FACTORS HINDERING STRATEGY IMPLEMENTATION AS PERCEIVED BY TOP, MIDDLE AND FRONTLINE MANAGERS IN A SOUTH AFRICAN ELECTRONICS ORGANIZATION

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ABSTRACT

This paper contributes to the debate on strategy implementation failure. It reports on a qualitative case study that explored factors that hindered strategy implementation at a South African electronics organisation. A blue-chip organisation whose performance had deteriorated over a period of time, was purposively selected for this study. Data was collected from top, middle and frontline managers of the organisation by means of interviews. Data was qualitatively analysed. Findings include that strategy implementation failed because strategy had not been designed to facilitate implementation. The reasons for the strategy implementation failure originated in the strategy formulation phase, a finding that is consistent with previous research. It is concluded and recommended that strategy formulation should be revisited with a focus on the design of an implementable strategy, as formulation and implementation are inextricably interwoven. The interwoven nature of strategy formulation and implementation contributes to the complexity of the phenomenon, which is poorly understood.

Keywords: Strategy; implementation failure; performance gap

INTRODUCTION

Organisational performance remains a topic of interest to both practitioners and academics, as it is argued that it can be improved (Aguinis, 2013). The gap between planned and realised performance has been

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under scrutiny for a number of years from a variety of viewpoints (Alexander, 1985; Beer & Eisenstat, 2000; Cocks, 2010; Crittenden & Crittenden, 2008; Dinwoodie, Quinn & McGuire, 2014; Evans, 2012; Hrebiniak, 2006; Jooste & Fourie, 2009; Mintzberg, 1994; Mankins & Steele, 2005; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010, Van der Merwe, 2013; Wery & Waco, 2004). However, conclusive reasons for the performance gap are still unclear. Although many reasons are advanced for this state of affairs, authors are not in agreement (Alexander, 1985; Cocks, 2010; Crittenden & Crittenden, 2008; Evans, 2012; Hrebiniak, 2006; Jooste & Fourie, 2009; Mintzberg, 1994; Mankins & Steele, 2005; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010, Van der Merwe, 2013; Wery & Waco, 2004). The ambiguity about the performance gap encourages the persistence of this phenomenon, with negative consequences for the long-term sustainability of the organisation, ultimately adversely affecting wealth creation.

It is odd that performance gaps persist, given the voluminous publications on strategy, the tool for ensuring organisational performance. Authors differ widely about the meaning of strategy. Nag, Hambrick and Chen (2007) have defined strategy as a field that deals with the major intended and emergent initiatives taken by general managers on behalf of owners, involving the utilisation of resources to enhance the performance of organisations in their external environment with a view to financial gain. This definition is consistent with the view that strategy is the tool management uses to achieve organisational performance manifested as goals (Andrews, 1987; Ansoff, 1965, 1988; David, 2013; Pearce & Robinson, 2009), associated with economic results (Drucker, 1954; Nilsson & Ellström, 2012) and expressed as financial gain (Ronda-Pupo & Guerras-Martin, 2012). To be effective, strategy should be based on 'competitive advantage' (David, 2013; Pearce & Robinson, 2009; Porter, 1985; 1998). Competitive advantage essentially means that the organisation does something better than the competition in attracting customers on the basis of value offered (Porter, 1985; 1998). To be persistent, competitive advantage should therefore be embedded in the organisation.

