

**STRATEGY IMPLEMENTATION: An Investigation of Challenges Impeding the Implementation of  
Municipal Strategies in Limpopo Province.**

**By**

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## **DECLARATION**

“I declare that the dissertation hereby submitted to the University of Limpopo, for the degree of Master of Business Administration (MBA) in the field of strategic management has not been previously submitted by me for a degree at this or any other university; that it is my work in design and in execution, and that all material contained herein has been duly acknowledged.”

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## **ABSTRACT**

There is enough evidence and common consensus in literature that although strategy implementation is a challenge to many organisations, it is strategy formulation that continues to receive more attention. It is also evident that municipalities In South Africa, let alone Limpopo Province, experience certain barriers to strategy implementation. Given this situation, this study highlights the most frequent barriers to strategy implementation in general and attempts to identify and describe barriers that impede strategy implementation in a municipal context. It further recommends, from a systems theory point of view, a strategy implementation framework that recognises the importance of multiple strategy implementation factors as well as participatory democracy in local government.

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## **CHAPTER 1**

### **INTRODUCTION AND ORIENTATION TO THE STUDY**

#### **1.1. Introduction**

This study investigated the challenges faced by municipalities in Limpopo Province in their mission to implement municipal strategies, as expressed through their integrated development plans, and to meet the constitutional requirements laid down for local municipalities in South Africa. The study started with the premise that the implementation of strategy is an invaluable interface between strategy formulation and service delivery. The approach adopted throughout the study is based on the acknowledgement of the fact that, in their attempts to stay afloat and to respond proactively, or otherwise, to changes within their environments, both the world at large, and organisations, is changing constantly. The responses of organisations to these changes are evidenced in their strategic plans and in the manner in which they conduct strategic management. Strategic management is all about change, and the way in which organisations plan in order to survive amidst change (Smit, Cronje, Brevis & Vrba, 2007:83). There is, also, no denying that technological changes and the information-and-knowledge era are largely responsible for the turbulent business environment of today (Smit et al., 2007:83). Strategic management has, therefore, been identified as a tool that assists organisations to survive within the revolutionary business environment of today. It is also incumbent on public organisations, such as municipalities, to formulate and implement strategies as a way of responding to societal demands.

The challenge faced by organisations, in terms of the strategic management process, lies in translating their strategic plans into action (i.e. implementation of strategies) rather than in formulating strategies. There is also a strong worldwide predisposition to the creation and formulation of strategy as opposed to the implementation and execution of strategy (Pienaar & Cronje, 2008:12). Any failure to implement strategy would compromise the competitive advantage of an organisation in respect of either its business or its industry. Non-profit organisations and government institutions are also faced with the challenge of making strategic

choices and of implementing their strategic plans successfully. For example, each municipality in South Africa is expected to adopt an Integrated Development Plan (IDP) which serves as an inclusive strategic plan for the development of the municipality (RSA, 2000). The question arises as to whether these strategic plans are ultimately implemented in order to achieve set organisational goals and, if not, what the impeding factors are which hinder the implementation process.

The President of South Africa at the time, Mr K Motlante (2008), mentioned in his February 2009 State of the Nation Address that South Africa is facing the challenge of translating its ideals into programmes and projects for effective implementation. Former President Mbeki raised the same matter in his State of the Nation Address in February 2008 when he spoke of “business unusual”. By the phrase “business unusual” President Mbeki was referring to the need for the speedy, efficient and effective implementation of government policies and programmes (Mbeki, 2008). In his justification of the *Green Paper: National Strategic Planning* the Minister in the Presidency: National Planning, Trevor Manuel (2009), indicated that an honest appraisal, such as the government had carried out in its Fifteen Year Review, points to shortcomings in the implementation of government plans.

If municipalities are to fulfil their developmental mandate, it is essential that they deliver services in an efficient manner. According to Gurowitz (n.d), studies point to the notable absence of any relationship between the formulation of strategy and the implementation of strategy. In fact, it is claimed that less than 10% of strategies which are effectively formulated are, indeed, effectively executed. There are numerous complaints in South Africa about the lack of efficiency of local government in terms of service delivery. Poor service delivery may be associated with the inability of municipalities to implement their strategic plans.

## **1.2. Statement of the Problem**

Many organisations expend resources in crafting strategies that are never implemented and, as a result, organisational goals are not attained. This problem manifests in both public and private organisations. The problem investigated in this study had to do with the inability of municipalities in Limpopo Province to implement strategies as a result of certain implementation challenges.

## **1.3. Aim of the Study**

The study aimed to investigate, identify and describe the challenges impeding the implementation of strategies on the part of municipalities in Limpopo Province. The study also recommends a strategy implementation framework relevant to the circumstances in which these municipalities operate.

## **1.4. Objectives**

The study aimed at achieving the following objectives:

- To establish and describe the state of readiness of municipalities in terms of the implementation of strategy
- To identify and describe the challenges faced by municipalities in Limpopo Province in the implementation of strategies
- To recommend a strategy implementation framework for municipalities in Limpopo Province

## **1.5. Research Questions**

The following main research question guided this study: **‘What are the challenges impeding the implementation of municipal strategies in Limpopo Province?’** In an attempt to provide

answers to this question, the following research sub-questions were formulated and used during the investigation:

- How ready are municipalities in terms of strategy implementation?
- How consistent are municipal strategies in terms of the mandate of local governments?
- What challenges do municipalities face in the implementation of strategies?
- What framework is suitable for strategy implementation in the municipalities?

### **1.6. Significance of the study**

The significance of the study lies in its attempt to address strategy implementation which is an area that has not received adequate attention in past research. Pienaar and Cronje (2008:12) agree that “[s]trategy implementation remains the least researched management topic; yet unsuccessful strategy implementation has a tremendous financial impact on an organisation’s profits and competitive advantage”.

The study moved from a premise that acknowledged Pienaar and Cronje’s (2008) assertion in respect of the little attention accorded to strategy implementation, even within academic circles. For example, despite the fact that Pienaar and Cronje (2008:12) acknowledge that corporate strategy and strategic management are the capstone courses of all good Master of Business Administration (MBA) degrees, the focus in these courses is still on the formulation of strategy with little emphasis on strategy implementation and, indeed, little about strategy implementation. This study will, therefore, be crucial in contributing to the body of knowledge and in closing the knowledge gap which had been identified. In an attempt to close this gap the study will identify and describe barriers to the implementation of strategy which are relevant to local municipalities in Limpopo Province. The findings of the study are expected to assist IDP managers and other practitioners in the field of strategic planning in the municipal context to understand the contextual implementation factors that impede strategy implementation.

## **1.7. Outline of the Research Report**

The findings of the study will be presented as a research report in the following research dissertation format:

- **Chapter 1: Introduction and orientation to the study**

The first chapter presents an overview of the study, the background to the study, the problem statement, the motivation for the study, the aims and objectives of the study, and the research questions asked, and also discusses the significance of the study.

- **Chapter 2: Literature Review**

The second chapter presents a review of relevant literature with a view to positioning the study within the existing theoretical body of knowledge. In this chapter preliminary findings based on relevant literature are formulated. The chapter also sheds light on the type and nature of questions suitable for the collection of data in the study.

- **Chapter 3: Research Design and Methodology**

The third chapter of the research report presents a detailed outline of the research design and methodology adopted in the study. The choice of a specific research design and specific research methodologies is also justified in terms of the nature of the study conducted.

- **Chapter 4: Data Analysis and Interpretation**

In chapter 4 the data collected by means of various techniques are presented, analysed and interpreted.

- **Chapter 5: Conclusions, Recommendations and Summary**

Chapter 5 is dedicated to the conclusions, the recommendations and a summary based on the findings. The findings from the empirical investigation are compared with the findings of the literature review in order to ascertain whether new knowledge has come to light as a result of the investigation. Possibilities for further investigations which were identified during the study are also highlighted in this chapter.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

A review of the available body of knowledge was conducted in order to establish the extent to which other researchers have investigated the strategy implementation impasse in general and strategy implementation within the South African municipal context in particular. Although this chapter serves as a report on the findings of researchers in respect of strategy implementation, it also serves to position the current study within a particular conceptual framework. The literature review commences with a theoretical background to the study with a view to highlighting conceptual influences that may have affected the research's approach to the study. For example, the researcher's choice, definition and use of concepts were all influenced by the researcher's adherence to a particular theoretical ideology.

The review also focused on providing answers to the following sub-questions:

- How ready are municipalities in terms of strategy implementation?
- How consistent are municipal strategies in terms of the mandate of local government?
- What challenges do municipalities face in the implementation of strategies?
- What framework is suitable for strategy implementation in municipalities?

The researcher based the study on certain assumptions pertaining to the abovementioned research questions. With regard to readiness, the researcher assumed that municipalities in Limpopo Province were not ready to implement strategies. A further assumption was that municipal strategies were not generally consistent with the mandate of local government. Lastly, the researcher acknowledged that, although a range of strategy implementation challenges exists in general, there are also challenges that arise more frequently in the municipal environment and which are more relevant to the municipal environment, and these

specific challenges might justify the need for the development of a suitable strategy implementation framework for the municipal environment.

In an attempt to shed light on the above issues, the researcher consulted research reports which were based on both conceptual assumptions as well as empirically tested findings. It must also be made clear from the outset that there was little available information on the implementation of strategies in South African literature. Accordingly, most of the analysis conducted was based on literature and experiences drawn from foreign contexts. However, in the closing analysis a conceptual framework is proposed for application within the South African municipal context.

Finally, in this chapter preliminary findings based on the literature review will be presented with a view to assessing whether there is a need for an empirical investigation to test certain conceptual findings.

## **2.2 Theoretical Background**

This study is influenced by and draws knowledge from an array of management theories and, therefore, the study adopts an eclectic approach – the practice of borrowing principles from different theories. In view of the fact that the aim was not to try and strike a balance between the theories, it will be found that elements of systems theory and the contingent approach will be prominent throughout the study. Systems theory was developed in the 1950s as a way of compensating for the gaps that had been identified, and for the limitations that were inherent, in the classical approaches. The classical approaches to management (i.e. scientific management, human relations and quantitative management) all ignored the relationship between the organisation and its external environment and tended to focus on internal organisational aspects only (Smit et al., 2007:38).

This literature review is biased towards those studies that advocate the environmental approach to the strategic management process. The review adopts the viewpoint that external factors, such as globalisation, information technology, and competition for survival, are all indispensable in organisational planning and all exert an influence on the strategic management process. In other words, changes within the external environment all have an influence on the performance and survival of organisations (Smit et al., 2007:38) and, hence, the perception that an organisation is a system that is open to influences from the larger system within which it finds itself – systems theory. The dynamic nature of the external environment forces organisations to modify and to adapt their plans constantly in order to strike a balance with the outside world and this, in turn, results in the processual nature of the management process, including strategic management – contingency theory.

The *White Paper on Local Government* (RSA, 1998) defines developmental local government as local government which is committed to working with citizens and communities to find sustainable ways both to meet their needs and to improve the quality of their lives. If municipalities are to respond correctly to the needs and expectations of their communities, it is essential that they interact with the communities constantly. In other words, they have to open up and, in so doing, subject themselves to environmental forces. This is in line with the assertion of Asmah-Andoh (2009:106) that municipalities are open systems which are subjected to environmental influences and which are expected to respond to contextual challenges. According to Asmah-Andoh (2009:104), municipalities have been charged with the implementation of government policies and strategies at the local level and they must, therefore, adapt these policies and strategies to differing local circumstances. Malefane (2008:714) states that, in order to achieve a state of dynamic homeostasis, it is essential that municipal leaders keep abreast of changes and adapt their strategies to meet the requirements of the external environment. It is also evident from the preceding argument that municipalities themselves may be perceived as dynamic organisations.

### **2.3 State of Readiness of Municipalities to Implement Strategies**

An organisation and its people have to be made ready to implement strategy before attempts are made to commence with the implementation. Smith (2005:408) defines such readiness as organisational change readiness and maintains that “[i]f organisational change is to take hold and succeed, then organisations and the people who work in them must be readied for such transformation”. Any failure to invest time and energy in assessing the change readiness of both the organisation and the individuals within the organisation may result in the managers’ having expend even more time and energy in dealing with both resistance to the proposed change (Smith 2005:408) and the consequences of strategy failure.

Strategy implementation, unlike project management, involves either doing things differently or bringing about change and, thus, requires change management skills. It is essential that the members of an organisation be prepared for the change process and that they are trained to become change agents. Smith (2005:408) asserts that people are more likely to support change if they are ready to make the proposed change. In view of the fact that change forces individuals to break with tradition and start doing things differently, the individuals involved need to be prepared for strategy implementation. According to Berger (2007:32), organisational preparedness to implement change implies preparedness on the part of the members of the organisation to undergo a transition state from the present state to the desired phase. Preparedness is crucial since organisational change is comprised of those processes that may break down existing structures and create new ones, including new organisations, new cultures, and new ways of working (Chonko, 2004)

An organisation’s readiness to support change may be measured in terms of the belief on the part of the members of the organisation in the proposed changes and in their willingness to invest time and energy in these changes (Heathfield, 2009). Heathfield (2009) also maintains that an organisation’s readiness for change may be assessed by posing the following questions:

- What is the level of trust within the organisation?
- Do organisational members generally feel positive about their work environment?

- Does the organisation have a history of open communication?
- Do organisational members share financial information?

If the change process is not properly communicated and people brought to the point of aligning their personal goals with the goals of the organisation, there may be resistance to the change and people may revert to the traditional way of doing things. Accordingly, the most effective way of bringing about lasting change is to develop working conditions in which employees may operate more effectively (Chonko, 2004:2). If the culture and climate of an organisation are not conducive to acceptance of change on the part of the members of the organisation, then there is a good chance that the change initiatives will fail, irrespective of the desires and plans of management. Berger (2007:33) maintains that management of municipalities must understand that implementation of change initiatives is the same as managing organisational transition.

Various methods may be used to assess the readiness of an organisation to implement change. Smith (200:411) advises that an organisation adopts an assessment approach that it deems convenient, as long as some form of evaluation of an organisation's actual and current capacity to achieve change is conducted. According to Smith (2005:409) organisational change readiness may be brought about by

- creating a sense of need and urgency for change
- communicating the change message and ensuring participation and involvement in the change process
- providing anchoring points and a base for the achievement of change

There is evidence in the literature that municipalities in South Africa are facing strategy implementation challenges (Alebiosu, 2005; Hofert, 2006; Mbeki, 2007; Malefane, 2008; LGB, 2009; Asmah-Andoh, 2009; Naidoo, 2009). Irrespective of their levels of readiness, municipalities are expected to execute the mandate of local government as enshrined in section 152 of the Constitution (RSA, 1996). However, it is being acknowledged that municipalities are facing challenges that, on their own, they are not in a position to address and

to overcome (Naidoo, 2009:6). Without compiling a comprehensive list of the challenges (or, at least, the most recurring challenges), Naidoo (2009:6) recommends that municipalities be given assistance in the form of the deployment of skills development facilitators. However, the question arises as to whether the municipalities are ready for the kind of assistance proposed and/or whether this assistance will enhance strategy implementation. Although the recommendation in respect of support appears to be valid, Naidoo (2009: 6) believes that, irrespective of the nature of the support contemplated, success will depend on the readiness on the part of the municipalities to receive the support.

#### **2.4 Consistency of Municipal Strategies with the Mandate of Local Government**

Within the South African municipal context, Integrated Development Planning (IDP) is a strategic tool that guides the formulation, implementation and execution of strategies. Chapter 5 of the Municipal Systems Act (RSA, 2000) requires that municipalities adopt Integrated Development Plans (IDPs) as the single, inclusive and strategic plan for the development of their municipal areas. The IDP must be the principal strategic instrument that guides and informs all the planning, budgeting and management decisions of a municipality. The strategic intents of municipalities are, thus, expressed in their IDPs. These strategic intents should, however, be consistent with the mandate of local government. Section 152 (1) of the Constitution of the Republic of South Africa, 1996 (RSA, 1996) details the mandate of local government as the following:

- To provide democratic and accountable government for local communities;
- To ensure the provision of services to communities in a sustainable manner;
- To promote social and economic development;
- To promote a safe and healthy environment; and
- To encourage the involvement of communities and community organisations in the matters of local government.

