SEDA Technology Programme Strategic Planning

- An analysis of factors and strategies that may lead to successful leadership in the management of SEDA Technology Programme

RESEARCH REPORT

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ABSTRACT

The study focuses on the relationship between concepts of strategic planning, strategic management and leadership to determine the success factors of the seda Technology programme. An analysis of factors and strategies were identified for effective use on the divisional strategic planning. Strategic planning involves all members and must be led by management themselves; the decisions made cannot be delegated but require commitment of all participants in the organisation. In order to make proper plans, the managers must expand the effort needed to apprehend and evaluate all generated information throughout the planning process.

The study found that there must be definite relationship between the resource management and strategic planning of the Stp. The strategy identified that management with no financial management experience should be empowered through training course’s to ensure a proper understanding of allocation of resources. The findings suggested that organizational culture, governance and leadership if lacking, they may become serious limitations to effective application of identified factors for the success and sustainability of the Stp.
ACKNOWLEDGEMENTS

Walk by Faith, not by sight.
2 Corinthians 5:7

All honour and glory to my Lord Almighty for giving me the strength to complete the task and blessed me with knowledge shared.

I would also like to dedicate this research to my late loving mother Mmamokwena. Her spirit love, trust and belief in me gave me the energy to focus and complete the task.

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- All the respondents who participated in the study for their time and valuable contributions.
- Ms. Helen Yardley for her professional and critical editing of the manuscript.
DECLARATION

I, Mmatsheko Rosa Mathabathe, hereby declare that the work submitted in this dissertation “seda Technology programme strategic planning: An analysis of factors and strategies that may lead to successful leadership in the management of seda Technology Programme” to the School of Business Leadership, is my own work and has not been submitted previously for any other degree at this university or another university.

This dissertation is my own work and all the sources have been referenced and appear in the list of reference.

Signature ___________ Date 27 May 2013
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The following abbreviations are applicable for the purpose of this paper and are listed alphabetically.

ABBREVIATIONS AND ACRONYMS

CEO – Chief Executive Officer
EXCO- Executive Committee
IBC-Incubation Business Centre
ICT- Information Communication Technology
IPAP- Industrial Policy Action Plan
NIPP-National industrial Participation Progarm
NIRF-National Industrial Research Funds
NT – National Treasury
NTTC - National Technology Transfer Centre
MTEF- Medium Term Expenditure Framework
OECD- Organisation for Economic Co-operation and Development
PFMA - Public Finance Management Act
SAQI - South African Quality Institute
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CHAPTER 1: INTRODUCTION AND BACKGROUND

1. ORIENTATION

This chapter provides a background and introduction to the dissertation. It also indicates the context and objectives of the research. The problem definition and scope of the research, including the problem review, is articulated. Applicable definitions and concepts used throughout the report are also provided.

1.1. INTRODUCTION

The strategy of an enterprise comprises the most basics of “who to serve, what to offer and how to deliver” and requires the leadership of the organisation to provide overall direction. The selection and use of strategic planning tools can enhance the survival of the seda Technology programme (Stp) in a competitive environment and contribute to business growth.

Leaders need to strive for success and growth, but are vulnerable to resource and productivity issues if they do not have strategic and tactical strategies in place.

The research study will investigate the strategic planning of the Stp and analyse various factors described in literature. It will identify those factors and strategies that are most relevant for the successful implementation of an effective strategic plan.

1.2. RESEARCH TITLE

seda Technology Programme Strategic Planning: An analysis of factors and strategies that may lead to successful leadership in the management of the seda Technology Programme

Keywords: Strategic planning, leadership, management, strategies and factors
1.2.1. DEFINITION AND OPERATIONALISED KEY TERMS

1.2.1.1. Strategic planning

It consists of an organisation’s mission and future direction, near-term and long-term performance, targets and strategy. (Thomson & Strickland, 2003: 18)

1.2.1.2. Leadership

“The primary purpose of leadership is to influence the feelings and emotions of those associated with the organisation.” (Weymes, 2003: 321)

1.2.1.3. Strategies are overall priorities or direction adopted by the organisation.

1.3. RESEARCH CONTEXT

The Stp is a special ring-fenced programme of the Department of Trade and Industry (the dti) that is housed within seda and operates under the governance of the Stp Board committee and the seda Board. The economic meltdown in the Eurozone affected economies worldwide from 2008/09 to 2011/2012, which was a challenging financial year for small enterprises both locally and beyond (seda Annual Report, 2011 -2012:12).

The 2008/09 annual report states that the Stp is facing considerable challenges, including the fact that a large number of vacancies need to be filled. Uncertainty regarding the future of the programme resulted in vacant posts not being filled, but a decrease in administration/operational efficiency necessitated the appointment of new staff, including the new Chief Executive Officer of seda.

According to the Stp 2010/11 annual report, small business owners in South Africa were faced with strict governance and statutory requirements, plus the challenges of expensive human, communication and other resources. To start and grow your own
business in South Africa is challenging on all levels and 80% of small businesses traditionally fail within the first year. The annual report states that Stp has ensured the opposite, with 80% of businesses supported via incubation surviving the first year of operation. The Stp was created on 1 April 2006 through the merger of the GODISA Trust (created in 2002), the National Technology Transfer Centre (NTTC) and the dti’s Technology Advisory Centre (TAC) (Stp Annual review, 2010 -2011:1).

The creation of the Stp stems from a strategic decision of Government to consolidate and rationalise small enterprise support interventions across different government departments and agencies. As part of this process, the dti decided to incorporate the activities of the Technology for Women in Business (TWIB) Programme and the SMME support activities of the South African Quality Institute (SAQI) into a single programme, the Stp (South Africa. STP Annual review, 2010 -2011:8).

The integration of the Stp into seda resulted in the following (Stp Annual review, 2010 -2011:13.):

- Infrastructure sharing;
- Standardisation of systems and processes;
- Access to a wider network;
- Continued engagement with local stakeholders in the support of Incubators; and
- Evaluating options to further improve value to the development sector.

The Stp is expected to increase the contribution of small enterprises to South Africa’s economic growth, job creation and equity. The programme comprises three sub-units, namely Quality Assurance, Technology Transfer and Incubation. Stp, with its 42 incubators, supported a total of 1 479 clients and established new SMMEs as a result of the virtual incubation model (Stp Annual review, 2010 -2011:14). Technology Transfer interventions were hampered by resource constraints during the first three quarters of the year of 2010.

Few SMMEs were supported with technology funding and other small enterprises were referred to Government and other programmes that provide financial support.
Due to these constraints, the planned partnerships with technology-orientated institutions could not be realised. As part of the integration into seda, the Technology Transfer Fund policies and funding procedures were reviewed to align with those of seda. Resource constraints also had an impact on the focus of quality and standards support. Stp is still well positioned in the SMME environment to add significant value and recognises the importance of well-managed incubators.

In this context, the strategy of any organisation should cover the most basics of “who to serve, what to offer and how to deliver”, and requires leadership to provide overall direction. A strategic plan can be described as a formal organisational plan that allows for precise intentions and is formulated by management or leaders to clarify the overall purpose and desired outcomes, backed by formal controls to ensure implementation.

1.4. PROBLEM REVIEW

A critical reflection of the problem in context and a mind-mapping analysis of the brainstorming ideas has opened up the following constructs/themes for further reflection:

- Strategic Management
- Leadership and Culture
- Resource Management
- Governance

Government agencies in South Africa are established with specific goals and objectives. seda is an agency of the dti that was established with the goal to support and develop small enterprises through various development interventions. The Stp, which is one of seda’s programmes, was created by the South African Government to provide technology and business development support services to small enterprises as an integral part of its mandate to drive the national technology transfer and business incubation agenda. The primary objectives of the Stp are:
To promote the establishment and development of sustainable, innovative technology-based platforms that will contribute to the country’s economic growth;

Create and support best practices in the development of technology-based platforms in creating and supporting SMMEs throughout Africa;

To promote, enhance and maintain Quality Standards, Products and Systems aimed at the development of the competitiveness of South African companies; and.

To promote a unique team culture based on passion, integrity and reliability, to deliver on Government’s mandate to stimulate economic growth.

The funding received by seda from the National Treasury is strategically provided to assist the Stp to leverage opportunities for SMME competitiveness and to ensure that the Government receives return on investment on the SMMEs development. However the case may be, the Technology Transfer Unit of the Stp programme, which assists SMMEs with technology-transfer interventions, was faced with considerable challenges on funding support. In 2008/09, funding picked up and there was a slight improvement, yet the operational planning and the establishment of partnerships with technology-orientated institutions still remain lacking.

The limited funds to support the programme and lack of operational planning make the concept of strategic planning paramount to the success of the leadership of Stp. The concept of strategic planning has over the past few years gained momentum, with renewed emphasis on the alignment of strategic objectives to budgeting (Boyle 2008:1).

In a public entity, the strategic planning process should inform the budget provisions for a particular financial year. This process should identify the key objectives of an institution inclusive of the required financial and human resources to meet the set objectives (South Africa 1999).

The tangible and intangible resources, such as the budget and human resource of an organisation, constitute part of the strategic plan for effective implementation of the operational plan. That is, in the South African context, strategic planning is a
compulsory part of strategic budgeting, which is to ensure that funds are utilised for those objectives identified as part of the strategic planning process (Boyle 2008:1).

It is not surprising then that in most organisations we hear how strategic planning sessions end up being a waste of time and effort, with employees spending days away from home sharing ideas with managers in an effort to develop a strategic plan that everybody is enthusiastic about, only for that plan to be shelved as it was not aligned to the short-term allocated funds of that organisation.

1.4.1. Strategic Management

Strategic management refers to the managerial process of forming a strategic vision, setting objectives, crafting a strategy, and implementing and executing the strategy (Thomson & Strickland, 2003: 6).

A reflective view of the problem in context suggests that small enterprises in South Africa are facing a lot of challenges that require the support and intervention of government departments such as the dti and its agencies, and for Government to build on new strategies to drive the future of small enterprises. To ensure proper strategic planning, the management of Stp should share ideas and initiatives with stakeholders, both internally and externally, with the understanding of achieving the set objectives and goals. A winning strategy is vitally important for the well-being of the business and the people assisting in its compilation.

Strategic planning is a process that may enable public managers to evaluate, select and implement alternatives for rendering an effective service. Thus strategic management has two opposing definitions: one is the total management of the institution in a strategic way; the other is the implementation of strategic plans that are merely tools of strategic management. Overall, strategic management refers to the process of controlling, leading and organising strategy-related decisions, not only planning (Pearce & Robinson, 2007:4).
1.4.2. Leadership and Culture

In working together with institutions and other government departments may assist in driving the mandate of Stp, which will require strong effective leadership style that should be adopted by the management team, however not forgetting that individuals have different beliefs and culture. This implies that a leader needs to be persistent in providing guidance and direction, should be a risk-taker and understand the use of resources in reaching the envisaged targets.

To implement strategic plans, leaders need to have good character and a culture that will fit in the organisation. Leaders also need to clearly understand the values of the organisation. Management and other stakeholders should also consider proper adherence to governance issues and formulate a strategic framework that can be applied.

1.4.3. Resource Management

Strategic and operational plans provide frameworks to guide the application of all aspects of an organisation’s resource. It identifies a short and long-term vision, the supporting success factors and the most priorities necessary to achieve the organisation strategy (done through formulated action plans to implement the priority projects). In any business operations, human resources must accomplish a wide range of activities from basic transaction processing to strategic planning in order to be successful. These two aspects, for the strategic plan and operational plan, cover all the relevant areas and serve as a reminder for important areas such as budgets.

While the Stp is creating direct jobs, a concern could be that not enough skilled managers are available to develop implementation plans that might sustain enterprises beyond the estimated two years of existence. Perhaps it might be that more work is performed by service providers than managers, as a result of budget deficit. In addition, unmotivated and unsatisfied employees could be affecting the performance of the entire organisation.
Information technology systems facilitate communication and information from business-to-business and government-to-business for a better understanding of the stakeholders and markets and for knowledge-sharing. In the Stp, it might be that old technology is still in use and other technological resources need to be considered.

**1.4.4. Corporate Governance**

Stp is part of the Government’s programme to provide services. With the current 2010/11 report of strict governance faced by small enterprises, management should consider ways to promote policies and the programme to serve the interests of stakeholders. It might be that the organisation and society are faced with globalisation as technology changes, which requires strategic change in areas that may facilitate change and governance for small enterprise and Stp/divisional unit development.

**1.5. PROBLEM STATEMENT**

Inadequacy and deficiency of resource planning on the delivery of the Stp to support South Africa’s small enterprises. With the challenges faced by Stp while being a significant channel to enterprises, and also still being better placed to create decent and sustainable jobs, it therefore require focus on the identification of key factors and strategies to further its growth development and success.

**1.6. Assumptions of the study**

- Strategic planning is an important part of management and probably will become a standard part of the repertoire of public management planners.
- Strategic capability on the strategic planning of resources generates sustained competitive advantage.
- Strategic planning and implementation involves leadership in management and all key relevant stakeholders.
- Strategic planning allowed management to be part of brainstorming and decision-making.
• Strategic planning is a compulsory part of strategic budgeting in an organisation.

1.7. RESEARCH QUESTIONS

• Were all procedural elements followed to develop strategic plan of the Stp?
• What is the perspective of key stakeholders of the strategic planning and resource management of the programme?
• Is the culture and leadership having an effect on the organisation’s strategic planning and if so how?
• What is the commitment, involvement and support of the Board and management in the implementation plan?
• Is the strategy objective addressing the market needs and demands (external environment)?
• What are the external threats that hinder the Stp in its pursuit of its mission?
• What internal resources and capabilities require focus on strategic planning in delivering services?
• To what extent was the plan implemented? If implementation was incomplete, what are the reasons for this?
• What are the key elements that determined the current performance of the programme?