Competitive advantage is described as valuable, rare, inimitable and non-substitutable and associated with the resource-based view of the firm (Barney, 1991). Moreover, competitive advantage consists of three interrelated dimensions, namely (a) the arena where the organisation chooses to compete, (b) customer value (customer capital), and (c) access to the required resources, including employees or talent (human capital), processes, systems and assets (structural capital) to provide customer value in the chosen arenas (Nienaber, Cant & Strydom, 2002; Ordóñez de Pablo & Lytras, 2008). Of these dimensions, resources, processes, systems and assets are entrenched in the organisation, and thus potentially persistent. Moreover, resources are the most important among these dimensions for providing customer value. Human resources play a particularly important role because of the knowledge, skills, experience and attitudes they bring to the workplace, which may change owing to changes in the workplace and/or environment (Bartlett & Ghoshal, 2002; Campbell, Coff & Kryscynski, 2012; Lewis, 2011; Lockwood, 2007; Ordóñez de Pablo & Lytras, 2008; Owen, 1813; Pfeffer, 2010; Whelan & Carcary, 2011).

Previous research about the performance gap generally solicited the views of top management who blamed poor strategy implementation for the gap, while a lack of resources, inadequate skills and capabilities were routinely identified by these top managers as the predominant strategy implementation barriers (Alexander, 1985; Mankins & Steele, 2005; Tait & Nienaber, 2010; Van der Merwe, 2013). According to the definition proposed by Nag et al. (2007), resources and thus successful performance are at the very heart of strategy, while implementation difficulty is a perennial problem (Alexander, 1985; Beer & Eisenstat, 2000; Cocks, 2010; Crittenden & Crittenden, 2008; Evans, 2012; Hrebiniak, 2006; Jooste & Fourie, 2009; Mankins & Steele, 2005; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010, Van der Merwe, 2013; Wery & Waco, 2004). Consequently, the observation of Ansoff and McDonnell (1990) that strategy is a potentially powerful tool for coping with change despite being a somewhat elusive concept, remains relevant.

In addition, the observation of Wren (2005) also seems to hold true, namely that despite mountains of literature there is no real advancement, as nothing is conclusive. Hence, more relevant research is required to clarify the problem, in this instance the performance gap. A number of authors call for further research to

better understand the performance gap (Alexander, 1985; Dinwoodie et al. 2014; Mankins & Steele, 2005; Schaap, 2012; Tait & Nienaber, 2010).

The description of the performance gap, albeit brief, is indicative of the complexity of the problem, which is poorly understood. The problem can be studied from a variety of viewpoints, using an assortment of theoretical and conceptual frameworks, which further complicates the matter. By examining the reasons for the performance gap, it might be possible to minimise, if not close, the gap. The research reported here forms part of a larger study on which the authors embarked to explore, among others, what factors contributed to the performance gap as perceived by managers at the different hierarchical levels of a South African electronics organisation (SAEO), as strategy implementation requires the involvement (and commitment) of managers at all hierarchical levels of the organisation. The organisation was selected as its performance had declined for a number of years, making it an ideal site to study the problem in question. The objectives were to discover what factors hindered strategy implementation as perceived by the managers at the different hierarchical levels, according to a standard strategic management process model used to formulate, implement and evaluate strategy.

The main contribution and value of this study is that it is one of the first to report on the views of managers at all hierarchical levels in connection with the performance gap in a South African context. The paper is organised as follows: the theoretical framework is presented first, followed by an overview of the organisation, then the research design and methodology, then the findings and discussions, and finally the conclusions and recommendations for further research.

THEORETICAL FRAMEWORK

Organisations use a variety of tools in creating and shaping strategy. Those that are most commonly used are reported by the Bain & Co bi-annual survey (Rigby & Bilodeau, 2013). The ten most often used tools include strategic planning, customer relationship management, employee engagement surveys, benchmarking, balanced scorecard, core competencies, outsourcing, change management, supply chain management and vision and mission statements (Rigby & Bilodeau, 2013). Organisations can follow a formal, deliberate, informal or emergent, or a combination approach to strategy-shaping (Mintzberg, 1994). Deliberate and formal approaches to moulding the strategic management process are described in strategic management texts and have been suggested by various authors (David, 2013; Pearce & Robinson, 2009; Porter, 1985; 1998). The model proposed by Pearce and Robinson (2009) was selected for this study because it is a comprehensive tool encompassing most, if not all, components of other management tools (Tait & Nienaber, 2010). It also indicates the iterative and integrative nature of the strategy-shaping process. The strategic management process is illustrated in Figure 1.