In an attempt to meet their constitutional obligations, as stated above, municipalities adopt IDPs. The IDPs require a municipality to be an open system in order to accommodate the policies and strategies developed at the national and provincial levels of government. Section 24(1) of the Municipal Systems Act (RSA, 2000) states that the

*"[p]lanning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of co-operative government contained in Section 41 of the Constitution".*

As required in section 153(b) of the Constitution (RSA, 2000), municipalities are expected to participate in national and provincial development programmes. The demands placed on municipalities by the IDPs require implementation skills, high levels of capacity and sufficient allocation of resources.

Municipalities are not only required to integrate national and provincial programmes and strategies into their plans, but they are also required to communicate their plans to other stakeholders (including their communities). A study on local government performance, which was conducted by Idasa, revealed that most municipalities in South Africa have failed to communicate their development visions to stakeholders (LGB, 2009).

It is evident from the above analysis that it is essential that organisations, including municipalities, identify a set of implementation factors that are crucial for strategy implementation. It has also now become apparent that certain strategy drivers, such as communication, leadership and resource allocation, are important for successful strategy implementation.

## **2. 5 The Strategy Implementation Process**

In order to discuss the strategy implementation process within this context, it is important to clarify what is meant by strategy, strategic management and strategy implementation. The clarification provided in this analysis was influenced by both the systems theory and the contingent approach.

### **2.5.1 Definition of Strategy**

Ehlers and Lazenby (2007:2) define strategy “as an effort or deliberate action that an organisation implements to outperform its rivals”. It is clear from this definition that a strategy may be perceived as a conscious decision (a planned move) on the part of an organisation. Thompson, Strickland and Gamble (2007:3) define a strategy as the management action plan of an organisation for running a business and conducting operations. However, both definitions fail to highlight the influence of external factors and, therefore, subscribe to the planning school or approach to strategy.

Contrary to the planning approach to strategy, Mintzberg (in Hill & Jones, 1995:5) argues that strategy comprises more than that which an organisation either intends or plans to do. In other words, successful strategies may emerge within organisations without any pre-planning. However, the effect of environmental forces on organisations necessitates strategic interventions and, thus, it may happen that organisations are found to be responding to outside pressure. Accordingly, the environmental school perceives strategy formulation as a response to environmental factors rather than as a pre-planned process and the environment may present itself to the organisation in the form of a set of general forces that operate as central actors in the strategy-making process (Mintzberg, Ahlstrand & Lampel, 1998:5). In other words, strategy involves the utilisation of the internal resources and competences of the organisation and the building on organisational strengths in order to meet environmental challenges (Norton, 2007:4). This philosophy on strategy is based on the contingency theory of strategy.

A synthesis of the above approaches (planning and environmental) indicates that a strategy is a product of both a response to environmental forces as well as an internal planning process in order to ensure that the organisation remains competitive within its industry. This analytical view influenced the researcher's approach to the entire investigation within this study and, hence, the adoption of Norton's (2007:4) definition of strategy as "...the direction and scope of an organisation over the long-term to achieve sustainable competitive advantage in a changing environment through its configuration of resources and competencies, with the aim of fulfilling stakeholder expectations".

### **2.5.2 Strategic Management**

As a field of study, strategic management, originally termed business policy, incorporates the integrative concerns of business policy with a more definite environmental and strategic emphasis (Hunger & Wheelen, 1996:4). Although there is an acknowledgment in this study of the existence of strategic management as an academic discipline (Hunger & Wheelen, 1996:4), the study is skewed towards strategic management as a strategy management process, and, hence, the adoption of Ehlers and Lazenby's (2007:2) definition of strategic management as "the process whereby all the organisational functions and resources are integrated and coordinated to implement formulated strategies which are aligned with the environment, in order to achieve the long-term objectives of the organisation and, therefore, gain a competitive advantage through adding value for the stakeholders".

The above definition emphasises the integration and coordination of organisational functions and resources with a view to supporting strategy implementation. It, therefore, becomes clear that strategic management is, in fact, more about the implementation of strategies which have been formulated rather than about the formulation of strategies alone. The literature review reveals that organisations are currently not paying the necessary attention to strategy implementation (Kazimi, 2008:1 564; Al-Ghamdi, 1998:322; Aaltonen & Ikavalko, 2002:415; Muell & Cronje, 2008a:12). It is also worth noting that the same definition advocates the

environmental approach to both strategy formulation and strategy implementation and that it refrains from reducing the strategic management process to strategic planning alone.

Writers and management practitioners tend to adopt different approaches to the strategic management process. However, those models that subscribe to the environmental school (Hunger & Wheelen, 1996; Ehlers & Lazenby, 2007) identify at least four interrelated and integrated phases in the managerial process, namely:

- environmental scanning
- strategy formulation
- strategy implementation
- performance evaluation and control

The literature review focuses on strategy implementation as a crucial element of the strategic management process and perceives strategy implementation as an interface between strategy formulation and organisational excellence.

### **2.5.3 Strategy Implementation**

There appears to be consensus in the literature that strategy implementation constitutes one of the phases in the strategic management process and also that strategy implementation is more challenging than strategy formulation (Thompson et al., 2007, Perry, 2008; Pienaar & Cronje, 2008; and Davids, 2001). However strategy formulation, in contrast to strategy implementation, tends to receive most of the attention of both management and strategy formulators (Al-Ghamdi, 1998:322; Aaltonen & Ikavalko; 2002:415; Kazmi, 2008: 1 564; Muell & Cronje, 2008:12). As a result, there has been more research conducted into strategy formulation than into strategy implementation and this, in turn, has resulted in a worldwide strategy implementation crisis. Indeed, Stymie (2008: 30) rightly indicates that the business world at large is in the midst of a strategy crisis, not because managers are not capable of formulating strategy, but mainly because of either poor strategy implementation or a lack of strategy

implementation. However, it must be acknowledged that, recently, processes for the implementation of strategy have begun to be examined (Okumus, 2003:871: Saunders, Mann & Smith, 2008: 1096).

Sterling (2003:27) maintains that nearly 70% of strategic plans are never implemented successfully, while Raps (2005:141) places the success rate of strategy implementation at 10%. This assertion of Raps implies that there is a ratio of 90:10 between strategy formulation and strategy implementation (Speculand, 2009:167). The other dimension of strategy implementation is related to the difference in the values of the implemented strategy as compared to the values inherent in the same strategy before implementation. The Corporate Strategy Board has established that a strategy that is ultimately implemented loses approximately 37% of its potential value during implementation (Pienaar & Cronje, 2008:12).

Pienaar and Cronje (2008:12) regard strategy implementation as the number one challenge facing managers in the 21st century. Strategy implementation is, in fact, the most demanding and time-consuming aspect of the strategy management process. As such, it involves the ability of managers to direct organisational change; to motivate people; to build and strengthen organisational competencies and competitive capabilities; to create and nurture a strategy-supportive work climate; and to attain performance targets (Thompson et al., 2007:42). Strategy implementation may, thus, be regarded as an extraordinarily difficult process which requires real innovation and ingenuity on the part of managers.

Dauids (2001:239) advises that strategists (senior managers), as well as middle and lower level managers, be involved in strategy formulation in order to avoid the implementation problems which may result from a shift in the responsibility from one management level to another. Accordingly, it becomes apparent that successful strategy implementation hinges on, *inter alia*, cooperation between managers at different levels. This cooperation between, as well as the skills of, operational managers are, therefore, vital for the successful implementation of a strategy (Thompson et al., 2007:43).

In view of the complexities surrounding strategy implementation it is vital that managers be more concerned about taking the first important steps towards strategy implementation than about the amount of value that may be lost during implementation. Faull, Fleming and Bourne (2004:2) developed a model that measures effective strategy implementation. They contend that effective strategy implementation involves achieving a significant movement towards targeted outcomes. In other words, to them strategy implementation is about reducing or closing the gap between the actual current performance and the desired outcome. They developed the following expression with which to define effective strategy implementation:

$$I_e \geq \{\Delta O_{a \rightarrow b}\}min.$$

Where  $I_e$  = Effective implementation; and

$\{\Delta O_{a \rightarrow b}\}min.$  = The minimum acceptable movement from the actual current performance ( $O_a$ ) towards the desired outcome ( $O_b$ ).

This gap between the actual current performance and the desired outcome may be closed provided the organisation is, firstly, aware of the fact that the existing gap needs to be closed and, secondly, has the capacity to do so. The model encourages organisations to take the first small steps and to achieve the first (even minor) targets. It is believed that this may have enormous psychological and practical value and that personal and collective optimism and resilience may be enhanced as practical progress is made (Faull et al., 2004:5).

Unlike Faull et al. (2004), who define strategy implementation in terms of narrowing the gap between current performance and desired performance, Davids (2001:239) tends to focus on the prerequisites for strategy implementation. In this author's view strategy implementation requires formulating annual objectives, devising policies, allocating resources, adjusting the organisational structure, restructuring and reengineering, revising reward and incentive plans, minimising resistance to change, matching managers with strategy, developing a strategy-

supportive culture, adapting operations processes, developing an effective human resource function and, if necessary, downsizing (Davids, 2001:239). However, most organisations fail both to identify the necessary components or implementation factors and, then, to have them ready for strategy implementation.

## **2.6 Challenges in the Implementation of Strategy**

The fact is that organisations fail to implement approximately 70% of their strategies, Kazmi, 2008:565) confirms that there are challenges in respect of strategy implementation. The challenges identified in the literature are discussed below in terms of the challenges experienced by organisations in general and also the challenges experienced and identified within the South African municipal context in particular.

### **2.6.1 A General Perspective on the Challenges Experienced by Organisations**

Organisations experience difficulty in implementing strategies if there are no mechanisms in place to communicate the strategy to the lower levels. In most organisations, it is less than 5% only of a typical workforce that has any understanding of the organisation's strategy (Raps, 2005:142). Nevertheless, certain strategies do remain implicit in the minds of senior managers and are never verbalised or communicated to other members of the organisation. It follows that members of an organisation find it difficult to implement something about which they know nothing. Robert (1991:58) agrees that strategies developed in isolation, without the involvement of key people, are more likely to fail because it is impossible for people to implement what they do not understand.

There are organisations which outsource strategy formulation to consultants who may devise a desktop strategy that has no bearing on contextual issues and which is not even understood by members of the organisation itself. This type of dependency on outside consultants may

compromise staff ownership of and commitment to strategy and, as a result, implementation as well as organisational excellence may be sacrificed. Sterling (2003:27) attributes strategy failure to unanticipated market changes; effective competitor responses to strategy; application of insufficient resources; insufficient buy-in; timeliness and distinctiveness; lack of focus; bad strategy; unaligned organisational design and capabilities with the strategy; isolation of managers in the strategy development process; lack of consistent and persistent communication; poor action planning and budgeting; poor monitoring and accountability; and poor alignment of information resources with the strategy.

In line with the barriers or challenges identified by Sterling (2003), Allio (2005:12) believes that strategies fail because of the need to get back to real (traditional) jobs; inability to translate ideas into actions; no reward for implementing the strategy; losing track of the strategy; and nobody being assigned the responsibility to implement the strategy (everyone is responsible).

Alexander (1985) identifies 21 obstacles to strategy implementation and these are confirmed in a subsequent study by Al-Ghamdi (1998) who, however, went a step further in reducing the 21 obstacles of Alexander to the following 15 recurring obstacles:

- Implementation took more time than originally allocated.
- Major problems surfaced which had not been identified earlier.
- Coordination of implementation activities was not effective enough.
- Competing activities distracted attention from implementing strategic decisions.
- Capabilities of employees involved were insufficient.
- Training and instruction given to lower level employees were inadequate.
- Uncontrollable factors within the external environment had an adverse impact on implementation.
- Leadership and direction provided by departmental managers were inadequate.
- Key implementation tasks and activities were not sufficiently defined.
- Information systems used to monitor implementation were inadequate.

- Advocates and supporters of the strategic decision left the organisation during implementation.
- Overall goals were not sufficiently well understood by employees.
- Changes in responsibilities of key employees were not clearly defined.
- Key formulators of the strategic decision did not play an active role in implementation.
- Problems requiring top management involvement were not communicated sufficiently early.

The above obstacles were identified in a study that was conducted outside South Africa and which involved organisations from different sectors. Accordingly, some of the obstacles identified may not be relevant within the South African municipal context while, at the same time, there may be obstacles that are unique to the South African context and which were not included in the list. Al-Ghamdi (1998), who was mindful of the role played by contextual factors in strategy formulation and implementation, replicated the study within the British context under the title *“Obstacles to successful implementation of strategic decisions: the British experience”*. Like Alexander’s (1985) study, Al-Ghamdi’s (1998) study considered organisations in different sectors at the same time while no attempt was made to analyse obstacles that applied within a local government environment separately.

Freedman (2003) identified the following implementation pitfalls that may derail the implementation process and cause strategy failure:

- **Strategic inertia:** Some strategies are never accorded priority and, thus, implementation never commences.
- **A lack of stakeholder commitment:** Some organisations treat strategic issues as the terrain of senior management only and, thus, they do not involve other levels of management. This may result in poor stakeholder commitment to the implementation of the strategy.

- **Strategic drift:** A lack of both discipline and focus on strategic issues may result in organisational activities going with the natural flow and drifting away from strategic goals.
- **Strategic “dilution”:** Strategic objectives are easily diluted by normal divisional practices which, in turn, results in confusion and contradictory directions.
- **Strategic isolation:** This happens where there is no synergy between strategic formulation and implementation. It is also evident where there is no coherence in terms of the implementation factors. For example, performance systems may not be linked to resource allocation.
- **Failure to understand progress:** A lack of strategic milestones may impede continuous measurement and result in a failure to understand the implementation progress.
- **Initiative fatigue:** Some organisations are overloaded and do not have the time available to focus on implementation. Strategic issues are shelved as the organisation struggles with traditional operations.
- **Impatience:** A desire to implement strategy overnight and attain all the strategic goals as soon as possible may prove to be unrealistic.
- **Not celebrating success:** Failure to recognise and to reward good performance may retard the attainment of the ultimate goal.

In moving from the premise that context influences the strategic management in organisations, it becomes important to establish the challenges experienced within the South African context. Kazmi (2008: 1571) maintains that there are certain strategy implementation issues that may not be of interest to researchers in the context of developed economies, but which may be of relevance within the environment of developing economies. This view is supported by Muell and Cronje (2008b) who include a lack of resources (a typical challenge associated with underdevelopment) in their list of strategy implementation barriers. However, a lack of resources is not included as one of the recurring obstacles listed in the study by Al-Ghamdi (1998).

Pechlaner and Sauerwein (2002:160) classify the barriers to strategy implementation in terms of behaviour and systems resistances. Behaviour resistances refer to those resistances which are associated with the willingness and readiness on the part of members of the organisation to implement change; whereas system resistances may either be a result of dysfunctionalities in the system itself or else they be caused by the absence of sufficient skills (Pechlaner & Sauerwein, 2002:160). However, this classification of Pechlaner and Sauerwein (2002:160) does not take into account factors within the external environment and, thus, regards an organisation as either a closed system or a self-sufficient entity.

### **2.6.2 Challenges within the South African Municipal Context**

There has very little written about strategy implementation within the South African context in general and within the municipal environment in particular. Aaltonen and Ikavalko (2002:415) affirm that, in order to understand strategy implementation, it is important to understand both the content of strategy and the context in which implementation takes place. It is the objective of this study to investigate strategy implementation within the South African municipal context.

Although there is a lack of a deep and cohesive body of literature and empirical evidence that is capable of providing a more cogent perspective of the nature of strategy implementation in South Africa (Palmer, 2003:34); there is evidence pointing to the fact that South African organisations, including municipalities, are also experiencing the strategy implementation dilemma. Research indicates that many South African executives experience difficulty in aligning their organisations to deal with the changing labour and political landscape (Tsosa, 2004:97). Jacobs and Kruger (2001:1) maintain that there is an extremely poor understanding of strategy implementation within the South African context.

According to Hofert (2006:30) municipalities in South Africa experience difficulty in implementing strategies without losing focus on their core mandate of service delivery. Al-

Ghamdi (1998) refers to this phenomenon as a competing activity that distracts attention from the implementation of strategic decisions. Hofert (2006) also identifies technological innovations and new legislation as some of the challenges faced by municipalities in their strategy execution. Unfortunately, Hofert's (2006) study did not focus on identifying the obstacles or challenges experienced by municipalities in South Africa, but rather paid attention to designing and recommending a performance monitoring system for improving service delivery.

