Strategic Role of Leadership in Strategy Implementation in Zimbabwe's State Owned Enterprises

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Abstract

The study aimed to explore the link between active leadership involvement and strategy implementation success in State Owned Enterprises in Zimbabwe. The study was conducted between July and October 2010 with a total of 188 respondents randomly selected from four State Owned Enterprises. The data was gathered through an interview and a self-administered open ended questionnaire. The study revealed a relatively low leadership involvement in strategy implementation leading to partial strategy success. Leadership has been failing to role model the ideal behaviour necessary for successful strategy implementation. The absence of a well crafted strategic vision and the lack of communication were also identified. The study concluded that leadership should be able to craft a vision for any strategic programme, design effective communication strategies as well as to role model behaviour changes that are consistent with new strategies.

Key terms: strategy, strategy implementation, leadership, change management

1.0 Introduction

Leaders in all organisations are aware of the need to strategically plan the future of their organisations as well as to partake in the effective implementation of these crafted strategies.

A leader is viewed in this study as a managerial employee who is tasked to oversee the successful execution of strategic initiatives. While issues of strategic planning have presented challenges to strategic leaders, it is in the area of strategy implementation where these leaders have encountered a number of challenges. Hrebiniak (2006) reported that although formulating a consistent strategy and making it work is fairly easy, implementing it throughout the organisation is even more difficult. Allio (2005) also concluded from an economist survey of 276 senior operating executives that a discouraging 57% of firms were unsuccessful at executing strategic initiatives. Strategy implementation is an area that is now highly valued by entities. The ever-rising fiscal burden of the Zimbabwe Government has raised expectations on State Owned Enterprises strategy implementation so that they turnaround their fortunes and be self funded. Strategy implementation which refers to the process that turns plans into action assignments and ensures that such assignments are executed in a manner that accomplishes the plan's stated objectives, is the hallmark of effective leadership. Strategy implementation is only successful when it is backed by effective leadership. This study explored the importance of effective leadership in the success of strategy implementation amongst State Owned Enterprises Zimbabwe.

2.0 Literature review

2.1 The concept of strategy implementation in State owned Enterprises

Several studies have been conducted on issues pertaining to challenges faced by organizations during strategy implementation. However, a search of the literature shows that little or minimal attention has been given to the strategic role of leadership in the strategic implementation process in State Owned Enterprises with regards to Zimbabwe. Studies carried out on leadership involvement in Strategic Involvement reveal that leaders need it: have different leadership behaviors for different change events (Fielder 1967; House 1971; Tannebaum and Schmidt 1973); show the competence to craft vision and set goals (Bennis 1987; cited in Thach et al 2007); understand and know how to use power (Hardy 1996); devise more efficient ways to present change to employees (Larkin and Larkin 1996); apply their technical, human and conceptual skills (OECD, 2002 cited in Svetlik, 2005).

Fielder (1967), House (1971); Tannenbaum and Schmidt (1973) studied leadership behaviour and they found out that leaders should have situational leadership style behaviors for different change events. In other words, different strategic changes will be effective with the appropriate leadership style. In this regard the leadership behaviors that will support a change initiative in the longer term are those that inspire, stimulate, or instill a sense of purpose within the employees. The shaping of behaviour aligned to strategy implementation programmes can therefore be an effective strategy to improve strategy implementation success. Bennis (1987; cited in Thach et al 2007) carried out a study on leadership competencies argues that amongst the competency clusters, leaders should be able to craft a strategic vision and set goals. Mackenzie et al (2001) also postulated that effective leaders implement change through articulating a vision, fostering acceptance of group goals, providing individualised support and intellectual stimulation and clarifying performance expectations.

A research by Larkin and Larkin (1996) concluded that leaders should find more precise and efficient ways to present change to employees and be able to describe the appropriate communication channels to use. They also further argue that groundless rumors can undermine chances of success, so it is important to choose appropriate media and to begin to communicate at an early stage in the strategy implementation process to avoid misunderstandings. Smith et al (1995 p 28) reported on the differences in strategy implementation receptivity during the communication process of a large strategic change initiative with the State Transit Authority in Victoria. After a series of continuous discussion sessions and other site inspections, it was discovered that pen discussions gave a sense of ownership of the strategy which results in commitment to the strategy and a sense of enthusiasm and personal change. The absence of effective communication systems hinder the creation of new meaning and acceptance, hence strategy implementers fail to recognize the need for change.

Trinka (2004) and OECD (2002) as cited in Svetlik (2005) in their research on leadership competencies concurred that commonly referenced competencies for successful Strategy Implementation include; integrity/honesty, communication, technical competence, diversity consciousness, developing others, results orientation, change management, interpersonal skills, problem-solving, decision making, political savvy, strategic/visionary thinking, customer focus, business skills, team leadership, influence skills, conflict management, emotional intelligence, social and environmental responsibility.

