of technical information for implementing strategies and such firms have higher allocative abilities and hence are more efficient in utilizing the knowledge they acquire (Variyam and Kraybill, 2001). BYO 1 had skilled technical staff on the production side with two agronomists on site and very experienced farm labourers. However there was no strong marketing team in place; there was therefore an apparent lack of balance in the employee team. Marketing was seen as a part time activity in which the owner dabbled when he had time.

Okumus (2003) stated that there is a need for training to enable employees and management to improve their understanding and skills in the areas where changes are envisaged. According to Okumus (2003), the key issues are:

- *“The recruitment of relevant staff for the new strategy implementation.*
- *The acquisition and development of new skills and knowledge to implement the new strategy.*
- *The types of training activities to develop and prepare managers and employees.*
- *The provision of incentives related to strategy implementation and their implications.*
- *The impact of company’s overall HRM policies and practices on implementing strategy.”*

To a large extent, there were no clear recruitment policies in all the organisations under study; this suggests that these SMEs recruited whoever was available due to the massive brain drain experienced in the pre-dollarization era starting in February 2009. In addition to the variables suggested by Boddy and Paton (2005) and Okumus (2001), incentives related to strategy implementation, overall HRM policies, implementation

practices and training for successful strategy implementation were absent in all the SMEs under study. Due to the unavailability of suitable labour, HRE 2 opted to hire school leavers with the potential to learn fast on the job. On the other hand, GRU 2 opted for people who had shown a tendency to work hard during temporary daily offloading tasks or who were known to the owner from social interactions like attending the same church. For HRE 2, the results obtained were impressive; employees with potential quickly came to grips with the job requirements. However, the lack of recruitment and training policies and incentives packages related to strategy implementation hampered robust strategy implementation and strong overall business performance. This study found that the human resources aspect, which is central to strategy implementation, was only given peripheral attention by SMEs, with these organisations paying industry average salaries and providing no incentives save for free meals in some organisations.

In addition, most of the SMEs did not seem to have any recognised organisational structure. Boddy and Paton (2005) observed that, in SMEs, rather than adopting an ambidextrous structure, managers develop a context in which staff develops the ability to switch between the demands of stability and innovation rather than depending on a higher level structural separation. For example, GRU 1 expected drivers to be responsible for vehicle maintenance as well as doing office work or driving from time to time. All employees were expected to do work over and above what they were employed to do. The same was true for BYO 1 and GRU 2, where employees were expected to play several roles.

The literature points out, that, changes in organisational structure are the key to successful strategy implementation. The Zimbabwean SMEs were not able to adjust their organisational structure due to the costs relating to restructuring exercises. In all cases, the owners remained the CEOs of their organisations and there were no changes at other staff levels other than efforts to recycle some employees, especially in GRU 2 and BYO 1. Given the manner in which some SMEs recruited employees, there were also no

efforts to recruit new people to help drive the new vision. For example, GRU 2 bought stands to erect new premises that would match the standards set by Spar. This was a new direction, but the owner, who was responsible for all cross border ordering and direct management of six supermarket outlets remained in charge of the new focus. The owner became over loaded and some tasks immediately started falling through the cracks, including the new vision, in order to concentrate on the here and now. Other than buying the stands, nothing much was done to implement the new direction of joining the Spar franchise and upgrading the existing outlets. SME owners in Zimbabwe can therefore be regarded as 'control freaks' who want to control every major activity. Employees were recruited to carry out tasks rather than helping to move the organisation in a new direction. This observation is probably true for most organisations where the top management tasks remain family controlled, thereby hindering aggressive pursuit of the vision.

In contrast, Okumus' (2001) case study notes that a new CEO was appointed from outside the hotel industry and initiated a new brand oriented structure, and subsequently recruited new executives. He argues that these structural changes were important in terms of adopting a change oriented culture and eliminating on-going conflicts and political networks within the company. However Okumus' study focused on a large international organisation, which could afford to change its structure. SMEs do not enjoy this luxury; they therefore end up using the same structure to implement a new direction with potentially high levels of resistance to change. The potential benefits of the new direction might not be realised if the structure does not follow strategy. Growth was therefore modest save for HRE 2 and BYO 2.

Edwinsson and Malone in St-Pierre and Audet (2011) state that, "Human capital is the individual abilities, knowledge, know-how, talent and experience of both employees and managers." Human capital helps build a firm's capabilities. According to Voola and O'cass (2010), human capital is being increasingly viewed as an organisational dimension that must be developed and deployed to implement a particular competitive strategy

effectively. Management has to create an environment that connects employees to the organisation's mission and motivates their creativity, commitment and passion. The SMEs under study anchored the vision on their social security and strategy formulation was family driven save for HRE 2, which evangelised its vision to employees and BYO 2, which formalised its processes. Employees were told what the family/owner position was and they were expected to give their input which might or might not be incorporated. Employees' contributions were peripheral at best and there were no efforts to build their capabilities through training and recruitment.

According to Temtime and Pansiri (2006) and Szabo (2001), the major problem confronting SMEs is poor management and the lack of management skills. These issues would normally be addressed by hiring quality employees, which unfortunately is not the case among SMEs in Zimbabwe. Hence strategy implementation becomes a trial and error exercise; consequently SMEs will not be able to play their expected role in the economy of a country like Zimbabwe.

6.2.6 Organisational culture and strategy implementation

Many values are openly and explicitly articulated, some because they serve the function of guiding the organisation's members on how to deal with certain key situations (Ashill et al, 2003). Ashill et al's (2003) study identified two categories from the case data: centralisation and formalisation. Centralisation refers to the extent to which an organisation's values are in the hands of relatively few people who are considered to hold a comprehensive view of the organisation's needs. Formalisation relates to the extent to which an organisation places emphasis on following specific rules, procedures and guidelines. This study found that SME owners were treated like father figures who should be respected in both business and personal transactions. Their vision and communication could not be challenged. In the majority of cases, employees privately complained about various issues, but never directly to the owner. Those who complained directly often found themselves

reassigned or dismissed. There was an uneasy silence that did very little to promote organisational growth.

Employees in SMEs preferred to be loyal to the owners of the business; they displayed characteristics identical to those observed by Shrestha et al (2008) in Kenya. Social institutions in Kenya tend to reinforce one another along cultural values which often stress ascriptive leadership, personal sacrifice for ethnic group or tribal affinity and solidarity, submission, reverence for the established authority and rejection of what may be construed as outside interference (Shrestha, Smith, McKinley and Gray, 2008). This was very evident in the majority of the SMEs under study; many employees referred to the owner as 'father'. This fatherly figure demanded respect and, according to cultural norms, could not be challenged under any circumstances. His instructions had to be obeyed at all costs.

Shrestha et al (2008) observe that "progressive change is slow and that technological and resource management process innovations and political institutional reforms... are usually perceived as a threat to the status quo." They add that indigenous cultural values are seen as less than conducive to dynamic development and business growth as indigenous people are often considered 'less motivated' and not inclined to speak up in accordance with the western notion of "economic man" acting in his own interests. SMEs in Zimbabwe often lack the capacity to adapt quickly to environmental changes and any change would tend to be slow. They tend to be comfortable with processes that they are familiar with.

6.2.7 Organisational communication and strategy implementation

Dobni et al (2001) observe that brilliant strategies do not always succeed, often succumbing to not so brilliant processes which reinforce the traditional organisational communication practices they foster. This was particularly the case with HRE 3, where employees were only given sufficient information to undertake the next activity. It was feared that employees could not be trusted with information as they might use it for personal benefit rather than the wellbeing of the

company. This meant that employees were not aware of the bigger picture as to what the organisation is trying to be. Information was given on a need to know basis, not to build organisational capabilities. In Marasini, Ions and Ahmad's (2008) study, although the decision to implement an ERP system was made by the directors of the company, the decision to implement was a directive from the managing director.

For example, employees at BYO 1 knew very little about the deceleration of investment in the bookshop business and the redirection of resources to the agro-based operations or the shift from selling hard copies to launching the e-learning platform and online ordering by schools. When fully implemented, these decisions could result in retrenchments.

The effectiveness of organisational communication processes affects the identity of the organisation and the organisational climate and in turn, impacts on the performance of the organisation (Nelson et al, 2007). If employees are not satisfied with the information received they are likely to be uncertain about a range of organisational issues as well as their responsibilities. These uncertainties may increase role ambiguity and in turn affect job satisfaction and employee commitment, which are essential for successful strategy implementation. At BYO 1, employees were told that they would receive some form of training before they were redeployed to the agro business but despite initially agreeing to the redeployment, they eventually decided to leave the organisation as they did not buy into the new direction.

This study confirms earlier findings in the area of strategy implementation. The power to make decisions relating to strategic and managerial issues lies with the owner and this obstructs managerial activities and causes organisational crises (Garengo and Bernadi, 2007). Garengo and Bernadi (2007) argue that the entrepreneur is in charge of both operational and managerial functions; he/she usually neglects managerial activities and so hampers the company's development. Information about company

performance is often lacking: only some performance indicators and some traditional information about production costs are made available. The crisis situation also manifested itself in the manner in which GRU 1 and BYO 1 managed their activities. There was very little communication with employees regarding company direction but there was an overdose of communication on the businesses' problems so as to pacify the employees. This was followed by numerous new business activities aimed at raising money to meet salary obligations. Employees sometimes went without salaries for up to 10 (ten) months. The SMEs tried to exploit employees' sympathy and at the same time allowed transgressions of company policies to go unchecked as compensation for non-payment of salaries. All the companies in the study used one version or another of forgiving employees (GRU 2 suspended employees for a period of between one and three months, and thereafter reinstated them to their original position, while BYO 1 and HRE 3 felt that firing employees was not a practice suitable for SMEs and stated that they would rather rehabilitate employees than hire a new person). All agreed that employees who had been forgiven for transgressions were the most loyal and hard working. However, only GRU 1 failed to pay salaries on time while the others benefitted from the extra effort and loyalty. The owner benefitted more from such an arrangement. The available literature does not point to similar practices; the situation could therefore be unique to Zimbabwe where social ties in employment policies are considered to be very strong.