The availability of resources and levels of capacity are some of the challenges experienced by South African municipalities as they adapt government policies and strategies to local circumstances (Asmah-Andoh, 2009:106). Alebiosu (2005:75) identifies the level of project management capacity, the design of municipal organisations, the redefining of existing functions, and political interference in the appointment of municipal staff as factors which may impede the implementation of policies and strategies. The appointment of personnel based on political considerations may sacrifice strategic intentions by creating a misfit between strategy and structure. Within the municipal context, a study conducted by Idasa established that less qualified individuals may be appointed to strategic positions, including the positions of municipal manager (LGB, 2009:4). It should be noted that, despite the fact that political interference was not identified as a barrier or obstacle to strategy implementation in the studies conducted in foreign contexts, a study conducted by Idasa within the South African municipal context attributed poor leadership in municipalities to political interference in the appointment of staff (LGB, 2009:4). Despite its manifestation within the South African municipal context, political interference remains a non-issue in both developed countries and in corporate business.

Muell and Cronje (2008b:12) indicate that "[i]n South Africa inadequate or insufficient human resources contribute significantly to an organisation's challenge of successfully implementing strategies". Former President Mbeki (2007) also identified resource and financial challenges as constituting barriers to the effective implementation of municipal plans. It is evident from the

above analysis that municipalities experience challenges in the implementation of their strategies. Malefane (2008:710) agrees that municipalities are faced with multidimensional and complex challenges to which they have to respond through constant interaction with the external environment. However, to date there have been no efforts made to identify and to compile a comprehensive list of the most recurring challenges facing municipalities with a view to developing a suitable framework for strategy implementation within municipalities. Accordingly, it has become important to conduct an empirical investigation within the South African municipal environment to identify and describe actual barriers to strategy implementation in this context.

## **2.7 Strategy Implementation Factors**

There is consensus in the existing literature that the process of strategy implementation should be built on a set of implementation factors (Kazmi, 2008:1566). Researchers (Okumus, 2001; Okumus 2003; Thompson et al., 2007; Kazmi, 2008) have identified the following recurring strategy implementation factors:

- strategy development
- environmental uncertainty
- organisational culture
- leadership
- operational planning (includes project management)
- resource allocation
- external partners
- communication
- people
- control (policies and procedures)
- outcome

Thompson et al. (2007:362) also compiled a further comprehensive list of similar factors (based on conceptual studies) and they present these similar factors as the eight components of the strategy execution process. Palmer (2003) identifies organisational structure, control mechanisms, appropriate leadership styles, organisational culture, reward systems, and resource allocation as the catalysts (or factors) for strategy implementation in South African organisations. It should, however, be noted that the study conducted by Palmer (2003) focused on strategy implementation in the South African business environment (corporate world), and, thus,, some of the catalysts suggested may not be applicable to the public sector in general and to the municipal environment in particular. However, some of the crucial factors which are relevant within the municipal context may not have been established in this study of Palmer.

According to Okumus (2001:874), all the studies conducted emphasise the application of multiple factors simultaneously when developing and implementing strategy. The strategy implementation factors were categorised into groups although the categories do differ from one study to another. Okumus (2003:875) provides the following analysis of the categories which emerge from the literature:

- context, process and outcomes
- planning and design
- realisers and enablers
- content, context and operation
- content, context, process and outcome
- framework and process components
- context and process
- contextual, system and action levers

Okumus (2003:875) analysed the categories and reduced them to four major groupings of implementation factors, namely, strategic context, strategic content, operational processes, and outcome.

Okumus (2003:872) questioned the categorisation of implementation factors into context, process and outcome by indicating that there is no evidence of the way in which the contextual factors act on the process factors to influence the outcome. There is also a contradiction in terms of which factors are context, content or process factors.

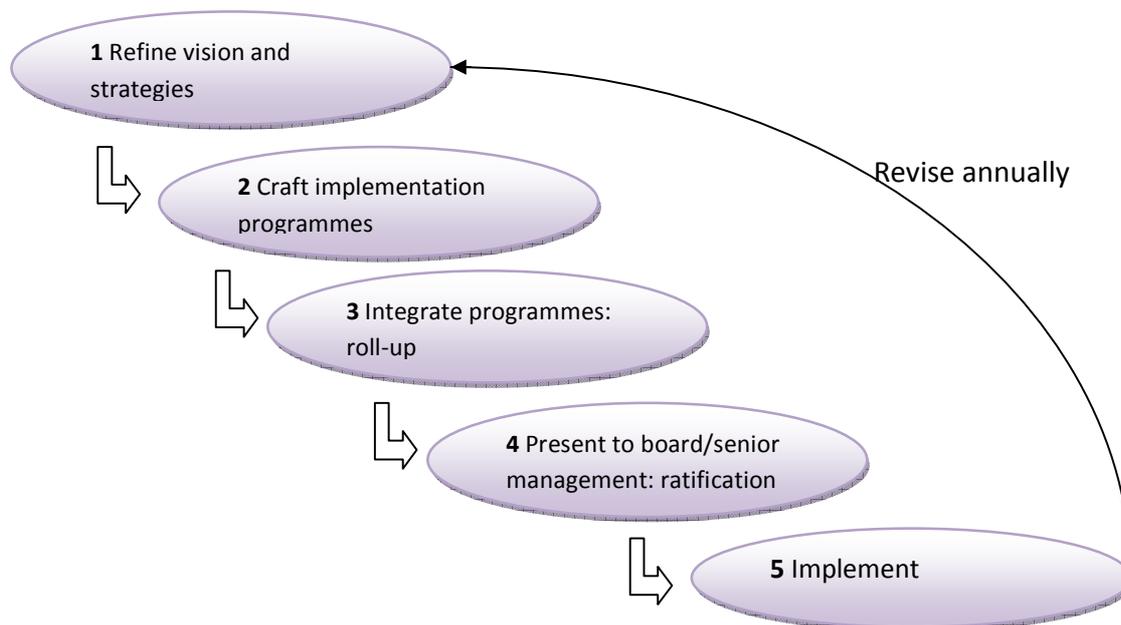
The sets of challenges and strategy implementation factors identified, and, to an extent, described in literature, all focused on strategy implementation in the corporate world. There is, therefore, still a need to identify those obstacles that are relevant to the local government context or, at least, to test empirically those issues which have already been identified in this context.

## **2.8 Strategy Implementation Frameworks**

This analysis builds on a review which was conducted by Okumus (2003), and further developed by Kazmi (2008), of previous research into strategy implementation. The objective of this analysis is to identify the main practices in strategy implementation with a view to recommending a strategy implementation framework for the target municipalities. Although there are several, well-known frameworks for strategy formulation (SWOT analysis, competitive analysis, etc.), there are few models available in the area of strategy implementation (Kazmi, 2008:1 565). In addition, no dominant framework has emerged in terms of implementing strategy (Saunders et al., 2008:1098), which confirms again the extent to which strategy formulation has been prioritised at the expense of strategy implementation.

### **2.8.1 Allio's Strategy Implementation Process**

According to Allio (2005) strategy implementation commences with the refining of both the vision and the strategic objectives. This is followed by crafting implementation programmes, integrating the programmes, presenting them to board or senior management for ratification, and, lastly, implementation. The diagram below presents the five steps of the strategy implementation process as described by Allio (2005:13):



**Figure 2.1: Allio's strategy implementation process**

**Source: Allio (2005:13)**

Allio's (2005) strategy implementation process comprises a routine process that must be followed on an annual basis. The process reduces a strategic initiative to project management. According to Saunders et al. (2008), project management is a routine process that makes use of existing resources, whereas strategy implementation signals important changes within an organisation and it affects the long-term direction of the organisation. It must, however, be stated that, although the process may appear routine, the projects themselves are not routine exercises. Gray and Larson (2008:6) caution that "[p]rojects should not be confused with everyday work. A project is not routine, repetitive work!" According to Allio (2005:14), implementation may start in earnest immediately after the formal ratification of the organisation's vision and set of strategic objectives. The first four steps of the model form part of the strategy formulation and approval phase of strategic management. However, the model omits to explain what should happen during the actual implementation. In addition, the model identifies communication and monitoring as the only implementation factors which are crucial in terms of the implementation of strategy. The model does not recognise implementation

factors that may be located within the external context. Gray and Larson’s implementation of strategies through projects is closely related to Allio’s framework for implementing strategies.

### 2.8.2 Implementing Strategies through Projects

According to Gray and Larson (2008, 13), the implementing of strategies is the most difficult step in the strategic management process although strategies are typically implemented through projects. This implies the prioritisation of projects to ensure that scarce resources are committed to those projects that are relevant to the strategic direction of the organisation. This approach advocates the use of project management to implement strategies. The approach also recognises that each organisation has customers who it seeks to satisfy and that these customers, in turn, constitute the *raison d’être* of the organisation. Accordingly, the approach starts with the customer’s needs as the point of departure. The figure below is a simplified version of Gray and Larson’s (2008) strategy implementation approach through the integrated management of projects:

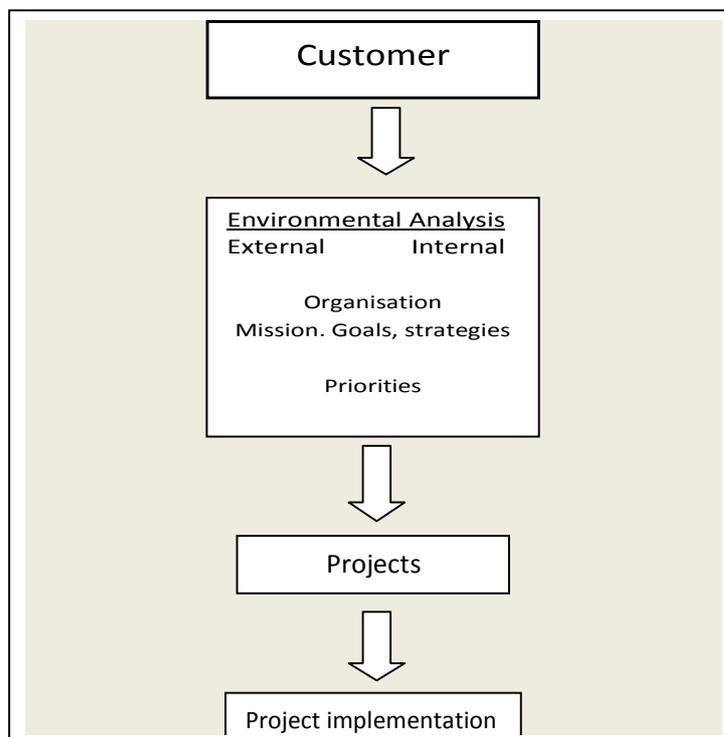


Figure 2.2: Implementation of strategies through projects

Source: Gray and Larson (2008: 13)

It would appear that this approach suggests that proper project implementation may be a panacea to the strategy implementation ills faced by organisations (including municipalities). Although it is a fact that municipalities are faced with challenges in respect of the efficient utilisation of resources, lead time in responding to complaints from the community, and the quality of workmanship in some of the infrastructure projects implemented, the reduction of strategy implementation to project management only may not necessarily address implementation problems. It is important to note that project management should not be treated in isolation from the strategy implementation process as a whole, which implies, in turn, that project implementation is a crucial factor in strategy implementation. Okumus (2003: 873) rightly points out that the implementation of multiple projects comprises one of the implementation factors only in strategy implementation.

### **2.8.3 The Balanced Scorecard Methodology**

The balanced scorecard links performance to the vision and strategic objectives of the organisation and it is intended to meet the performance measurement and strategic control functions of strategic management (Atkinson, 2006:1451, Saunders et al., 2007:611). The balance scorecard identifies the following four main implementation factors only:

- clarifying and translating the vision and strategy of the organisation
- communication and linking
- planning and target setting
- strategic feedback and learning

Contrary to the claim that the balanced scorecard represents best practice in strategy implementation, Okumus (2001:874) argues that it “neither solves all implementation problems, nor provides new insight into strategy implementation”. This statement is true in that the implementation factors used in the balanced scorecard are the same as those used in other implementation framework. In addition, the balanced scorecard is mainly a control mechanism rather than a framework for strategy implementation (Saunders et al., 2007:611).

The balanced scorecard also does not recognise the processual nature of strategy implementation since it separates strategy formulation from strategy implementation.

Muell and Cronje (2008a:14) maintain that performance scorecards do not encourage the horizontal and vertical alignment of strategic goals, functional strategies and operational objectives. Misalignment may, in turn, result in organisational silos and the duplication of management efforts. As a result strategy gaps are not detected, strategic priorities are not easily identified and resource allocation becomes complicated.

#### **2.8.4 The Spiral Methodology**

The spiral methodology was developed in the early 2000s as a response to the lack of a blueprint for strategy implementation. The main focus of the spiral methodology is on cascading a strategic plan from the corporate level down to the operational level. Each level is expected to have its own management structure and objectives. This methodology promotes vertical and horizontal alignment, as the corporate strategy is interpreted, translated and then cascaded to the business, functional and operational levels (Muell & Cronje, 2008b).

The spiral methodology emphasises three dimensions that spiral down through all the levels of an organisation (Muell & Cronje, 2008b). The first dimension consists of the objectives that the specific levels need to attain (What to achieve?) while the second dimension both incorporates the structure of the organisation and clarifies the roles and responsibilities of all levels of managers and employees (What to do?). The final dimension includes the enrichment of existing knowledge and the creation of new knowledge (creativity) (How to achieve?). The three questions quoted in the brackets comprise the three questions to which each level must respond in the process of implementing strategy.

However, the spiral methodology is silent on the effects of the external environment on strategy implementation. Accordingly, despite the fact that it attempts to address strategic disconnects between the management levels within organisations, its silence on the effect of the external environment on implementation factors disconnects the entire organisation (an open system) from its environment (the bigger system). Thus, the spiral methodology fails to recognise that an organisation draws its resources from the external environment, and that it produces outcomes for the external environment. It also reduces the array of strategy implementation factors to people and communication only. Above all, the spiral methodology is neither a product of conceptualisation nor is it a product of an empirical study. It was, in fact, influenced by art, design thinking, logic and creativity (Muell & Cronje, 2008a:14).

### 2.8.5 The Seven Dimensions of Strategy Deployment

Saunders et al. (2007:619) devised a multi-sectoral strategy implementation framework based on the seven dimensions that organisations are expected either to possess or to develop in order to implement strategy. These seven dimensions and their purposes are tabulated below:

**Table 2.1: The seven dimensions of strategy deployment**

Dimensions of strategy deployment	Purpose of each dimension
Communicating the initiative	Ensuring an understanding of the strategy
Achieving buy-in	Acceptance and adoption by stakeholders
Aligning implementation	Actions aligned to the strategic direction
Learning	Continuous evaluation and adaptation
Creating the infrastructure for deployment	Organising teams, roles and responsibilities
Understanding the business drivers	Awareness of the business reasons for the initiative
Identifying deployment options	Identifying and scheduling projects, assessing risk, and choosing performance measures

Saunders et al. (2007) developed a framework for implementation based on conceptualisation. However, their study and recommendations were not informed by issues drawn from reality

through an empirical investigation. In line with the approach adopted in this study, Kazmi (2008) advocates that, in their building, frameworks take into consideration contextual factors. Saunders et al. (2007) conclude their study by recommending a longitudinal investigation aimed at evaluating the effectiveness of leading (strategy implementation) practices and identifying those circumstances that may result in either the success or failure of strategy implementation (Saunders et al., 2007:619).