The failure to identify one's competence and use such or a combination thereof dampen the quality and success of strategy implementation programmes.

A leader without power or who does not know how to use power will fail in strategy implementation for such a leader will not be in a position to influence individuals to perform. Hardy (1996) argues that power has a central role in strategy implementation and studied how the use of power can guide an organisation and its members throughout a strategy implementation process. Jackson and Carter (2000) presented that there are two kinds of forces in an organisation; power and authority. They identified the forces of power as being "the ability to get someone to do something that he or she does not particularly want to do". However, Hardy (1996) further reasons that in order to use power it is necessary to understand what it involves before actual application on employees.

3.0 Methodology

The study was carried out with 188 full time employees in four State Owned Enterprises in Zimbabwe. The sample comprised of 7 top managers, 14 middle level managers and 167 employees who were all present when their respective organisations instituted at least two strategic changes. Data for the study was collected using three (3) methods after a review of the literature. The content validity of the methods used was evaluated through a pilot study with 50 employees drawn from two State Owned Enterprises in Zimbabwe. The first method entailed the use of desk research to obtain secondary data from the field of strategy implementation. The second method was the use of two questionnaires, QA and QB. Questionnaire A (QA) was completed by company top leadership (managing directors, general managers, and branch managers). It provided specific details concerning strategy implementation role played by leaders. Questionnaire B (QB) was completed by employees (full time employees present during the implementation of at least two strategies). Through QB, data was collected which deals with organisational change readiness as an influence of leadership involvement prior and during strategy implementation. There was a 72% response rate of the questionnaire. The third method was the use of personal interviews **to** validate questionnaire responses and to follow up on partially completed questionnaires. Interviews were done with four (4) managers from the State Owned Enterprises.

Descriptive statistics was used to analyse the data yielded from the research questionnaires for selected research questions. The agree and strongly agree, disagree and strongly disagree Likert scale categories were collapsed into a single agree and disagree category responses respectively, with the responses (raw scores) being converted to percentages for comparison purposes. The questionnaires, interviews responses and desk research (secondary) data were combined for further analysis.

4.0 Findings and Discussion

4.1   Leadership role modeling of behaviour appropriate for change

Respondents from the study showed that as little as 15% felt that top leadership was able to role model appropriate behaviour to see through the strategy implementation process. On the other hand, 85% of the total respondents did not agree that leadership role modeled the necessary change behavior (Table 1).

From the primary interviews held with some middle and low level managers, 63% of the respondents were of the opinion that top leadership relied more on transactional leadership style through reward structures while 27% of the respondents said that transformational leadership style was used. However, all the interviewees agreed that prevailing reward structures could not sustain employee's commitment due to the hyper-inflationary environment that characterised the period understudy. As a result their commitment could not be sustained and therefore the behavior choice was not suited for a step by step or evolutionary strategy that they opted to deploy. An analysis of the literature by Bass (1985), Conger and Kanungo (1987), Shamr et al (1993), and Wilson (1989) concurs that there is a high need for a set of leadership behaviors that can sustain long term strategy implementation activities. Taking into cognizance the step by step implementation strategy that most State Owned Enterprises (in Zimbabwe) adopted it then follows that leadership was supposed to role model the necessary behaviour that would sustain the change. The appropriate leadership behaviour was supposed to be focused on vision, missions, inspiration and intellectual capacity which translate to transformational leadership behaviour.

4.2 Leadership Skills Used

Secondary data research indicated that there are three (3) different leadership skills that are necessary for strategy implementation success. Through primary data collection, respondents were requested to rate the skill that was predominantly applied in the implementation process.

Results (Table 2) show that 54% of the respondents were of the opinion that top management or leadership predominantly used their technical skills to spearhead strategy implementation. Technical skills, according to Pagon, Bunatai and Bizjak (2008) are a key prerequisite for strategy implementation especially in the drafting of action plans. French and Raven (1959) proposed that the use of expert power as a variant of technical skills is more likely to produce commitment. Yukl (2006) also has it that the use of technical skills by a change agent can be perceived as a reliable source of advice, information and expertise to solve technical problems and to take good decisions on visible projects. However, due to limited degrees of success in previous strategies many employees' perception of their leadership expertise power has drastically been reduced leading to the reliance on human and conceptual skills as shown by the 26% and 20% respondents' opinion respectively. Kotter, and Kruger (1996), De Wit and Meyer (2004) also explained that the core problem of change is the existence of various factual and personal barriers that should be identified and reconciled before implementation. In this regard, it can be noticed that many of the implementation efforts have failed due to the over reliance on technical skills that cannot solve personal problems and induce commitment, ownership and general involvement of employees. In addition, the environment understudy was also very turbulent in relation to the economic welfare of employees and as such it called for more use of human skills that would allow top leadership to effectively motivate and rally all employees' efforts behind the new strategies.