1.8. RESEARCH OBJECTIVES

• To identify the behavioural culture and leadership of the STP management.
• To identify gaps in the strategic planning and management of the programme.
• To determine the extent of the use of external and internal environment assessments in the strategic planning.
• To identify challenges faced by management and the programme.
• To identify gaps in the resource management.
• To identify the level/role the Board plays in the strategic planning and management process.
• To attempt, on the basis of the above, to establish strengths and opportunities in the current state of the Stp.
• To attempt to identify best practice strategies, on the basis of the above

1.9. SIGNIFICANCE OF THE STUDY

During the period under review, managers highlighted critical areas of concern, including vacant posts and issues of costly human resources. This culminated in the need for effective assessments across all Stp business units to identify gaps in strategic and operational plans, including ensuring that the right people are in the right positions. However, the strategic planning is done only at top management and Board level, together with managers from the various business units.

This study will provide Stp management with an opportunity to gain insight into strategic and operational plans to reflect on core expectations. Issues of alignment of vision and objectives will allow the identification of effective strategies to be implemented for future development. Strategic management requires that all relevant systems in place are under controlled mechanisms and properly managed. It is, therefore, important to go through all strategic planning processes to identify the most fundamental components.

The direction of the strategy requires good leadership from Board members, the CEO and management of the Stp to reach the envisaged goal of the programme.

Some factors and strategies might have not been applied properly and exploited enough by management in the previous and current strategic planning cycles, and perhaps even other areas that may create opportunities. Proper strategic planning in the Stp will allow management to assess the potentials and strengths of the programme and their impact on the growth of small enterprises in South Africa.

It is hoped that this study will make a contribution in terms of strategic planning, management and best practice to be able to position Stp both locally and globally. Without this study, the organisation will risk underestimating the impact of proper
planning in the operation of activities, leadership, culture and other strategy management components within the organisation.

1.10. LIMITATIONS

The limitations are that the managers participating in the survey might be biased and this may influence the results. The population that will be selected to participate might not all wish to participate and might differ from those who do participate. A low response rate might also be one of the limitations. The results of the study will only be generalised to the strategic management of the specific business unit selected.

1.11. Delimitations

The will only be one business unit identified from seda for the research and participating. The research is only based in Gauteng, Pretoria region at the dti. The scope of the study will cover the relationship between strategic management, planning and resources for effective business leadership in the management of the Stp division of seda. All steps involved in the research process will be completed within a timeframe of four to five months. This might place a limit on the overall magnitude of the study.
CHAPTER 2: PROBLEM ANALYSIS

2.1. Introduction

This chapter will provide an analysis of the strategic planning process of the Stp within the context of its statutory mandate. It will focus on the funding shortfall and whether sufficient resources and capacity are allocated to allow for effective execution of programmes or projects. The emphasis of the analysis will be on the strategic planning process and the identification of factors and strategies linked to the strategic objectives of the Stp.

The analysis will further interrogate the constructs/themes identified in the problem review. The tools applied here will be the relevant business theory and management models. In today’s world, we are faced with the challenge of managing in a rapidly changing and highly competitive global market, with strategic management being viewed as contemporary strategic management unable to deal effectively with globalisation.

This challenge is the result of change that can only be addressed by an organisation focusing on strategy, which should be dynamic to contend with external turbulences. Thus organisations need to have the ability to sense changes in their environment and understand their impact, both internally and externally.

The theoretical consideration that will inform this study is the system theory. Four constructs/themes will assist us in unravelling the problem in context to identify factors and strategies to lead to the success of the leadership of the Stp.

Constructs/themes are as follows:

- Strategic Management
- Resource Management
- Leadership and Culture
- Corporate Governance
2.2. Strategic Management

Pearce & Robinson, 2003; Strickland & Thompson, 2003 state that strategic management is the process of specifying an organisation's objectives, developing policies and plans to achieve these objectives, and allocating resources to implement the plans. To sum it up in accordance with Figure 1 below, strategic management can be defined as a set of decisions and actions that result in the formulation and implementation of plans designed to achieve organisational goals (Pearce & Robinson 2007:3).

In the system theory, the most immediate relevance has been in developing our understanding of the strategic management process, as well as its external and internal environmental context. Thus, it can be implied that the functioning of the system is dependent upon the interaction between all the parts of the system; that is whatever happens in one part will influence the other parts, although the influence is not causal in one direction, but cyclical.

This analogy refers that strategic management constitutes various parts such as rules, patterns of interactions and position of authoritarian powers with stakeholders. Strategy is the centre of strategic management and the Stp is expected to have a strategist, such as the executive director, to assist in gathering information to track competitive trends, develop forecasting models and scenario analysis, evaluate corporate and divisional performance, spot emerging market opportunities, identify business threats and develop creative action plans (David, 2001:8).

The strategist, however, will be guided by the formulated vision and mission of the organisation. The Stp is geared towards the delivery of the overall parent strategic objective of seda to facilitate growth, equity and employment creation in the South African economy. The strategic analysis process of Stp will include the vision and mission statement, objectives and analysis of the organisational environment, both external and internal, using models and theory (see Figure 1).
**Stp Vision**
An international recognised centre of competence that develops innovative technology-based platforms for the creation of sustainable and competitive small, medium and micro enterprises (SMME’s)

**Vision Statement**
A vision statement “answers the question, what do we (the organisation) want to become”. (David, 2001: 8)

**Stp Mission**
To develop innovative technology-based platforms that result in the creation of sustainable, globally competitive SMMEs that contributes towards the accelerated growth of our economy.

**Mission Statement**
A mission statement identifies the scope of a firm’s operations in product and market terms. (David, 2001: 8).

To gain a sense of the performance of the Stp, management can measure the programme through the following set of long-term primary objectives:

- To promote the establishment and development of sustainable, innovative technology-based platforms that will contribute to the country’s economic growth;
- Create and support best practices in the development of technology-based platforms in creating and supporting SMMEs throughout Africa;
➢ To promote, enhance and maintain Quality Standards, Products and Systems aimed at the development of the competitiveness of South African companies; and

➢ To promote a unique team culture based on passion, integrity and reliability, to deliver on Government’s mandate to stimulate economic growth.

Long-term objectives: “Objectives can be defined as specific results that an organisation seeks to achieve in pursuing its basic mission. Long-term is more than one year. Objectives are essential for organisational success because they state direction; aid in evaluation; create synergy; reveal priorities; focus co-ordination; and provide a basis for effective planning, organising, motivating and controlling activities.” (David, 2001: 8)

Strategies are required if an organisation is to achieve its long-term objectives. Strategies are possible actions that require top management decisions and resources and should consider both the external and internal environments.
The analytical constructs of the strategy process

In the strategic management process, the organisation must analyse and assess its external environment. In assessing the environment, the use of the model of macro environment will be applied.

**Figure 2:** Analytical constructs of the strategy process
Assessment of the External Environment

The assessment involves examining the organisation in the context of its wider environment.

A model of the macro-environment

![Diagram of the macro-environment model]

**Figure 3**: Fahey and Narayanan Model, 1986

2.2.1. PEST ANALYSIS

A critical environmental analysis helps planners to understand their organisation, opportunities and threats, and to plan projects based on findings. Managers may be of the view that their business experience and knowledge makes them more than capable of assessing their organisation, however, this undermines the critical thinking required for effective formulation of strategic planning.

- Economic Factors

Here we can describe issues of foreign economies, opportunities for development and standards of living and growth etc., such as the following in the case of the programme:
• Foreign economy for export enterprises – market/products and consumer adaptation to foreign countries
• Prioritised sectors of the economy (for manufacturing and productivity)
• Global/International Quality and Standards
• Market access
• Marketing
• Resource Constraints
• Global Competition

➢ **Social Factor**
The organisation needs to look at the following:

- Start-ups entrepreneurs (Level 2-4)
- Employment at incubations and internal
- Education and training, management and Board committee
- Mentoring and coaching for both internal and incubation
- Accreditations and certifications of SMMEs at incubations

➢ **Political Factor**
A political activity carries both benefits and risks because of government intervention an issue on behalf of an organisation. Its intervention becomes legitimate, regardless of whose interests are promoted. This is evident when political leadership campaigns for nomination in Parliament or when political imbizos (gatherings) are undertaken. It often results in changes to an organisation’s strategic direction or the reallocation of resources to satisfy political needs. (Quinn, Mintzberg & James 1988:329)

The organisation needs to look at issues of improving relationships with key stakeholders, standards and healthy business legislations, and should consider the following:

- Trade laws
- Policies (NIRF, IPAP2, NIPP etc.) and regulations, PFMA
- BBEE, SPII, TIA
- Licensing
• Partnership Agreements

- Technological Factor

The capabilities of the new IT infrastructure of the organisation are important to deliver services to the end users, such as the following:

- New Technology
- Communication Systems
- Quality Innovation
- ICT Infrastructure

2.2.2. The SWOT Analysis

This analysis is used by many organisations to identify the most key elements in a strategic planning and management process. The SWOT analysis will assist in the completion of the internal unravelling factors of the organisation’s strength and weaknesses. The external factors have an impact on the economy and key stakeholders such as SMMEs, existing and established clients to the response required to boost the Stp development, such as that of the technological changes and innovative advancement in products and services.

The elements are as follows:

- Identify the strength of the programme/organisation
- Identify the weaknesses
- Identify the opportunities and threats of the organisation in the strategic planning
Forces Impact

Competitors
More SMMEs in collaboration with manufacturing industries and production of other economic growing sectors of SMMEs initiatives; Nine Provinces Location to cover;

Buyers
Increased TBCs and Clients Institutions Partnership Increase support in TTF

Suppliers
Stp Programme Gap - promote branding/marketing - SPII and THRIP promotion -SDP

Potential Entrants
Not much entrants in the medium to long term only in Food, Retail, agro-processing and agriculture

Substitutes
New programme/projects to support SMMEs

Key Focus Area: seda Technology Programme to increase business development and sustainability to alleviate the demand/supply of all sectors for the SA economic growth

Emergent Stp Strategy

Figure 4: Porter’s Five Forces Model, 1980
2.2.3. Porter’s Competitive Five Forces combined with the aspect of macro-environment

❖ Competitors

Various support programmes are offered by the Government and private sector, but with different services and products. The majority of programmes offer almost the same support mechanism and it is, therefore, crucial for the Stp to market its services and products to raise awareness among SMMEs. Surprisingly, seda reported in its annual report that Gauteng has a low clientele and rate of registration, notwithstanding that Gauteng has more small enterprises with diverse competitors.

❖ Buyers

There is more buyer power constituted by the number of South African SMMEs in the nine provinces that are demanding higher quality products and services. However, the Stp is offering products and services that are standard for the sustainability of SMMEs in the market.

❖ Suppliers

A number of clients are registered to support the programme and have an influence in different industries. This may also affect the quality, such as in the case of ICT/IT industry, whereby issues of quality, skills and standards of products and services are challenged on SMMEs. The issue of labour supply in various incubators and the Stp management can also influence the position of the suppliers, hence a strategy is required to alter the power of the suppliers.

❖ Potential Entrants

Entrants of SMMEs for this programme, particularly incubations in sectors besides agriculture, agro-processing and food, have no barriers than others which require government policies, manpower and expertise problems.
➢ Stakeholders Analysis

The views of stakeholders in this programme/organisation play a pivotal role in the achievement of objectives.

- Who are the stakeholders? – staff members, the dti, SABS, SANAS, SAMAF, SMMEs, Alliances/Public-Private Partners
- What is their role?
- What are their needs and interests?

The key stakeholder analysis is crucial to assist the team management and the strategy implementation and execution members to understand and direct the resources required, with the support of the relevant key stakeholders, for the success of chosen strategy and action plan.

➢ Internal Analysis

There are also other stakeholders – such as investors, suppliers and the government departments – whose needs must be considered and interests harnessed for the development and sustainable growth of South Africa’s entrepreneurship. It is, therefore, crucial to explore the internal strategic positioning, with the focus on the strength and weaknesses of Stp capabilities and other resources. In assessing the resources and capabilities, we will be concerned with the filling of the resource gaps and building on internal capability for the future of the Stp programme and its performance. For these reasons, we employ the resource-based view approach.

The internal analysis will consider the situation within the organisation including:

- Culture
- Organisational Structure
- Resources
- Operational Capacity
2.2.4. Strategy Formulation: Generic Strategies

Strategic formulation entails generating various alternative strategies and selecting a particular strategy or strategies for the organisation to pursue. The choice of strategy must be adaptive to reactions to changing circumstances and accommodate those circumstances. It is crucial for an organisation to understand the internal and external environments that influence the adaptation of strategy.

Porter's five generic strategies adopted by Strickland & Thompson, 2003 are as follows (see Figure 5 below):

- A low-cost provider strategy: appealing to a broad spectrum of customers based on being the overall low-cost provider of a product or service.
- A broad differentiation strategy: seeking to differentiate the organisation product offering from that of rivals in ways that will appeal to a broad spectrum of buyers.

**Figure 5: Adapted from Strickland & Thompson (2003: 151)**

- A best-cost provider strategy: the target is to have the lowest (best) cost products compared with rivals offering services with comparable upscale attributes.
- A focused (or market niche) strategy based on lower cost: concentrating on a narrow buyer segment and outperforming rivals by serving niche members at a lower cost than rivals; and
- A focused (or niche market) strategy based on differentiation: concentrating on a narrow buyer segment and outperforming rivals by offering niche members customised attributes that meet their needs and requirements better than the products of rivals.

The target market in this study case is the SMMEs and the broader buyer segment is the various sectors of the economy that need and require products and services.

Strickland & Thompson (2003: 69) detail three tests that can be used to evaluate the value of one strategy over another: the strategic fit, competitive advantage and performance. The fit entails the competitive situation, market opportunities and threats, and external aspects of enterprises and are linked to organisation resource strengths and weaknesses, competencies and competitive capabilities.
2.2.5. Strategy Implementation

Implementing and executing the chosen strategy efficiently and effectively, measuring its performance and taking corrective action where necessary will be needed.

To ensure the success of the strategy, the correct steps must be implemented and resources aligned to budget and internal activities. These steps include:

- Establishing policies and procedures to follow in support of the chosen strategy.
- Reward and motivate executers of the strategy to reach the target objectives.
- Create the organisational culture and work climate conducive for success of the implementation.
- Renew or install new ICT systems for the effective carrying out of daily activities and strategic roles.