The majority of SMEs did not have communication strategies in place to facilitate strategy implementation; rather, communication was meant to sugar coat the challenges the organisations were facing and pacify employees. This was very evident in the case of GRU 2, who communicated with employees only when there was a break-in at an outlet. Employees were interrogated on what could have transpired and they were encouraged to spy on one another and passed on damning information to the owner. Those who did so were promoted and the victims were suspended for periods of up to three months. The working environment was thus poisoned by depending on the grapevine for essential organisational communication.

This study also investigated the flow of communication in SMEs. Most organisations had no formal communication structure and all employees had direct communication with the owners.

“We have an open door policy where employees come to the office with their problems. They are encouraged to come up with suggestions which are discussed. Teamwork and team spirit are also encouraged and easy to institute when you transparent in your dealings. The fact that we are in arrears is indicative of our cash position and this has affected salary payments as well. We generally talk about the problems the company is facing.”

(GRU 1)

While some, particularly GRU 1, GRU 2 and BYO 1, regarded this as an open door policy, the quality of information was not always beneficial to the organisation but to the employees who had the ear of the owners. In the SMEs scenario, all communication has to go through the owner/manager, most of who believe that they have the final say on all matters in the business. This demonstrates a failure to recognise the contribution that employees can make to strategy implementation (Dobni et al, 2001), more so given that employees are the actual implementers of strategy in any organisation. These traditional approaches have not focussed on intangibles such as the people and processes necessary to develop an on-going and sustainable implementation context; in this regard, the organisation lacks implementation harmony (Dobni et al, 2001). Dobni et al (2001) argue that this can be traced to what they refer to ‘cerebral strategizing’, which they define as the inability to move from the boardroom onto the playing field.

One of the pillars of effective strategy implementation is an effective communication system. The SMEs in Zimbabwe did not seem to create effective communication systems. There was extensive use of the grapevine to garner information and as a mode of organisational communication to safeguard their businesses. This approach resonates well with the vision of

the owners, which centred on personal security rather than business development and growth. Organisations were handicapped by this lack of communication systems.

6.2.8 Organisational resources and strategy implementation

SMEs owners in Zimbabwe conceded that resources were the key to strategy implementation; 100% of the respondents stated that this is the case. However, they all concurred that resources were scarce, negatively affecting strategy implementation. Only one SME owner, HRE 2, indicated that financial resources were not a problem because “money always followed good ideas”. The others seemed to be risk averse, choosing to grow organically from profits generated by the business, which were invested in other property as future security. While HRE 2 experienced phenomenal growth tied to their strategic plan, the other businesses tended to struggle with inadequate resources and ended up pursuing any opportunity that had the potential to generate quick money for reinvestment. This tended to remove essential cash from the business, leaving it to struggle. This was particularly the case with BYO 1, GRU 1 and HRE 3. When push came to shove, the owners sold assets to raise capital to invest in the business. The investment served two purposes; to save resources in case of future business needs or an investment for future personal needs. The growth of the business was therefore compromised to accommodate these interests.

6.2.9 Organisational processes and strategy implementation

Very few processes were followed by SMEs in strategy implementation. Some of the organisations identified less than six prerequisites for strategy implementation and the most interesting observation was that GRU2 which had only two pre-requisites but was showing significant growth. The business has expanded to six branches and a haulage business whose fleet has increased from two trucks in 2009 to twelve trucks in 2013. Yet GRU1 who six pre-requisites but was struggling to grow the business and to survive. According to Okumus (2003), the key issues to consider in strategy implementation are:

- *“The procedures of securing and allocating resources for the new strategy.*
- *Information and knowledge requirements for the process of implementing a new strategy.*
- *The time available to complete the implementation process.*
- *Political and cultural issues within the company and their impact on resource allocation.”*

This seems to suggest that some pre-requisites are more influential on strategy implementation than others but the degree cannot be specified and requires a separate study especially in the context of SMEs in Zimbabwe. Although scholars have designed models that could be used to facilitate implementation in big organisations (for example, Okumus, 2001), there is little evidence that such processes were evident in the SMEs under study. No changes were made to support the strategy being implemented. In some cases, there was evidence of resource mobilisation to support strategy, mostly in the form of sale of assets; this was the case with BYO 1 and GRU 1. Other methods to mobilise resources included the pursuit of projects with potential positive cash flows in the short term, or slowly reinvesting profits in the business. The aggressive pursuit of such strategies was often lacking. Furthermore, save for HRE 2 and BYO2, the other SMEs did not prepare budgets; hence resource allocations tended to be arbitrary and not supportive of strategy.

In line with the process concept, Thorpe and Morgan (2007) argue that the factors that influence strategy implementation are:

- *“Organisational structure*
- *Control mechanism*
- *Leadership*
- *Communication”*

This study did not establish realignment of the organisational structure to support the new direction, save for HRE 2 which included new structures in the new areas they moved into like Zambia, where local talent was recruited

to complement the Zimbabwean staff; and BYO 2, who recruited specialised staff to meet certain requirements in certain projects. The remainder retained the same structure. As noted, communication was top down, with very little contribution from other levels; in HRE 3's case, employees were starved of necessary information in order to maintain overall control and direction.

Allen and Helms (2008) contend that, "... a chosen strategy is a set of operationalized practices and tactics, which managers should understand and then follow the chosen strategy." They add that, "... managers must focus on all the practices which define their chosen strategy." They conclude that top managers must work with lower level employees to implement strategic practices consistent with and supportive of the chosen organisational strategy. This is not consistent with the findings of this study, as there is no evidence that the SMEs sought to secure the support of lower level employees. For example employees at GRU 2 acknowledged the changes they were told to institute, but were not convinced that they were necessary. This did not promote enthusiasm to implement such strategies that were designed to move the organisation forward.

Boddy and Paton (2005) argue that the nature of the project and whether the goal is stability or innovation will dictate the implementation approach. They indicate that some projects are intended to reinforce stability while others foster innovation. In projects that aim to support established, predictable routines, managers are likely to be well aware of the core technical and organisational changes required and can plan them with some confidence.

According to Alstete (2007), there is need to extract, share, and preserve the tacit knowledge base of organisations and combine this with explicit knowledge to enable on-going product/service innovation for revenue generation. He adds that understanding the nature of one's own organisation and its current performance is critical in benchmarking best practices with other organisational units, competitors and industry leaders.

The majority of the SMEs under study had no clear modalities in place to measure organisational performance. For example, GRU 2 was only interested in daily sales figures and only responded to a decline in sales by reducing its price after comparing prices with those of its competitors. Secondly, there were no efforts to consistently replace products that sold out fast, thereby wasting organisational knowledge and learning. In the long term, GRU 2 intended to benchmark on the Spar brand but this was a very long way off as they intended to build new shops before introducing the brand. The turnover of managers was also very high in this institution. Only HRE 2 and BYO 2 used benchmarks like budgets to review performance and were able to track both turnover and profits. HRE 2 was able to review the results of promotions with a view to improving performance and satisfying stakeholders. Both were involved in competitive sectors and this motivated them to learn from past experiences. As a result, both experienced significant growth.

6.2.10 Summary of findings

Table 6.1 Summary of findings

Findings	Selected findings from the literature	Disagreement	Agreement
Evidence of strategic planning present among SMEs although most of it is informal and unwritten. Most of the strategic planning revolved around social security and business survival.	Strategic planning enhances the performance of organisations.	The literature seems to suggest that strategic planning strongly correlates with improved organisational performance and business growth.	Planning tends to be informal, short term oriented and unwritten.
Strategies adopted tended to promote both social security and spreading of risk. They therefore revolved around unrelated diversification and national spread.	Organisations need to adopt various strategies to ensure continued growth and survival.	The strategies adopted addressed issues of competition, growth and market share. Approaches included international markets, quality, strategic alliances, value chain management and adoption of ICTs.	Issues of survival and growth are addressed. The focus here is that growth leads to business survival. But the approach in this study was a survivalist approach to business that is not in sync with growth.
Entrepreneurs indicated prerequisites for strategy implementation with all entrepreneurs highlighting the importance of resources to the successful implementation of strategies. Those who indicated more prerequisites tended to do formal planning and also performed better relative to organisations that		There was agreement that certain factors influenced successful strategy implementation. These factors were propounded by Okumus (2002) who, however, acknowledged that his model was not exhaustive.	The number of factors that impacted on successful strategy implementation tended to be different from those that were identified in this study. Okumus' study seemed to suggest that these factors were mandatory and had to be used for successful implementation; but noted that his model was not exhaustive. This study revealed that SMEs owners indicated only a few factors and those

did informal planning.			who indicated more tended to perform better than those with a short list.
Leadership in SMEs tended to be highly centralised i.e. everything was initiated by the owner and ended with the owner. There were no complementary skills. When it came to the money side of the business they were heavily involved, which confirms to some extent the social security anchoring of their overall goals.		The entrepreneur was considered to be at the centre of both operational and strategic issues.	There was no shared vision in the organisation. Yet the literature suggests that for successful strategy implementation, there must be a shared vision throughout the organisation.
The quality of human resources was a major issue among SMEs which was blamed in the majority of cases on the massive brain drain. Recruitment tended to focus on what was available but not necessarily the best due to the inability to pay competitive salaries. Some tried to bridge the gap by contracting out or training but most were simply not bothered and hoped that the situation would self-correct. This was at variance with their acknowledgement that employee skills were the key to successful strategy	Employee capabilities are the key to successful strategy implementation (Halfet et al, 2010).	SMEs were not competitive in the labour market due to limited resources. They tended to attract less skilled employees as a result.	Quality human resources are central to strategy implementation. This should be complemented by rewards and recognition, and human resources development.

implementation.			
Organisational resources were considered to be the key to strategy implementation. SMEs owners relied heavily on internally generated resources like turnover, profits and the sale of assets. Very little effort was expended on borrowing and investors. Growth was limited to available resources, resulting in slow growth or mere survival.		The use of internally generated resources was a common practice among SMEs.	Entrepreneurs used various sources to mobilise resources for the successful implementation of strategy. The lack of alternative sources of resources resulted in delays in strategy implementation and this was exacerbated by the pursuit of projects offering potential rewards earlier than the core business of the organisation.
Organisational processes are not very pronounced in the SMEs' strategy implementation activities. They concentrate more on individual tasks. Issues such as budgeting and performance evaluation are not an integral part of strategy implementation.		Task allocation seems to be the only common activity between the findings and the literature review.	There should be an emphasis on following certain processes in strategy implementation, with budgeting and performance evaluation being a central theme.