4.3 Leadership crafting a vision for change

The survey revealed that most State Owned Enterprises' top leadership failed to craft and articulate a worthwhile vision for chosen strategies and their subsequent implementation processes as shown in Table 3. The study revealed that 65% of the respondents did not agree that top leadership was able to craft clear cut visions for the strategy implementation process, while only 35% agreed that there was a clear enabling strategic vision to spearhead strategy implementation processes. These results show that most State Owned Enterprises in Zimbabwe failed to successfully execute   strategy implementation with considerable results due to a lack of a clear strategic vision. Irianto (2005) concluded that the successful implementation of strategic decisions and operational directives rested in strategic action and decision in creating awareness through well crafted vision.

4.4 Communication

Participants in the research study were requested to indicate the various communication tools used in conveying message or information during the strategy implementation process as shown in the table 4. The results show that meetings are the most frequently used communication tool in strategy implementation as shown by a response rate of 41% as compared to memoranda (19%), public address (1%), notices (14%) and circulars (25%). The use of various communication tools is in line with Kotter (1995) who argues that transmitting vision to employees and using every communication channel and tool possible are central elements in the success of any strategy. This view is also supported by Larkin and Larkin (1996) who suggested that groundless rumours typical in strategy implementation can undermine chances of success, so it is important to choose appropriate media to avoid misunderstandings. From the interviews held, 57% of the respondents revealed that first line managers were more effective in communicating with employees as their closeness to people on the ground was often seen as sincere and telling the truth and that the employees preferred to receive their information through face to face discussions. It then follows that meetings are the most preferred and most effective way of transmitting information, and as such, it should be defined by those who implement or are the target recipients of the information. Larkin and Larkin (1996) also propounded that meetings promote or permit real discussion, and front line managers can identify employee's reluctances, respond to questions and provide feedback to managers.

5.0 Conclusion and Recommendations

5.1 Leadership behaviour

It was revealed that most State Owned Enterprises leaders failed to role model that ideal behavior to spearhead and sustain strategy implementation.

The most important thing when implementing a strategy is the top management's commitment to the strategic direction itself. Therefore, top managers must be willing to give energy and loyalty to the implementation process

5.2 Leadership crafting of strategic vision

The ability to craft a clear cut strategic vision represent a valuable intangible asset which is key in strategy implementation. The study revealed that most strategies implemented were not backed by well crafted visions to guide them. Thus for the purpose of strategy implementation leaders should be able to craft a vision that create a fit between intended strategy and the specific personality profile of the implementation's key players in the different departments of the organization.

5.3 Communications

Most State Owned Enterprises' strategies implementation failed due to lack of two way communication. It is therefore recommended that State Owned Enterprises should adopt two way communication tools that permit and solicit questions from employees on issues related to the formulated strategy and its implementation. According to Alexander (1985) the communications should tell employees about the new requirements, tasks and activities to be performed by the affected employees, and, furthermore, cover the reason (``the why'') behind changed circumstances.

5.4 Use of leadership skills

The research established that most strategies failed due to the inability of leaders to make use of their various skills to create the awareness and show the strategy implementation roadmap as most of the strategy implementers were not aware of leadership expectations. Leadership should make use of their skills and abilities such as Human, technical and conceptual skills to create the need for change and enhance strategy implementation receptivity through imparting knowledge, motivation and guidance to strategy implementation individuals and teams.

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Table 1

Leadership role model	S O E A	S O E B	S O E C	S O E D	Total	% frequency
Agree	5	7	4	4	20	15
Disagree	29	18	37	32	116	85
Total	34	25	41	36	136	100

Observed frequencies on Leadership ability to role model behaviour necessary for Strategy Implementation

Table 2

Leadership skill	S O E A	S O E B	S O E C	S O E D	Total	% Frequency
Human	5	8	16	4	**33**	**26**
Technical	20	14	16	24	**74**	**54**
Conceptual	7	4	6	9	**26**	**20**
Total	**32**	**26**	**38**	**37**	**136**	**100**

Observed frequencies on Leadership/managerial skills used in strategy implementation

Table 3

Vision for change	S O E A	S O E B	S O E C	S O E D	Total	% Frequency
Agree	13	14	14	7	**48**	**35**
Disagree	25	15	23	25	**88**	**65**
Total	**38**	**29**	**37**	**32**	**136**	**100**

Observed frequencies on Leadership ability to craft a vision for Strategy Implementation

Table 4

Communication tool	S O E A	S O E B	S O E C	S O E D	Total	% Frequency
Memoranda	11	5	12	10	**38**	**19**
Circulars	13	18	10	8	**49**	**25**
Notices	5	6	9	7	**27**	**14**
Meetings	17	21	27	16	**81**	**41**
Public address	2	0	1	0	**3**	**01**
Total	**48**	**50**	**59**	**41**	**136**	**100**

Observed frequencies on the Communication Tools used by State Owned Enterprises in Strategy Implementation