### **2.8.6 The Seven Factors of Strategy Implementation**

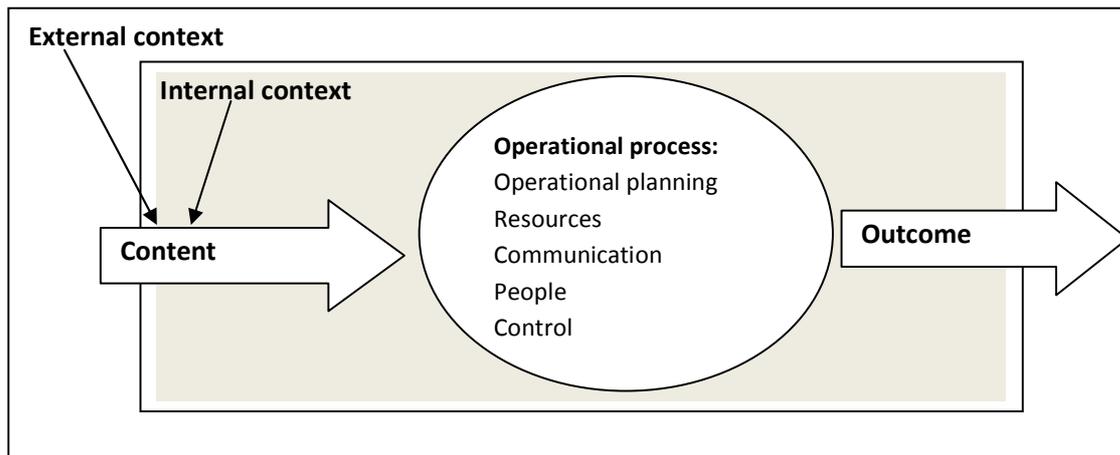
According to both Okumus (2003) and Kazim (2008), most of the available strategy implementation frameworks developed by researchers are based on the popular Mckinsey's 7-S Framework. This framework is founded on seven strategy implementation factors, namely, strategy, structure, systems, style, staff, skills and subordinate goals. These factors are regarded as the most important for successful strategy implementation. Unfortunately, there are no explanations provided for the relationships and interactions between the factors and, instead, each factor is defined as if it bears no relation to the other implementation factors (Okumus, 2008:871). Kazmi (2008:1566) argue that frameworks developed by other researchers consist of well defined and critical implementation factors

### **2.8.7 Okumus' Strategy Implementation Framework**

Okumus (2003) analysed various strategy implementation frameworks and concluded that the frameworks available could be grouped into the following three groups in terms of the approaches they adopted to strategy implementation:

- A simple approach to listing and describing the implementation factors
- Models that suggest a sequential, rational implementation process that may be difficult to adopt in complex situations
- Frameworks that place the emphasis on context and process while ignoring the elaboration of issues such as the relative importance of implementation factors, their specific roles, and their impact on the overall implementation process

In an attempt to address the shortfalls identified in other frameworks, Okumus (2003) developed a strategy implementation framework that emphasises the importance of content, context, process and outcome. A schematic representation of this framework is presented below:



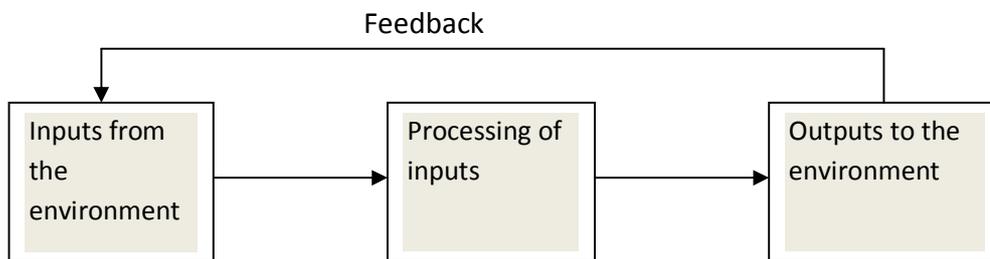
**Figure 2.3: Okumus' strategy implementation framework**  
**Source: Okumus (2003:876)**

Okumus' (2003) framework emphasises the importance of contextual factors in the implementation process as factors that originate from the external and/or internal environments and become content factors that have an influence on process factors in order to produce outcome. This framework recognises the importance of implementation factors as well as their specific roles and their impact on the implementation process.

Okumus's (2003) implementation framework appears to be comprehensive and in line with the principles of systems theory. However, the choice of strategy implementation factors may render the framework less relevant within the South African municipal context and this would suggest that there is no single strategy implementation framework that may serve as a panacea for all implementation ills. It also confirms that there is a dearth of practical and theoretically sound models to guide strategy implementation (Tsosa, 2004:87) across both sectors and different environmental backgrounds.

## 2.9 Towards a Strategy Implementation Framework for Municipalities

This study proposes a conceptual strategy implementation framework based on Okumus's (2003) analysis and categorisation of implementation factors into context, content process and outcome. The proposed framework uses the systems theory in management as its base. The systems theory perceives an organisation as an open system which is in constant interaction with its environment. The diagram below, adapted from Smit et al. (2007:57), depicts a systems perspective of an organisation (municipality):



**Figure 2.4: A systems perspective of an organisation**

**Source: Smit et al. (2007:57)**

The above diagram demonstrates the interdependence between a business organisation and its environment. The business organisation exchanges resources with, and is dependent upon, the external environment in which it operates (Smit et al., 2007:57). Smit et al. (2007:57) further maintain that “a business organisation obtains resources or inputs from the environment in the form of people (labour), physical resources (raw materials), capital (financial resources), and information (knowledge and expertise)”. The organisation then processes the inputs from the environment to produce outputs for the environment.

As in the case of business, government institutions do not operate in a vacuum (Malefane, 2008: 713), but are influenced by forces which emanate from the environments in which they operate. Malefane (2008:714) states that “[t]he recognition of municipalities as open systems is brought into play by constant interchange taking place between them and the environment in which they exist”. The manner in which a municipality selects implementation factors and processes these factors in order to produce outcomes is, to a great extent, influenced by the

realities within the external environment in which the municipality operates. It is for this reason that the systems approach was adopted for use in the current study in the developing of a conceptual strategy implementation framework for municipalities.

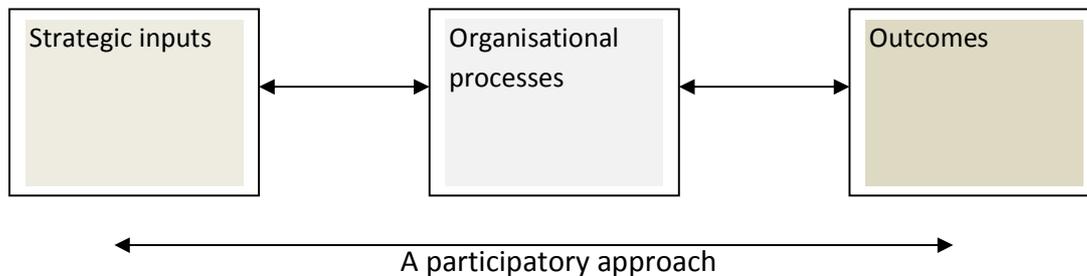
The figure below presents twelve strategy implementation factors which are relevant to the South African municipal environment:



**Figure 2.5 Twelve strategy implementation factors relevant to a South African municipal context**

Source: Thompson et al. (2007:362)

The diagram below presents a proposed strategy implementation framework based on the above implementation factors:



**Figure 2.6: Proposed strategy implementation framework**

### **2.9.1 Strategic Inputs**

Strategic inputs or input factors refer to those implementation factors which are derived from both the external and internal environments. Such inputs may be in the form of content and context strategy implementation factors. According to Okumus (2003) content includes strategy formulation as well as the end product. It is essential that the organisation ensure that all the necessary strategic input elements or resources are in place before commencing with transformational activities. The proposed model requires that strategy implementation adopt a participatory approach in that municipal processes (such as the IDP, and budget and performance management systems) are characterised by stakeholder involvement and public participation.

#### **(a) Content factors**

The following include some of the questions that organisations should ask themselves with regard to content issues:

- Is the new strategy consistent with the overall strategic direction of the organisation?
- Have the aims of the strategy been clearly identified?

- Does the organisation possess the necessary expertise and knowledge to manage the change process?
- Are there systems in place to promote participation on the part of all relevant stakeholders?
- Is the strategy in harmony with ongoing initiatives within the organisation?

### **(b) Context factors**

Context factors may be divided into context factors drawn from the external environment and those drawn from the internal environment.

#### **(i) Context factors within the external environment**

It is essential that the organisation make an assessment of what is available in the external environment in terms of human, financial, physical and information resources. The external environment must be scanned for environmental factors which may impact on either the success or failure of the strategy. Such factors may be inherent to the politics, economy, technology, and culture within which the organisation functions and these factors may be regarded as either opportunities or threats within the environment. Both the task and the general environments must be scanned since changes in these environments may influence both strategy formulation and execution. Environmental uncertainties, resources, communication, benchmarking performance, and external partners comprise some of the implementation factors that are found within the external environment.

**Environmental uncertainty:** The changes and developments within the general and the task environments (Okumus, 2003:876) with which the strategy should be in harmony if it is to benefit in a meaningful way from, and produce relevant outcomes, for the environment.

**Resources:** The organisation, as an open system, should take advantage of the human, physical, financial, and information resources within the external environment.

**Communication:** Communication channels with external stakeholders should be established in order to maximise stakeholder participation.

**Benchmarking performance:** An organisation needs to benchmark its performance constantly against the best practices in the industry. Benchmarking will help to avoid pitfalls and to improve performance by learning from others.

**External partners:** It is expected of municipalities to adopt and integrate the programmes of national and provincial governments into their IDPs. Municipalities are also expected to form partnerships with non-governmental organisations, the private sector, and communities in the planning and implementation of programmes and projects.

#### **(ii) Context factors within the internal environment**

Implementation factors within the internal context include organisational structure, organisational culture and leadership (Okumus, 2003: 876).

**Organisational structure:** Thompson et al. (2007) refer to organisational structure as the building of an organisation which possess the competencies, capabilities and resource strengths to execute strategy successfully. Organisational structure also involves power sharing, co-ordination and decision-making practices (Okumus, 2003:876).

**Organisational culture:** Refers to the traditions, values and standards maintained and practised by the organisation. These practices form a corporate culture that promotes effective strategy execution. It is essential that members of the organisation have a shared understanding in respect of the way in which things are done within the organisation

**Leadership:** According to Thompson et al. (2007:362) the accounting officer must exercise strong leadership in order to drive strategy execution and attain operating excellence. Leadership must create an internal context which is receptive to change. Strategy

implementation is not for the faint hearted (Freedman, 2003:31), and, thus, it requires bold decisions and courageous action (Williams, 2007:14).

### **2.9.2. Organisational Process**

Organisational process includes operational planning, resource allocation, people, communication, and control and feedback (Okumus, 2003:877). Other implementation factors that form part of organisational process as identified by Thompson et al. (2007) include the installation of information and operating systems, tying rewards and incentives directly to the achievement of strategic and financial targets, and benchmarking performance against prevailing practices within the industry. The following implementation factors may be considered as crucial organisational processes for the purposes of the proposed framework:

**Strategy development:** The success of a strategy begins with the formulation of a relevant strategy. A well formulated strategy will be consistent with the primary mandate of the organisation and commensurate with the resources available. The relevance of a strategy to societal needs will make it easy to communicate the strategy to the stakeholders.

**Resource allocation:** This refers to the procedures for securing and allocating human, financial, physical, and information resources in terms of the strategy. The allocation of sufficient time is also important for strategy implementation.

**Control mechanisms:** Formal monitoring activities are required in order to safeguard the implementation process. It is essential that policies, by-laws and procedures be put in place to guide the implementation process. In the process of monitoring the implementation stakeholders must be provided with feedback and performance compared against pre-determined objectives.

**Communication:** Operational plans such as the Service Delivery and Budget Implementation Plan (SDBIP) may be used to enhance communication during implementation.

**Operational planning:** Operational planning involves setting all the necessary systems in place for strategy implementation. This includes the setting up internal operating systems with the potential to strengthen the organisational capabilities so as to provide the organisation with a competitive edge. According to Okumus (2003, 877) operational planning involves both the process of initiating the project, and the operational planning of the implementation activities and tasks. Project management forms part of operational planning for the purposes of strategy implementation.

**Reward systems:** There is a need for a properly designed reward structure that mobilises an organisational commitment to successful strategy implementation (Thompson et al., 2007:404).

### **2.9.3 Outcome**

An assessment must be conducted in order to determine whether the strategy has achieved the goals it was meant to achieve. An impact assessment must be conducted with a view to correcting mistakes in the implementation process. Lessons learnt from the process may necessitate a review of operational processes as well as the choice of strategic inputs when formulating and implementing strategy. Both the intended and unintended results of strategy implementation must be assessed in order to learn from the process.

### **2.10 Preliminary Findings from Literature Studies**

The literature review which was conducted led to the following findings with regard to strategy implementation in general and also strategy implementation within the municipal context:

- Municipalities are open systems, and yet also complex and dynamic in nature.

- The strategic management process (inclusive of strategy implementation) is influenced by forces inherent in both the task and the general environments.
- Organisations world-wide are facing a strategy implementation quandary.
- Literature has paid little attention to strategy implementation as compared to strategy formulation.
- The Integrated Development Plans (IDPs), with their accompanying legislation, further compound the strategy implementation process by expecting municipalities to integrate programmes and projects from other sectors, irrespective of the level of readiness in terms of the necessary implementation factors.
- Most organisations, including municipalities, reduce strategy implementation to project management.
- Strategy implementation obstacles or challenges, as well as strategy implementation factors, are functions of the environments in which they operate.
- There is neither a standard nor a best strategy implementation framework that may be adopted for use across all sectors and against different environmental backgrounds.
- A framework for strategy implementation should be based on a set of strategy implementation factors.

### **2.11 Conclusion**

In view of the analysis within the literature review as well as the above preliminary findings, it is evident that organisations in general and municipalities in South Africa in particular are facing strategy implementation challenges. It is, therefore, crucial to investigate the nature of the challenges experienced by municipalities within a particular context. There is a need to identify strategy implementation factors and to develop a comprehensive list of the most frequently occurring challenges. In addition to compiling such a list, a framework for strategy implementation should be recommended in order to contribute to the resolution of the strategy implementation impasse.

## **CHAPTER 3**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Introduction**

The aim of this chapter is to describe the research design as well as the research methodology and procedures adopted in order both to collect and to analyse the data. There is a distinction made between a research design and research methodology. A brief comparison between a quantitative and a qualitative research design will be drawn with a view to justifying the research approach (contingent research approach) adopted in this study. The research framework (hypothetical-deductive method) used in the entire study will be presented. The chapter also focuses on other methodological considerations such as the area of study, target population, sampling techniques, site selection, role of the researcher, and the data collection methods used. The chapter culminates with the presentation of the data analysis procedures and an acknowledgement of the design and methodological limitations.

#### **3.2 Research Design**

De Vos and Fouché (in De Vos, 1998:77) refer to a research design as the overall plan for conducting the entire research study. Babbie and Mouton (2001:74–75 & 104) distinguish between a research design and research methodology. On the one hand, they regard a research design as a plan or blueprint of the way in which a researcher intends conducting his/her research. On the other hand, they perceive research methodology as the methods, tools, techniques, and procedures used in the process of implementing the research plan (the research design).

Quantitative and qualitative research designs are the most common research approaches adopted in academic circles. However, these two research designs are perceived as the two extremes of the research design continuum with the quantitative end providing inflexible blueprints of the way in which a study should progress, while the qualitative end provides

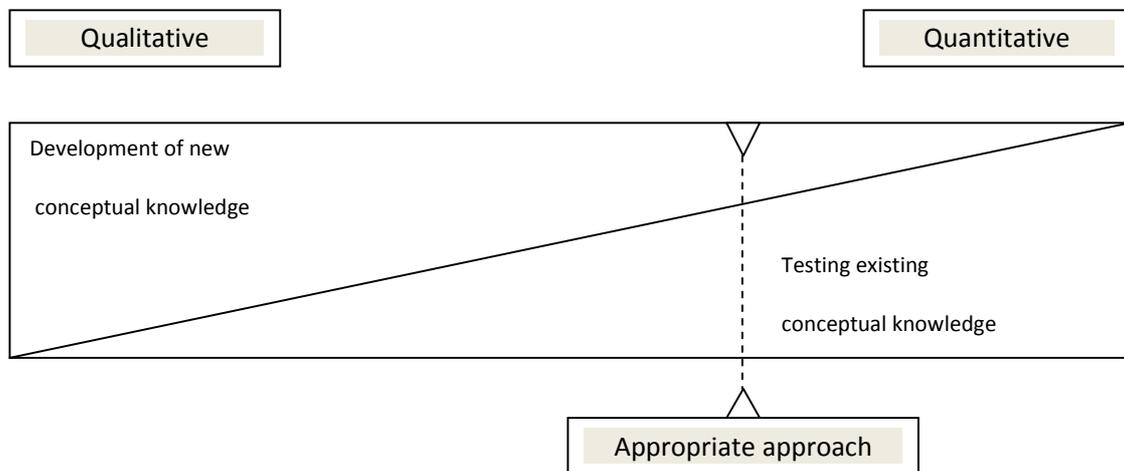
flexible guides. The former is more suitable for surveys and experimental studies whereas the latter is more relevant in phenomenological, ethnographic and case studies (Blanche and Durrheim, 1999: 32–33). Leedy and Ormrod (2005: 94–97) also draw a distinction between the two approaches when they state that a quantitative approach both provides explanations and predictions that will generalise to other persons and places and also focuses on testing theory, whereas a qualitative approach provides descriptions and explanations of phenomena in an explorative manner and with the aim of making interpretations and building theory. Despite the fact that they acknowledge the distinction between the two approaches, Leedy and Ormrod (2005:97) also assert that the two approaches are not mutually exclusive when they state “[i]n fact, researchers often combine elements of both approaches in what is sometimes called a mixed-method design”. They further acknowledge that certain fields of study recommend the use of a particular research design.