Figure 1: The strategic management process
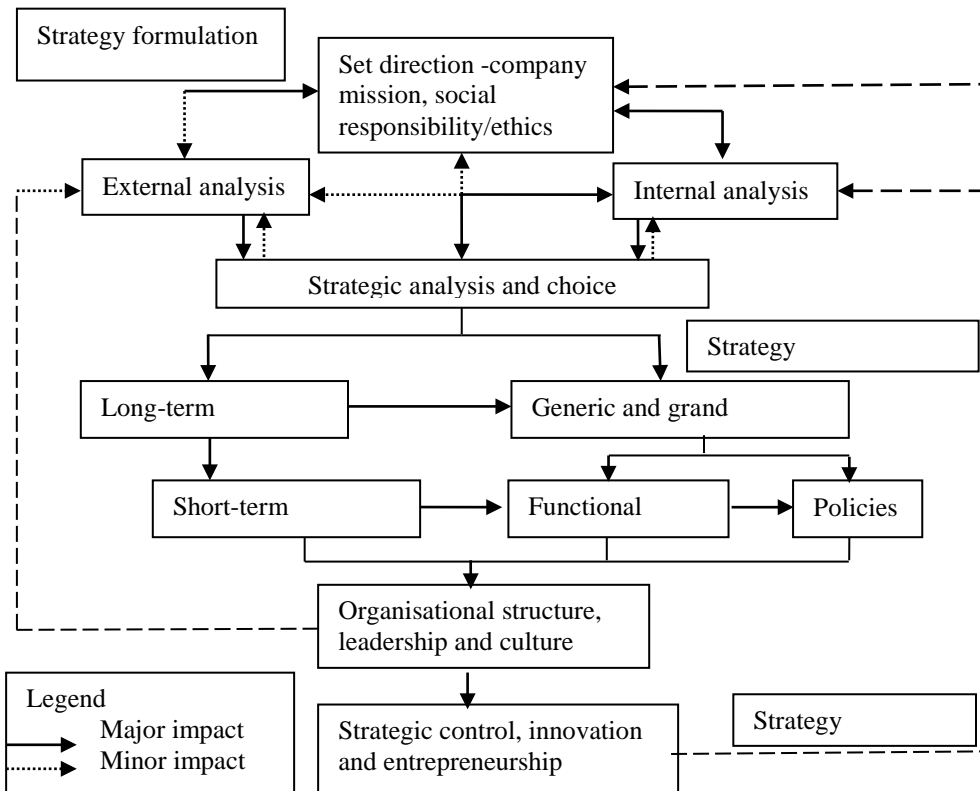
Source: Pearce and Robinson (2009:2)

In the literature there is consensus that the strategic management process is an integrated process consisting of phases or stages, namely formulation, implementation and evaluation, including feedback, whether explicitly stated or implied, which is outlined in Figure 1 (Alexander, 1985; Porter, 1985; 1998; David, 2013; Pearce & Robinson, 2009; Tait & Nienaber, 2010). From Figure 1 it is clear that the entire process affects organisational performance (Alexander, 1985; Porter, 1985; 1998; Tait & Nienaber, 2010). A consequence of the integrated nature of the strategy process is that if a phase or stage (formulation, implementation and/or evaluation) or a step in a phase or stage is neglected or poorly executed, it has a knock-on effect on the rest of the process (Van der Merwe, 2013). A change in the dynamic environment in which the organisation operates can also result in a change in the process (David, 2013; Mintzberg, 1994; Pearce & Robinson, 2009; Porter, 1985; 1998). This will affect the organisation's goal achievement and ultimately its performance. Research generally pins the performance gap on implementation, which is described as an implementation crisis (Alexander, 1985; Beer & Eisenstat, 2000; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010).