6.2.11 Further studies

This study did not seek to compare the efficacy of the model developed by Okumus (2003) but to establish the applicability of the model to SMEs' strategy implementation. The Okumus (2001) model was developed for large organisations with a lot of resources, which was not the case with SMEs in Zimbabwe. Consequently, most SMEs used the social security model that was developed in this study. It would be interesting to determine whether or not this model is applicable to SMEs in developing countries in Africa, given the fact that the SMEs under study had overcome challenges in the various phases of Zimbabwe's economic development. There is also a need to establish the combination of factors which are most likely to drive effective strategy implementation among SMEs.

There is evidence that SMEs in Zimbabwe use the social security model extensively; this raises the need to explore ways to make the model more effective so that SMEs could move from a survivalist to a growth model while remaining anchored in the social security model. There is a need to build on this model if SMEs are to make a significant contribution to the economic development of countries like Zimbabwe.

This should include broadening the strategies SMEs adopt which will help them develop, rather than the current focus on diversification and geographical expansion.

Further research will be required to establish why some SMEs who indicated fewer prerequisites for successful strategy implementation had potentially better performance than those which had indicated more prerequisites.

There is need to test the applicability of the survivalist model in the SMEs business environment and develop the necessary theory around strategy implementation in Zimbabwe.

CHAPTER 7

7.0 CONCLUSIONS AND RECOMMENDATIONS

7.1 Introduction

This chapter presents the main conclusions drawn from this study and provides recommendations on how SMEs in Zimbabwe can effectively implement their adopted strategies.

7.2 Conclusions

7.2.1 Strategic planning and strategic implementation

Although there was evidence that SMEs had strategic plans the strategic planning approaches were in line with the perceptions of the owners. Owners in traditional businesses like transportation and retailing tended to adopt informal strategic planning; their major emphasis was security. Businesses with a social security vision focused on survival rather than growth. This was reflected in the general strategy of unrelated diversification. This will not contribute much to the economic development of Zimbabwe.

The SMEs in competitive industries like manufacturing and advertising adopted aggressive business strategies which enabled them to achieve rapid growth. HRE 2 and BYO 2 focussed on business growth ahead of personal security and hence adopted a different approach to both their choice of strategy and strategy implementation. If SMEs are to contribute to economic growth, they need to adopt business focussed strategies rather than focus on their own social security.

7.2.2 Generic strategies used

The SMEs in traditional businesses like transport services (GRU 1), retail (GRU 2, MRE 1 and BYO 1) and agriculture (BYO 1) tended to adopt the strategies of unrelated diversification and national

geographic expansion. This was in line with their desire to obtain social security. Those in competitive industries - advertising (HRE 2 and HRE 1) and manufacturing (BYO 2) - tended to follow aggressive strategies, with HRE 2 consolidating physical assets and venturing into regional markets, HRE 1 concentrating on human resources by recruiting the best people available in the market and building strong relationships and BYO 2 focusing on import substitution, related diversification and contracting out very technical work. The fact that they had been in business for more than five years demonstrated that the traditional businesses tended to survive, but those in competitive businesses showed significant growth both in terms of assets and profits.

The literature noted that the majority of organisations that perform well tend to pursue strategies related to quality adoption, value chain management (Aaltonen and Ikavalko 2002), strategic alliances (Saungweme, 2006) and the adoption of ICTs (Ibeh, 2003). Organisations which adopted such strategies experienced more robust growth. For example HRE 2 adopted an internationalisation strategy and BYO 2 and HRE 3 fashioned a form of strategic alliance with specialised professionals and recognised suppliers, respectively. The other SMEs did not pursue these strategies and were thus in survival mode.

7.2.3 Leadership and strategy implementation

The SMEs leaders in both traditional and competitive businesses mainly used directional leadership. This helped to entrench their vision of social security which was enhanced by recruiting and promoting employees who were loyal to them rather than those who added value for the success and growth of their organisations. The principal goal of these organisations was thus survival, which resonated with the economic challenges experienced in Zimbabwe, where wealth can be preserved by being conservative.

7.2.4 Human resources and strategy implementation

Organisations adopted various human resources strategies, but these were seriously affected by the unavailability of skilled and experienced employees due to the massive brain drain from 2000 onwards. Some recruited the best people available in the market through referrals (HRE 1), while others recruited what was available and offered robust training (HRE 2). BYO 2 opted to subcontract very technical work to outside experts. However, the majority preferred to recruit employees considered to be loyal to the owners. The first three approaches helped grow the organisation.

Not all of these organisations benefitted materially from the human resources available to them, as employee rewards were restricted to salaries set by the respective industries in which they operated. There were no individual awards for outstanding performance and the lack of resources was often cited as reason. Therefore performance tended to be average. Furthermore, there were no deliberate efforts to measure individual performance; hence the lack of incentives, save for free meals.

7.2.5 Organisational culture and strategy implementation

Most of the SMEs under study displayed a paternalistic and conservative approach to business. The owner played the role of father figure in all the activities of the business. There was therefore very little change in business approaches despite changes in the business environment. This precluded the businesses from taking advantage of opportunities and tended to result in stagnation and a focus on social security. Employees' contributions were minimal and often peripheral with the family dominating decision making.

7.2.6 Organisational communication and strategy implementation

Organisational communication is very limited in most SMEs and it tends to be informal. There is extensive use of the grapevine where information about fellow employees is clandestinely passed on to the owner, rather than

information that could promote business activities and performance. Poor communication models tie in with the SMEs owners' desire to ensure their personal security. For example, orders for GRU 2 were communicated telephonically, but this was not followed up with a formal written order that one could use to compare with the received order.

Meetings are another key means of communicating with employees, but in the majority of organisations there was no record of what was discussed and whether there was any follow up. For example, GRU 2 assumed that misbehaviour had been dealt with by the immediate suspension of the branch manager or dismissal of employees. This reflected the toughness of the owner.

Social security was the driving force in this communication model rather than business activities and growth.

7.2.7 Organisational resources and strategy implementation

The business owners were very risk averse in terms of resource mobilisation and preferred organic growth through ploughing profits back into the business. Growth was therefore very slow because profits had to be invested in sure assets such as buildings and land or starting a business with potential immediate cash flows. Borrowing from financial institutions was out of the question as they feared the takeover of their businesses by creditors in the event of failure to repay borrowed funds. They preferred to sell assets to raise business finance rather than using their assets as collateral. The businesses tended to struggle with their cash flows, leading to delays in implementation or projects being abandoned.

SMEs in Zimbabwe generally had problems mobilising resources to implement their adopted strategies. Only one owner claimed that they had few problems mobilising resources; at the same time indicating that human resources were hard to come by. This problem was common to most SMEs. However only one organisation, BYO 2 sought to prioritise projects,

producing budgets for all projects. BYO 1 and GRU 1 adopted strategies to sell assets or use existing assets to serve new purposes. HRE 3 decided to delay projects or completely pulled out of these projects and in the process tarnished the image of the company, and no criteria were set to allocate available resources. In the end, resources were made available to those employees who were more vociferous in their demands. Consequently, SMEs with clear criteria for allocating resources grew faster than those that opted for organic growth or had no set allocation criteria.

7.2.8 Organisational processes and strategy implementation

SMEs in Zimbabwe do not follow any particular processes in the implementation of strategies. Only two of the eight organisations under study had formal budgeting processes to support strategy implementation. However, the majority discussed the activities to be undertaken prior to implementation. This seems to be at odds with the findings of Okumus (2001) and Thorpe and Morgan (2007) in that it indicates that activities were more important to SMEs than the processes involved. Consequently, the SMEs ended up doing more of the same; this ensured organisational survival, but did not promote the growth that the Zimbabwean economy yearns for. Once again, the emphasis is on stability to ensure the social security of the owners.

In addition most organisations in the study did not have formalised operating systems except for HRE1, HRE2, and BYO3. There was not documentation in the majority of cases including the absence of annual budgets and monthly returns. Operational plans were not embedded in the activities hence the tendency to pursue any activity that seemed important in a given timeframe whether it was key to strategy implementation or not.

7.2.9 Prerequisites for strategy implementation

The SMEs owners were asked to identify the prerequisites for successful strategy implementation. These tallied significantly with the factors in Okumus' model, although they were differently labelled. The table below indicates what the SMEs owners considered key factors.