Strickland & Thompson (2003: 359) indicate that three types of actions are paramount for successful strategy execution:

**Figure 7: Building Capable Organisations**

Adapted from: Strickland & Thompson (2003: 360)
The survival of an organisation depends on a competent team of managers and a retention strategy to retain knowledge expertise and intellectual capital. A competent management team will allow for the building of core competencies as well as effective strategy implementation and execution. The capabilities of the team management will ensure that the organisation’s core competencies are updated with the response from changes in the external environment. The Stp organisational structure (Figure 6) will have to be set up in such a way that the business functions and activities are in a value chain for the successful execution of the strategy. The execution may be in the following flow: **Porter’s Value Chain**

![Porter's Value Chain Diagram]

**A**: Primary Activities  
**B**: Support Activities

**Figure 8**: Porter’s Value Chain

Activities are organised in a strategic flow, with roles and responsibilities assigned to staff members through an effective channel of communication. For an organisation to establish and deliver successful products or services, it is important to add value in each activity that the product/service goes through in its life cycle. This requires all, or a combination of, value chain activities and proper synchronisation of all related activities. An organisation requires all the functional business units to perform these activities and a proper communication approach to synchronise the activities of these functional business units efficiently and effectively.
2.2.6. Strategy Evaluation

Performance monitoring of actions taken has to be in place to be able to determine whether the organisation is moving in the direction envisaged to combat the perceived changes and meet its objectives in the set timeframe.

2.3. Resource Management

The researcher applied the resource-based approach to strategy analysis. This approach argues that firms consist of three types of resources: tangible assets, intangible assets, and organisational capabilities. VRIO analysis says that if the resources are valuable, rare, imperfectly imitable and non-substitutable, the firm can achieve sustainable competitive advantages.

In the case study, the Stp resources must be able to be viewed by the national government department and target market as valuable in the sense that it has an impact on the economic growth and development of entrepreneurship; rare because of its collaboration initiatives in 2004 priorities. It focus on the support of SMMEs and has power and effect to create change in policies that no other private organisations may have, that implies that it is imperfectly imitable and non-substitutable. More effort may be applied to ensure the appropriateness of this model for the Stp to have competitive advantage in South Africa.

Pearce & Robinson (2005) suggested that managers should have an overview of the firm’s strategic situation, then create the strategies based on the fit between the firm’s internal resources (strength and weakness) and its external situation (opportunities and threats). Good strategies will maximise strengths and opportunities and minimise weaknesses and threats.

This approach has to be linked though the process of strategic management to ensure that the core competencies of the Stp are effectively used to its success.
Step 1 – Identification of tangible (budget/funding and infrastructure) and intangible resources (communication technology and IT, reputation and culture of the Stp) and human resource (skills/knowledgeable employee/staff motivation and collaboration). The identified strengths and weaknesses of the programme through SWOT analysis to assist in the assessment in relation to competitors (i.e. other support programmes, both domestic and international).

Step 2 – In the analysis, the planners must identify the Stp capabilities that will make it more effective than its rivals. To ensure the capabilities must be in correlation to the identified inputs. Inputs may be reflected on the strategic plans of the three business units of the Stp’s long-term plan, e.g. three years, and also on the
operational plan of the Stp short-term plan, e.g. one year. The complexity of each capability must be assessed, and describe the mitigation thereof.

Step3 – Assessment/appraising of the rent-generating potential of the resource and capabilities, imply that an Stp resource such as new technology and the capability to support incubation technology SMME for potential sustainable competitive advantage.

Step 4 – From the various Porter’s generic strategies, a strategy may be selected that will best exploit the Stp resources and capabilities in relation to the external opportunities identified.

Step 5 – There are gaps that will always be identified that need to be filled, such as the upgrading of ICT systems and investing in new machines and human skills.

➢ **Tangible Resource: Funding**

**seda** is allocated budget by the National Treasury. The budget however, is approved by the dti as it administrates the agency .The Stp is issued on an annual basis a format for the compilation of budgets based on available funding. The business managers from the three units of Stp compile their business unit’s budget in accordance with the allocated budget. The Executive Managers must ensure alignment of the budget with the strategic objectives of the Board. If the Stp executive management is satisfied that the budget is aligned to the strategic objectives of the Board, the finance committee of seda as an umbrella parent will then present the budget to the Executive Committee and Board members for approval.

If it is determined that the budget is not aligned to the strategic objectives of the Board, the budget is moved to other priority areas of concern. According to the 2010/11 annual report, funding constraints hampered the transfer of technology of the 56 SMMEs that had to be supported by other funding programmes of the Stp. It
is for this reason that Stp funding constraints were identified from the problem context emerged in the delivering of services and objectives not met.

When the budget is approved, the planners go ahead with its implementation and execution. In accordance to Section 38 (b) and (c) of the PFMA, the accounting officer is accountable for the economical spending of a department’s available resources. The internal audit function will regularly audit the effectiveness of internal controls to safeguard public money and the spending thereof (South Africa 1999 c). It means therefore that an organisation cannot overspend or underspend, but may request fund support from other organs of state.

➢ Human Resource

The Stp 2010/11 annual report reflected a high rate of vacant posts. The Stp currently has a total of 22 employees and nine vacant posts. Staff turnover might reflect inadequate compensation and lack of promotions as well as the longer period it takes to create posts, and the tight budget for posts and advertisement etc. Resignations and vacant posts affect the organisation’s work flow and implementation plan. There could also be cases where it takes a long period of time to make an appointment, which may be a result of not getting the right candidate with the right expertise for the post and perhaps the division (Stp) has financial instabilities.

• Hire Recruitment Balance Scorecard

In using the balance scorecard in the hiring and recruitment, we want to ensure the proper and efficient recruitment of the right candidate for the right position. A capable workforce is an organisational asset. The balance scorecard is applicable in assisting with the selection of such a workforce for improved performance and to enable the organisation to reach its strategic goal.
The first approach will be to look at the quantity of hiring that will assist in the clearing of the problems in the hiring process and in order to adhered budget controls. The quality of hiring assists the recruiters to filter from a number of candidates the most suitable candidates with the potential to fill the position. In this instance, the organisation must ensure it has a retention strategy to retain its skilled, expert and knowledgeable employees and managers. Retention is also, however, dependent on the salary stretch for particular expensive human resources, a challenge identified in Stp. Measurement indicators and metrics (i.e. ratio between interview, screening process and recruitment-interview ratio) are used to direct the desired performance among the available talent pool.

A crucial issue in performance is the evaluation performance of the HR recruiters to combat possible biased and impulse hiring that may be detrimental to the organisation. The balance scorecard approach may allow the Stp to integrate its HR strategy with its business strategy and seamlessly assist in the co-ordination of Stp objectives with employee/staff/managers deliverables.

**Figure 10**: Adapted from Norton and Kaplan, 2007. Hiring Balance Scorecard
One factor that cannot be ignored in any organisation is that of motivating and rewarding employees/staff/managers in recognition and acknowledgement of their work effort and performance.

2.4. Intangible Resource: Culture and Leadership

In the latter part of the 20th century, more effort was being given to getting the employees involved and committed to their work (Wren, 2005). To ensure employees feel like they are truly a part of the organisation and are valuable assets, management must allow them to share ideas and be involved in the decision-making processes. That means employees and managers must both participate in the formation and implementation of strategic action plans.

Kurt Lewin (Wren, 2005) identified three different styles of leadership, in particular with respect to decision-making:

1. Autocratic leaders make the decisions without consulting others and frustrate and undermine employees;
2. Democratic, in which subordinates are included in the decision-making processes. It allows for different opinions to be shared among the members, although at the end the overall wrap or final decision will be from the leader; and
3. Laissez-faire, minimising the leader’s involvement while maintaining the responsibility outcome. Requires highly skilled and motivated employees.

In today’s business world, management considers the democratic style as effective in an organisation’s decision-making processes, to involve participants in the strategic planning. This style was refined further to a participative style, which allows for decision-making as a sharing of ideas with the staff members.

The Contingency-Situational leadership theory is applicable in the planning and decision-making as it put labels (i.e. the importance of the task – high or low) on the problem at hand, the co-worker and the leader and helps identify what type of behaviour a leader should employ to evaluate the person he/she is to give this job to
(Is he/she junior or senior, ambitious or not very committed?). As a leader you will be guided as to how to behave, for instance, whether you should delegate or be supportive and motivate. Hersey and Blanchard, 1999 detail that a co-worker with low competency and lack commitment requires a leader with high task and low relationship focus, while a high competency/low commitment co-worker requires a leader high on the relationship focus. However, the researcher disagrees as both co-workers require attention and a relationship with the leader in which he/she would listen and be able to understand them better to assist them to grow on those areas that seem low.

**Transactional and Transformational Leadership**

Transactional leadership is believed to be of the command type where the subordinate is simply to do what they are told by their manager. This type of behaviour has more to do with managing and less to do with leading. There are employees who want to be told what to do, but problems arise when those employees do not have the necessary skills, making the theory insufficient.

Transformational leadership is associated with people who inspire others, have vision and passion and are able to get things done by injecting energy and enthusiasm into their followers. Transformational leaders constantly their vision and themselves, and have personal traits, appearances and qualities that are referred as charismatic. Once they have adopted the vision, the leader set the direction and heads off into a new direction when facing an impossible obstacle. Transformational leadership is said to comprise the following four dimensions: idealised influence, inspirational motivation, intellectual stimulation and individual consideration (Bass and Avolio, 2011). It involves encouraging team spirit, boosting morale and adhering to rituals and symbolism as well a belief that success requires commitment.

The difference between the transactional and transformation leadership is that transactional leaders emphasise work standards, task completion and employee compliance while relying heavily on organisational rewards and punishments to influence employee performance (Bass and Avolio, 2011), while transformational
leaders stimulate interest among colleagues, inspire a different outlook on the work, generate an awareness of the goals of the organisation, develop others to higher levels of ability, and motivate others to consider the interests of the group over their own interests (Bass and Avolio, 2011).

The researched is of the opinion that a leader in an organisation must have a vision to direct subordinates and be a people’s person. Beliefs are important and in some instances may not play a big role from one organisation to another due to diverse organisational cultures. Transformational leadership is effective and essential for developing subordinates and creating environments that encourage continuous learning (Eagly and Johannesen-Schmidt, 2001). Stp has skilled top management, however, the problem might be low commitment and new demands. This will be determined and evaluated from the findings of the study.

➢ Culture

Culture differs widely from one organisation to the next and is associated with the idea of a strong attraction because of its assumed benefits of acceptable control combined with flexibility (Cameron, 2007). The reason why organisations pursue strong corporate cultures is that it lies in the need for ‘fit’ to the environment (Cameron, 2007). There are models developed to describe different indicators of organisational cultures, that is Handy’s four cultures.

Charles Handy (Cameron, 2007) identified four groups of behaviour: power, task, person and role cultures (Cameron, 2007). A power culture is like a web because the whole organisation sits in the centre, connected to and pulling the strings of an ever-widening network of intimates and influences (Cameron, 2007). An individual personality is more important than formal structures, roles or procedures in sustaining and advancing the organisation (Cameron, 2007). The person in power from top management, his/her relationship with others is more personal, like family, which is what matters more than title position. Power cultures have few rules and little bureaucracy.
Task culture is more focused on the solving of a task or project by a team of expertise and may be recognised by the major feature of being task orientated. The work project or task performed is co-ordinated by team leaders rather than managers. It encourages self-confidence of the team and inspires positive energy about the task, which can be difficult for those who need the security of agreed procedures to shape their work and their relationships (Cameron, 2007). Both the task and power cultures harness individuals to organisational purposes.

Person culture, as the name implies, puts individuals and their interests first and sees the organisation as a means to an end. An individual utilises the organisational resources to enhance his/her talent and abilities and is not committed to the organisation itself. This culture can only work where people with the same interests may be grouped for a specific project and ultimately some new work is introduced for the transfer of skills among themselves that may positively affect the organisation’s work progress.

Role culture puts the emphasis on position, not know-how. Individuals are role occupants and communications tend to be formalised into systems and procedures, both horizontal and vertical, that is in protocol (Cameron, 2007). Manager levels are more important than leadership, in a sense that empowerment is in the form of training and developing expertise so that people involved in the organisation can contribute appropriately (Cameron, 2007).

The major influence on organisation’s culture is the business environment in which it operates as stated by Deal and Kennedy’s (2007). Here the focus is on how quick the organisation receives feedback, the way members are rewarded, and the level of risk taken. Deal and Kennedy’s identified four cultures are:

- Tough-guy macho culture – Managers need to make decisions quickly and accept risk. This culture focuses on the present rather than the longer-term future;
- Work-hard, play-hard culture – It has low risk resulting in stress coming from the quantity of work rather than uncertainty. Employees are expected to work hard to maintain high levels of performance;
• Bet-your-company culture – Slow feedback/reward and high risk, work is put in line with values to make sure things happen as planned. There is a collective belief in the need to plan, prepare and perform due diligence at all stages of decision-making. Provision is made to share knowledge with expectations of regular meetings.

• Process culture – Low risk resulting in low stress, comfort and security. More internal politics and systems due to lack of quick feedback and measurement.

2.5. Corporate Governance

Good corporate governance enhances the reputation of the organisation and makes it more attractive to customers, investors and suppliers. A number of definitions exist for the subject, put simply corporate governance is the system of internal controls and procedures by which individual companies are managed. It specifies the rights, roles and responsibilities of different groups, management, the Board and shareholders within an organisation (Imala, 2007).

According to the OECD, corporate governance is a set of relationships between the organisation’s managers and Board of directors, its shareholders and lenders and other stakeholders such as employees, customers, suppliers and community of which it is a part of.

OECD principles of good governance (2004):
Responsibility – The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the Board, and the Board’s accountability to the company and the shareholders. The Board should apply high ethical standards and take into account the interests of stakeholders. The Board should fulfil certain key functions, including:

• Reviewing and guiding corporate strategy, major plans of action and risk policy,

• annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures; and
• Board members should be able to commit themselves effectively to their responsibilities.

The corporate governance framework should be developed with a view to its impact on overall economic performance and the promotion of transparent and efficient markets. Policy makers have a responsibility to put in place a framework that meets the needs of corporations operating in widely different circumstances for the development of new opportunities and to determine the most efficient deployment of resources.