According to the literature studied, the emphasis for ensuring successful performance is on formulation, while execution or implementation and evaluation (including feedback) also receive due attention. It stands to reason that proper execution and evaluation cannot take place if formulation is neglected, because formulation sets the scene for implementation and evaluation (Alexander, 1985; Beer & Eisenstat, 2000; Porter 1985; 1998; Robert, 1991; Sandy, 1991; Tait & Nienaber, 2010). Given the perceived implementation barrier, it is understandable that most contemporary organisations seem obsessed with implementation as a driver for performance. However, the preoccupation with implementation has some shortcomings, such as that organisations tend to focus on short-term financial gains rather than long-term value (Krehmeyer, Orsagh & Schacht, 2005; Novicevic, Davis, Dorn, Buckley & Brown, 2005).

Strategy implementation is described as the most demanding and time-consuming part of the strategy-shaping process. Converting strategic plans into actions that deliver on the planned performance tests, a leader's ability to direct organisational change, motivate employees, build and strengthen organisational competencies and competitive capabilities, create a strategy-supportive work climate, and meet or exceed performance targets (Crittenden & Crittenden, 2008; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012). Implementation entails introducing many initiatives throughout the organisation, which need to be resourced and co-ordinated (Alexander, 1985; Crittenden & Crittenden, 2008; Porter, 1985; 1998; Robert, 1991; Sandy, 1991). Yet leaders routinely underestimate the effort associated with strategy implementation (Alexander, 1985; Crittenden & Crittenden, 2008; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012). In addition, leaders habitually fail to involve relevant stakeholders, especially the implementers, to ensure buy-in. Implementation is relegated to a subordinate status as the responsibility of middle management (Alexander, 1985; Cocks, 2010; Crittenden & Crittenden, 2008; Porter, 1985; 1998; Robert, 1991; Sandy, 1991). As such, implementation is deemed as more mundane and detailed compared with formulating strategy (Cocks, 2010; Hrebiniak, 2006; Robert, 1991; Sandy, 1991).

Successful strategy implementation requires communication (Beer & Eisenstat, 2000; Crittenden & Crittenden, 2008; Robert, 1991; Sandy, 1991), however, many executives falsely believe that a well-conceived strategy communicated to the organisation amounts to successful implementation (Beer & Eisenstat, 2000). Other leaders are of the opinion that strategy implementation is merely a matter of exercising command over resources, employees and their work (Beer & Eisenstat, 2000; Cocks, 2010; Robert, 1991; Sandy, 1991), pointing to a command and control (top-down) management style. These views are contrary to the true nature of strategy implementation, which according to Cocks (2010) calls for unique, creative skills, sophisticated control and feedback mechanisms to enhance the operations and align them with business strategy, making implementation as intellectually demanding as strategy formulation. The literature shows that strategy implementation cannot succeed unless the strategy itself is designed to be executable (Alexander, 1985; Cocks, 2010; Crittenden & Crittenden, 2008; David, 2013; Hrebiniak, 2006; Mankins & Steele, 2005; Pearce & Robinson, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Tait & Nienaber, 2010). Executability requires different types of capabilities, while organisational processes and systems need to be adjusted to implement the selected strategy (Homburg, Krohmer & Workman, 2004; Porter, 1985; 1998). In sum, the literature shows that the entire strategy-shaping process matters, which begins with the strategy formulation phase or stage.

THE ORGANISATION

At the time of the study, the SAEO was a major role-player in the national field of electronic systems and was part of a bigger organisation listed on the JSE. The SAEO was a leading supplier of complete turnkey solutions (including design, supply, sales, installations and maintenance, fire detection, research and development) of electronic systems to stakeholders. The SAEO had a good financial year during 2009/10, when revenue increased by more than 40% and the operating profit by almost 60%. However, this was due to large projects secured during the 2008/09 financial year. During the 2010/11 financial year, the SAEO began experiencing the pains of the recession, with a number of planned projects postponed indefinitely. Its financial results indicated a decline in performance. Revenue decreased by 30% and operating profits by more than 60%, owing to pressure from competitors that were bidding for tenders at lower prices and costs. The SAEO had to revise its business operations and expense base, reduce its workforce, and streamline internal sales and administrative processes to ensure the survival and possible growth of the company.