Table 7.1 Pre-requisites for strategy implementation

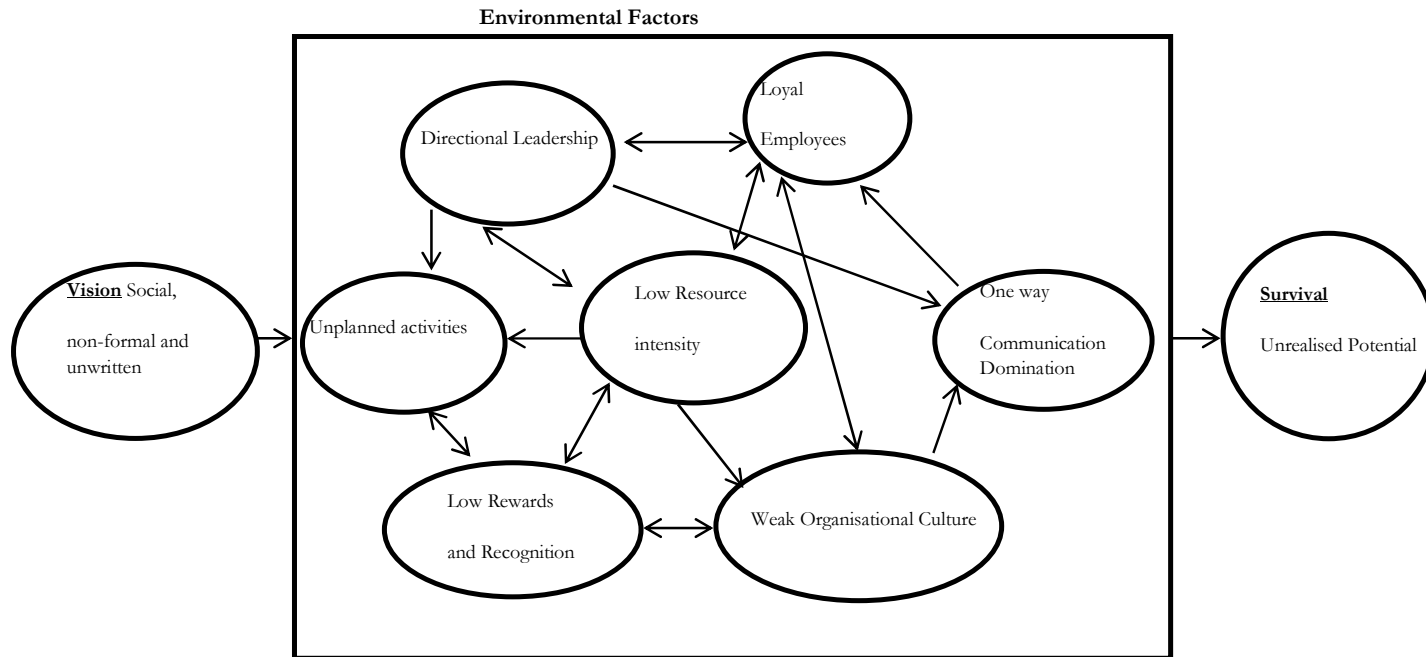
Prerequisites for implementation	G1	G2	H1	H2	H3	B1	B2	M1	%
Resources	✓	✓	✓	✓	✓	✓	✓	✓	100
Skilled employees	✓		✓	✓		✓	✓		62.5
Financial discipline		✓							12.5
Management/leadership	✓					✓	✓		37.5
Understanding of environment			✓	✓					25
Clear vision & goals				✓	✓				25
Experienced & competent employees							✓		12.5
Planned activities/tasks & deadlines	✓		✓	✓	✓		✓	✓	75
Effective communication	✓			✓	✓			✓	50
Evaluation of organisational capabilities							✓		12.5
Management systems				✓	✓	✓			37.5
Strategic thinking				✓			✓		25
Organisational culture & values	✓			✓			✓		37.5

However, the SMEs did not come up with the same variables and to a large extent these factors mirrored some of the variables/factors in Okumus' model. They could have partially used some of the factors in

the model and ignored some variables such as organisational culture, communication and performance measurement. Given the model's potential scope for successful strategy implementation, what was happening on the ground was at variance with what was recommended. Although there was no direct link, the study sought to compare what was taking place on the ground and came to the conclusion that aspects of the model were not being used by the SMEs. This study did not seek to establish the fit and the contribution of each variable to successful strategy implementation. The number of variables that were considered essential for strategy implementation differed from one organisation to the other. However those SMEs that indicated more prerequisites for strategy implementation, relative to the factors highlighted by Okumus (2001), tended to exhibit stronger business performance than those who had fewer prerequisites. It is not clear whether all the factors contributed equally to successful strategy implementation which would mean that the firms with a higher number will be more successful than those with fewer variables. This is evidence by GRU1 which had six variables but was struggling as per table 3.1 above. On the hand GRU2 had very strong growth with number of outlet growing from two to six and haulage trucks increasing from 2 to 12 in the 5 year study period. It might be necessary to specifically study each variable's overall contribution to successful strategy implementation. An interesting observation is that GRU2 had only two pre-requisites and one would have expected that case GRU2 was likely to struggle but it was case GRU1 with six prerequisites that was struggling. This goes against the view that the greater the numbers of variables the more robust is the performance. This could mean that it was the quality of the variable chosen which was important rather than the number adopted. This will require further research to determine which variables contributed more to strategy implementation and to determine potentials weights for each variable which previous studies have not addressed. An alternative model was developed for SMEs whose primary focus is survival to try and contextualise practices among these SMEs. The following model

for strategy implementation emerged, which requires testing for applicability and transferability.

Figure 7.1 Strategy implementation factors in Zimbabwean SMEs



This model will not lead to business growth and economic development which is the national goal. However, it could ensure the continued achievement of the social security goals of the owners both in the short and long term.

7.3 Recommendations

The following recommendations are offered to enhance the ability of SMEs in Zimbabwe to achieve both business growth and ultimately the growth of the country's economy.

- Local SMEs should develop their strategic planning and implementation skills by attending training workshops. This will help to develop a strategic planning culture among SMEs. According to Al-Turki (2011), "Strategic planning is a culture as much as it is a process. Spreading the culture throughout the organisation is a major success factor of strategic planning. The culture can be achieved by awareness sessions and training workshops at all levels of the organisation."
- If SMEs are to grow and contribute to the Zimbabwean economy, there is need for SMEs ownersto formulate strategies based on a business vision and strategy rather than the owners and their family'ssocial security.One way to achieve this is the involvement of the employees in the work place in formulating and implementing strategies. The absence of key stakeholders in the development process leaves gaps in the analysis and evaluation of strategic options (Al-Turki, 2011).
- For sustained growth, there is need for SMEs to focus on related diversification rather than unrelated diversification and national expansion; SMEs that adopted the former approach showed sustained growth.

- SMEs owners should broaden the range of strategies used to supplement those associated with the owners' social security and embrace strategies that include total quality management, ICTs, internationalisation of business and strategic alliances which have been associated with significant business growth potential. These should be sold to employees to ensure the necessary buy in and enthusiastic implementation of these strategies.
- SMEs owners in Zimbabwe should use multi directional leadership in addition to dependence on directional leadership in order for strategy implementation to benefit from the accumulated organisational knowledge held by employees. Ownership of the strategy should shift from the formulator of the strategy to another people in the organisation for successful implementation. The implementation plan should be assigned an owner that controls and monitors progress in implementation and assesses goals and targets through a well-developed, systematic procedure (Al-Turki, 2011).
- Entrepreneurs should recognise both employee loyalty as a major yardstick for suitability and employee potential as a way to boost their capacity to contribute to effective implementation of strategies.
- Employee recruitment should recruit employees with potential and the right educational qualifications and undertake intensive employee training to enhance skills in light of the massive brain drain that Zimbabwe experienced in the decade after the year 2000 for them to successfully formulate and implement strategies.
- The SMEs need to formalise both communication and their organisational structure if they are to effectively implement strategies rather than depending on the grapevine as a communication channel. According to Al-Turki (2011), "the strategic plan, after its development,

has to be well communicated to all concerned people within the organisation and all stakeholders in general.”

- Given the varied results, business owners in the SMEs sector should introduce performance management systems at both the organisational and the individual levels so as to be able to gauge the business' progress over any given period; this should be complemented by a reward and recognition system.
- Robust strategy implementation processes should be adopted by SMEs owners in order to enhance effective strategy implementation and as a way of ensuring that the organisation continues to progress towards its established vision. The implementation planning steps create a framework to execute the selected strategy *via* a series of programmes and specific recommendations. Programmes need to be prioritised according to their impact and the feasibility of implementation; the most important and feasible programmes are shortlisted so as to focus on a limited number of programmes to ensure successful implementation (Al-Turki, 2011).
- There is a need for researchers and practitioners to test the applicability of the social security model used by SMEs for strategy implementation using different research designs.
- There is also a need for researchers to review the social security model which is prevalent in SMEs' strategy implementation systems with a view to modifying it to embrace organisational and economic growth, which are the major goals of SME policy frameworks.
- Further research will be required to establish why some SMEs who indicated fewer prerequisites for successful strategy implementation had potentially better performance than those which had indicated more prerequisites.

- There is need to test the applicability of the survivalist model in the SMEs business environment and develop the necessary theory around strategy implementation in Zimbabwe.

7.4 Limitations of the study

The major limitation of the study was dependence of the views of the respondents and observations carried at the interview site. The SMEs owners were not will to provide figures of profitability and turnover as per request. They provide neutral information like letters of commendation or vision statement brochures. It became difficult to generate information that could accurately measure growth i.e. profits, turnover etc. for the period under review. It was therefore difficult to make case by case comparisons as different growth measures were used.

Secondly, frameworks were developed in this study with regard to the process SMEs adopted in strategy implementation. The applicability of such a model still needs verification through field tests.

Lastly although the study was targeted at SMEs strategy implementation in Zimbabwe for survival and growth, the study sample covered businesses that were growing and in higher performance end. The findings might specifically apply only to similar businesses and not the majority of SMEs. Most might not have growth as a strategy,

Lastly, ultimate strategy choice implementation was heavily influenced by the operating environment in Zimbabwe. This would in someway affect SMEs choices but this key variable was not considered in this study. It will be interesting to establish how the environment affected such strategic choices and implementation modalities.

7. Summary

This chapter presented the conclusions drawn from this study about how SMEs in Zimbabwe formulated and implemented their strategies. Recommendations were also made on how SMEs can make a more significant contribution in the growth of the Zimbabwe despite the problems that they currently face.

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ANNEXTURES

ADDENDUM A- Interview guides

Questionnaires

General Information

When did you decide to start a business and what drove you to start the business in the first place?

What were your goals when you went into business?

Can we say that you have met your initial goals that we say in general terms that you met your original goals? Can we say that your organisation has been growing over the year in terms of profits, turnover, employees or business expansion?

Describe your organisation as far as strategic planning is concerned.

Do you have a long term plan of your organisation in place?

What are your short term goals?

What are your long terms goals?

Are these in written forms?

Who is responsible for strategising in your organisation?

How do you respond to changes in the business environment (reactive or proactive).

Can we say that the operating environment is supportive of your business elaborate?

What major challenges have been faced by your organisation?

How have you tried to cope with these challenges?

What is the vision of your organisation? Has it change over the years? Why?

What are the major goals of the organisation now?

Does the profit margin drive activities in your organisation?

Do you use the strategic plan to determine the activities undertaken by employees?

Do you use the strategic plan to evaluate organisational performance?

How else do you use your strategic plan?

Strategy implementation

What do you understand by strategy implementation?

Do you think that strategy implementation is key to organisational success?

Do you always implement the chosen strategy?

What are the pre-requisites for successful strategy implementation?

What makes strategy implementation successful?

What causes strategy implementation to fail?

Cultural aspects

What are the values and beliefs of your organisation?

How did these beliefs and values introduced in your organisation?

How are values and beliefs reinforced in your organisation?

Can we say that the culture adopted helps the organisation in implementing its strategies?