Researchers argue on various theories of corporate governance. The researcher, however, will focus on the two theories that will be able to address the problem at hand in the titled organisation. The theories are stewardship and stakeholders theories:

• **Stewardship Theory** (Jay, B.B. and Williams, S.H. 2008: 273)

The theory emphasises trust and achievement on the part of managers as both managers and owners have similar objectives. The Board members are expected to partake in the strategy formulation process. Senior management and Board members must work collaboratively together as a team not only to ensure compliance but also to enhance organisational performance. This implies that the theory argues that the governance process is seen to promote trust as a means of motivating employees to achieve organisation objectives. The theory stresses the role of top management as stewards and integrating their goal as part of the organisation plans. It also recognises the importance of structures that empower the stewards (top management) to protect their reputation to operate the firm profitably and manage their careers in order to be seen as effective. The stewards are empowered by the shareholders to protect and maximise the shareholders wealth through enhancement of the profitability and return of the firm.
• **Stakeholder Theory** (Donaldson, T and Preston, L. 1995: 65-91))

It focuses on different groups or individuals whose interests are directly affected by the activities of a firm. Shareholders provide the risk capital, trade creditors may be service providers who supply goods or services to the organisation and have the objective of being paid the full amount; the financial institutions may be the National Treasury providing both the short- and long-term credit facilities (funding) and have the objective of receiving payment of the principal as well as interest and the rent economic value; employees provide their skills in form of labour to the organisation and expect salaries and other benefits; the Government (i.e. the dti) provides the enabling environment for business to operate such policies and regulations, but expects reward in the form of taxation and economic growth; the customers (either SMMEs or citizens) interest lies in the expectation that the organisation is able to provide quality products at an affordable price that are available at the right time and place; the communities/citizens are also interested in contribution of the organisation to the environment. In essence, stakeholders require attention from the management of the organisation in order for the business to operate effectively and efficiently.

Accountability, Regulations and Policies – Ensuring the integrity of the corporation’s accounting and financial reporting systems and appropriate systems of control are in place, in particular, financial and operational control, and compliance with the law and relevant standards. Review and report to the Board the most critical accounting policies that are the basis for financial reports.

2.6. Conclusion

Strategic planning is a standard practice in organisations to effectively deliver the objectives in terms of the strategic initiatives to reach goals envisaged in accordance with their vision. The relationship between strategic planning and strategic management will always be vital in the planning processes. Leadership and a healthy culture are required to drive the implementation of the strategic initiatives for the success of the division (Stp).
The four constructs/themes were identified under the problem in context and are detailed in the problem review below. The constructs identified are analysed by means of models and theories to better understand the problem.
CHAPTER 3: LITERATURE REVIEW

3.1. INTRODUCTION

The literature review will be arranged inclusive of themes/constructs on the strategic planning identified. A portion of the strategic planning process includes strategic management, which is a set of decisions and actions that result in the design and activation of strategies to achieve the objectives of an organisation (Pearce & Robinson, 2005:1). Both strategic planning and strategic management aim to develop and implement strategies for the success of an organisation.

Thompson and Strickland (2003:3) described strategic planning as follows:

The tasks of crafting, implementing, and executing company strategies are the heart and soul of managing a business enterprise. A company’s strategy is the game plan management uses to stake out a market position, conduct its operations, attract and please customers, compete successfully and achieve organisational objectives.

The success of strategic planning requires managers to understand the process plan and develop criteria to align the plan with measurable outcomes.

There are key fundamental steps within a strategic plan over a short and/or long term.

The five standardised steps are described as:

- Develop a strategic vision – i.e. examine the direction in which the organisation is heading; the strategic vision defines an ultimate strategic planning objective and a strategic path for it to follow (Thompson & Strickland, 2003: 6);
- The mission statement must be aligned with strategic vision, planning strategies, organisational objectives and goals and must remind stakeholders the future of the business will be (Thompson & Strickland, 2003: 7);
• To develop goals that will facilitate the realisation of the vision; the organisation must determine strategic planning goals that are both realistic and achievable;

• Define strategic planning objectives – anticipate results for the short and medium term on agreed performance measures. Medium-term objectives are established for three- to five-year milestones. The responsibilities of management during strategic planning are to align short-, medium- and long-term objectives with measurable outcomes. The effectiveness of the strategic plan is driven through proper implementation on the allocation of resources for continuous achievement of objectives;

• Strategies for achieving goals/objectives can be rules and guidelines an organisation has documented and agreed to follow in order to implement its mission and achieve its objectives (Thompson & Strickland, 2003: 6). The strategies must be closely aligned with the vision, mission and objectives of the organisation and other primary matters key to longevity; and

• Create programmes with resources, objectives, timeframes, deadlines, budgets, performance targets, etc. for implementation of the action plan (Thompson & Strickland, 2003: 85).

The above steps are based on Thompson and Strickland’s (2003) recommendations.

➢ Political Factor in Strategic Planning

Government intervention is always an issue when it comes to legitimacy, regardless of whose interests are promoted. Democratic elections and parliamentary planning often results in changes to the department’s strategic direction or the reallocation of resources to satisfy political needs (Quinn, Mintzberg & James 1988:329). The strategy emanates from the top of the hierarchy and goals are agreed upon at that level.
3.2. Strategic Management

Strategic management can be defined as a set of decisions and actions that result in the formulation and implementation of plans designed to achieve organisational goals (Pearce & Robinson 2007:3). Strategic management can also be defined as the process whereby all the organisational functions and resources are integrated and co-ordinated to implement formulated strategies that are aligned with the environment in order to achieve the long-term objectives of the organisation through adding value for stakeholders and the communities (Ehlers & Lazenby, 2007:2).

A strategy-making or strategy-implementing process consists of five interrelated managerial tasks: forming a strategic vision of where the organisation is headed; setting objectives; creating a strategy to achieve the desired outcome; implementing and executing the chosen strategy efficiently and effectively; evaluating performance and initiating corrective adjustments (Thompson & Strickland, 2003).

According to the Alliance for Non-profit Management (2004), being strategic means being clear about the organisational objectives and being aware of the organisation’s resource and incorporating both into a conscious response to a dynamic environment. That is, management understanding of objectives and resources enables the organisation to plan effectively. For a plan to be effective and create change there must be a clear planning and implementation process (2004).

In the strategic management of the organisation, all key stakeholders (such as the decision-makers, top-level management, internal and external stakeholders and those responsible for implementing the plan) are participants and involved. In order for strategic plans to succeed and produce the desired results, key stakeholders must be included in the planning process. In most literature, it is suggested that effective planning must include an analysis of organisation strengths, weaknesses, opportunities and threats.

Ehlers and Lazenby (2007:7 & 8) describe the benefits and risks of strategic management as follows:
Strategic management facilitates better communication at all levels and ensures that employees take part in the decision-making process. There is also a sense of discipline that will facilitate more effective time management as objectives are aligned to deadlines. More effective resource management will take place as resources will be allocated to different functions according to strategies.

Strong cultured organisations are not easily affected by change when a new CEO is appointed. They may not change much as the strategy evolves, and the organisation acts to make strategy adjustments; either because the new strategy is compatible with the present culture or because the dominant traits of culture are strategy-neutral and can be used to support any number of plausible strategies. (Strategy – culture fit) (Thomson & Strickland, 2003)

3.3. Culture and Leadership

In all cultural and leadership relationships, a vehicle to transport information and create open channels is communication. In strategic planning, communication by management leaders to employees/co-workers has to be clear in explaining what the strategy is, why it is important and how it will benefit the organisation, employees and customers. Globally, strategy is used as a powerful tool in management. It has been observed that even experienced and intelligent leaders are not always successful in dealing with environmental demands, which is a concern (Rosete and Ciarrochi, 2004). Perhaps what the leaders need is emotional intelligence, rather than cognitive intelligence or specific personality traits (Rosete and Ciarrochi, 2004). On the other side, the study of leadership is deeply attached to culture (Shahin and Wright, 2004). Both leader’s action and followers’ responses inevitably reflect the forms of behaviour that are regarded as legitimate and appropriate within the society (Shahin and Wright, 2004).

Rosete and Ciarrochi (2005) looked at emotional intelligence (EI) and leadership effectiveness. They highlighted that EI is linked to transformational leadership style. Transformational leaders are seen as those executives that are able to create a
vision, communicate this vision, build commitment to the vision among subordinates and model the vision within a workplace (Rosete and Ciarrochi, 2005).

The personality traits thus form a relationship with the culture. An organisation’s culture cannot be easily changed by switching company logos, rearranging the layout of the office space or repeating some heroic stories to the employees (Mobley, Wang and Fang, 2005). It can work to a certain degree, but it is far from adequate to win the employees’ hearts and their minds, as well as the market (Mobley, Wang and Fang, 2005). What is needed is some deeper analysis and reflection of the people’s collective beliefs and assumptions (Mobley, Wang and Fang, 2005).

Mobley, Wang and Fang (2005) also highlighted in their research why leaders should care about organisational culture. Their research affirmed a strong link between culture and organisation success in performance. The reason is obvious: bureaucratic control could only buy employees bodies but not their hearts (Mobley, Wang and Fang, 2005). A strong organisational culture, however, can be a primary generator of real motivation and commitment (Mobley, Wang and Fang, 2005). In a strong and cohesive culture, the organisation’s core values are both intensely held and widely shared (Mobley, Wang and Fang, 2005).

Adams and Gamage (2008) mentioned transformational vs. transactional leadership theory. Their theory acknowledges that no single person could possibly provide effective leadership and a higher level of leadership effectiveness unless others are empowered and engaged to work towards common goals (Adams and Gamage, 2008). In addition, effective leadership comprises transactional and transformational approaches.

This approach consists of six leadership factors, which are:

- Charisma/inspirational. Provides followers with a clear sense of purpose that is energising; and is the role model for ethical conduct, which builds identification with the leader and his/her articulated vision.
- Intellectual stimulation. Encourages followers to question the tried and true ways of solving problems, questioning the methods they employ to improve upon them.
- Individual consideration. Focuses on understanding the needs of each follower and works continuously to coach them to develop their full potential.
- Contingent reward. Clarifies what is expected from followers and what they will receive if they meet expected levels of performance.
- Active management-by-exception. Focuses on monitoring task execution for any problems that might arise, and correcting those problems to maintain current performance levels.
- Passive avoidant. Tends to react only after problems have become serious enough to take corrective action.

3.3.1. The Board Leadership

Board representatives get appointed by the shareholders in the department. They are acting on behalf of the shareholder and responsible for:

(i) Developing the vision, mission and setting the broad policy and strategic objectives;
(ii) Appointing the CEO;
(iii) Ensuring legislative compliance; and
(iv) Ensuring the financial sustainability of the organisation (South Africa, 2006: b).

The Board must also oversee the measurement of the performance of the CEO and executive management. The Board must be involved and committed in the operational detail of the organisation, and approves all policy decisions, strategic plans and budgets for implementation (South Africa 2006 b).
3.3.2. Benefits of Strategic Planning

Allison (2008:8) identified benefits of strategic planning as:

- To create a forum for understanding why the organisation exists and shared values that influence decision;
- Foster successful communication and teamwork among the Board, directors and staff;
- Stimulate strategic thinking; and
- Brings people together to pursue opportunities.

3.3.3. Success of Strategic Planning

Bryson and other authors state that organisations require leadership to ensure that strategic planning is carried out effectively. He further stated that the benefits of strategic planning is that of gathering information on the environment to clarify the future direction of the organisation, while providing sound decision-making, improving the performance and clarifying the roles and responsibilities of human resources. Also crucial is to attract funding partners and employees.

An organisation needs skills, resources and commitment from stakeholders, as strategic planning alone will not bring the desired results. Hence enough resources and skills are needed to implement the plan, with key stakeholders having ownership rather than the plan being developed by external appointed service providers. According to Swayne (2006:35), if stakeholders do not fully understand or faithfully support strategic management and become part of the planning and implementing process, it will not happen.

3.4. Resource Management

In the researcher’s definition, resource management is the effective manner in which an organisation's tangible and intangible resources are distributed when needed.
3.4.1. Human Resource

Human resources planning and overall resources are inseparable from strategic planning as they do have implications in the long-, medium- and short-term planning process. The relationship between Human resource and strategic planning ensures well-understood objectives and commitment of the team of line management in human resources. Human Resource Management (HRM) practices such as staffing, performance measurements, training and development, rewards and career planning in enhancing human resource capabilities are further correlated with dimensions like core competencies, organisational learning, empowerment and culture (Dar, et al., 2011).

Grace (2010) also found in the study of hiring the right talent that every company faces the challenge of identifying and retaining the right talent. There are many inherent costs associated with hiring wrong talent, including increased turnover, management concerns, morale and production issues (Grace, 2010).

At a tactical level, human resources planning comprise the forecasting of employee supply and demand and the identification of issues analysis (Cascio 1993:143).

At the level of strategic planning, HRP is tasked with:

(i) The assessment of management implications for future business needs;
(ii) Assessing external factors relating to supply and demand of resources over the long term;
(iii) Assessing demographic and social trends; and
(iv) The accurate financial projections of human resources expenditure (Cascio, 1993:143).

The study also highlighted that if people are not right for the job, they will not produce well (Grace, 2010). Doug (1992) did a study on becoming proactive about recruitment and found that there are a number of steps a manager can take to get a grip on the recruitment problem. The findings illustrated the importance of being
proactive rather than reactive when it comes to recruiting. Recruiting continuously will make the manager’s job easier.

Dar, Yusoff and Azam (2011) researched managing human capital for sustainable competitive advantage. It was identified in the Dar, et al. (2011) study that people provide organisations with an important source of sustainable advantage and that the effective management of human capital may be the ultimate determinant of organisation performance.

Clarke and Herrmann (2007) also highlighted that a number of firms used well-developed procedures to identify training needs and for career development, in particular personal development reviews linking training needs to business objectives. In this case, the firm had a good retention record, with a 5% labour turnover, low absenteeism and a low accident rate (Clarke and Herrmann, 2007).

Human capital management offers added value by, firstly, working from a fundamentally different starting point, in which the integrity of the individual has a central place (Dar, et al., 2011). Secondly, human capital management involves the cultural dimension in its competence, and introduces a number of instruments through which it can effectively stimulate company culture, as well as bring about the mutual binding of employees and the binding with the organisation (Dar, et al., 2011).