Although the SAEO experienced a difficult time during the 2009/10 and 2010/11 financial years, the organisation showed promise of large projects, an increased sales force and regional offices to secure more profitable business. They added an in-house training facility and identified alliances to ensure possible survival and growth of the organisation. The 2011/12 financial statements indicated that the SAEO still experienced difficulties, with revenue decreasing by more than 10% and operating profit by more than 15%. The financial results demonstrate that the organisation was susceptible to the economic cycle. However, the strategy implementation issues only came to the fore during the economic downturn.

METHODOLOGY

The problem under investigation dictates the research philosophy (Denzin & Lincoln, 2013; Marshall & Rossman, 2011). The purpose of the study was to explore the factors that top, middle and frontline managers perceived to have hindered strategy implementation and in so doing, contributed to the performance gap in the case of the SAEO. Thus the purpose was to understand the performance gap from the perspective of the managers at the different hierarchical levels of the organisation in question. As such, the inquiry reported on is situated in an interpretivist research philosophy, with the emphasis on the experience and interpretation of the stakeholders in strategy-shaping who participated in this study (Richards & Morse, 2013; Seymore 2012). The interpretive philosophy seeks to produce descriptive analyses that emphasise understanding of the phenomenon studied, rather than searching for broadly applicable laws (Denzin & Lincoln, 2013; Richards & Morse, 2013). An interpretivistic research philosophy holds that knowledge is created (Seymore, 2012). This means that the understanding of reality is not a simple account of what is, but rather of what insight needs to be obtained into how people in societies and groups, in this instance stakeholders in shaping strategy, interpret reality (Seymore, 2012) from a subjective perspective, which can be multiple (Creswell, 2009).

The above explanation of the interpretivist philosophy alludes to the application of a qualitative research approach in collecting and analysing data for this research (Denzin & Lincoln, 2013; Marshall & Rossman, 2011; Richards & Morse, 2013). In this instance, the use of a qualitative research approach was appropriate to the purpose of the inquiry conducted and in line with the predominant research approach within the interpretivist philosophy (Denzin & Lincoln, 2013; Richards & Morse, 2013). Hence, the problem was studied by means of a qualitative case study (design), which was deemed appropriate to this inquiry as it explored a contemporary phenomenon in its real-life context (Denzin & Lincoln, 2013; Marshall & Rossman, 2011; Myers, 2009; Perry 2001; Seymore, 2012).

In this instance, the interviewer also constituted an insider as part of the interview and research process. Through interviews with participants (available top, middle and frontline managers), their perspectives of factors hindering strategy implementation, and as a result the performance gap, were explored. The descriptions of the participants' perspectives of the social reality studied provided data which formed the basis of themes ('thematic analysis') and categories regarding the factors hindering strategy implementation, and hence contributing to the performance gap. These themes could be used to suggest support to management of the SAEO to improve strategy implementation. As such the themes can be generalised, rather than generalising (laws) from sample to population. This view is supported by Collis and Hussey (2009), Creswell (2009), Hallebone and Priest (2009) and Henning, Van Rensburg and Smit (2004).

Empirical evidence was obtained via interviews as interviews were deemed to yield richer data than a survey, since responses to open-ended questions could be further probed. An interview guide with 11 categories of open-ended questions, based on the theory presented in the previous section, was used to obtain the required data. The interview guide was arranged according to the topics to be explored, namely demographic profile of respondents, strategy, barriers to strategy implementation and actions that can be taken to improve strategy implementation, and envisaged performance should the corrective action be taken.