Can we say that culture was instrumental in the development of your organisation?

What is it about your culture that stood in the way of strategy implementation?

Have there been cultural changes in your culture over the years? Give examples and reasons why?

How were these changes received by employees? How did you prepare your employees for the envisaged changes?

Was the change successful? How did you measure its success?

Authority levels

Do you have authority to implement strategy from the owner of the business?

Are you allowed to give any input on how strategies are formulated or implemented?

Can you implement changes without consulting the owner of the business?

How do you get your ideas to be accepted by the owner of the business or by fellow employees?

How do you use your technical skills to facilitate the implementation of tasks by your subordinates?

Do these give you autonomy to implement tasks and delegate responsibility to people with expertise?

How much control do you have on decisions that affect your tasks?

Do you trust employees to successfully implement the strategies adopted?

How does this affect strategy implementation?

Communication issues

Do you get all the necessary information to undertake your tasks?

How do you ensure that employees have the relevant information to undertake various tasks?

What communication challenges affect strategy implementation in your enterprise?

How do you influence your manager to implement some of your ideas?

How do people in the organisation know about the progress the organisation has made in implementing strategies?

Do you sometimes discuss the impact of your approach to strategy implementation?

Do you sometimes discuss with fellow employees how strategy is going to be implemented and how it has been implemented?

How far can you implement strategies without following procedures and what are the consequences of doing so?

To what extent do parties negotiate strategy implementation?

Do you sometimes adjust your policies to facilitate strategy implementation?

Resources

Are you given the necessary resources to implement the strategies?

How is resource allocation determined in the organisation?

How are complaints about resource allocation handled in your organisation?

How does lack of resource affect strategy implementation?

Rewards

How is successful strategy implementation behaviours reinforced in your organisation?

How does strategy implementation result in personal satisfaction?

How is successful strategy implementation celebrated in the organisation?

How is failure treated in your organisation?

Empowerment

What are the preconditions for gaining employee commitment in strategy implementation?

Does the organisation allow employees to use their own initiative in strategy implementation?

Does the organisation allow employees to use new methods in strategy implementation or they have to follow management plans?

What happens when the employee fails to get the desired result after using their own initiative to implement strategies?

APPENDIX B- Response matrix

Topics and universal themes

Title	Themes
Strategy formulation	<ol style="list-style-type: none"> 1. nature of strategy formulation- social security/business focus approaches 2. family driven strategy formulation 3. strategy formulation approaches. 4. Nature of strategy implementation.
Pre-requisites for strategy implementation	<ol style="list-style-type: none"> 1. Number of pre-requisites 2. Link between pre-requisites and strategy implementation
Strategy implementation	<ol style="list-style-type: none"> 1. Implementation factors 2. Pre-implementation approaches 3. Implementation approaches 4. Feedback and evaluation approaches
Evaluation of business implementation approaches	<ol style="list-style-type: none"> 1. Organisational learning 2. Business performance: survival or growth

Cultural attributes

Attribute	Definition	Example statements
Honesty	The degree to which each employee has total confidence in the integrity, ability, good character of others, and the organisation, regardless of role.	"I trust the people I work with. I find it easy to be open and honesty with people from other department."
Alignment	The degree to which the interests and actions of each employee	We have clear aims and objectives, which everyone understands. We

	support the clearly stated and communicated key goals of the organisation.	build consensus around key objectives. We recognise and reward loyalty.
Risk	The degree to which the organisation, employees and managers take risks.	I am encouraged to experiment. We take calculated risks. We encourage trial and error.
Team	The degree to which team performance is emphasized over individual performance.	We promote teamwork; it is the centre of everything we do. There are usually people from other departments in my team. We have both problem solvers and out of the box thinkers in our team.
Empowerment	The degree to which each employee feels empowered by managers and the organisation.	As a manager, I am expected to delegate. We have a no blame culture. We allow staff to make decisions.
Freedom	The degree to which self-initiated and unofficial activities are tolerated and approved throughout the organisation.	I am allowed to do my own thing. We encourage people to take initiatives. We recognise the individual.
Support	The degree to which new ideas from all sources are welcomed and responded to promptly and appropriately.	We encourage fresh ideas and new approaches. We reward innovative individuals and teams.
Engagement	The degree to which all levels of the organisation are engaged with the customer and the operations of the organisation.	Management understands the operations of the company. I can share problems with my managers. I know why my job is important.
Stimuli	The degree to which it is understood that unrelated knowledge can	I am encouraged to search externally for information and obtain ideas from

	impact product service and operations of the improvements.	many sources. We listen to suppliers' suggestions.
communication	The degree to which there is both planned and random interaction between functions and divisions at all levels of the organisation.	"I am kept in the loop about how we are performing. We have excellent formal channels of communication. We use best practice knowledge transfer between departments. We actively manage our intellectual assets".

STAGES				
LEVERS	Pre-Implementation	organising the implementation effort	managing the implementation process	maximising the cross functional process
Goals	Ensure that all managers are aware of the strategic goals of the firm	Introduce goals of the strategy being implemented, include it within firms broader strategic vision	Maintain the flexibility to adapt goals based on environmental changes	Develop and focus on common goals to encourage cross-functional cohesiveness
Organizational structure	Ensure that functional areas have the slack resources needed to be able to contribute to an implementation effort	Establish a formal implementation unit and ensure its visibility throughout the firm	Ensure equal representation by all affected functional areas	Develop and focus on common goals to encourage cross-functional cohesiveness
Leadership	Develop employee knowledge and appreciation of multiple functional areas	Establish a "champion" who has both official cross-functional authority and general respect in the firm	Ensure that leaders show equal attention to all functional-level concerns	Temporarily suspend key implementation team members Normal responsibilities to allow them to focus on the implementation effort
Communications	Maintain regular cross functional communications to foster understanding and appreciation	Discuss and resolve implementation details early in the process	Update implementation team frequently on progress and changes in objectives	Balance visible and charismatic leadership with a maintenance of autonomy for functional-level implementation efforts
Incentives	Reward the development of cross-functional skills	Develop time and performance-based incentives for implementation team while lessening traditional functional incentives	Adjust incentives as strategy and Environmental conditions change during implementation	Establish visible and Consistent cross-functional rewards for successful implementation efforts

APPENDIX C

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Memo: business environment {2-Co} - Super
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Memo: business management {1-Co} - Super
Memo: business model {1-Co} - Super
Memo: business motivation {1-Co} - Super
Memo: business opportunity {1-Co} - Super
Memo: business stagnation {1-Co} - Super
Memo: business start- up {1-Co} - Super
Memo: business start-up {3-Co} - Super
Memo: changing business environment {1-Co} - Super
Memo: christian values {1-Co} - Super
Memo: conservative approach {1-Co} - Super
Memo: customer service {1-Co} - Super
Memo: disciplining employees {1-Co} - Super
Memo: easy of entry {1-Co} - Super
Memo: economic environment {1-Co} - Super
Memo: employee behaviour {1-Co} - Super
Memo: employee loyalty {1-Co} - Super
Memo: employee motivation {1-Co} - Super
Memo: employee recruitment {1-Co} - Super
Memo: employee remuneration {1-Co} - Super
Memo: employee responsibility {1-Co} - Super
Memo: employee training {1-Co} - Super
Memo: Empowerment of employees {1-Co} - Super
Memo: enforcement of values {1-Co} - Super
Memo: enhancement of reveunue streams {1-Co} - Super
Memo: establishment of business {1-Co} - Super
Memo: financial constraints {1-Co} - Super
Memo: formalisation of business {1-Co} - Super
Memo: Fund generatibg projects {1-Co} - Super
Memo: icreasing competition {1-Co} - Super
Memo: implemetation link {1-Co} - Super
Memo: lack of resources {1-Co} - Super
Memo: lax supervision {1-Co} - Super
Memo: management through strategic plans {1-Co} - Super
Memo: market perceptions {1-Co} - Super
Memo: marketing beliefs {1-Co} - Super
Memo: motivating through vision {1-Co} - Super
Memo: motivation for business {1-Co} - Super
Memo: motivation for business start {1-Co} - Super
Memo: organic growth {1-Co} - Super
Memo: organisational decision making {1-Co} - Super
Memo: organisational value system {1-Co} - Super
Memo: organisational values {1-Co} - Super
Memo: organisational values: social responsibility {1-Co} - Super
Memo: organisational vision 1 {1-Co} - Super
Memo: performance benchmarks {1-Co} - Super
Memo: product management {1-Co} - Super
Memo: professionalism {1-Co} - Super
Memo: Protection of organisational image {1-Co} - Super
Memo: quality issues {1-Co} - Super
Memo: reason for starting business {1-Co} - Super
Memo: reasons for business startup {1-Co} - Super
Memo: Recruitment of construction workers {1-Co} - Super
Memo: recruitment policy {1-Co} - Super

Memo: resources:management {1-Co} - Super
Memo: rewards systems {1-Co} - Super
Memo: self reliant {1-Co} - Super
Memo: shared trust {1-Co} - Super
Memo: social capital {1-Co} - Super
Memo: start up {1-Co} - Super
Memo: stock transfers among outlets {1-Co} - Super
Memo: strategic focus {1-Co} - Super
Memo: supplementing personal income {1-Co} - Super
Memo: targeted growth {1-Co} - Super
Memo: Task execution by employee {1-Co} - Super
Memo: team work {1-Co} - Super
Memo: treatment of failure {1-Co} - Super
Memo: trust and openness {1-Co} - Super
Memo: vision {1-Co} - Super
Memo: vision of business {0-Co-F} - Super
Memo: vision of founder {1-Co} - Super
Memo: working with clients {0-Co-F} - Super

Code Families

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Code Family: business growth

Created: 2012-08-13 06:01:50 (Super)