The nature of this study necessitated an effective balance between elements of both a qualitative and a quantitative research design. According to Chaharbaghi and Feurer (1995:15–18) research into strategy formulation and implementation is characterised by narrow focus, lack of relevance, lack of problem understanding and a neglect of the dynamics of change. In order to address these shortcomings they recommend that a correct balance between both the quantitative and the qualitative methods be struck. Such a balance or mixed method design is referred to as a contingent research approach (Chaharbaghi & Feurer, 1995:18).

### **3.3 Contingent Research Approach**

Research into strategy formulation and implementation requires the correct balance between quantitative and qualitative methods (Chaharbaghi & Feurer, 1995:18). The contingent research approach offers such a balance by factoring in the dynamics of the environment. On the one hand, in highly dynamic environments research focuses on developing conceptual knowledge and, accordingly, relies more on qualitative studies. On the other hand, in a more static environment, qualitative studies are favoured for testing and validating existing conceptual

knowledge. The following figure illustrates the way in which a balance was struck between a quantitative and a qualitative approach in this study:



**Figure 3.1: Contingent approach to research**

**Source: Chaharbaghi and Feurer (1995:18)**

The following research design considerations were adopted in line with the contingent research approach:

- The research focused on those elements or factors of strategy implementation that yield high performance;
- The research analysed strategy implementation in a manner that included strategic as well as operational issues;
- The design incorporated current strategic knowledge; and
- The research represented a continuous learning process to accommodate emerging issues.

### **3.4 Research Methodology**

Research methodology focuses on the methods, tools, techniques, and procedures used in the process of implementing the research design (Babbie & Mouton, 2001:74–75). A framework of the research process followed in this study is presented together with all the methodological issues that were taken into account for the purposes of the study

### 3.4.1 Research Process

The researcher followed the typical research process which is often adopted in academic circles, that is, a research process based on the hypothetical-deductive method. Chaharbaghi and Feurer (1995:20) refer to this type of process as an open-loop format which is intended to address the immediate research objectives of the researcher. The process advocates that the researcher observe a phenomenon in reality and formulate a hypothesis that leads to the collection and analysis of data with a view to testing the hypothesis. The findings are then scrutinised in terms of the constraints imposed by the research context. The figure below presents a schematic depiction of the research process followed:

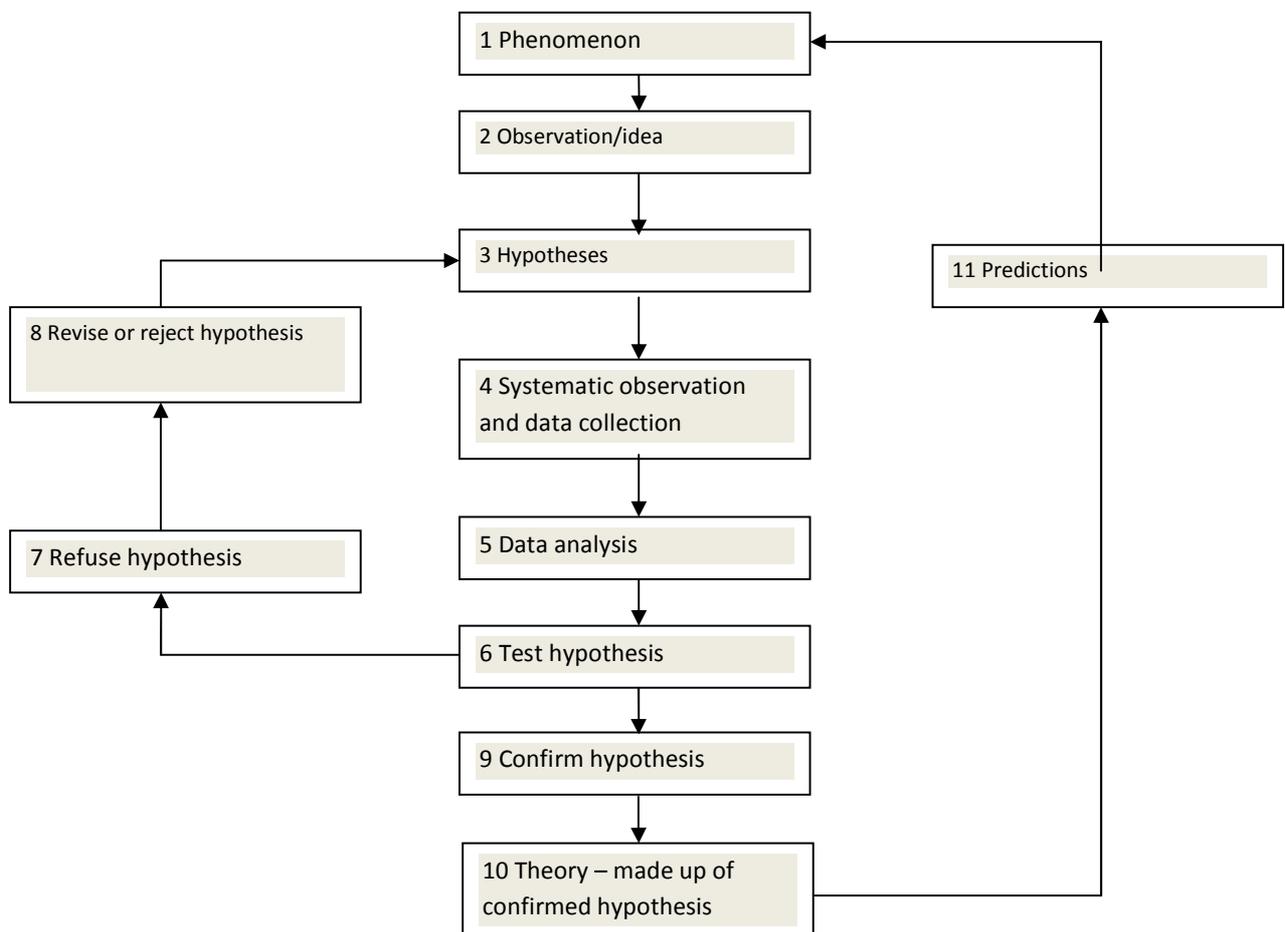


Figure 3.2: Schematic depiction of the research process

Source: Feurer & Chaharbaghi (1995:20)

### **3.4.2 Area of Study**

The study was conducted in the field of business administration with a special focus on strategic management within organisations. In terms of the geographic location of the organisations the study focused on municipalities in the Limpopo Province, South Africa. It focused on strategy implementation in all the 26 local municipalities within the province. The unit of analysis was, therefore, the implementation of municipal strategies as articulated in the integrated development plans of the municipalities.

### **3.4.3 Population Description and Sample Size**

All 26 of the local municipalities in Limpopo Province were targeted to participate in the study. All these municipalities have adopted integrated development plans. The focus of the study was on the Integrated Development Planning (IDP) managers in those municipalities. In other words, the target population comprised a maximum of 26 IDP managers in the local municipalities of Limpopo Province. IDP managers are in middle management and they report directly to senior (strategic) managers. Given their nature of work they are expected to be knowledgeable and influential with regard to the IDP process and the implementation thereof.

Since all the IDP managers in the province participate in the provincial MEC's assessment of IDPs, the assessment period was utilised as the most convenient period in which to access the target group for the purposes of the study. All 26 of the targeted IDP managers were expected to complete and return a questionnaire that was administered during the IDP assessment period. The study attained a response rate of 65%.

There was no need to sample participants for the study since the population consisted of 26 IDP managers only. In this regard, the researcher followed the recommendation of Leedy and Ormrod (1995:207) to the effect that, for a small population (of less than 100), there is no point in sampling and the researchers may consider involving the entire population. It should,

however, be emphasised that the choice of IDP managers was a purposeful decision which was informed by their strategic role in the IDP process. Leedy and Ormrod (1995:206) maintain that, in purposive sampling, people or other units are chosen for a particular purpose. For example, the researcher uses his/her own judgment to select information rich participants. Schumacher and McMillan (1993:382) refer to the selection of information rich cases, based on personal judgment, as purposeful sampling. The IDP managers within the municipalities were also chosen because of their involvement in the development and implementation of IDPs. They were, therefore, perceived to be the most well positioned municipal officials to understand both the formulation and Implementation of municipal strategies.

Section 30(b) of the Municipal Systems Act, Act 32 of 2000 (RSA, 2000) assigns the responsibility of managing the drafting process of the IDP to municipal managers who fulfil the function of accounting officers in municipalities. The situation in Limpopo Province is such that the responsibility of managing the drafting process of the IDP has been subdelegated to middle managers (in the form of IDP managers) within particular line function departments or directorates. Accordingly, the IDP managers in these municipalities are, as a result of their function, regarded as strategic planning managers and they are well positioned to understand the formalities and processes pertaining to strategy formulation and implementation.

#### **3.4.4 Site Selection**

All the municipalities targeted in the study had adopted IDP documents which encompassed strategies that had to be implemented. In view of the close proximity of their municipalities to the researcher's workplace the researcher's decision to target IDP managers in Limpopo Province ensured easy access to the participants. This choice was in line with Bogdan and Biklen's (1992:60) recommendation that, without the data source close by, it is not possible to jump in and out of the field spontaneously. The researcher found it convenient to conduct

follow ups with those IDP managers who had not returned the questionnaires within the stipulated period.

#### **3.4.5 Entering the Field**

The researcher dispatched a letter of request to the Department of Local Government and Housing (DLGH) asking for permission to administer a questionnaire to all the IDP managers participated in the 2009/10 IDP assessment session. Permission was granted and the questionnaire was distributed and collected by the department on behalf of the researcher.

#### **3.4.6 Role of the Researcher**

The choice of the research design (a balance between a qualitative and a quantitative design) enabled the researcher to collect data using both a questionnaire and field observations. Copies of the questionnaire were given to senior officials in the Department of Local Government and Housing to distribute to the IDP Managers who were expected to complete the questionnaires overnight and submit them following day at the beginning of the IDP assessment session. All questions which needed to be clarified were directed to and answered by the officials. The officials were first taken through the questionnaire to ensure both that they understood the way in which it had to be completed and would be able to respond to any questions that might arise. The role of the researcher, therefore, involved the compilation of the questionnaire and the analysis of data after the researcher had collected the questionnaires from the officials of the department. The names of any municipalities of which there were no representatives present at the meeting were communicated to the researcher for follow up.

The researcher also attended a three-day strategic session which had been organised by one of the participating municipalities with the purpose of making observations and noting comments pertaining to strategy implementation. This three-day session was held between 8 and 10 October 2009. The researcher took part in the proceedings in his capacity as an employee, but

he also assumed an additional role as a participant observer. According to Feurer and Chaharbaghi (1995:22), a participant observer takes part in the activity under study and, in the process, adopts two roles – one as a member of the group and the other as a recorder of the group's processes and behaviour. As a member of the group, the researcher performed the group tasks as expected by the group without giving direction or influencing the way in which the group operated. In his second role, the researcher endeavoured to understand the group's activities and to record them. The researcher sought the consent of the municipal manager to observe the proceedings but this information was not disclosed to the other members of the group to avoid shifting the focus from the main objective of the session and reducing the session to a research exercise. The researcher spent seven hours per day as a participant observer and also as a member of the group.

#### **3.4.7 Data Collection Methods**

A questionnaire based on a rating (five-point Likert) scale and consisting of 36 questions was used to collect the data (see Appendix 1 for a copy of the questionnaire). In order to address issues of validity in respect of the instrument the questionnaire was first piloted using five municipal officials working in the Strategic Planning Department (department responsible for the formulation and overseeing of the implementation of municipal strategies) in one of the target municipalities, namely, Ba-Phalaborwa Municipality. The pilot study assisted the researcher to refine the questionnaire. In order to supplement the data collected by means of the questionnaire, the researcher attended a three-day strategic session organised by the Ba-Phalaborwa Municipality to observe and to take notes of debates around strategy formulation and implementation. A field notebook was used to collect this data so as not interrupt or to draw the attention of the group. The permission of the municipal manager of the municipality was obtained to attend the session and to collect the data.

### **3.5 Data Analysis Procedures**

Descriptive statistics were used to analyse the data which had been collected by means of the questionnaire. In other words, the numerical data collected were mathematically manipulated and statistically analysed as opposed to the inductive reasoning approach which was used to analyse the data collected through the field observations. Creswell's data analysis spiral (in Leedy & Ormrod, 2005: 151) was employed to analyse the qualitative data. This approach required the researcher to go through the data several times in the following sequence:

- Organise the data – break large units of data into smaller units.
- Peruse the data – obtain an overall sense of the data and jot down preliminary interpretations.
- Classify the data – group the data into categories or themes and find meanings in the data.
- Synthesis – offer propositions and construct hierarchies.

The use of both quantitative and qualitative methods in data analysis is justified by Leedy and Ormrod (2005:96) when they assert that “[r]esearchers of all persuasions typically use both types of reasoning [deductive and inductive reasoning] in a continual cyclic fashion. Quantitative researchers often formulate a theory by inductive reasoning – for instance, by observing a few situations – and then try to support their theory by drawing, and then testing, the conclusions that follow from it”.

### **3.6 Ethical Considerations**

The anonymity of the respondents and confidentiality of the information provided was guaranteed by means of the letters of permission which were submitted to the gatekeepers. One letter was submitted to the IDP section of the Department of Local Government and Housing and the other letter emailed to the municipal manager of the municipality that was under observation. The assurance was given that the information collected was to be used for

the purposes of the intended study only. The department gave consent by telephone while the municipal manager responded by e-mail.

### **3.7 Design and Methodological Limitations**

The following limitations were identified for the study:

- The choice of IDP managers only who, despite their middle management status, are expected to handle high level strategic issues.
- Time and resource constraints did not allow for the application of the knowledge generated as a result of the study.
- Questionnaires were administered to IDP managers only, whereas field notes were collected in an environment in which the participants were not IDP managers.
- The field notes were collected from a strategic session of one municipality only.

### **3.8 Conclusion**

A combination of qualitative and quantitative data collection techniques was employed in order to maximise the data collection. The researcher spent three days in the field in his participant observer role. The questionnaires were administered to a group of IDP managers from all the municipalities in the Limpopo Province while the field data was collected from a strategic session of one municipality only that was attended by all the strategic managers (40 in number) of that municipality.

## **CHAPTER 4**

### **DATA PRESENTATION, ANALYSIS AND INTERPRETATION**

#### **4.1 Introduction**

This chapter is aimed at presenting, analysing and interpreting the data that were collected by means of a questionnaire and personal observations. The process is aimed at using the available data both to identify and to understand the challenges which are affecting the implementation of municipal strategies in Limpopo Province. In order to accomplish the main aim of the study, it was essential to test the following hypotheses during the analysis and interpretation of the data:

- Municipalities in Limpopo Province are not ready to implement strategies.
- Municipal strategies are not consistent with the mandate of local government.
- There are strategy implementation challenges unique to the municipal environment.