Interviews were arranged telephonically or via electronic mail (e-mail) with the secretary of the organisation who arranged interviews at a time and place convenient to participants. All interviews were conducted at the premises of the organisation during office hours, and lasted on average for an hour. The organisation and the participants gave their consent prior to commencement of the interview. The authors' institution also granted ethical clearance for the study, based on the disclosure of its purpose to allow participants to make an informed decision whether or not to participate. Participation was voluntary and participants could withdraw at any stage without negative consequences. Responses would be treated as anonymous and confidential. The participants were informed and they consented that the data collected could

be used in academic publications, provided that ethical principles were observed. Thus the study complied with ethical considerations in research. However, the ethical aspects have implications for reporting.

Trustworthiness of the study was ensured by attending to the credibility of the study, and its confirmability, dependability and transferability as described by Denzin and Lincoln (2013). Credibility (i.e., do the findings reflect the reality of the participants?) was enhanced by recording the interviews in addition to note-taking. Each transcribed interview was submitted to the relevant interviewee to check if the transcription was a fair reflection of the interview. Confirmability was improved by making the research process transparent, so that readers could check if they would arrive at the same or similar conclusions. Dependability was increased by accounting for variations in responses. Transferability of the research was increased by providing thick descriptions which will allow researchers to determine the extent to which the results apply in similar situations. In addition, the clarification of concepts took care of construct validity as both interviewer and interviewee could agree or disagree on the definition of the construct studied (Perry, 2001).

Although no ideal sample size for studies using a qualitative approach has been established, guidelines are available for case studies and interviews. Myers (2009) proposes one case, while Eisenhardt (1989) proposes between four and ten for cases, while Morse (in Denzin & Lincoln, 1994) suggests six cases and Creswell (in Onwuegbuzie & Leech, 2007) proposes three to five cases. Guest, Bunce and Johnson (2006) provide guidelines for interviews indicating that saturation may occur between six and twelve interviews. The one organisation and the 14 interviewees are therefore in keeping with these guidelines for high-level qualitative case study research. The unit of analysis was thus the organisation studied, while the unit of observation was the persons interviewed (Babbie, 2007; Perry, 2001).

FINDINGS AND DISCUSSION

Participants were assured of the anonymity and confidentiality of their responses. It is not possible to provide a comprehensive profile of participants, as some of them may be identified from their profile. Table 1 provides a brief profile of the participants.

Table 1: Brief profile of participants

	Frontline management	Middle management	Top management
Generation	Predominantly Generation Y	Generation X	Predominantly Generation X
Gender	Male	Predominantly female	Male
Tenure at organisation	Predominantly at least six years	Predominantly more than nine years	Predominantly more than five years

Source: Van der Merwe, 2013

The profile of the participants shows that they had an extended involvement with the organisation, were both male and female, mainly from Generation X and Y, representing the different roleplayers in strategy-shaping in the organisation in question. Participants occupying middle management positions were mostly females from Generation X and had the longest tenure of all managers at the organisation. The middle and top managers had in common that they were from Generation X, while the top and frontline managers had in common that they were males with more than five years' tenure at the organisation in question. The participants' perceptions of the organisation's performance are reflected in Table 2.

Table 2: Participants' perceptions of the organisation's performance

Performance measure	Frontline managers predominantly responded	Middle managers predominantly responded	Top managers predominantly responded
Financial	was not achieved	was not achieved	was not achieved
Employees	were not satisfied	were satisfied	were satisfied
Customers	were satisfied	were satisfied	were satisfied

Source: Van der Merwe, 2013

The information in Table 2 shows that the participants from all hierarchical levels had a fairly similar perception of the performance of the organisation, in terms of performance measures. Only frontline managers were of the opinion that employees were not satisfied. Overall, financial performance was perceived as predominantly poor by all levels of management, despite the predominant perception of satisfied customers and employees. This seems odd as one could expect good financial performance given satisfied employees and customers. The main reason offered for this disparity was that sales targets were not met owing to (poor) product quality (which was imported). Poor product quality was countered by excellent customer service. Participants' perceptions about strategy in the organisation are reflected in Table 3.