Codes (71): [acquisition of assets-commercial buildings] [acquisition of assets: commercial stands] [acquisition of assets: industrial stand] [acquisition of assets: technology] [acquisition of assets: residential stands] [acquisition of assets:technology] [backward integration] [building customer loyalty] [bulk buying skewed in whites favour] [bulk saless when product is scarce] [business expansion] [business expansion _diversification] [business growth: diversification] [business growth:diversification] [business growth:infrastructural development] [business growth:number of employees] [business growth:organic] [business growth:revenue growth] [business opportunities] [business partnership] [business size] [business to generate expansion resources] [business growth:diversification] [essential for organisational growth] [establishment of other services] [expansion in Africa] [expansion of business] [exploited remote areas] [franchising of outlets] [further business expansion] [growth of business] [growth of employee] [guest house facilities] [help businesses grow] [increase in turnover] [increased client numbers] [installation of larger storage facilities] [internal funding] [international thrust] [introduction of new projects] [lack of growth] [local and international markets] [low business volumes] [major achievements] [mergers and acquisitions] [movement of volumes] [national thrust] [need for financial muscle] [no formal growth strategy] [offering to repaint buildings] [operating hours] [organisation profitability] [organisational culture:expansion of God's kingdom] [organisational growth] [organisational image] [organisational performance:collectivity responsibility] [outstanding profits] [premises] [purchase of own truck] [sales volumes low] [setting up construction business] [seventy employees] [six outlets] [six shops] [strategic partnerships] [strategic planning: partnership] [strategic planning:driving business growth] [strategy implementation:delays] [suspend growth] [targeting rural markets] [values:continuous improvement]

Quotation(s): 69

Code Family: business resources availability

Created: 2012-09-11 04:49:30 (Super)

Codes (183): [30 day credit facility] [ability to pursue opportunities] [abuse of resources] [acquisition of assets:commercial stands] [acquisition of assets-commercial buildings] [acquisition of assets: commercial stands] [acquisition of assets: industrial stand] [acquisition of assets: technology] [acquisition of assets:technology] [adherence to reorder levels] [advancement of resources to self] [affects cash flows] [allocating requirements to branches] [allocation based on demand] [alternative product sourcing] [always securing low paying contracts] [approach new investors] [attempting subcontracts] [avoid borrowing to pay salaries] [avoidance of very big projects] [avoiding loan funding] [balanced stocking position] [better bargaing power] [better returns on investment] [budgeting responsibilities] [business dependent on tender] [business growth:assets] [business growth:infrastructural development] [business growth:investments] [business growth:organic] [business growth:organic growth] [business growth:revenue growth] [business partnership] [buying out of partner] [canibalisation of spares] [carrying deadwood] [cash flow] [cash flow management challenges] [cash handling] [cash resources] [cashflow challenges] [catering for changes in demand] [chronic shortages of basics] [clearing of goods on consignment] [confined to profit making] [consignment of bonded trucks] [consulted on financial issues] [continued leasing premises] [contract employees] [contract marketers] [contracting out management responsibility] [cost management] [costly mistakes] [credit sales to selected customer] [delays in investing in IT] [designed financial systems] [documentary proof of transaction critical] [employee recruitment:effects on organisation] [employee recruitment:talent] [employee

responsibility for company resources] [employee rewards:salaries] [employees' salary concern major] [employees complaining about misuse of resource] [employees welfare] [ensuring minimum stock levels] [ensuring product availability] [erratic supplies] [expert input] [external sourcing of funds] [failure to compete] [failure to compete for talent] [failure to meet targets] [failure to repair damaged truck] [failure to withdraw from banks] [financing business through asset disposal] [foregoing salaries for vision] [foreign tenderers] [fresh capital required] [fuel requirements] [funds utilised for activities likely to affect operations] [get low paying contracts] [giving credit terms] [huge capital base] [inadequate salaries] [income generating projects] [internal cash generation] [internal funding] [introduction of new projects] [lack of capital on markets] [lack of human and capital resources] [lack of income generating work] [lack of skilled employees] [lax control on resource utilisation] [limited cash flows] [limited delegated powers] [limited financial resources] [limited resources] [limited storage facilities] [limited to cash transactions] [liquidity challenges] [liquidity essential] [loss of assets] [losses through pilferage and breakages] [lost business opportunities] [low returns on assets] [mobilisation of resource for vehicle servicing] [money follows good ideas] [multi sourcing of supplies] [need adequate funding] [need for additional storage facilities] [need for resources] [no accounting for resources] [no additional costs] [organisation profitability] [organising terms for payment] [own personal assets] [owning business premises] [partnership breakdown] [partnership establishment] [payment for actual work done] [payment of commission for additional contracts] [payment of down payment to suppliers] [performance based allocation of resources] [personal responsibility for organisational resources] [premises] [prerequisites implementation:resources] [prioritise projects] [private negotiation with clients] [production of monthly budgets] [profitability criteria] [profits low] [project evaluation] [project longevity] [purchase of industrial stand] [purchase of own truck] [reinvestment of proceeds in business] [reinvestment of profits in business] [rental arrears for rented premises] [rentals payment for facilities] [rented premises] [resource allocation priorities] [resource availability key to implementation] [resource challenges] [resource utilisation] [resources critical] [resources: prioritising critical] [resources:ad hoc allocation] [resources:availability] [resources:availability] [resources:delays in implementation] [resources:effect on projects] [resources:limited availability] [resources:persistent demands prioritised] [resources:prioritisation] [resources:prioritising deployment] [resources:utilisation] [responding to market demands] [responding to request] [sensitise employees on troubles in other businesses] [serious cash flow position] [setting up accounting offices] [starting small] [stock counting] [stockout for certain lines] [stockouts caused by logistical problems] [strain on cash resources] [strategic partnerships] [strategic plan:cost management] [strategy implementation:contracting out special works] [strategy implementation:cost management] [strategy implementation:cost management] [strategy implementation:resources] [strong availability of resources] [supplying basics goods] [suspend growth] [theft from business] [tight cash flows] [tyre audit and need for replacements] [unlocking of resources] [use of clients money for transactions] [using other peoples money] [values:cost to organisation] [values:failure to delegate]

Quotation(s): 148

Code Family: communication within organisation

Created: 2012-08-12 10:06:49 (Super)

Codes (78): [communicate decision downwards] [communicating performance] [communicating progress] [communicating progress towards goals] [communicating through established hierarchy] [communication at all levels] [communication challenges] [communication essential for performance] [communication in the organisation] [communication of functional plans] [communication of personal gratitude to employees] [communication of values] [communication through meetings] [communication through normal channels] [communication via administrator] [communication via emails] [communication via meetings] [communication:sell vision to employees] [communication:sharing information] [communication:sharing knowledge] [company sponsored social events] [constant communication] [consult management team] [consult on organisational issues] [consultation before implementation] [consulted on financial issues] [correction of employees] [correction of employees] [direct communication] [dismissal for serious breaches] [emails] [emphasis on teamwork] [emphasize expectations] [employee recruitment:shared values] [failure to attend meetings on time] [friday meetings] [group meetings] [information dissemination] [information gathering] [information key to survival] [information on contracts under negotiation] [information on potential challenges sharing] [introduction of contracts] [introduction of new projects] [keeping abreast with developments] [keeping employees in the loop] [lack of empathy] [limited consultation] [limited contribution] [listening to customers] [listening to employee contribution] [meetings to discuss issues] [multi dimensional communication] [multi lateral communication] [need for feedback] [one on one discussions] [organisational communication] [regular verbal reports] [report back meetings] [selective dissemination of information] [sensitise employees on troubles in other businesses] [share failures] [sharing of ideas] [social level communication] [talk to employees about the client system] [talking about values] [talking about vision] [updating communication] [upward communication] [upward reporting] [values:external feedback] [values:testimonials] [values:testimonials from clients] [verbal commendation] [verbal communication] [very little face to face communication] [vision communication] [weekly and monthly meetings]

Quotation(s): 63

Code Family: employee commitment to organisation

Created: 2012-09-07 05:45:36 (Super)

Codes (96): [acquisition of assets:residential stands] [affect relationships with customers] [always looking for contracts] [always working towards goals] [carrying deadwood] [chance for rehabilitation] [clients commendations of employees] [collaboration] [collaborative work] [commitment to the organisation by employee] [common good encouraged] [communication challenges] [communication of personal gratitude to employees] [company sponsored social events] [complaints from the client] [concealment of incident] [contract employees] [contract marketers] [cover up stories] [emphasis on teamwork] [emphasis on trust] [employee empowerment:collective decision making] [employee motivation] [employee recruitment: experienced based] [employee recruitment:church members] [employee recruitment:on the job training] [employee recruitment:team players] [employee training:critical] [employees are part of family] [employees complaining about misuse of resource] [employees morale] [employees working for organisational good] [expected employee loyalty] [fit between employees and organisation] [forgive genuine mistakes] [freedom on choice how strategy is implemented] [genuine mistakes tolerated] [get employee loyalty] [get into the hearts of

employees] [give all necessary information] [growth of employee] [gvision: self reliant] [immature employees] [improve quality of employees] [incapable management team] [individuals pursuing project individually] [keeping employees in the loop] [keeping employees informed] [lack of maturity] [lack of team support] [learn from failures] [learning from dishonesty cases] [learning from each other] [little accountability] [little commitment to tasks] [low team spirit] [loyalty awards] [loyalty of customers and employees] [loyalty to organisation] [managers not involved in strategy] [managing dispersed business units] [maturity of employees] [mistakes borne by company] [mutual beneficial relationship] [mutual trust exists] [need for employees' trust] [need for greater employee responsibility] [need for honesty and transparency] [need for openness] [need for trust] [need to keep employees informed] [needed employee support] [negative impact on morale] [no dismissal cases] [no relevant experience] [no rewards for outstanding work] [no set performance targets] [no shared values] [non renewal of contract for underperformers] [not treating people with suspicion] [noting of employee suggestions] [offering higher salaries to employees] [open communication at all levels] [operating in unison] [organisational culture:open door policy] [organisational goals unknown by employees] [strategic planning:goals] [values: team spirit] [values: transparency] [values:carrot and stick approach] [values:celebrate success] [values:client letters] [values:employees behaviour] [values:external feedback] [values:f team spirit and teamwork] [values:lack of trust]

Quotation(s): 87

Code Family: employee empowerment

Created: 2012-09-07 05:38:08 (Super)