3.4.1.1. Employee Involvement

To create high involvement in an organisation’s planning processes; employees must be given a chance to share their knowledge and expertise and recognised for their inputs. Employees are given empowerment in the form of autonomy and independence over their work objectives and it does have high significance to themselves and others. It also creates a sense of ownership in the overall in reaching the strategic goal of the organisation. Bryman et al. (2005) further argue that empowerment is not possible in an organisation until power has been shared by the management, and employees themselves perceive the redistribution of power.
Empowerment reduces the obligation to use more visible or coercive forms of power to make sure that organisational goals are met and to quell resistance. It is the responsibility of organisations and managers to guide employees, delegate responsibility and share information (Bryman et al, 2005). Employee involvement can contribute effectively to the organisation meeting its objectives.

### 3.4.2. Financial Resource

The strategic planning process informs budget projections based upon the strategic objectives identified by an organ of state. In an institution, the strategic planning process should inform the budget provisions for a particular financial year (South Africa 1998 a).

A budget is not just a technical process but a systematic organisational process that is drawn up for a particular financial year with clear objectives for the evaluation of financial performance (Broadbent & Cullen 2003:138).

The spending proposal cannot accommodate any request by government departments tabled during the MTEF process and the blame then gets directed to the National Treasury with discontent from policy advisers. It is the duty of the National Treasury to analyse whether ideas of public servants are against the total available resources (Manuel, 2008: 16).

It means that the budget requested must ensure that the funding is aligned to the departmental objectives and be properly motivated. At seda, the business unit managers compile their budgets, which are then scrutinised by the Executive Manager to ensure alignment with Board strategic objectives. The budgets are then considered by the standing committee responsible for each business unit and the finance committee, and can thereafter be recommended to ExCo and the Board for approval.
In addition to the Public Finance Management Act (PFMA) 1 of 1999 (as amended by Act 29 of 1999), public financial management as it manifests itself in the public sector involves the compilation of budgets in line with a department’s needs and the needs of the community it serves. The budget, therefore, serves as a financial plan and policy document. The budget of an institution is a useful tool to monitor the implementation of a correctly costed operational plan. Budgets are a control mechanism to monitor the projected income and utilisation of funds. The monitoring process is also aimed at ensuring that funds are utilised for those objectives identified as part of the strategic planning process (Blumentritt, 2006:73).

3.5. Governance

The OECD Principles of Corporate Governance states:

"Corporate governance involves a set of relationships between a company’s management, its Board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined."

In an early book on corporate governance, published in the 1992, one of the writers defined corporate governance as consisting of five elements that the Board must consider:

• Long-term strategic goals
• Employees: past, present and future
• Environment/community
• Customers/suppliers
• Compliance (legal/regulatory)

There are principles and policies that govern management in organisations that are interdependent. Thus, good corporate governance consists of structure and operations controlling an organisation so as to achieve excellent business ethics aligned to the fulfilment of the long-term strategic goal. Stakeholder’s expectations
and the interests of employees require excellent relations. It is fundamental to understand the needs of the external environment/community/society and comply with the applicable legal and regulatory requirements.

Much of the literature emphasises governance as the exercise of authority, power or control and the tools for such as the laws, rules or regulations, all of which have to be subscribed to in a system. Therefore, the issue of governance is characterised by the dispersion of resources that are key to enhance the capacity to govern, some of which are located outside the confines of formal government authority (Scott, 2002: 63).

3.6. Summary

It has been said that knowledge is power. For organisations to function effectively, they require insight from other researchers in the working environment, particularly when dealing with and focusing on the short- to long-term planning and development. Change is inevitable and we need to be innovative and creative to improve our ways of doing things, such as our leadership and culture, strategic planning, management of projects/programmes and, most importantly, the transfer of knowledge and improving our resources. The literature offers some findings that are related to the study that can be used to improve strategic planning and identify strategies and factors for improvement of the organisation.
CHAPTER 4: RESEARCH DESIGN

4.1. INTRODUCTION

In this section the research approach is discussed. Cooper & Schindler (2003) describe research design as a framework and blueprint for fulfilling research objectives and answering questions. Attention is given to the research method to be used and procedure to be followed to collect data. Population and sample and measuring instruments are discussed, together with reliability and validity issues.

This chapter will outline the research methodology used in the descriptive study. The planning of the research and the methods used will be highlighted. The research instruments used, the determination of the population and the selection of the sample will be explained. The collection and analysis of data will also be described.

Underlying Assumption: The experiences of the participants in the study are subjective and socially constructed on the role of strategic planning and management.

According to Saunders, Lewis and Thornhill (2007:131), the research design is a general plan of how to answer a research question. Research design can be classified into three categories, namely, exploratory, descriptive and causal research.

- Exploratory research is used where there is little knowledge about the subject and insights into the problem are sought.

- Descriptive research is used to answer the “who”, “what”, “where”, “when” and “how” questions.

- In causal research, experiments are used to determine whether one variable causes the value of another variable.
The reason for conducting a descriptive study is to gain a clearer understanding of how the who, what, when, where and how strategy can be aligned with the available resources and the leadership within the Stp management.

4.2. Proposed methodology

Polit, Beck & Hung (2001:223) state that research methodology refers to the technique used to structure a study and gather and analyse the data in the course of the research investigation. Research is the overall plan for obtaining answers to the questions being studied and for handling some of the difficulties encountered during the research process (Polit & Beck, 2004:49).

There are two broad approaches that can be followed when conducting research, namely, qualitative and quantitative research methods. Qualitative research means that the research findings are not subjected to formal quantitative analysis (Coldwell and Herbst, 2004). Quantitative research can reveal statistically significant differences between variables (Coldwell and Herbst, 2004).

4.2.1. Types of Research

This study combines both quantitative and qualitative research methods to increase the reliability and applicability of research conclusions. The quantitative part of the study includes the gathering of subjective facts by using mainly closed questions. The qualitative part of the study utilised thematic development with open-ended questions. In quantitative research, the data are numbers and measurements, whereas in qualitative research, the data are narrative descriptions.

4.2.2. Qualitative and Quantitative Approach

The purpose of choosing the descriptive study was for the exploration and description of the everyday and real-life situations and to gather information of all elements as they occur through the process. The qualitative study was conducted to
assess the general perception of strategic planning and to identify factors and strategies of the effectiveness in the implementation. The quantitative approach was adopted because it allowed for the identification of the success factors in strategic planning. The survey was descriptive to provide an accurate portrayal of the participant’s characteristics such as knowledge, opinion etc. The researcher relies heavily on descriptive data derived from respondents. This design is chosen to assist in meeting the objectives of the study.

4.3. Research Setting

The seda is one of the agencies of the dti mandated to implement Government’s small business strategy and to integrate government-funded small enterprises support agencies across all tiers of Government. the dti initiated the establishment of Stp division as a special ring-fenced programme housed within seda (i.e. national office) and was selected for the survey setting. The Stp is the major programme chosen to encapsulate the other four technology programme activities to be merged under a single division. The Stp has 22 employees from the total number of 156 in the national office.

The Stp comprises three sub-programmes, namely: Incubation centre, Technology Transfer, and Quality and Standards. As shown in Figure 6 of the Stp Organogram. The researcher is employed by the dti in the Industrial Development Division of the Department of Trade and Industry.

4.3.1. Research Road Map

The research road map will follow the steps below in Figure 1, with the approach taken that will lead to valuable contributions while answering the primary problem. It will also assist in ensuring that we remain focused on the objectives. The conduct of the research will be undertaken in seven steps and the researcher will continually revisit all of the steps to ensure the relevancy of the study.
The research consists of the sequence approach in seven steps.

Step 1: Examine proposal
- Determine and make clear what the research subject is;
- Illustrate understanding of the problem.

Step 2: Explore the universe of research methodologies, methods and techniques to determine which are most likely to achieve the required results effectively and efficiently.

Step 3: Select the most appropriate research methods and techniques – in this case we will use a combination of the following research techniques:
- Electronic questionnaire survey
- Self-completed hard-copy questionnaire
Step 4: Conduct the research.

Step 5: Consolidate and clean the qualitative and quantititative data gathered.

Step 6: Analyse the data.

Step 7: Complete the research by drawing conclusions.

4.3.2. Population and Sampling

A population is a group of individual persons, objects or items from which samples are taken for measurement (Coldwell and Herbst, 2004). Sampling is the act, process or technique of selecting a representative part of a population for the purpose of determining parameters or characteristics of the whole population (Coldwell and Herbst, 2004). The target population was the Stp management who play a role in the development of strategic inputs in the strategic planning of the division, which is based in Pretoria at the national office.

Sampling involves the selection of a sample to be used by the study. The benefit of sampling is that it saves time, produces a better quality study and provides quicker results, though they might be incorrect or misleading. There are two methods of sampling; one is of yielding probability samples in which the probability selection of each respondent is assured, that means each person in the identified population of the study has the same or equal probability of being selected. The other yields non-probability samples, which means the probability of selection is unknown (Polit & Hunger, 1995:279)

The sampling technique used in the study was probability sampling. It is usually used in quantitative research to allow judgement on the sample reflecting the population. There are other various sampling techniques, but for the purpose of this study a simple probability sampling approach was used to allow for equal participation.
4.3.3. Sample Frame

A sample can be defined as a set of respondents selected from a larger population for the purpose of the study (Coldwell and Herbst, 2004). In the instance of this study, the phenomenon being investigated is the strategic planning and management experiences of the participants in the Stp business context in an attempt to analyse the factors and strategies in dealing with leadership and success of the programme. The targeted division employs a population of 22 units (employees), including managers, but the study will focus on the 12 management of the three sub-programmes that support the 42 incubation centres. The population was categorised as:

- Three Senior Managers
- Four Middle Managers (Specialist)
- Five Project Officers
- 10 other employees

The population is divided into groups according to the level position as shown in Table 1.

**Table 1: Population Description**

<table>
<thead>
<tr>
<th>Individual Category</th>
<th>Percentage of Population from three Business Units</th>
<th>Number of Individual Sampled</th>
<th>Total Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Managers</td>
<td>5/22 = 23%</td>
<td>n = 5</td>
<td>n = 12</td>
</tr>
<tr>
<td>Level 10</td>
<td></td>
<td></td>
<td>54% of population</td>
</tr>
<tr>
<td>Middle Managers</td>
<td>4/22 = 18%</td>
<td>n = 4</td>
<td></td>
</tr>
<tr>
<td>Level 11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3/22 = 14%</td>
<td>n = 3</td>
<td></td>
</tr>
</tbody>
</table>
The request will be to complete 10 questionnaires per business unit. No indication will be given as to how many managers in each category are required to complete the questionnaires, as this will be controlled by the size of the organisation. Confidentiality and anonymity will be of key as participants will want to state their opinion freely. The target population will be tabulated and included on the excel spread sheet.

4.3.4. Probability Sampling

Given the qualitative nature of the research problem outlined earlier, a probability, stratified sampling will be used in the study. Age, qualifications and job category are some demographic characteristics that were equally assigned to the samples.

The chosen sampling is used because it increases the probability of being representative and assures an adequate number of each group or business unit. This is dependent upon selecting an information-rich participant, who would provide adequate experiences and information to satisfy the requirements of this study. This type of sampling allows for the selection of interviewees whose management experiences permit an understanding of the phenomena in question and are, therefore, valuable.

The probability sample is commonly associated with quantitative research, with the respondents’ sample statistics being generalised to the population at large. This type of sampling will allow for the selection of interviewees whose management
experiences permit an understanding of the phenomena in question and are, therefore, valuable.

4.4. Research Instrument

The Likert scale is a variation of the summated rating scale. This scale asks a rater to agree or disagree with statements that express either favourable or unfavourable attitudes towards the subject or object. The strength of attitude is reflected in the assigned score and individual scores may be totalled for an overall attitude measure (Cooper & Schindler, 2003: 253).

A questionnaire in a five-point Likert scale tool measurement will be used to obtain information. According to Rossouw (2003:129), it is considered an appropriate method of research if the individual is the unit analysis. It ascertains opinions, perceptions and reports of individual. When paired with sampling techniques, it can facilitate a reliable generalised overall population in time and particular context.

4.4.1. Questionnaire Construction

Written permission to conduct the study was granted by the Executive Director of the Stp division (See Appendix A). The questionnaire was structured and directed by the study problem, scope and objectives. Closed questions were formulated and open-ended questions were only done through interviews. The questionnaires were accompanied with a cover letter (Appendix B).

The cover letter included the following:

- An explanation of the relevance of the study
- A brief description of the objectives of the study
- Instructions on how to complete the questionnaire
- Contact details if any difficulties were encountered

The construction of the questionnaire was checked and approved by the researcher’s tutor at SBL UNISA.
The questionnaire was be arranged on a scale indicating the levels 1-5 of importance, in which a respondent either strongly disagrees, disagrees, is neutral, agrees or strongly agrees to minimise possible confusion. The number of possible responses is limited to a five-point scale with 1 being low and 5 excellent, depending on the level of importance. Not forgetting that the questionnaire will be categorised in the identified discipline of strategic management, leadership and culture, corporate governance and resource management. A score of 4 and above indicates excellent, a score of 3 is neutral, and less than 3 will demonstrate disagree and strongly disagree and indicate an area for development.

4.4.2. Questionnaire Items

The questionnaire (Appendix B) comprises two sections: Section A consists of demographic information including age, highest qualifications, rank, number of years and experience in the Stp division. The reason to use demographic questions was that it places the result in a frame of reference.

Section B comprises 29 questions, the last of which are open-ended to support and expand on the interviews open-ended questions on strategic planning with the identified disciplines/themes. The themes were derived from the literature review and are in line with the conceptual framework. Research objectives were planned in accordance with the disciplines or themes, thereby enabling the construction of questions in relation to those disciplines (refer to Appendix B). The questionnaire has the added advantage of providing a greater sense of anonymity as respondents are not required to identify themselves.

Appendix E comprised a list of interview questions to gain more perspective of the personal opinion and bias of respondents.

4.4.3. Questionnaire Measurement

Research objectives will be mapped in accordance with the disciplines of the study, thereby enabling the construction of questions in relation to those disciplines (refer to
Appendix B). Also refer to 4.4 (Research Instrument) in the document. Due to time constraints, the research project will not be piloted to check for any gaps.