A summary of the data collected is presented during the analysis and interpretation. The data are organised (either as tables or figures) in terms of the hypotheses to be tested and a summary of the findings is presented at the end of each section in relation to both the hypotheses and the main problem under investigation. There are constant references made to the findings in the literature review in order to help confirm and/or reject the hypotheses. This constant reference to the literature is intended to link the findings of the study to existing conceptual knowledge.

#### **4.2 IDP Managers and Strategy Implementation**

The findings of the study, based on the questionnaire and the observations, are presented below in line with the three hypotheses that the study aimed to test. It is worth noting that 17 of the 26 targeted IDP managers only completed and returned the questionnaire – a response

rate of 65%. The following table illustrates the managerial experience of the IDP managers in the province:

#### **4.3 The State of Readiness to Implement Strategies**

##### ***Hypothesis 1: Municipalities in Limpopo Province are not ready to implement strategies.***

The first objective of the study was to test the hypothesis that “municipalities in Limpopo Province are not ready to implement strategy”. The study used the following ten criteria or constructs in order to determine or measure the level of readiness of the municipalities in terms of implementing strategies:

- **Construct A:** The managerial experience of the IDP Managers
- **Construct B:** Managers’ understandings of the visions of their respective municipalities
- **Construct C:** Managers’ understanding of their roles and responsibilities in the the implementation of strategies
- **Construct D:** The rate at which municipalities adopt policies to support the implementation of strategies
- **Construct E:** Staff ownership of, and commitment, to the implementation of the strategies of their municipalities
- **Construct F:** Pre-implementation training and instruction on strategy implementation provided to staff members
- **Construct G:** The level of trust amongst the employees within the municipalities;
- **Construct H:** Employees’ feelings about their environments
- **Construct I:** Open communication within the municipalities
- **Construct J:** A sense of the need and urgency for change amongst employees

The choice of the above criteria for measuring the state of readiness was based on recommendations in literature (Smith, 2005; Berger, 2007; Chonko, 2004; Heathfield, 2009; Naidoo, 2009) in terms of the best indicators of organisational readiness to implement strategies.

#### 4.3.1 Construct A: The Managerial Experience of IDP Managers

The questionnaire tested the readiness of the municipalities to implement strategies by determining the levels of experience of key personnel (IDP Managers) in terms of the strategy management process within the municipalities. Table 4.1 below presents the findings from the questionnaire.

**Table 4.1: The managerial experience of IDP managers**

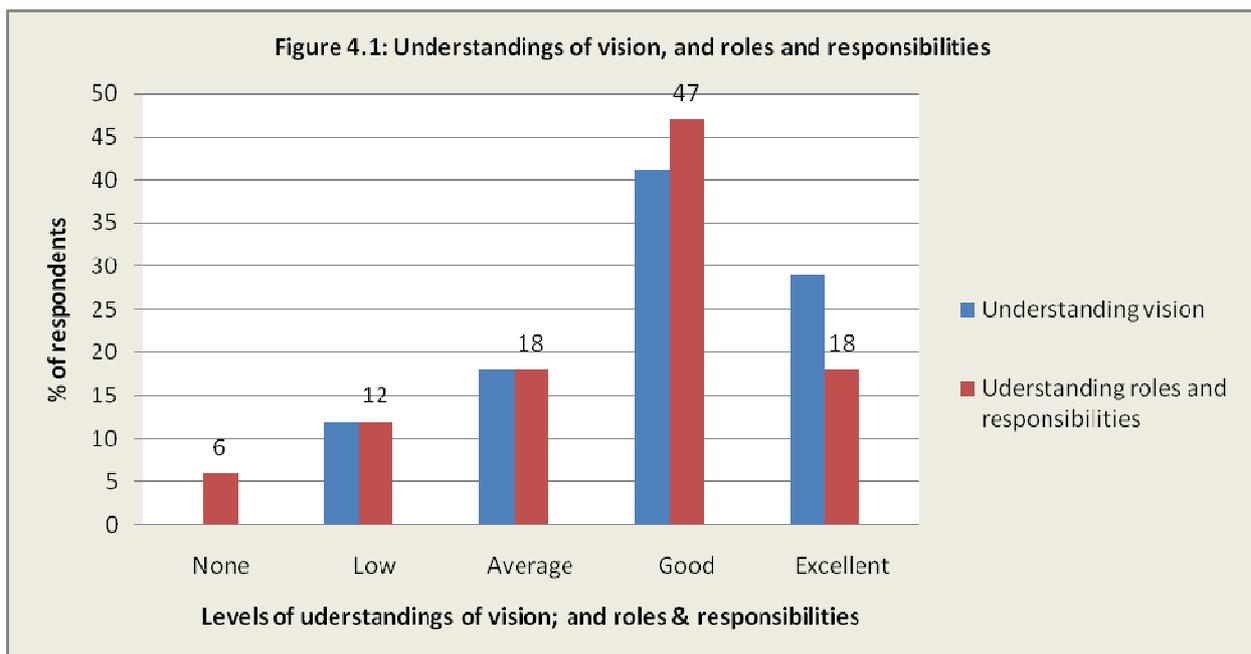
<b>Experience in years</b>	<b>Number</b>	<b>Percentage (%)</b>
0–2 years	8	47
3–5 years	5	29
> 5 years	4	24
<b>Total</b>	<b>17</b>	<b>100</b>

It is evident that, although the majority (76%) of the IDP Managers in the province are inexperienced, they are, nevertheless, expected to manage the strategic processes of municipalities. Twenty-four percent only of the population had more than five years' experience in management, let alone in the management of IDP processes. It also emerged that four managers (24% of the total population) were in an acting capacity only. This fact would obviously result in feelings of insecurity which may have a negative effect on the confidence of the four managers and, consequently, on their performance. It was, however, encouraging that 15 of the 17 IDP Managers who participated (88%) had been involved in the recent strategy formulation sessions of their respective municipalities. The implication of the findings is that

the population targeted consisted of respondents who did have some experience of strategy formulation.

#### 4.3.2 Constructs B & C: Managers' Understandings of Visions, Roles and Responsibilities

All the municipalities in the study had adopted the IDP documents for the 2009/10 financial year. This implied that each municipality had a developmental strategy that had been captured in their IDP. The graph below draws a comparison between the IDP managers' understandings of the developmental strategies (visions) as opposed to their roles and responsibilities in implementing the strategies:

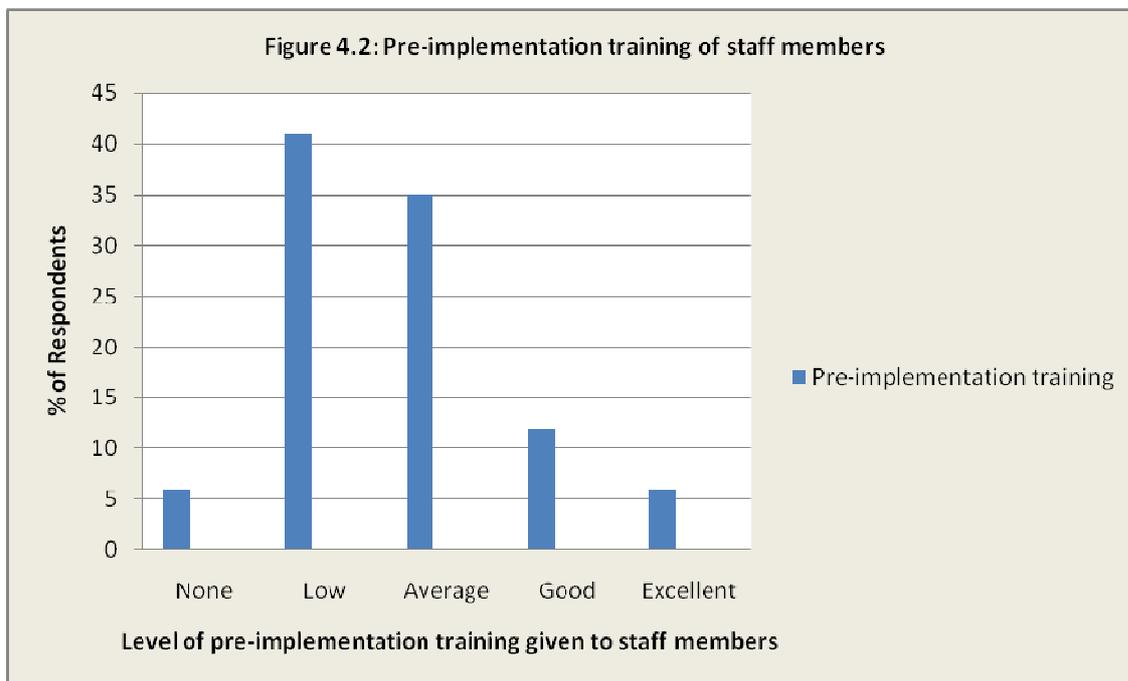


The graph shows that there is close relationship between the level of understanding of visions and the understanding of the roles of the managers in implementing strategies. In other words, those respondents who had an average to below average level of understanding of the visions

were also more likely to manifest average to below average understanding of their roles and responsibilities in the implementation of municipal strategies. However, over 50% of the managers manifested an above average understanding of both the visions and their roles and responsibilities in terms of the implementation process. It is also worth noting that 6% of the managers admitted to having no understanding of their roles and responsibilities in the implementation of strategies.

#### 4.3.3 Construct F: Pre-Implementation Training of Staff Members

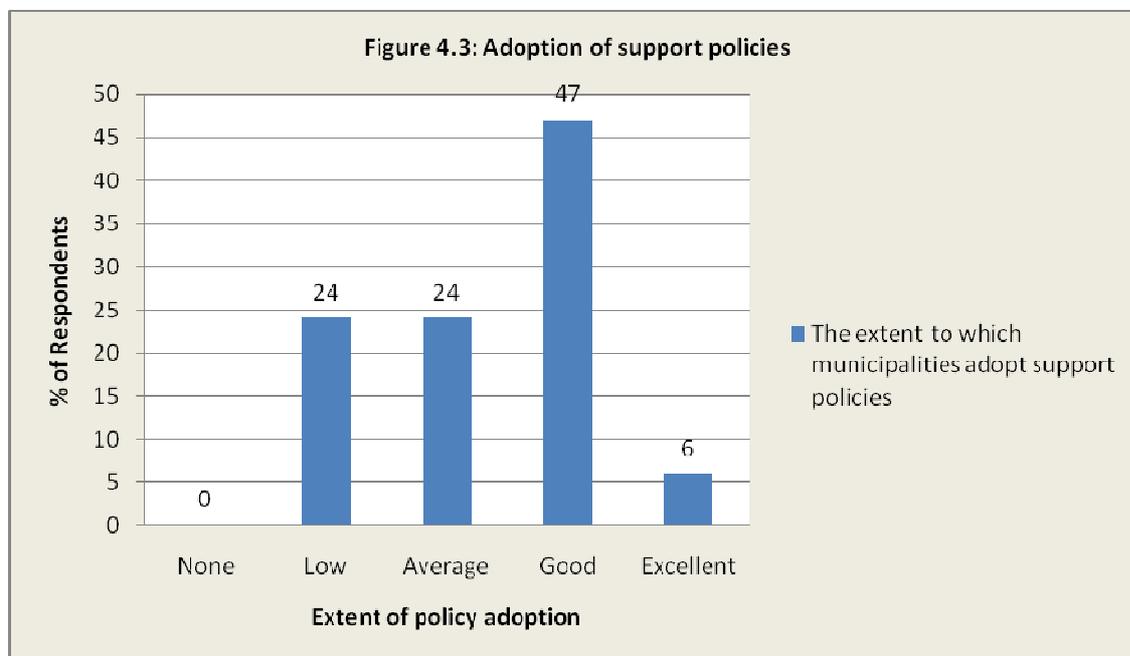
The study established that, despite their low levels of experience, the majority of the managers had not undergone any preparation in terms of implementing the new strategies. The graph below depicts the extent to which IDP managers had been given pre-implementation training on strategy implementation:



The majority (82%) of the managers indicated that they had received an average to below average level of pre-implementation training.

#### 4.3.4 Construct D: Adoption of Support Policies

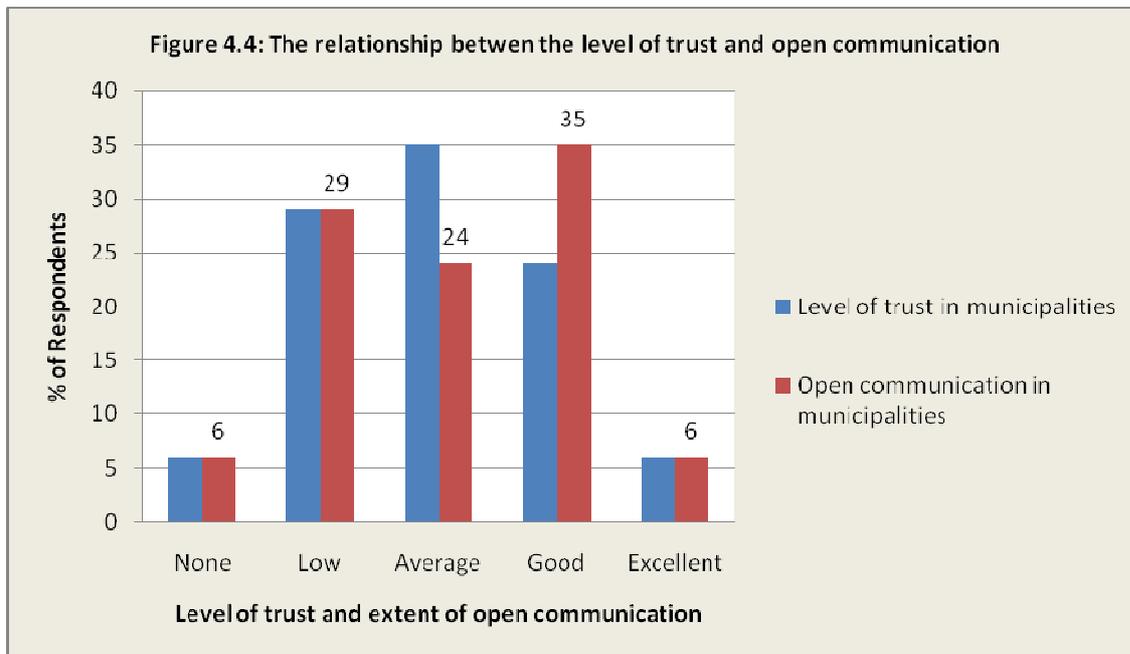
Fifty-three percent of the municipalities in Limpopo Province have an above average rating with regard to prioritising the development of support policies for strategy implementation. However, in view of the fact that 47 of the municipalities have an average to below-average rating, the overall extent to which municipalities prioritise the adoption of policies to support the implementation of new strategies is not satisfactory. The figure below depicts the percentage rating of municipalities with regard to the adoption of policies that support strategy implementation:



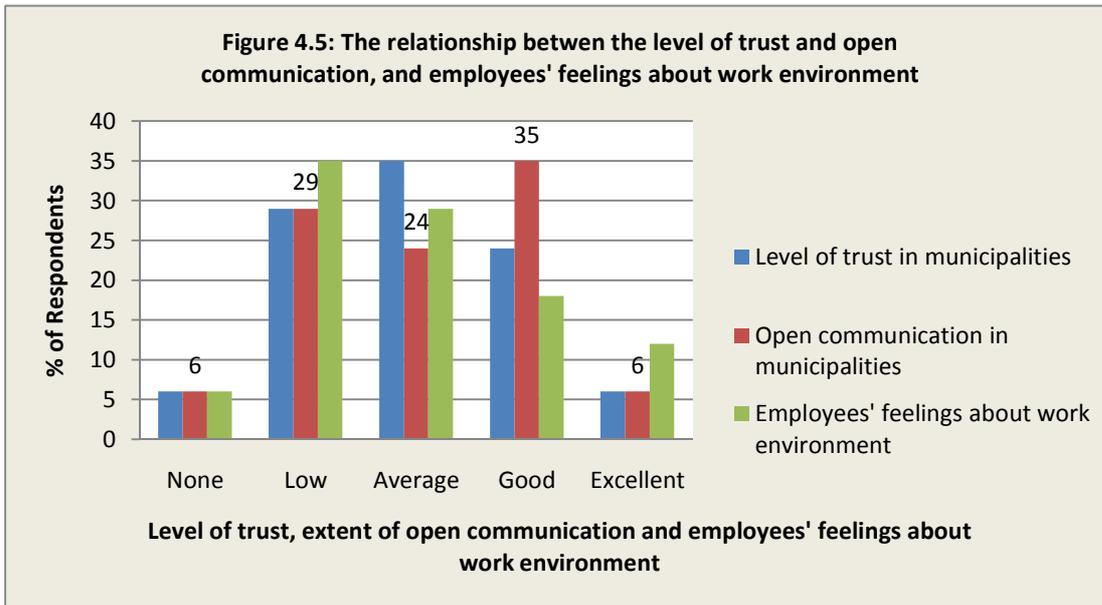
#### 4.3.5 Construct G, I & H: The Level of Trust versus Open Communication and Feelings about Work Environments