Codes (148): [clear responsibilities] [clear task allocation] [clients commendations of employees] [commitment to the organisation by employee] [common good encouraged] [communicating performance] [communicating progress] [communicating progress towards goals] [communication at all levels] [communication of functional plans] [communication of personal gratitude to employees] [communication via administrator] [computer literacy] [conducive environment] [conducive environment for sharing ideas] [consult on organisational issues] [consultation before implementation] [culture of working for the organisation] [delegation of operational decisions] [deployment of employees to different activities] [development of loyal employees] [direct communication] [discuss major tasks] [discussing suggestions] [educate other employees on issues] [emphasis on teamwork] [emphasis on trust] [employee decide on salary payments] [employee empowerment critical] [employee empowerment: accountable own behaviours] [employee empowerment: learn from mistakes] [employee empowerment:collective decision making] [employee involvement] [employee loyalty cannot be bought] [employee motivation] [employee recruitment:on the job training] [employee responsibility for company resources] [employee rewards:individual based] [employee rewards:salaries] [employee suggestions valued] [employee training:formal] [employee training:non existant] [employee training:critical] [employee views beneficial to business] [employees' capabilities] [employees' salary concern major] [employees abuse trust] [employees acting according to instructions] [employees discretion in implementation] [employees empowered to maintain operations] [employees empowerment] [employees involvement in decision making] [employees make decision about own work] [employees morale] [employees not involved in resource allocation] [employees not involved in strategy] [employees now partners] [employees passion for activities and vision] [employees suggestion] [employees supporting each other] [employees welfare] [employment council salary levels] [expect employees to serve organisational goals] [expected employee loyalty] [expected to executed assigned tasks] [feeling of betrayal] [feeling of one big family] [foregoing salaries for vision] [forgive genuine mistakes] [formal and informal training] [freedom on choice how strategy is implemented] [freedom to implement] [functional decision making] [functional responsibilities] [genuine mistakes tolerated] [get employee loyalty] [get into the hearts of employees] [give all necessary information] [giving employees the needed support] [high employee performance] [hold employees accountable for own work] [holding of postmortem] [honesty relationship important] [HRM policies formulation] [hunger for success essential] [idea generation] [ideas limited to operations] [immature employees] [implement good suggestions] [inadequate salaries] [inappropriate skills] [individual dignity] [individual responsibility for performance] [individual vision] [individualism] [induction training] [interdependent work] [internal employee training] [invite employee inputs] [job rotation] [keeping abreast with developments] [keeping employees in the loop] [lack of maturity] [lasting rewards] [leading by example] [learn from failures] [learning from dishonesty cases] [learning from each other] [learning from experience] [learning from mistakes] [leeway to make own decision] [employee recruitment: quality of employees] [limited employees decision making] [link between performance of organisation and job security] [listening to employee contribution] [little commitment to tasks] [loyalty awards] [loyalty of customers and employees] [loyalty to organisation] [lump sum rewards] [main motivation] [make decision on how to use income] [maturity of employees] [measuring employees on agreed goals] [need for employees' trust] [need for greater employee responsibility] [need for honesty and transparency] [need for openness] [need for trust] [non renewal of contract for underperformers] [not treating people with suspicion] [noting of employee suggestions] [offering higher salaries to employees] [organisational culture:open door policy] [organisational goals unknown by employees] [organisational performance:collectivity responsibility] [pardoned employees most loyal] [percentage of salary] [poor organisational structure] [production bonuses] [rebranding of employee] [strategic planingn:motivating employees] [strategic planning:meetings] [strategic planning:organisational learning] [values: team spirit] [values: transparency] [values:incentives for commitment] [values:integrity]

Quotation(s): 120

Code Family: employee rewards and recognition

Created: 2012-09-07 05:40:08 (Super)

Codes (99): [achlevement of results] [additional employee training] [additional training] [agree on set targets] [agreement on what to do] [allocation based on demand] [basic salary] [benefits of value] [care for employees] [celebrate successful execution] [cerebration parties] [communicating performance] [communicating progress] [communicating progress towards goals] [communication essential for performance] [communication of personal gratitude to employees] [disciplinary action] [discuss business performances] [discuss misconduct issues openly] [dismissal for serious breaches] [dismissal last resort] [dismissal of dishonesty employees] [dismissal of employees] [documentation of employee behaviour] [employee motivation] [employee productivity] [employee recruitment:work based] [employee rewards:lack of incentives] [employees morale] [employees not disciplined] [employees training:learning from mistakes] [employees welfare] [foregoing salaries for vision] [free consumption of

produce by employees] [free meals] [give percentage of contract fee] [high employee performance] [improving quality of life] [inadequate salaries] [incentives to come to work] [income generating projects] [introduction of contracts] [lack of income generating work] [lasting rewards] [loyalty awards] [loyalty of customers and employees] [lump sum rewards] [material and monetary rewards] [measuring employees on agreed goals] [offering higher salaries to employees] [operations to be self sustaining] [paid through consultation fees] [part time] [payment of commission for additional contracts] [percentage of salary] [performance based rewards] [performance rewards] [personal use of proceeds] [production bonuses] [profit sharing with employees] [promotions] [provision of residential stands] [reason for dismissal] [recognition of outstanding work] [rehire employee] [reprimanding wrongdoers] [residential stands for employees] [resources:ad hoc allocation] [retention of skilled employees] [reward employees] [reward employees for expected behaviours] [reward even social loafers] [reward individual effort] [rewarding performance] [rewards for employee suggestions] [rewards for employees] [rewards for good performance] [rewards linked to salary increments] [rewards not always announced] [salaries generated from earned income] [salary increments] [salary payments to supported by operations] [strategic planning:motivating employees] [strategic planning:performance evaluations] [strategic planning:rewarding employees] [strategy implementation driven] [strategy implementation:alignment of tasks to goals] [strategy implementation:allocate internal tasks] [strategy implementation:set achievable targets] [supplementary income] [supplementing salary income] [sustain employees salaries from investment] [tight cash flows] [top performer in company] [transfer of non performers] [underperforming employees dismissal] [values:carrot and stick approach] [values:celebrate success] [values:incentives for commitment]

Quotation(s): 78

Code Family: employee training

Created: 2012-09-07 05:38:39 (Super)

Codes (106): [ability to learn] [additional employee training] [additional training] [attitudes towards customers] [basic skills required] [carrying deadwood] [collaborative work] [computer literacy] [contracting out management responsibility] [coordination of tasks] [correction of employees] [correction of employees] [delegation of operational decisions] [demand professionalism and execution of assignments] [deployment of employees to different activities] [discuss content of manuals] [discuss misconduct issues openly] [diversity allowed] [drivers dislike of office work] [educate other employees on issues] [emphasis of best practices] [employee empowerment: learn from mistakes] [employee involvement] [employee recruitment: experienced based] [employee recruitment: quality of employees] [employee recruitment:academic qualification] [employee recruitment:college graduates] [employee recruitment:competent people] [employee recruitment:qualification] [employee recruitment:team players] [employee training:additional duties] [employee training:formal] [employee training:job enrichment] [employee training:job rotation] [employee training:non existent] [employees involvement in decision making] [employees training:in house] [explaining why things should be done] [family helps rehabilitate employees] [feedback from other employees] [followup training] [forgive genuine mistakes] [formal and informal training] [giving employees the needed support] [handling of customers] [handling of employees] [human resources deployment] [immature employees] [improve quality of employees] [incapable management team] [induction training] [job rotation] [keeping abreast with developments] [knowledge of employee] [lack of skilled employees] [lack of team support] [lack relevant skills] [learn from failures] [learning from dishonesty cases] [learning from experience] [learning from mistakes] [learning from mistakes: quality of employees] [limited in house expertise] [limited responsibilities] [limited work experience] [management disharmony] [maturity of employees] [monthly reviews of employees] [need for exposure to other functions] [need for feedback] [need for sharing tasks] [need to gain relevant experience] [need to know client's system] [no relevant experience] [only college education] [organisational culture:indoctrination] [people with relevant skills] [promotion of collective decision making] [providing relevant readings materials] [qualification not key] [qualifications and experience critical] [re-employment of employee] [rebranding of employee] [recruit competent employees] [reluctancy to disclose mistakes] [remedial action taken promptly] [employee training:resistance] [secondment of family members to different units] [seeking partnership support] [specialist training for family members] [staff redeployment] [strategic partnerships] [strategic planning:customer focus] [strategic planning:formal] [strategic planning:mentor assistance] [strategic planning:senior managers involvement] [strategy implementation:competent people] [strategy implementation:contracting out special works] [strategy implementation:establishment of organisational capabilities] [strategy implementation:quality employees] [suffered ill treatment by Chinese] [support of subordinates] [transfer of non performers] [underperformance] [unwillingness to train] [values:f team spirit and teamwork]

Quotation(s): 90

Code Family: leadership issues

Created: 2012-08-13 05:10:48 (Super)

Codes (48): [advice from landlord] [agreement on what to do] [avoid being confrontational] [business goals:personal security] [care for employees] [channel issues to directors] [communicate decision downwards] [communicating performance] [communicating progress] [communicating progress towards goals] [communication of personal gratitude to employees] [constant feedback] [consult management team] [consultation before implementation] [corporate governance] [creation of conducive environment] [creation of organisational social bonding] [developed business plan] [development of loyal employees] [development of own premises] [dictatorship and democracy] [discuss business performances] [discuss major tasks] [discuss misconduct issues openly] [diversification of business] [emphasis on teamwork] [emphasis on trust] [emphasize values considered important] [employee recruitment:talent] [employee suggestions valued] [employees involvement in decision making] [enforcement of values] [established policies and procedures] [external sourcing of funds] [failure to enforce organisation goals] [family based directorship] [family based strategy formulation] [family directors] [prerequisites implementation:clear vision] [resources:ad hoc allocation] [salaries and output relationship] [strategic planning:family decision] [strategy implementation:allocate internal tasks] [strategy implementation:establishment of organisational capabilities] [values: recruitment stage] [values:carrot and stick approach] [values:enforcement] [values:f team spirit and teamwork]

Quotation(s): 49

Code Family: organisational values and beliefs

Created: 2012-08-12 10:21:52 (Super)