4.4.4. Data Collection Techniques

The research process involves the application of methods and technique. Figure 11 shows the different steps that were followed as per the research road map processes. It is fundamental to gather sources of evidence. Internal documents, case studies and interviews were used in this research. Any documents used in the exploration in the interest of triangulation of evidence served to corroborate the evidence from other sources.

4.4.5. Administration of questionnaires

The information, i.e. the self-administered questionnaires, was collected from the division front desk operator. A total of 10 questionnaires were hand-delivered in an envelope to the Stp division, together with a brief explanation of the purpose of the study. This was done to ensure that all respondents understood the need to participate in the survey.

4.4.6. Interviews

In the case of interviews, appointments were set up with participants and the research need was explained. Provision was made for any of the Stp’s intellectual property or confidential information to be withheld from the research findings.

The participant’s perspective was most valuable in this research as it conveyed the meaning the participant attached to strategic planning and success factors for improvement of the programme. The researcher guided the conversation in an attempt to address the key issues of this study. Three interviewees will represent the three sub-units of the Stp.
4.4.6.1. Collection of Questionnaires and Interviews

The participants had three weeks to complete the questionnaire, however, due to the fact that the agency was relocating, not all management were able to complete the questionnaire. A total of seven participants returned the questionnaire.

The study combined data collected from the face-to-face interviews and the questionnaire, while other relevant internal reports were also used for the research. The face-to-face interview is a good source of quality data.

As interviews can be time-consuming and difficult to compare, particularly if unstructured, a schedule of interview questions, included in Appendix B attached, was carefully designed to contain the interview in terms of both scope and time (Charlesworth et al., 2003a).

Open-ended questions were used to give the respondent the opportunity to elaborate and express oneself freely. The researcher asked the same questions to each respondent with essentially the same words and in the same sequence, thereby collecting detailed data systematically and facilitating comparability among all respondents. A semi-structured interview may enable flexibility and ensure appropriate data gathering.

The questions will relate to each objective and some general questions will be used to open and close the interviews to ensure smooth progression. The questionnaires and interview with the Executive Director is not going to be easy or maybe even possible due to her busy schedule, and particularly since respondents have to self-complete the questionnaires.

4.5. Data Analysis

The process of data analysis generates meaning from the raw data in the form of interview and questionnaire responses collected during the research (Coldwell and Herbst, 2004). The information collected was simplified so that it could be easily
understood without losing the valuable data collected. The researcher analysed the data personally and used descriptive statistics to answer the research questions. Descriptive statistics used included percentages and were captured in an Excel spreadsheet. Based on the five-point Likert scale measurement, the researcher collated the data by creating an Excel spreadsheet for each identified discipline to compile graphic representations of the data. The use of graphs and flow charts were employed to analyse the findings of the size of data.

4.6. Validity and Reliability

The researcher ensured the validity and reliability of the instruments before data collection. According to Allan & Somervell (2001: 17), validity is the extent to which an instrument measures what it purports to measure, and delivers what it indicates it will deliver. Polit & Hung (2001:305) describe reliability as the consistency with which an instrument measures the attribute.

Content validity focuses on the degree to which the items in an instrument adequately represent the entire concept being measured. To achieve the content validity, the content was ensured in administering questionnaires. Content validity was further ensured by supervisor checking the validity. All questionnaires were delivered personally by the researcher and questionnaires were formulated in simple language for clarity and ease of understanding.

Polit & Hung (2001: 305) describe reliability as the consistency with which an instrument measures the attributes. Reliability of the study research was achieved through the following:

- The research instrument giving the same information every-time it was used (Allan & Somervell, 2001:17);
- Exposing all participants in the study to the same instrument;
- Ensuring the consistency of the process of the research; and
- Emphasis was put on the respondents’ anonymity and confidentiality in questionnaires.
The validity of the methodology was done through triangulation, which is essentially a method that uses multiple data sources to help understand a phenomenon. The validity for the research was to ensure accurate capture of the interviews and questionnaires. All the data was included in the final report and no personal feelings or reactions were projected in the report. There was proper handling of data, that is, the management and interpretation of the data. In terms of the credibility, the data was consistently checked when extracting the raw data themes that were displayed on graphs.

4.7. Study Limitations

The main constraint for the study may be the amount time available to do the data collection. One would try to work around this by scheduling appointments with the participants as soon as the permission is granted for the interviews and submission of questionnaires at the business unit. Secondly, the researcher has no control over how and when the questionnaire is completed.

The researcher has no control over the issuing of the questionnaires to individual participants within the company, whether there was any assistance given by a manager or if this was done freely or under guidance. The participants were, however, assured of anonymity.

4.8. Ethical considerations

Ethical considerations are vital to any study because of the influence of the researcher’s ability to acquire and retain participants (Polit & Hunger, 2004: 324). Ethics relate to the researcher being aware of her responsibilities and obligations to protect the rights of the people participating in the research. The ethical principles to guide the study are as follows:

- Voluntary participation by all participants
- Anonymity and confidentiality assured to participants
The researcher explained to the participants why the research is being conducted, the importance and the expected outcomes of the proposed research. All participants were given the researcher’s contact details, including e-mail address, should they wish to have access to the findings of the study. No data captured from respondents was omitted or manipulated to distort the information gathered. The researcher acted in an unbiased manner, with no personal prejudices influencing the collection and analysis of the data.

Scientific honesty is highly regarded as an important ethical responsibility when conducting research. The researcher tried to avoid any form of dishonesty by not fabricating or manipulating data during the analysis. The contribution of others on the research was acknowledged.

4.9. Elimination of Bias

There was no active intervention in the investigation that may produce researcher bias. In order to eliminate bias or distortion of data, the researcher used various data collection techniques, including a questionnaire and literature review. The researcher was the only one to administer the questionnaire.

4.10. Conclusion

This chapter described the research design and methodology in detail. The researcher developed a structured questionnaire to use as a data collection instrument to elicit those responses relevant to the research problem. The various data collection techniques of semi-structured interviews and internal documents were used to gather information. Lastly, the reliability, validity and ethics of the study were discussed. Possible limitations and ethical considerations were discussed.
CHAPTER 5: RESULTS AND INTERPRETATIONS

5.1. INTRODUCTION

This chapter reports on the results of the study presentation and findings from the statistical analysis executed. The results of this study were interpreted and the researcher explored the categories, which were further sub-divided into disciplines/themes, as shown on graphs charts and tables that were achieved through the data analysis and interpretation process. The data were electronically captured and verified on Microsoft Excel by the researcher. A total of 10 questionnaires were administered and seven were returned, representing a response rate of 46%.

5.2. Biographical Information on respondents

Section A (See Appendix B) comprised biographical information data such as age, highest qualification, rank, number of years in the current position and experience in the Stp.

Data analysis was conducted through frequency distributions. The frequency describes the characteristics of the sample. The biographical characteristics of the respondents are depicted in graphic charts figure 1-4 and Table A–C and further interpretation for each variable was provided.

5.2.1. Summary of findings shown in Table A-C and Figure 1-5

From the sample of 12 selected, only seven responded in this study. The participants were aged between 30 and 50 years, and both male and female groups were included.
### Figure 1: Population Percentage

<table>
<thead>
<tr>
<th>Management</th>
<th>Frequency (N)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Managers</td>
<td>3</td>
<td>14%</td>
</tr>
<tr>
<td>Middle Managers</td>
<td>4</td>
<td>18%</td>
</tr>
<tr>
<td>Project Officer</td>
<td>5</td>
<td>23%</td>
</tr>
<tr>
<td>Other Employees</td>
<td>10</td>
<td>45.00%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
Management Position: As shown in Figure 1, the data gathered on the management population shows that out of a total of 12 members management, the majority are employees at 45% (n= 10), 14% senior manager and 23% project officers = n-5, whereas 18% are middle managers (specialist) =n-4. The total division consists of 22 employees.

Figure 2: Management Years of Service

Number of Years of Service: Of the respondents, 42% (n = four years and more) of Project Officers have been with the programme for a long period of time, followed by Middle Managers at 32% (n = three years) and Senior Managers at 26% (n = 2.5 years or less in service).
**Figure 3: Highest Level of Education**

![Pie chart showing the distribution of highest education levels: Diploma 43%, Degree 28%, Honours/Btech 29%, Masters 0%]

**Table A**

<table>
<thead>
<tr>
<th>Highest Education</th>
<th>Frequency (N)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma</td>
<td>3</td>
<td>43%</td>
</tr>
<tr>
<td>Degree</td>
<td>2</td>
<td>28%</td>
</tr>
<tr>
<td>Honours/Btech</td>
<td>2</td>
<td>29%</td>
</tr>
<tr>
<td>Masters</td>
<td>0</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Education:** According to figure 3 and Table A, the majority of respondents (43%) have a diploma as their highest qualification, while 28% have degrees and 29% of have attained honours.
Table B

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency(N)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-39yrs</td>
<td>4</td>
<td>33%</td>
</tr>
<tr>
<td>40-49yrs</td>
<td>3</td>
<td>25%</td>
</tr>
<tr>
<td>50-59yrs</td>
<td>2</td>
<td>17%</td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Figure 4 : Management Age Group**

**Age:** According to Table B and figure 4, the majority of respondents are between 30 and 39 years of age, representing 33% (n=4), while 25% (n=3) were aged 40-49 (n=3) and 17% (n=2) 50 to 59 years of age.

**5.3. Factors that may lead to success leadership in the strategic planning**

The quantitative approach allows the researcher to investigate the perception of employees with regards to the strategic planning of a business unit. The 29 questions in the survey questionnaire are aligned to the answers per respondents, with reference to the literature review and standard expectations of best practice in
strategic planning and management outlined in the study. The rating scale and measurement were adapted from the five-point Likert scale as follows:

1 – Strongly Disagree
2 – Disagree
3 – Neutral
4 – Agree
5 – Strongly Agree

The 29 questions are divided into the following themes as per frequencies:

A. Strategic Management and Planning
B. Culture and Leadership
C. Resource Management
D. Governance

5.3.1. Data managed and Interpretation

An Excel spreadsheet was used to register the representation of the population of the company’s data per themes or discipline and then graphically represented for interpretation.

An additional Excel spreadsheet was used to correlate the data gathered as well as one in which responses to the 29 questions in the questionnaires are integrated.

5.3.2. Integrated Data of Management Response on Questionnaire’s

Respondents were asked for their views on the Stp and what factors would have potential to lead to the successful growth of South African enterprises.

From figure 1-4 of identified themes, with questions around specific critical factors, the following were the results interpretation:
OBJECTIVE: To identify gaps in the strategic planning and management of the programme

The managers rated strategic planning and management very well. In relation to the Stp context, attention is required in their planning to build on other sectors of the economy as per the Industrial Policy Action Plan (IPAP) and other emerging sectors in order to deliver on its objectives, both locally and internationally; and to prioritise areas of growth in other business units such as Technology Transfer.

Theme: Strategic Planning and Management

Important factors:

- Clear vision, objectives and goal
- Management, Board and leadership support and commitment
- Strategic initiatives and to create programmes and action plans

The report results using frequencies and percentages were as follows:

Figure 5: Graph on Strategic Management and planning
Table: C

<table>
<thead>
<tr>
<th>Integrated questions on survey questionnaires on Strategic Planning &amp; Management</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>6</td>
</tr>
<tr>
<td>Agree</td>
<td>20</td>
</tr>
<tr>
<td>Neutral</td>
<td>30</td>
</tr>
<tr>
<td>Disagree</td>
<td>13</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>6</td>
</tr>
</tbody>
</table>

According to table C and Figure 5 in response to Section B theme questionnaires, the majority of respondents, represented at 40% (n=30), were neutral in response to the strategic management and planning success factors. It was observed that 27% of respondents agreed that the vision statement was relevant and long-term objectives are important for the success of the strategic planning.

**OBJECTIVE: To identify behavioural culture and leadership of the Stp management**

The managers rated according to their perception of leadership and culture in the division and the results were good, although improvement is required in terms of team decision-making and strategic intent, which must be clearly defined with goals. Involvement and input from Project Officer’s was incorporated and presented to ExCo by management.

**OBJECTIVE: To identify the role the Board plays in the strategic planning and management processes**

The commitment and support of the Board to implement the strategic initiative requires its members to understand the issues that influence the programme. The Board committee representatives seem to not have a strong financial management background.

**Theme:** Culture and Leadership
Figure 6: Graph on Culture and Leadership

Table D

<table>
<thead>
<tr>
<th></th>
<th>Integrated questions of survey questionnaire on Culture &amp; Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RATE</strong></td>
<td></td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>3</td>
</tr>
<tr>
<td>Disagree</td>
<td>5</td>
</tr>
<tr>
<td>Neutral</td>
<td>15</td>
</tr>
<tr>
<td>Agree</td>
<td>12</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>0</td>
</tr>
</tbody>
</table>

According to Table D and Figure 6 in response to the item in Section B, the majority of respondents (43%) were neutral (uncertain) regarding the strategy of the programme having to be well-known by all levels of employees, and leaders embodying values in line with customers’ needs as important factors for success in strategic planning. It was observed that respondents (34%) agreed that the leadership embodying values in line with customers’ needs, power being shared, support from Board and Management and commitment are important factors of success.
Theme: Governance

Figure 7: Governance

According to Table E and Figure 7 in response to theme in Section B of questionnaires, the majority of respondents (47%) agreed that the policies of the organisation are relevant to the programme activities as a success factor and that the high effectiveness in corporate governance. Respondents (29%) were neutral (uncertain) on the understanding of policy development by management.

OBJECTIVE: To identify gaps in the resource management

It is clear from the results that the theme with the low rate as shown in Figure 11 below is a result of an area of concern as per management perception and this could be due to the low employee turnover and vacancy rates. In order to manage 42
incubators, employees will need to be motivated, and rewards on performance management, and other resources must be reviewed on the operational plan for good understanding of the strategic planning. These factors may have a negative impact on the performance of the division if not given attention.