Table 3: Participants' perceptions about strategy in the organisation

	Frontline managers predominantly responded	Middle managers predominantly responded	Top managers predominantly responded
Familiar with strategy	Familiar with the term strategy and its meaning, which was basic, i.e. setting and achieving goals	Familiar with the term strategy and its meaning, which was basic, i.e. setting and achieving goals	Familiar with the term strategy and its meaning, which was basic, i.e. setting and achieving goals
Does SAOE have a strategy?	The organisation had a strategy, because targets existed	The organisation did not have a strategy, although goals existed	The organisation had a strategy although they (top management) were not involved in the strategy process
Strategy process in the organisation is	Deliberate and emergent	Emergent	Emergent
Responsibility for strategy rests with	The CEO	Top management	Executive committee, middle and frontline managers
Tools used in strategy include	Vision and mission statements, strategic planning, outsourcing	Balanced scorecard, vision and mission statements, outsourcing, benchmarking	Balanced scorecard, vision and mission statements, strategic planning and outsourcing
Which phase of strategy-shaping is most important, if any?	Divided (equally) all three and implementation	Evaluation	Implementation
Organisation's proficiency in shaping strategy	Proficient in all phases	Proficient in strategy formulation, but not effective in implementation and evaluation	Not effective in any of the phases of shaping strategy

Source: Van der Merwe, 2013

The information in Table 3 suggests that the participants were to differing degrees aware of strategy. They concurred that, in their organisation, leadership was charged with the strategy responsibility. On the one

hand, this view supports the literature in connection with the importance of leadership in successful strategy-shaping (Beer & Eisenstat, 2000; Cocks, 2010; Crittenden & Crittenden, 2008; David, 2013; Hrebiniak, 2006; Jooste & Fourie, 2009; Mankins & Steele, 2005; Pearce & Robinson, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010). However, this view is contrary to the literature, as successful strategy-shaping efforts require the involvement of all hierarchical levels (Alexander, 1985; David, 2013; Pearce & Robinson, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991). The participants differed in some respects in their responses to several of the strategy aspects explored. These responses suggest that participants were not clear on whether or not the organisation had a strategy at the time of the investigation. These responses are interpreted as that the organisation did not at the time of the investigation have an explicit, understood strategy, as strategy involves more than merely setting targets or goals (Alexander, 1985; Cocks, 2010; Crittenden & Crittenden, 2008; David, 2013; Nag, Hambrick & Chen, 2007; Pearce & Robinson, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Tait & Nienaber, 2010). However, the conflicting views on the existence of a strategy are not surprising given the emergent fashion of strategy-shaping, as well as the inconsistency in responses to questions about which phase of strategy-shaping was the most important and the organisation's proficiency in strategy-shaping. However, these responses were surprising in view of the tools used to shape strategy, which correspond to five of the ten most often used tools as per the Bain & Company survey (Rigby & Bilodeau, 2013).

Another observation from these responses is the absence of references to competitive advantage or any aspect alluding to competitive advantage, the crux of a successful strategy (Barney, 1991; Porter, 1985; 1998). In summary, the responses to strategy as reflected in Table 3 allude to the ambiguity of strategy in the organisation, and are indicative of the complexity of strategy as highlighted in the literature. Moreover, the view of Ansoff and McDonnell (1990) that strategy is an elusive concept, seems to hold true in this instance. The participants' responses to the strategy questions were deemed congruent with their responses to the reasons for the strategy implementation breakdown and actions that could be taken to close the performance gap. This is addressed in the subsequent paragraphs.