The level of trust in an organisation is dependent, inter alia, on the extent to which there is open communication within the organisation and this goes a long way towards influencing the feelings of employees about their work environment. This, in turn, has an effect on the shared ownership of, and commitment to, strategic objectives. The study revealed that there is a high

correlation between the level of trust amongst employees and the extent to which strategic issues are communicated within the municipalities. The figure below juxtaposes the way in which the respondents rated these two criteria in terms of their own municipalities:

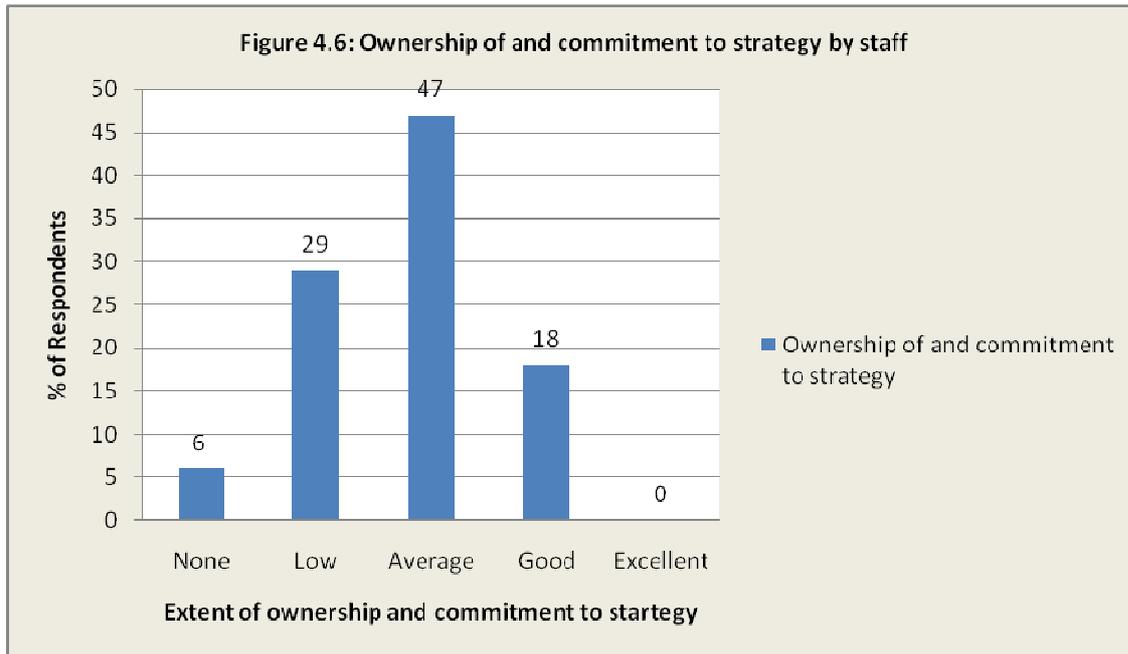


The relationship depicted in figure 4.4 translates to the employees' feelings about their work environments. The graph below adds the employees' feelings about their work environment as the third dimension (or bar) and, once again, there is evidence of a close relationship between the three criteria (see figure 4.5 below):



**4.3.6. Construct E: Ownership of and Commitment to the Implementation of Strategies**

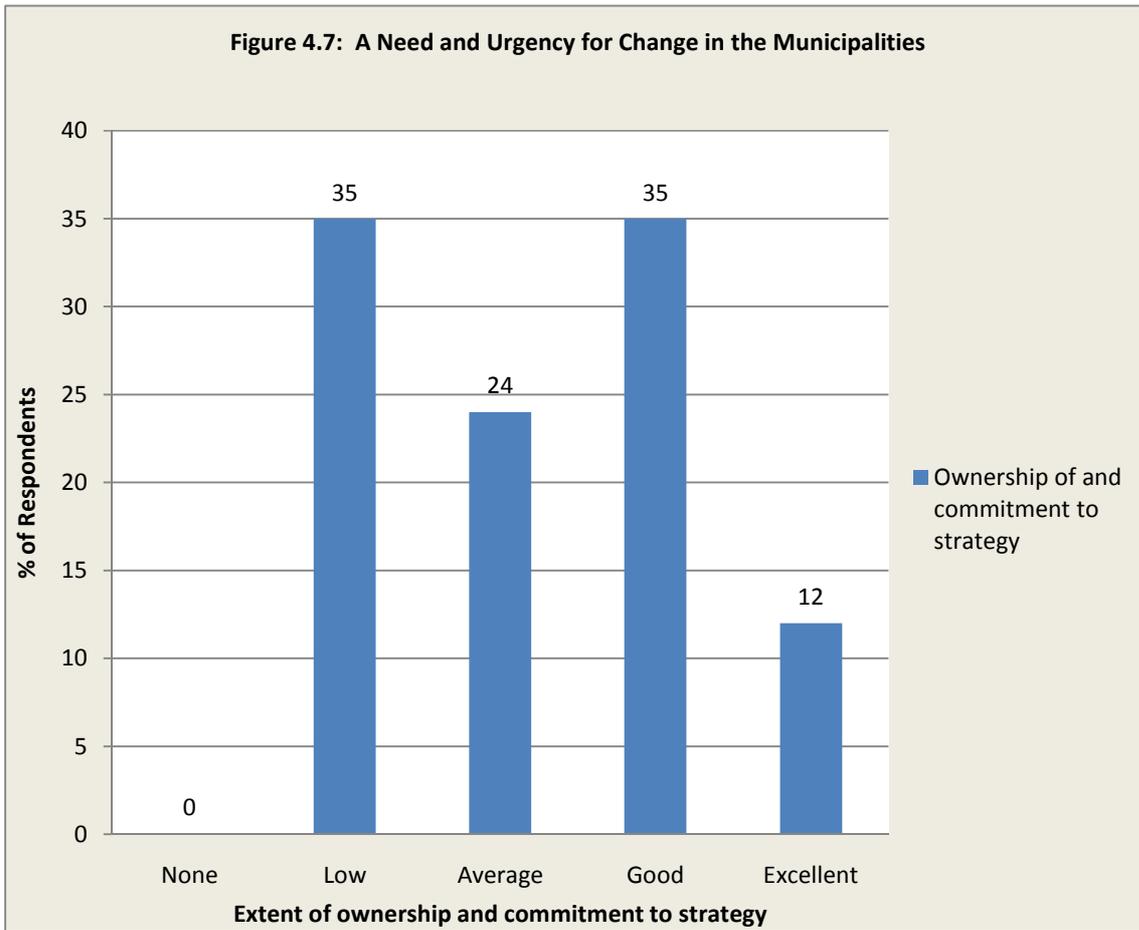
It is evident from the analysis of constructs G, H and I that the level of trust and the extent of open communication within the municipalities are not satisfactory and that this leads to unsatisfactory feelings about their work experiences on the part of the employees. The end result is that workers may display average to poor ownership of and commitment to municipal strategies which, in turn, may result in poor implementation. The graph below presents the levels of ownership of and commitment to strategy on the part of the respondents:



It would appear that the results depicted in figure 4.6 imply that the majority (approximately 82%) of staff members in the various municipalities do not manifest any ownership of the municipal strategies and are not committed to the implementation of these strategies. Accordingly, the analysis of the readiness of municipalities to implement strategies confirms that, although there is evidence of satisfactory elements which are indicative of a readiness to implement strategies, there is, nevertheless, evidence of a lack of willingness on the part of staff members to make an extra effort in the implementing of the strategies.

#### **4.3.7 Construct J: Need and Urgency in respect of Change**

There is a general feeling among the IDP Managers that there is a prevailing sense of the need for change and an urgency to implement this change within the municipalities. The figure below presents the results in respect of the feeling of both need and urgency in respect of change within the municipalities.



It emerged from the findings that 35% of the IDP managers believe that staff members have a low need and urgency in respect of the implementation of change. However, the overall analysis reveals that the majority (65%) of the IDP managers do believe that the staff members are motivated in respect of change taking place.

**4.3.8 Summary**

It has been established that most of the municipalities have delegated strategy formulation and implementation to junior officials who do not have the necessary experience and understanding of strategic processes. If strategic managers do not understand the strategic intents of their organisations and are not sure about their own roles and responsibilities, this is

conclusive evidence that certain of the municipalities might be experiencing serious strategic leadership gaps. These gaps are compounded by the failure on the part of the municipalities to prioritise pre-implementation training. It is for this reason that the managers, and, thus, ordinary workers, plunge and become lost in the strategy implementation dip. However, while it is encouraging to note that municipalities have adopted policies to support the implementation of strategies, it is equally discouraging to realise that ownership of, and commitment to, strategy implementation is hampered by the low levels of trust and the lack of open communication within the workplace.

Based on the above analysis and interpretation of the state of readiness of municipalities in respect of the implementation of strategies, it is possible to accept the hypothesis that states that “Municipalities in Limpopo are not ready to implement strategies”.

#### **4.4 The Consistency of Municipal Strategies with the Mandate of Local Government**

##### ***Hypothesis 2: Municipal strategies are not consistent with the mandate of local government***

The second hypothesis referred to the inconsistency of municipal plans in respect of the expectations set for local government. The mandate of local government is to ensure basic service delivery in both a developmental and participatory manner. This mandate is expressed as the objectives of local government in section 152 (1) of the Constitution (RSA, 1996) and the mandate makes it obligatory for municipalities to ensure that their strategies address the core mandate. The levels of consistency of the strategic intents of municipalities with the provisions as articulated in the constitution differ from municipality to municipality. In this study 18% of the municipalities acknowledged that their strategies rate low in terms of addressing the primary mandate of local government, while 29% achieved an average score in respect of compliance. Thirty-five percent of the municipalities showed high consistency while the remaining 18% achieved an outstanding score in terms of compliance with the mandate of local government.

Compliance with local government strategies is demonstrated through the adoption of IDPs in accordance with the legal framework as prescribed by government. Municipalities are compelled both to develop and to adopt Integrated Development Plans (IDPs) which serve, in turn, as strategic documents to guide development within the areas of jurisdiction of the municipalities. The study endeavoured to establish the extent to which municipalities deal with municipal processes by investigating the extent to which municipalities:

- Are able to develop strategies on their own;
- Involve middle and senior managers in strategy formulation;
- Benchmark municipal performance;
- Involve external stakeholders in the implementation of strategies; and
- Co-ordinate public participation.

#### **4.4.1 Involvement of Consultants in Strategy Formulation**

One of the factors that contribute to poor ownership and low commitment to strategy implementation might be the fact that certain municipalities (approximately 35%) rely on consultants for strategy formulation. In such situations there is always the possibility that the consultants may craft strategies based on desktop information and impose these strategies on the municipalities. The observations confirmed that, in one of the district municipalities, there are five local municipalities with the same strategic objectives in their IDPs. An analysis of the IDP documents of these municipalities revealed that some of the strategic information had been “cut and pasted” with the names of municipalities appearing on the wrong documents. Eight percent only the municipalities in the study had not utilised the services of consultants to formulate their strategies. The table below presents the findings with regard to the involvement of consultants in strategy formulation in the various municipalities:

**Table 4.2: The involvement of consultants by municipalities in strategy formulation**

Level of involvement	Number of municipalities	Percentage
None	2	8
Low	4	24
Average	5	29
High	5	29
Outstanding	1	6
Total	17	100

#### 4.4.2 Involvement of Middle and Senior Managers in Strategy Formulation

The questionnaire probed the extent to which the municipalities involved all middle and senior managers in the crafting of their municipal strategies. It emerged from the study that 49% of the municipalities did involve all middle and senior managers in the formulation of strategies. Six percent only of the municipalities confirmed that not all middle managers were involved in the strategy formulation process while 35% indicated an average involvement of middle and senior managers and the remaining 6% acknowledged that involvement was low in their municipalities.

**Table 4.3: The involvement of middle and senior managers in strategy formulation**

Level of involvement	Number of Municipalities	Percentage
None	1	6
Low	1	6
Average	6	35
High	7	41
Outstanding	2	8
Total	17	100

#### 4.4.3 Benchmarking Municipal Performance

Fifty-five percent of the municipalities acknowledged that the benchmarking of performance in their municipalities was not rated highly and, thus did not contribute significantly to the strategy formulation and implementation processes. This acknowledgement confirms that certain of the municipalities are complacent and that they make no attempt to be competitive in the way in which they do business.

**Table 4.4: Benchmarking municipal performance**

Level of Benchmarking	Number of municipalities	Percentage
None	1	6
Low	3	18
Average	7	41
High	6	35
Outstanding	0	0
Total	17	100

#### 4.4.4 Involvement of External Stakeholders in the Implementation of Strategies

Six percent only of the municipalities indicated low involvement on the part of external stakeholders in the implementation of strategies while over 30% of the municipalities in the study indicated high to outstanding involvement on the part of external stakeholders in the implementation of strategies.

**Table 4.5: The involvement of external stakeholders in strategy implementation**

Level of involvement	Number of municipalities	Percentage
None	0	0
Low	1	6
Average	10	59
High	5	29
Outstanding	1	6
Total	17	100

#### 4.4.5 Coordination of Public Participation

Municipalities are required by law to conduct public participation on their annual review of their strategies. Twenty-four percent of the municipalities rated their co-ordination efforts as average, while the remaining 76% rated their co-ordination as high to outstanding. The study was not able to confirm the quality of public participations conducted. However, the observations did reveal that certain of public-participations are conducted for compliance purposes only and they degenerate into municipal talk shows during which the communities are treated as passive participants. The Constitution (RSA, 1996) and the Municipal Systems Act (RSA, 2000) stipulate that municipalities must ensure the involvement of stakeholders by establishing effective participatory processes. The question, therefore, is to what extent do municipalities conduct public participation for mere compliance with legislation.

**Table 4.6: Co-ordination of public participation**

Level of co-ordination	Number of municipalities	Percentage
None	0	0
Low	0	0
Average	4	24
High	8	47

Level of co-ordination	Number of municipalities	Percentage
Outstanding	5	29
Total	17	100

#### 4.4.6 Summary

It would appear that all the municipalities in Limpopo Province comply with legislation in terms of adopting IDPs and involving stakeholders in the IDP process. According to the IDP managers the strategic intents of the municipalities are consistent with the local government mandate, i.e., they all strive to attain the objectives of local government. The figure below depicts the level of consistency of the strategic intents of municipalities with the mandate of local government:

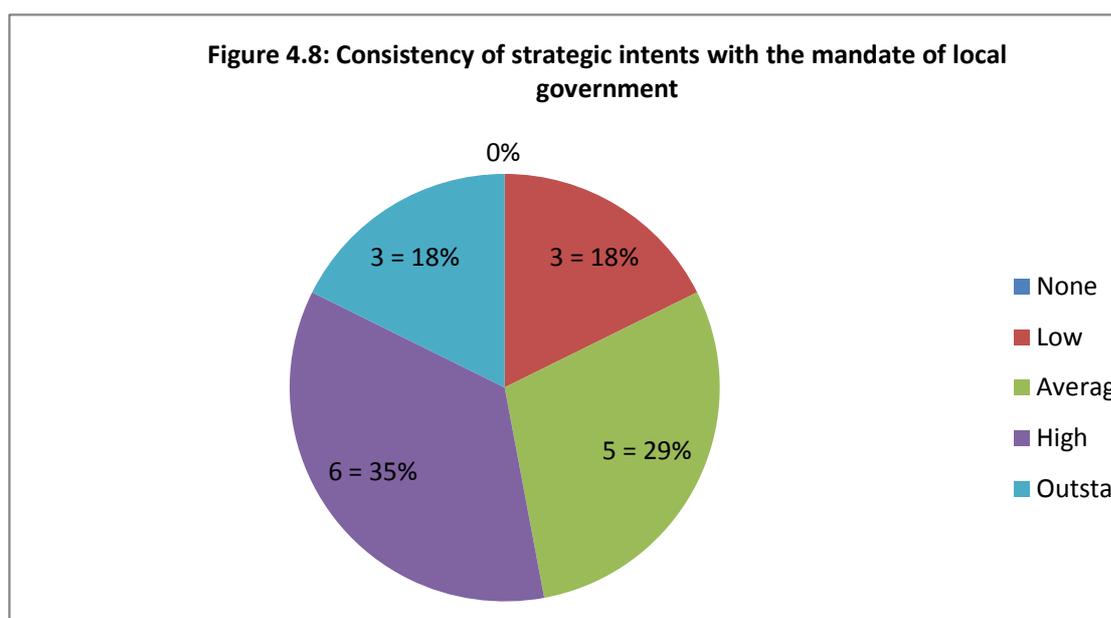


Figure 4.8 above illustrates that not one of the municipalities has developed a strategic intent that is in contradiction of the intentions of local government. However, three municipalities, (18% of the population) did reveal strategic intents that were rated low in terms of addressing the core business of local government. The majority of the municipalities (82%) revealed

strategic intents that were average to above average in their response to the local government mandate.