**Theme:** Resource Management

**Figure 8: Graph on Resource Management**

![Resource Management Graph]

**Table F**

<table>
<thead>
<tr>
<th>Integrated questions of survey on Resource Management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strongly Agree</strong></td>
</tr>
<tr>
<td><strong>Agree</strong></td>
</tr>
<tr>
<td><strong>Neutral</strong></td>
</tr>
<tr>
<td><strong>Disagree</strong></td>
</tr>
<tr>
<td><strong>Strongly disagree</strong></td>
</tr>
</tbody>
</table>

According to Table F and Figure 8 in response to item in Section B of questionnaires, the majority of respondents (37%) agreed that the programme
ensures equity and merits in human resources and that the strategic plan is aligned to objectives, with activities and budget allocated being important factors.

**Figure 9: Overall Perspective on Themes**

![Perspective on themes](chart)

<table>
<thead>
<tr>
<th>Perspective on themes</th>
<th>Senior Manager</th>
<th>Middle Manager</th>
<th>Project Officers</th>
<th>Average Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree</td>
<td>1</td>
<td>8</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Agree</td>
<td>11</td>
<td>12</td>
<td>29</td>
<td>17</td>
</tr>
<tr>
<td>Neutral</td>
<td>11</td>
<td>29</td>
<td>35</td>
<td>25</td>
</tr>
<tr>
<td>Disagree</td>
<td>3</td>
<td>1</td>
<td>20</td>
<td>8</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>0</td>
<td>1</td>
<td>9</td>
<td>3</td>
</tr>
</tbody>
</table>

According to Figure 9 on the overall perspective from management on all items in Section B of questionnaires, the majority of Project Officers agreed on factors that may lead to success of the programme and may require improvement and some Middle Managers were uncertain.
OBJECTIVE: To determine the extent of the use of the external and internal environment assessment in the strategic planning

The respondents pointed out that the factor of SWOT is not used to its advantage to generate effective operation of the programme. The threats and opportunities, if identified properly, may provide potential growth for the Stp.

Figure 10: Integrated Response

According to Figure 10 in response to the questionnaire in items in Section B in response to the Likert scale measurement, the majority of respondents (47%) are uncertain, while 20% strongly agree that the factors identified in the section B per themes are important to focus on to lead to the success of the programme.

OBJECTIVE: To identify challenges faced by management and the programme

The management challenge overall is in the intangible (rewards/motivation/capacity) and tangible (funding) resources; and recruitment in terms of job specification and effective selection of employees. The imbalance on salary agreement is an issue of human expensive in running the incubators. The amount of budget allocated to the division (Stp) by the National Treasury is the biggest challenge.
According to figure 11 in response to the item in Section B on the theme Resource Management, the majority of respondents (37%) agreed that this theme requires more focus to lead to the success of the programme.

Figure 11: Resource Management Chart

Figure 12: Culture and Leadership Chart
According to Figure 12 in response to item in Section B, respondents (34%) agree that culture and leadership may require focus to lead to the success of the programme. About 43% of respondents were uncertain on the theme.

![Integrated Questions on survey questionnaire for Governance](image)

**Figure 13: Governance**

According to Figure 14 in response to the integrated item in Section B for the theme of governance, the majority of respondents (47%) agreed that the theme of governance required focus for the success of the programme.
Figure 14: Strategic Planning & Management

According to Figure 15 in response to the integrated response on the theme item in Section B, the respondents (27%) agreed that strategic planning and management is well understood and does require much focus as an important factor that would lead to success of the programme.

OBJECTIVE: To identify potential factors for improvement of the Stp

Factors identified from respondents answers and perceptions are: teamwork, which requires communication flow; leadership that needs to be decisive on what it believes can work best for the division (Stp) in guiding and directing the strategy; culture that allows for learning and training as well as knowledge and power sharing; meeting the interests and needs of both internal and external stakeholder; proper allocation of resources to deliver on the needs of stakeholders and the market; and an understanding of the values and ethics as well as motivation in performance management.
Figure 15: Concern Area for Improvement

According to Figure 15 in response to item in Section B of questionnaire’s, the respondents at (27% and 23%) strongly agree that these are the areas of concern that need attention.

5.3.3. The Ranking of questionnaire survey questions success factors for the programme

<table>
<thead>
<tr>
<th>Success Factor</th>
<th>Ranking ( As per Y and X axis on graphs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term objectives established</td>
<td>5</td>
</tr>
<tr>
<td>Vision Statement Relevancy to activities /projects</td>
<td>4</td>
</tr>
<tr>
<td>Strategy to be well known to all levels of employees</td>
<td>5</td>
</tr>
<tr>
<td>Leadership embodies values in line with customer’s needs</td>
<td>4</td>
</tr>
</tbody>
</table>
Division ensures between equity and merits in its human resource 4

Strategic plan aligns the objectives to activities and budget allocated 4

Policies of the division must be relevant to the programme activities 5

Management understanding of policy implementation 4

**OBJECTIVE:** To attempt, on the basis of the above, to establish strengths and opportunities in the current state of the Stp

The most strength was that management understands the strategic planning and must take the advantage of SWOT for the following issues:

<table>
<thead>
<tr>
<th>Strength</th>
<th>Opportunities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Insufficient Funding</td>
<td>1. Secure Funding</td>
</tr>
<tr>
<td>2. Infrastructure for communication in working together with all key stakeholders</td>
<td>2. Increase integration of services and support with other government programmes in enterprise development</td>
</tr>
<tr>
<td>3. Innovation to improve partnerships to grow in building other economic sectors</td>
<td>3. Industry development and increase productivity as reflected in the IPAP</td>
</tr>
<tr>
<td>4. Business unit projects align with other sub-units</td>
<td>4. Proper funding directed to Technology</td>
</tr>
</tbody>
</table>

**Weaknesses**

1. Poor management information system
2. Inaccurate analysis of skills development
3. Lack of strategic focus as areas that may impact on the achievement of strategic objectives and operational efficiency
4. Lack of retention framework to retain suitable experienced employees and experts in the field
5.4. Perception on the seda Technology Programme

This section deals with the perception of the participants regarding programme functions and existence of seda, the interpretation of data gathered from the last two open-ended questions from the questionnaire of Section C (See attached Appendix B). A summarised version of the provided statement under each question is elucidated.

OBJECTIVE: To attempt to identify best practice strategies, on the basis of the above.

The following best practices emerged from the overall findings:

- Clear defined and strategic direction with objectives
- A decisive leadership to commit and guide the implementation of the strategic plan
- Capability to manage the alignment of the strategy with the operational plan
- Relevant activities aligned to resources of the strategic initiatives
- Performance indicators to determine the outcomes
- Stakeholder feedback and team relationships

5.4.1. Interview Questions Results: Open-ended Questions and Response

Interviews are recommended as the most important source of case study to gather information. Information combined from primary data collected from face-to-face and secondary data gathered from relevant internal documents. Section C of Appendix B no 28 and 29 are in support of list of interview questions and validate the flow of information gathered and offer the credibility of findings from both the interviews and survey in relation to overall response.
The following questions were asked:

a. What in your opinion requires attention and focus in the seda Technology Programme?

Respondent Answers:
- Looking after the interest of employees
- Allocating resources properly
- Human resource main challenge
- Opportunities be benchmarked with the right skill/personnel and people should be empowered or recruited
- Restructuring of human resources deployment

b. What actions or strategies may be applied to improve the programme?

Respondent Answers:
- Involving all staff members in strategic planning sessions
- Clear strategic direction should be developed with clear key performance indicators
- Closer relations between divisions to provide integrated service to clients

See Appendix E of list of questions

The three interviewees requested anonymity for these interviews. Summarised versions of the provided statements under each question are elucidated.

Question 1: Were all procedural elements followed to develop strategic planning of the Stp?

Response: Procedures are followed however Project Officer’s inputs and involvement not utilised and no clear feedback provided.

Question 2: Is the strategy objective addressing the market needs and demand (external environment?)

Response: Not a lot of market needs are understood
Question 3: What is the perspective of key stakeholders of the strategic planning and resource management of the programme?

Response: Stakeholders are concerned that management does not apply timely corrective action if it appears that objectives will not be met.

Question 4: Is the culture and leadership having effect in the organisation strategic planning and if so how?

Response: Bottom managers work as a team and top management are the only one involved in strategic planning.

Question 5: What is the commitment, involvement and support of the Board and management on implementation plan?

Response: The board is committed in supporting the initiatives however they are other boards that are influencing and affecting the strategic plan in Incubators in decisions of appointments.

Question 6: What are the external threats that hinder the Stp in pursuit of its mission?

Response: Stakeholder partnerships and moving in the same pace of the market changes

Question 7: What internal resources and capabilities require focus on strategic planning in delivering Stp services?

Response: Human and Financial Resource

Question 8: To what extent was the plan implemented? If implementation was incomplete what are the reasons for this?

Response: Resources and objectives not met

Question 9: What are the key elements that determined the current performance of the programme?

Answer: Increase in Incubation support and the employment in all business units
5.5. Conclusion

This chapter provided the research findings and interpretations of the results. The data analysis reveals that, from the respondents’ perspective, three themes identified for the study are crucial, with management understanding of the importance of vision, long-term objectives, support and commitment, strategic alignment of activities and team work ranked as high to the success of the programme. These findings revealed that the respondents have a good understanding of the strategic planning procedures and processes. The general perception of a need for improvement in resource management and governance was analysed. This chapter presents a discussion of the research findings.
CHAPTER 6: DISCUSSION OF THE RESEARCH FINDINGS

6.1. Introduction

This chapter presents the discussion of the findings and states whether the research assumptions have been accepted and the research goal achieved in relation to the research problem. The discussion was based on the quantitative and qualitative analysis conducted.

6.2. Discussion of the Findings

The data findings were gathered in the form of graphs/Charts and Excel spreadsheets, which were clearly interpreted per question under each discipline/theme. The literature review was used as a guideline and anchor from which interpretations were made. Deductions of findings were done by integrating the literature review and results with the research objectives and problem statement.

6.2.1. Discussion on Assumptions

The findings on the quantitative study were used to determine the assumptions made in Chapter 1 and support from the literature review in relation to the themes. The following assumptions were made:

A. Strategic planning with good culture and leadership commitment is very effective.
B. Strategic planning must identify the internal and external environments and align to the needs of stakeholders.
C. Strategic capability in the strategic planning of resources generates a sustained competitive advantage.
D. Strategic planning is a compulsory part of strategic budgeting and resource management in and organisation.
E. Strategic planning is an important part of management and probably will become a standard part of the repertoire of public management planners.
F. Strategic planning and implementation process involves the participation of all key relevant stakeholders in the decision-making.

It is expected that managers must demonstrate an understanding that they are able to:

Apply the five standardised steps as per the assumptions of Thompson and Strickland’s (2003) that are described as follows: develop a strategic vision; develop goals that facilitate realisation of the vision; define strategic planning objectives; establish strategies for achieving goals/objectives; and create programmes.

A. Assumption: Strategic planning with good culture and leadership commitment is very effective.

The survey revealed that 34% of respondents agreed that a good culture and committed leaders are needed to respond effectively to the internal environment and reach out to the needs and interest of the stakeholders. The researcher can deduce from the findings that the assumption is accepted, however, with little adjustment required to improve internally.

The survey with representation from Figure 6 at a rate of 3 revealed that the Board does show commitment and plays its role by influencing and understanding the issues in the strategic planning. Improvement can be achieved in this area. It is strongly agreed by the respondents that commitment of the Board and support to implement strategic initiative are important factors that may lead to the success of the Stp. The assumption is accepted.

B. Assumption: Strategic planning must identify the internal and external environment and align to the needs of stakeholders.

The survey revealed that it is agreed that the focus is more on the external than the internal environment, which may create a challenge internally for the Strategic Planning process, as shown in Figure 5, which reveals a rate of 3 and uncertainty. The findings tell us that the internal environment requires attention for improvement.
C. Assumption: Strategic capability in the strategic planning of resources generates a sustained competitive advantage

Figure 8, at rate of 3 on the statistical analysis, revealed that management agrees that having capabilities in resource planning is crucial to the success of the leadership development of the programme. Improvement can be achieved in this area. Assumption is accepted.

Figure 8 revealed that the management understands the importance of aligning the objectives to the budget allocated, as represented at rate of 4 agreeing.

However, the findings show that management requires financial capacity to implement the strategic initiatives, represented in Figure 8 rated at 3. An improvement can be achieved in this area.

All graphical and statistical analysis revealed that the division, starting from Figure 6 at 34%, agrees that the leadership embodies values in line with their customers and, at 47%, that policies are relevant to the current activities.

Ranked at 4 in Figure 8 on the knowledge and understanding of the strategic plan to be aligned to the objectives and budget allocated is the strength that can be used to capacitate the division to implement their strategic initiatives.

Ranked at 2 in Figure 8 the division has not been provided with more funding to support implementation, which can be turned into an opportunity because management already has knowledge on the strategic management and planning process as represented in Figure 5.

The statistical analysis of the data in the survey as represented by factors in Figure 5, supported the assumption and it is clear that the importance of SWOT analysis is not effectively applied as the respondents agreed that it was not effectively used in the operation.
The survey findings support the assumption and allowed the researcher to identify strength and opportunities of the programme based on the problem context and problem statement. The factor statement implies that the programme does generate strategic initiatives to deal with issues, to support the idea that SWOT is not effectively applied.

D. Assumption: Strategic planning is a compulsory part of strategic budgeting and resource management in an organisation

It is clear from the results findings, as represented in Figure 8, areas of concern include resource management, with low ratings on the financial capacity (n=3), the programme not being provided with more funding to support implementation represented by (n=2) Figure 8 on resource management graph.

The assumption is supported by the findings of the survey, with 37% respondents agreeing that resource management requires focus and improvement as it is important for the success of the programme.

From the survey, we can identify the following factors that require improvement: Develop relevant key performance indicators to track success; make use of internal team to facilitate strategic management process; management leaders must make co-operative team decisions; and power and control must be shared widely.

The survey findings also depicted that teamwork requires communication flow; culture that allows learning and training as well as knowledge and power-sharing; stakeholder interests and needs must be met in both internal and external environments; the proper allocation of resources to deliver on the needs of stakeholders and the market; understanding of values and ethics; and motivation on performance management.