Codes (56): [adoption of social responsibility as policy] [affects employee behaviour] [attitudes towards customers] [beliefs and values] [benefits of value] [better customer retention] [care and workmanship] [care for employees] [common good encouraged] [communication of values] [constant communication] [corporate governance] [customer commitment] [demand professionalism and execution of assignments] [diversity allowed] [emphasis of best practices] [employee attitudes:negative] [employee behaviour modified] [employee recruitment:moral] [entrenchment of values] [intolerance of substandard work] [Key values] [low team spirit] [mutual trust exists] [no shared values] [organisational culture] [organisational culture:christian environment] [organisational culture:expansion of God's kingdom] [organisational culture:indoctrination] [organisational culture:spiritual vision link] [organisational culture:team building] [organisational performance:collectivity responsibility] [organisational values] [recruitment of people sharing vision] [strategy implementation: best practices] [team work] [transparent relationship] [trust critical] [utmost good faith] [values initiated at inception] [values: recruitment stage] [values:employee behaviour] [values:introduction] [values:introduction of] [values:lack of trust] [values:ministry to prisons and hospitals] [values:pressureemployees to resign] [values:spiritua vision] [values:spiritual support] [values:spitual convictions] [values:suppression of undesirable behaviours] [values:team spirit] [values:teamwork] [values:testimonials] [values:working for God's kingdom] [values:written down]

Quotation(s): 56

Code Family: recruitment of employees

Created: 2012-08-13 05:12:29 (Super)

Codes (53): [ability to learn] [additional training] [basic skills required] [being a productive employee] [contract employees] [contract marketers] [contracting out management responsibility] [dependent on referrals] [difficulty to get replacements] [employee recruitment: experienced based] [employee recruitment: quality of employees] [employee recruitment: referrals] [employee recruitment:church members] [employee recruitment:college graduates] [employee recruitment:competent people] [employee recruitment:moral] [employee recruitment:multiskilled] [employee recruitment:policy] [employee recruitment:resources] [employee recruitment:skills and experience] [employee recruitment:skills shortage] [employee recruitment:skills shortages] [employee recruitment:talent] [employee recruitment:experience based] [experience in the business] [failure to compete] [failure to compete for talent] [immature employees] [improve quality of employees] [inappropriate skills] [incapable management team] [inexperienced graduates] [knowledge of employee] [known by existing employees] [lack of maturity] [lack of skilled employees] [lack relevant skills] [employee recruitment: quality of employees] [limited work experience] [need to gain relevant experience] [no relevant experience] [only college education] [poor recruitment policies] [prerequisites implementation:critical skills] [proper recruitment] [recruitment interviews] [recruitment of people sharing vision] [rehire employee] [relying on technical skills] [safeguarding existing skills] [skills dependent] [strategy implementation:quality employees] [values:honesty]

Quotation(s): 39

Code Family: strategic planning

Created: 2012-08-13 05:11:56 (Super)

Codes (66): [abandonment of strategic plan] [ability to pursue opportunities] [activities not driven by strategic plan] [avoidance of very big projects] [backward integration] [business expansion] [business expansion _diversification] [business growth: diversification] [business growth:diversification] [business growth:divesification] [business growth:infrastructural development] [business startup] [business to generate expansion resources] [create employment for children] [developed business plan] [development of e-learning platform] [directors responsible for strategic planning] [diversification into market gardening] [drew up a strategic plan] [extend business to extrusion] [failed to use strategic plan] [family based strategy formulation] [five strategic plan] [further business expansion] [Historical based planning] [involve family members in business activities] [managers not involved in strategy] [never implemented] [new vision] [no formal growth strategy] [no formal strategic plan] [no formal strategic planning] [no long term focus] [no written strategic plan] [organisational goals unknown by employees] [owner's vision] [planning of business activities] [planning purposes] [respond to external inputs] [responding to market demands] [responding to request] [restrategise] [review strategies] [setting production targets] [shift to agro business business] [short term focus] [strategic goals:deliver winning solutions] [strategic partnerships] [strategic plan:responsibility of directors] [strategic planing:written plans] [strategic planning meetings] [strategic planning:benchmarking] [strategic planning:business environment] [strategic planning:driving business growth] [strategic planning:goals] [strategic planning:revision of goals] [strategy] [strategy concern for owner] [strategy implementation:establishment of organisational capabilities] [strategy planning:responsibilities] [suspend growth] [tailormade solutions] [unplanned growth] [unwritten strategic plan] [uses of strategic plans] [vision]

Quotation(s): 62

Code Family: strategy implementation

Created: 2012-09-03 04:34:17 (Super)

Codes (283): [abandonment of strategic plan] [ability to pursue opportunities] [ability to work with tight schedules] [achievement of results] [activities goal oriented] [activities not driven by strategic plan] [additional employee training] [additional training] [all tasks on hand executed well] [allocation of tasks] [availability of technology] [avoidance of very big projects] [belief in plan] [bending rules occasionally] [business growth:infrastructural development] [business units to be self supporting] [cannibalisation of spares] [care and workmanship] [cash flow] [cash resources] [cashflow challenges] [challenging procedures] [changed the way things were done] [clear responsibilities] [clear task allocation] [communication essential for performance] [consideration and implementation] [consolidation of business] [constant communication] [constant feedback] [constant monitoring] [consult on

organisational issues] [consultation before implementation] [correction of employees] [correction of employees] [cost management] [delays affect client operations] [delays in investing in IT] [delegation of operational decisions] [demand professionalism and execution of assignments] [devotion of organisational resources] [direct selling to end user] [discuss business activities with employees] [discuss business performances] [discuss major tasks] [diversification of business] [effective and efficient organisation] [effective controls] [effects on business performance] [emphasis of best practices] [emphasis on deadlines] [emphasis on teamwork] [emphasize expectations] [employee performance] [employee recruitment: experienced based] [employee recruitment:multiskilled] [employee recruitment:talent] [employee recruitment:team players] [employee training:formal] [employee recruitment:experience based] [employees' capabilities] [employees acting according to instructions] [employees aware of organisational activities] [employees involvement in decision making] [employees make decision about own work] [employees morale] [employees not involved in strategy] [employees not responsible for work outcome] [employees passion for activities and vision] [employees responsible for identifying problem] [employees supporting each other] [employees working for organisational good] [enforced monitoring of employees] [enhance business performance] [ensuring product availability] [ensuring smooth information flows] [established policies and procedures] [expect employees to serve organisational goals] [expected to executed assigned tasks] [expert input] [expert mandate granted] [exposure to procedures] [extend to other branches] [failed to use strategic plan] [failure to benefit from local experience] [failure to compete for talent] [failure to enforce organisation goals] [failure to meet targets] [Failure to use available human resources] [failure to work for goals] [feedback from other employees] [fierce competition] [financial challenges] [financial challenges inhibiting growth] [financial constraints] [financial discipline] [focus on basic commodities] [freedom on choice how strategy is implemented] [freedom to implement] [fresh capital required] [fresh employee recruitment] [full time business involvement] [full time work for business] [functional decision making] [functional responsibilities] [funds utilised for activities likely to affect operations] [give all necessary information] [giving employees the needed support] [going through the motions] [gradual change] [handling of employees] [have to be pushed for results] [having the right people] [help implement solutions] [high coordination levels] [high levels of control] [huge capital base] [human resources deployment] [hunger for success essential] [ideal budget] [ideas limited to operations] [immature employees] [implement good suggestions] [implementation critical for success] [implementation is realisation of set goals] [implementation of employee suggestions] [implementation of strategies key] [implementation procedures] [implementation_business success] [importance of timing for restocking] [improve quality of employees] [improved stocking levels] [improvement in delivery times] [improvement of shopping environment] [inability to compete on large projects] [inadequate salaries] [inappropriate behaviours] [inappropriate skills] [independence] [individual responsibility for performance] [individualism] [individuals pursuing project individually] [information dissemination] [information key to survival] [information on contracts under negotiation] [interdependent work] [intolerance of substandard work] [keeping deadlines and promises] [keeping employees informed] [key to implementation] [key to positioning] [knowledge of employee] [lack of coherence and coordination] [lack of human and capital resources] [lack of skilled employees] [lack of team support] [lack relevant skills] [lax 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[strategy implementation:corrective action] [strategy implementation:cost management] [strategy implementation:deadlines] [strategy implementation:delays] [strategy implementation:distribution of responsibilities] [strategy implementation:establishment of organisational capabilities] [strategy implementation:execution] [strategy implementation:failure] [strategy implementation:performance] [strategy implementation:prioritise targets] [strategy implementation:resources] [strategy implementation:set achievable targets] [strategy implementation:stock availability] [strategy implementation:review targets] [strong availability of resources] [strong skills base] [success hinges on implementation] [successful strategy implementation] [suspend growth] [suspend procedures when necessary] [suspension of procedures] [talk to employees about the client system] [technological challenges] [tight cash flows] [tight work schedules] [time keeping essential] [timeous delivery of raw materials] 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- 1:21 The team is responsible for th.. (15:15)
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- 1:33 Each time I come to an organis.. (19:19)
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- 1:35 In this instance the driver to.. (20:20)
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11:2 With regard to the number of e.. (9:9)
11:3 We are now emphasizing on busi.. (4:8)
11:4 Our long term goal is to expans.. (10:10)
11:5 We have a strategic plan in pl.. (11:11)
11:6 My understanding of strategy i.. (15:15)
11:7 The goal will be to leave a ma.. (13:13)
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11:9 Normally we discuss the tasks .. (14:14)
11:10 To be very honest in 2010 we s.. (16:16)
11:11 The prerequisite for strategy .. (17:17)
11:12 It is also important to determ.. (18:18)
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11:15 The major values and beliefs o.. (21:24)
11:16 Values are so important to the.. (25:25)
11:17 We want to walk the values we .. (25:26)
11:18 There is need to push for adop.. (27:27)
11:19 With regard to resources we ha.. (27:27)
11:20 My major passion was to start .. (3:3)
11:21 We now want to consolidate our.. (3:3)
11:22 We want to walk the values we .. (25:26)
11:23 During this time the manager w.. (25:25)
11:24 We also give our employees due.. (28:28)
11:25 Employees have to learn that t.. (27:27)
11:26 They will only get payment if .. (27:27)
11:27 I am always away from the orga.. (29:29)
11:28 There should no compromises in.. (29:29)
11:29 We also believe that our emplo.. (30:30)
11:30 We try to look for employees w.. (31:31)
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11:34 They only come to me when thin.. (33:33)

11:35 For all other employees any in.. (34:34)
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11:37 However on the third trip he g.. (35:35)
11:38 Normally we were supposed to f.. (35:35)
11:39 With regard to resources, they.. (36:36)
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