The fact that, although the majority of the IDP managers (76%) are inexperienced, their municipalities have succeeded in developing strategic intents that are rated extremely high in terms of consistency with the local government mandate may be confirmation of the over reliance on consultants, especially in view of the fact that 8% only of the municipalities formulate their strategies without the services of consultants. This reliance may result in poor ownership of strategies and, thus, poor strategy implementation.

It may be extremely difficult for inexperienced managers to interpret strategies and to lead others in the implementation of these strategies. In addition, implementation may pose a serious challenge in situations in which not all managers are involved in the strategy formulation process. The municipalities are, however, doing very well in terms of involving stakeholders in the strategy implementation process.

It was also confirmed that some of the municipalities were not benchmarking their performances against the best in the industry and, therefore, they might not be developing competitive strategies. Although there were positive signs of municipalities involving external stakeholders and evidence of a high co-ordination of public participation, there is still a need to improve the participation of municipalities in both national and provincial development programmes as enshrined in section 153 (b) of the Constitution (RSA, 1996). The observations revealed that planning at municipal level is not supported by inputs from national and provincial sector departments. The alignment of programmes between municipalities and the other spheres of government remains a challenge.

In conclusion, it can be deduced from the above analysis that the municipalities in Limpopo have an average to high performance with regard to:

- the involvement of middle and senior managers in the formulation of strategy
- benchmarking municipal performance against industry performance, and
- the involvement of external stakeholders in the implementation of strategies.

The performance of the municipalities with regard to the coordination of public participation is rated between high and outstanding; meaning that municipalities are doing very well in this regard. However, the fact that the majority of the municipalities are depended on consultants for the development of their strategies raises concerns. In general, municipal strategies in Limpopo seem to be consistent with the mandate of local government. It should, however, be acknowledged that there is still room for improvement.

#### 4.5 Challenges in the Implementation of Municipal Strategies

***Hypothesis 3: There are strategy implementation challenges unique to the municipal environment***

The questionnaire presented 21 possible challenges or obstacles to strategy implementation and it required respondents to indicate the frequency with which each of these challenges manifests and affects the strategy implementation within their municipalities. Table 4.2 below presents the findings from the study with the top ten most frequent challenges only being highlighted. It was possible to use 16 of the 17 questionnaires only which were returned for the purposes of this exercise.

**Table 4.7: The most frequent strategy implementation challenges within the municipalities**

Priority	Challenge / Obstacles	% of frequency
1	Individuals appointed to strategic positions are not well qualified for the positions	75
2	Major problems surface which had not been identified at the beginning of the strategy implementation	63
3	Communication of strategy to all municipal employees	63
4	Involvement of key stakeholders in the strategy formulation	56
5	Employees understanding of the overall goal of the strategy	56
6	Technological innovation support in respect of the strategy implementation	56
7	Defining key implementation tasks	50
8	Vision bearers and supporters of strategic intent leave the municipality before the goals are attained.	50

Priority	Challenge / Obstacles	% of frequency
9	Capabilities of employees in respect of the implementation of the strategy	50
10	Strategy implementation takes more time than originally allocated	50

The questionnaire made provision for each of the respondents to add, at most, any other two factors that they perceived as challenges to the implementation of strategies, but which had not been included in the list of challenges provided. The following five factors only were added:

- poor participation by sector departments in municipal affairs;
- incomplete projects implemented by sector departments;
- Lack of resources;
- Matching personnel skills to job descriptions; and
- Interference by senior managers in strategy implementation.

It is clear from this study that although there are similar challenges to strategy implementation across sectors, the intensity of the challenges varies from one sector to another. For example, the municipal environment is affected by political appointments and instability that result in a huge percentage of individuals appointed to strategic positions without the necessary qualifications. This in itself negatively affects strategy implementation. In a municipal context decisions are taken on the basis of political dominance irrespective of what the strategic objectives are. Implementation of strategy gets affected and, hence, major problems that were not anticipated at the conception stage manifest. It can therefore be concluded that there are strategy implementation challenges that are, by their intensity, unique to the municipal environment.

#### **4.6 Conclusion**

Of the 26 IDP Managers targeted in Limpopo Province, 17 (65%) only participated in the study by completing and returning the questionnaires. It was possible to use all the questionnaires which had been completed for data analysis and interpretation purposes, although certain

sections of some of the questionnaires had been rendered unusable and were acknowledged accordingly in the process. The study revealed that most of the IDP managers were inexperienced and did not necessarily have sufficient understanding of the municipal strategies as well as their roles and responsibilities in the strategy formulation and implementation process. This situation is compounded by the fact that staff members (including the IDP managers) are not given pre-implementation training.

It is positive to note that it would appear that municipalities adopt support policies for strategy implementation. It remains, however, a moot point as to whether such inexperienced managers are able to differentiate between compliance policies and policies that are crafted with the aim of supporting the strategic intent of the municipality concerned. In conclusion, it is evident that the municipalities are not ready to implement their strategies although whether the strategies are well formulated and responsive to community mandates is a subject for future consideration. It is also clear that there is a need to improve stakeholder participation in the formulation and implementation of strategies in order to ensure consistency with the local government mandate as enshrined in the constitution.

## CHAPTER 5

### SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter provides a summary of the findings and conclusions as well as the researcher's recommendations. The chapter attempts to provide an explanation of whether or not the objectives of the study have been met. In doing so the following hypotheses that the study aimed to test are taken into account:

- Municipalities in Limpopo Province are not ready to implement strategies;
- Municipal strategies are not consistent with the mandate of local government; and
- There are strategy implementation challenges that are unique to the municipal context.

The summary, conclusions and recommendations in this study are based on the principles of systems theory and the contingent approach. On the one hand, municipalities are viewed as open systems which are subjected to influences from the larger system within which they operate. On the other hand, municipalities are perceived as organisations which are engaged in the perpetual modification of their strategies in order to respond to the dynamic nature of the external environment. Municipalities are, therefore, perceived as dynamic in nature.

Possible practical implications of the results of the study are highlighted in the chapter. The chapter also presents a recommended strategy implementation framework which is deemed suitable for municipalities, and lastly, the chapter presents recommendations for further investigations in particular areas.

#### 5.2 The Readiness of Municipalities in Limpopo Province to Implement Strategies

The first objective of the study was to investigate the level of readiness of municipalities in Limpopo Province in respect of the implementation of their strategies. It became evident from

the analysis and interpretation of the data that there were several factors that rendered the municipalities unready in terms of the implementation of their strategies. It also became clear that it would not be possible to achieve readiness focusing on either one or a few of these elements whilst losing sight of the others. The study has confirmed Naidoo's (2009) findings that municipalities in South Africa (for the purposes of this study in Limpopo Province) are not ready to implement strategies. It has also been confirmed that municipalities are not able to create working conditions which favourable to employees and conducive to the implementation of strategies. In other words, municipalities are not able to create environments which are conducive to the workforce accepting change and being prepared to become change agents.

### **5.3 The Consistency of Municipal Strategies with the Mandate of Local Government**

The second objective of the study was to investigate the consistency or alignment of municipal strategies with the mandate of local government. It emerged that, although municipalities are generally aware of the constitutional mandate of local government, there is an acknowledgement that the performance of some of the municipalities with regard to the alignment of their strategies with the objectives of local government remain unsatisfactory. Although municipalities are not faring badly with regard to the content and process issues pertaining to their integrated development plans, the ultimate objectives of local government are not necessarily being realised as a result of a lack of readiness to implement existing plans. It also emerged that content and process issues are emphasised for the purposes of compliance with legislation. In this respect, municipalities even resort to outsourcing both the formulation of strategies and the development of process plans to consultants in order to comply with the stipulated legislative requirements. This practice in itself compromises strategy implementation in that there it results in no meaningful ownership of the strategies.

In short, it may be surmised that, although the municipalities appear to be aware of the objectives of local government, there are still challenges remaining in terms of linking strategies

to the constitutional mandate. As Hofert (2006) correctly points out, municipalities experience difficulties in implementing strategies without losing sight of their core mandate of service delivery. This would suggest that certain strategies are not based on the mandate of local government and are, therefore, inconsistent with the mandate.

#### **5.4 Strategy Implementation Challenges Facing Municipalities**

The third objective of the study was to identify strategy implementation challenges that are prevalent in, and unique to, the municipal environment in order to recommend a strategy implementation framework that would be suitable in terms of addressing municipal challenges. The findings confirm that the municipalities, in common with other organisations, do face challenges in the implementation of strategies. It is also clear that municipalities are not immune to most, if not all, of the implementation challenges which have been identified in the literature as affecting the corporate world. However, it emerged that there are certain challenges that are more applicable and also more relevant to the municipal environment. Some of these challenges (political interference in the appointment of staff), are more frequent within the municipal context and yet they are not even mentioned in terms of the corporate world. It also emerged from the study that political interference may lead to the appointment of unqualified people to strategic positions and this was perceived to be the most common challenge in respect of strategy implementation.

The appointment of individuals on the basis of political loyalty or on other grounds outside the strategic realm of the organisation has a direct negative impact on other implementation factors (e.g. strong leadership, building an organisational culture, communicating strategy, etc.). According to Thompson et al. (2007: 364) it is essential that key managerial positions be filled with astute people who are clear thinkers, who are good at figuring out what needs to be done, and who are skilled in 'making it happen' and delivering good results. This would enable the organisation to match the structure to the strategy.

It came into light in the study that strategies are not generally communicated to the lower levels within the municipalities. This finding confirms Raps's (2005: 142) assertion that less than 5% only of a typical workforce in an organisation has any understanding of the organisation's strategy. This results in the workers' experiencing difficulty in implementing what they do not know.

## **5.5 Recommendations**

The recommendations made in this study are based on the preliminary findings in the literature review and the empirical evidence from the data analysis.

### **5.5.1 A Strategy Implementation Framework for Municipalities**

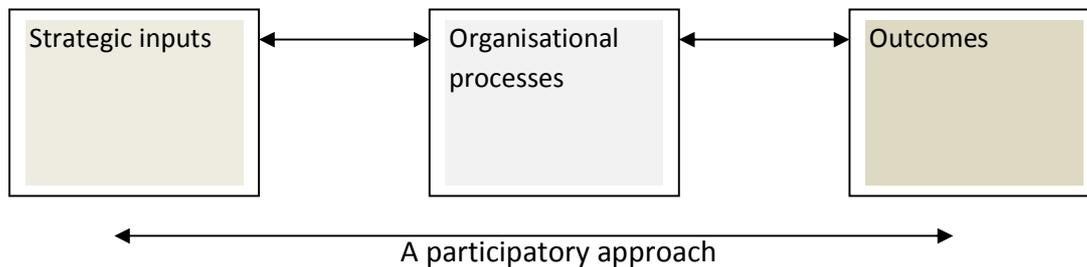
As open systems municipalities are vulnerable to influences from the external environment and, thus, are not able to operate in isolation from the society in which they find themselves. Strategy formulation and implementation should take cognizance of the relevant factors to be found in both the external and internal environments to ensure that the strategies respond in a proactive manner to environmental forces. This study recommends a framework, based on systems theory, for use by the municipalities if they are to implement strategies effectively and attain the objectives of local government.

Based on the literature review it is recommended that future studies on the implementation of strategies in municipalities take the following into account:

- Municipalities are open systems, and also complex and dynamic in nature.
- The strategic management process (inclusive of strategy implementation) is influenced by forces inherent in both the task and the general environments.
- Organisations world-wide are faced with the strategy implementation dilemma.

- It is evident from the literature that little attention has been paid to strategy implementation as compared to strategy formulation.
- The Integrated Development Plans, with their accompanying legislation, compound the strategy implementation process by expecting municipalities to integrate programmes and projects from other sectors irrespective of their levels of readiness in terms of the necessary implementation factors.
- Most organisations, including municipalities, reduce strategy implementation to project management only.
- Strategy implementation obstacles or challenges, as well as strategy implementation factors, are functions of their own environments.
- There is neither a standard nor a best strategy implementation framework that may be adopted for use across all sectors and different environmental backgrounds.
- A framework for strategy implementation, if any, should be based on a set of strategy implementation factors.

Based on systems theory a framework for strategy implementation in municipalities is recommended. This framework is depicted in figure 5.1 below. The framework, as discussed in chapter two of this study, considers the strategy implementation process to be both participatory and dynamic in nature. It advocates that strategic inputs be drawn from both the internal and external environments of an organisation and then processed by means of organisational procedures to produce outcomes for the external environment. It is further recommended that those strategy implementation factors which are applicable and relevant to specific contexts be identified and applied in the implementation of strategies.



**Figure 5.1: Proposed strategy implementation framework**

It is further recommended that municipalities develop management teams of the highest calibre for strategy implementation. This may include employing the most appropriate managers and getting rid of unsuitable managers before embarking on a process of strategy formulation and implementation. Political interference in the appointment of staff members suggests that the agendas of politicians may differ from the strategic intent of the municipalities as expressed in their IDPs. It is, therefore, necessary to investigate the extent of ownership of municipal strategies by the politicians. This is crucial in that strategies depend on financial resources and, thus, there is a need to spend scarce resources in an efficient way. It is further recommended that a study be conducted into understanding the extent to which sector departments are prepared to align their strategic plans with the plans of municipalities.

### **5.6 Self Learning**

This research exercise benefited the researcher in that it became a learning experience for the researcher, particularly in respect of the importance of external factors in shaping the formulation and implementation of organisational strategies. The researcher also acquired knowledge about the importance of institutional readiness in terms of successful strategy implementation.

## **5.7 Conclusion**

The aim of the study was to investigate those challenges that affect strategy implementation in local municipalities in Limpopo Province. In order to attain this principal aim the study focused on the level of readiness of municipalities to implement strategies; the consistency of their strategies with the mandate of local government; and factors which were as experienced as barriers in the implementation of strategies. A questionnaire was used as the main tool for collecting data. The researcher supplemented this data by observing one of the municipalities during a strategic session. It was necessary for the researcher to achieve a balance between a qualitative and a quantitative research design. Accordingly, the researcher adopted a contingency approach in conducting his strategy implementation research. This approach was skewed more towards a quantitative design as a result of the dynamic nature of the organisations which were under investigated. The entire study was influenced by the principles of systems theory.

It emerged from an analysis of the data collected that municipalities in Limpopo Province do, indeed, experience strategy implementation challenges. The levels of readiness of the municipalities in terms of implementing strategies were found to be both low and unsatisfactory. It was also found that the municipalities are aware of the mandate of local government as enshrined in the constitution, but that malicious compliance to legislation clouds the efficient and effective implementation of strategy which is aimed at the attainment of the objectives of local government.

It became obvious that the municipalities in Limpopo Province are facing a strategy implementation dilemma and that some of these implementation challenges confronting the municipalities are both multidimensional and complex in nature and, thus, require municipalities to have constant interaction with the external environment.

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