E. Assumption: Strategic planning is an important part of management and probably will become a standard part of the repertoire of public management planners.
The following factors were identified and agreed on by respondent as crucial for the strategic planning:

- Clear, defined and strategic direction with objectives
- A decisive leadership to commit and guide the implementation of the strategic plan
- Capability to manage the alignment of strategy with the operational plan
- Stakeholder feedback and team relationships

**F. Assumption:** Strategic planning and implementation process involves participation of all key relevant stakeholders in the decision-making

The study indicates (at 43% with a rating of 5 in figure 6) that although management embodies values in the strategy it does not allow for the participation and involvement of all management members, i.e. only the senior managers take part in the planning. The assumption is supported because senior managers first have to meet first with subordinate managers to share their views and inputs on their strategic plans of their business units before collating all the information to be presented and shared at top management strategic planning. The assumption is accepted that all management from bottom to top have to be involved in the making of divisional decisions as this is a crucial strategic planning factor that will lead to success of the programme.

The assumptions are overall accepted and supported by the findings of this survey, as 41% of the respondents agree that the factors on strategic planning may result in the successful leadership of the Stp when properly communicated and implemented.

**6.4. Discussion of the Research Findings**

The results of the study are presented and discussed comprehensively in this section. The main objective of the study was to evaluate the strategic planning effectiveness of the management of the business unit, with the focus on the four themes, strategic management, culture and leadership, resource management and governance.
Tables and figures above show the descriptive statistics for the overall survey outcome. The overall survey on each behaviour and perspective shows that the business unit management has an understanding of strategic planning and related concepts.

6.3.1. Findings on both Research Survey Questionnaires and interviews from Respondents

Survey Questionnaires Integrated per disciplines from Q1-27

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Group</td>
<td>Findings on strategic management and planning</td>
</tr>
<tr>
<td>Senior Managers</td>
<td>10% agree, 2% strongly agree and 7% disagree that</td>
</tr>
<tr>
<td></td>
<td>strategic planning was relevant to vision, long-term</td>
</tr>
<tr>
<td></td>
<td>objectives, current structure, SWOT, strategic</td>
</tr>
<tr>
<td></td>
<td>activities and performance indicators</td>
</tr>
<tr>
<td>Middle Managers</td>
<td>3% strongly agree, 8% agree that the strategic</td>
</tr>
<tr>
<td></td>
<td>planning relevant elements were included and</td>
</tr>
<tr>
<td></td>
<td>managed</td>
</tr>
<tr>
<td>Project Officers</td>
<td>9% agreed and 3% strongly agreed on general</td>
</tr>
<tr>
<td></td>
<td>practice of strategic planning, but 10% disagreed</td>
</tr>
<tr>
<td></td>
<td>on other elements such as the resources and</td>
</tr>
<tr>
<td></td>
<td>external market needs on strategic management of</td>
</tr>
<tr>
<td></td>
<td>the programme</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management Group</td>
<td>Findings on Culture and Leadership</td>
</tr>
<tr>
<td>Senior Managers</td>
<td>5% strongly agreed and 8% agreed that culture and</td>
</tr>
<tr>
<td></td>
<td>leadership of Stp embodies values, attitude,</td>
</tr>
<tr>
<td></td>
<td>management commitment support, co-operative</td>
</tr>
<tr>
<td></td>
<td>team decisions and strategic intent is known to all</td>
</tr>
<tr>
<td></td>
<td>levels. Power and control should be are shared.</td>
</tr>
<tr>
<td>Middle Managers</td>
<td>12% agreed and 4% strongly agreed, however, the</td>
</tr>
<tr>
<td></td>
<td>4% disagreed with the others, being on neutral on</td>
</tr>
<tr>
<td></td>
<td>this aspect of power and control, shared co-operative</td>
</tr>
</tbody>
</table>
team decision, which shows it requires improvement.

| Project Officers | 14% agree and 10% disagree on issues of power and control, shared co-operative team decision and commitment of boards. This area shows that it requires improvement. |

<table>
<thead>
<tr>
<th>Management Group</th>
<th>Findings on Resource Management</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Senior Managers</strong></td>
<td>15% agree that the organisation is competent in planning and implementing strategic initiatives, however, 6% of respondents disagree with the statement that more funding is supported for the programme and 6% strongly agree that the strategic plan aligns to the objectives and activities.</td>
</tr>
<tr>
<td><strong>Middle Managers</strong></td>
<td>12% agree on the competence of the organisation in strategic planning, 2% disagree on more funding and rate low on financial capacity to implement strategies, 6% strongly agree on the alignment of objectives and activities to budget allocated.</td>
</tr>
<tr>
<td><strong>Project Officers</strong></td>
<td>10% of respondents agree that management are competent in planning, 9% of respondents disagree with the statement that there is more support on funding, the is merits requirement in human resource and high financial capacity rather low.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Respondent</th>
<th>Theme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management Group</strong></td>
<td>Findings of Governance</td>
</tr>
<tr>
<td><strong>Senior Managers</strong></td>
<td>15% agree that the organisation is effective in corporate governance and 8% strongly agree that the policies for the current programme activities are relevant.</td>
</tr>
<tr>
<td><strong>Middle Managers</strong></td>
<td>18% agree on the effectiveness of corporate governance and 7% strongly agree on the relevance of policies and manuals that promote ethical and</td>
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</table>
responsible decision-making, 3% disagree that managers do not understand the values of their organisation.

| Project Officers | 14% agree that management, the Board committee and executive director support formal policy development and implementation and 6% disagree that management does not understand values. |

6.5. Summary

The findings of the research indicate that the business unit has an understanding of well-formulated strategic planning. The strategic management must be related to the system, stakeholder and resource-based theories as discussed in the content document. The findings have identified behavioural factors of concern that require attention and need to be improved to ensure good strategic planning and leadership for the success of the division.
CHAPTER 7: CONCLUSIONS AND RECOMMENDATIONS

7.1. INTRODUCTION

The previous chapter provided results and findings of the study from data analysis. The chapter will review the objectives outlined in chapter 1, the literature used and process adopted to ensure that research objectives are met. The chapter presents conclusions derived from the research findings and recommendations based on the conclusions and areas of possible future research. The research statement for this study was the insufficiency and deficiency of resources on planning for the service delivery of seda Technology Programme to support South Africa’s Small Enterprises.

7.2. FINDINGS FROM THE STUDY

The strategic planning and management in the public organization is a huge multifaceted discipline that integrates most basic and standard requirements required by management to address complexities of the needs of organizational strategic action plans and operational planning. The study has provided a description of process, practices, theories and models effective for the strategic planning and implementation in particular to the seda Technology programme.

The respondents in the study were not drawn from a random sample of all management of seda Technology programme in 9 provinces, and it was therefore relatively very small and represented from the National Head Office. The study revealed that for strategic planning to be successful, it has to follow required processes in planning by management and the Boards members showing leadership and commitment, understanding of vision and objectives by all employees including management, planning of activities/projects aligned to the objectives of the organization, understand and have knowledge of the financial & human resources planning, be involved in the team decision making for improved work efficiency and productivity and lastly understanding the needs of employees to enable them to carry their job being motivated. And most of all it must address
competition, change, and the conditions for organisational success and competitiveness in the global world.

7.3. FINDINGS FROM THE LITERATURE REVIEW

The study started by defining the strategic planning and strategic management, leadership and success factors and strategies in determining the effect of successful strategic implementation of seda Technology programme. The use and application of models and theories were used to explore and identify factors involved in the strategic planning of seda Technology programme.

According to authors (David, 2001; Pearce & Robinson, 2003; Strickland & Thompson, 2003), as well as research completed by David (2001), support the idea that strategic management assists in making better Strategic decisions through a more systematic, logical and rational approach to strategy. There is also a close relationship between strategic planning and strategic management in the process of planning. Pearce & Robinson (2005: 1) states that strategic planning has a portion in strategic management that is a set of decisions and actions that result in the design and activation of strategies to achieve objectives of an organization.

Success of strategic planning requires management clear understanding of the process plan and the development criteria to align the plan against measurable outcomes. The most important factors that are supported by the literature which are continuously being viewed standards in the process planning are the knowledge to understand the vision of the organization, the set objectives and strategies to be aligned to the mission to direct the strategic path. It has been noted that the mission statement must be aligned with strategic vision, planning strategies, organizational objectives and goals as well as to remind stakeholders: —what will be the future of the business (Thompson & Strickland, 2003: 7)

It was revealed and supported by authors that in order for the vision of the organization to be realized and activities /projects to be implemented, it must be driven by its own internal assets which are their resources. Strategic management can also be defined as the process whereby all the organizational 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 through adding value for stakeholders and the communities (Ehlers & Lazenby, 2007:2).

Literature suggested that financial resources are the most crucial resource of the organization to the required and needed deliver services and products, this implies that in a division such as the seda Technology programme, budgets as it reformed over the last decade is not just a technical process but a systematic organisational process which is drawn up for a particular financial year with clear objectives for the evaluation of financial performance (Broadbent & Cullen 2003:138). The budget planning require knowledge of skilled human resources. It was identified in Dar, et al.’s (2011) study that people provide organisations with an important source of sustainable advantage and that the effective management of human capital may be the ultimate determinant of organisation performance. It was further supported and highlighted that if people are not right for the job, they will not produce well (Grace, 2010).

Key stakeholders must be included in the planning process and decision making. This will encourage the flow of communication and understanding of the strategy chosen by all employees. Management to build successful organization with employees must have an emotional intelligence and have a leadership style that can lead to the transformation of the organization. Transformational leaders are seen as those executives that are able to create a vision, communicate this vision, build commitment amongst subordinates to the vision and model the vision within a workplace (Rosete and Ciarrochi, 2005). The literature also suggested that effective planning must conduct analysis of organisation strengths, weaknesses, opportunities and threats by focusing at the internal and external environment.

The findings deduced that most important components to analyse the organisational strategic planning to reach its goals are factors such as the understanding of vision and mission, short and long term objectives, formulation of strategies, supported activities/projects all aligned towards the strategic intent.
7.4. FINDINGS FROM PRIMARY RESEARCH

The findings of the study revealed the main success factors for strategic planning and implementation at seda Technology programme as clear and understanding of the vision and objectives as components of strategic management; top management leadership and style of management that support and committed; operational planning of human and finances; teamwork in decision making and ethics in understanding the needs of stakeholders. It can further be reported that there is a concern on the area of resources management and leadership with the division as identified by the respondents.

Although there is a certain degree of understanding values and showing commitment from the top management, the common opinion is that all top management do not ensures that sufficient resources are appropriately aligned to strategic activities.

The findings also indicated that employees regarded strategic planning at seda Technology Programme as fundamental. Identifying the gaps is the easy part of best practices in strategic planning and any good transformational leader will know capabilities and capacities of his/her staff. Management must demonstrate their understanding and knowledge of strategic planning, their leadership and commitment by involving employees in decision making to ensure that all strategic inputs gathered from implementer’s of projects are considered, and to make sure that corrective actions as soon as projects show signs of failure are identified for the success on implementation and organisational performance.

7.5. CONCLUSION

This study finds that overall the seda Technology Programme division management has good understanding of the strategic planning as reflected in survey findings above and through the identified disciplines. The findings revealed that respondents scored high percentage strongly agreeing that HR and governance on promoting ethical and decision making discipline’s confirms the inadequacy in planning.
Culture and Leadership are indicated as being good managed although improvement required as it has a strong link to the management of resources and strategic planning.

It was revealed that the seda Technology programme has qualified management, young active age and good leadership to support their strategic planning and management effectively. The division with its leadership need to focus on training and skilling of employee’s. The strategic planning can promote open communication, teamwork, clear understanding of mandate and encouraging a culture of learning that can lead to improved performance and job satisfaction.

It can produce a positive culture in involving all employees in strategic initiatives to shape the division. The human resource must be provided with training and skills development to combat the challenge in the operational planning of the seda Technology Programme.

7.6. RECOMMENDATIONS

Strategic planning and management was assessed to assist management competencies and enable the business unit to operate and plan effectively. The results contain data that could assist management in identifying areas that require development.

It is recommended that the strategic planning capabilities of management be integrated into the organisational culture to address challenges. It is recommended that all management be equipped with financial skills because the human resource management and operational plans are crucial in the functioning of the business unit and performance. Training and skills development should be implemented internally to develop expertise in area of focus by management.

The issue of infrastructure may constrain the Stp in reaching out to stakeholders to develop partnerships to increase innovation in the programme and promote other economic sectors. This is due to the ineffective use of ICT for enterprise
development in incubations. Old technology is being used and it is recommended that new technology communication architecture be designed to increase the accessibility of internal and external stakeholders to information.

It is recommended that the organisation encourage technical transfer of skills and establish new clients in new industries to respond to the external environment and to stay competitive globally; to support initiatives that focus on priority and modern consumption sectors for technology impact.

It is also recommended that the Human Resource policy be reviewed to ensure retention and improve performance management in terms of rewards and other motivation. The number of clients served in Gauteng at the National Head Office is very low as depicted in the 2010/11 annual report, which confirms structural imbalance and a lack of efficient human capacity in the Stp. It is recommended that the structure be redesigned to serve the mandate of the Stp.

It is recommended that the management of budget allocation and control be aligned to activities that are relevant as per numbers. Also crucial is the training of managers on the PFMA as well as financial management and control sessions to address the lack of financial and public governance expertise as per the annual report, as reflected the skills incapacity and experience of management. The design of profile or job specifications is recommended to minimise confusion in job descriptions so as to result in the right selection and recruitments.

It is recommended that management be equipped with leadership skills and behaviours required to perform their roles and processes and give direction to the people around them.

It is recommended that emphasis be placed on the monitoring and implementation of the strategic plan and budget. Timely corrective measures should be applied as soon as objectives are not met. There must always be proper alignment of the strategic plan to the budget allocated.
The division (Stp) had shown that the strategic planning is well formulated, but the stakeholders representatives at the Board level are not considerate enough of the needs of the South African market for the growth of SMMEs in sectors of impact.

It is recommended that strategic planning should review projects by eliminating those that have low impact and focus on value adding where impact could be measured.

In closure, the research study provides a good basis for future research on this particular aspect and resource management. It will, however, be useful to include the entire seda and other competitive agencies that focus on the support of enterprises such as THRIP, SPII and others in future studies to ensure that results can be stratified to all enterprise support programmes of seda. Policymakers have a responsibility to put in place a framework that meets the needs of corporations operating in different circumstances for the development of new opportunities and to determine the most efficient deployment of resources.
8. LIST OF REFERENCES


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