After the participants' views on strategy were secured, they were probed on the factors (based on the literature review) that they perceived to have hindered strategy implementation in their organisation. The respondents could add factors in addition to the ones on the list. The discussion of their selection of implementation barriers, however, falls outside the scope of this paper. The factors cited most often (ranging from 1 as most often cited to 9 as the least often cited) as hindering strategy implementation, are reflected in Table 4.

Table 4: Factors hindering strategy implementation

Factor	Frontline management	Middle management	Top Management
Communication	✓1	✓1	✓1
Inadequate monitoring	✓3	✓2	✓2
Insufficient senior leadership	✓3	✓2	✓5
Inadequate skills	✓1	✓2	✓2
Insufficient detail	✓3	✓2	Not cited
No approved strategy	✓6	✓8	✓2
Poor accountabilities	✓6	✓2	Not cited
Limited consequences and rewards	Not cited	✓2	✓5
Leadership style	✓6	✓9	✓5
Insufficient focus or conflicting priorities	✓6	Not cited	✓5

Source: Van der Merwe, 2013

The participants' views of the barriers to strategy implementation differed. However, they concurred that the leading reason for the breakdown was ineffective communication. It is interesting all participants were of the view that having no approved strategy was a factor hindering strategy implementation, as only middle management previously indicated that the organisation did not have a strategy (see Table 3). The reasons advanced for hindering strategy implementation are congruent with the phases of strategy-shaping as presented in Figure 1. Again, it seems as if these responses are in conflict with previous responses, in particular those of

frontline management, who were of the opinion that the organisation was proficient in all phases of strategy development, and middle management, who were of the opinion that the organisation was proficient in strategy formulation (see Table 3). These responses were however, congruent with those of top management, who were of the opinion that the organisation was not proficient in (any phase of) strategy-shaping (see Table 3). According to these responses, participants on all management levels were of the opinion that strategy implementation would be improved by communication.

Although improved communication may enhance strategy implementation, it is far more complex and complicated than communication, as was observed in the theoretical framework (Beer & Eisenstat, 2000; Crittenden & Crittenden, 2008; Robert, 1991; Sandy, 1991). The responses correlate with the factors outlined in the literature: leadership is important in shaping strategy (Beer & Eisenstat, 2000; Jooste & Fourie, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012); all role-players should be involved (Alexander, 1985; David, 2013; Pearce & Robinson, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991); formulation is important and the beginning of implementation (Alexander, 1985; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010); and implementation is neglected from the outset (Alexander, 1985; Cocks, 2010; Crittenden & Crittenden, 2008; David, 2013; Hrebiniak, 2006; Homburg et al. 2004, Mankins & Steele, 2005; Pearce & Robinson, 2009; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Schaap, 2012; Tait & Nienaber, 2010). These responses are congruent with reasons advanced for the implementation gap as observed by previous studies (Alexander, 1985; Beer & Eisenstat, 2000; Mankins & Steele, 2005; Porter, 1985; 1998; Robert, 1991; Sandy, 1991; Tait & Nienaber, 2010), although the order differs.

Consistent with previous studies (Alexander, 1985; Beer & Eisenstat, 2000; Mankins & Steele, 2005; Porter, 1985; 1998; Robert, 1991; Sandy, 1991;Tait & Nienaber, 2010), the responses of participants in the study reported here indicated that the barriers to strategy implementation could be reduced, if not eliminated, in order to minimise, if not close, the performance gap. Again, the participants were not unanimous in their responses, and the responses about corrective action did not correspond entirely with their responses about the breakdown in strategy implementation. However, the actions as ranked by respondents at all levels of management for bringing about improved performance were firstly improved communication and better rewards, then enhanced strategy development and ensuring management buy-in, followed by performance monitoring and empowerment, thereafter accountability assignment. The next actions proposed by all were improved talent management (recruit, develop and retain the right staff), followed by management development and consequence management. Then ranked were better scanning of the environment, proposed by middle and frontline managers, thereafter the re-evaluation of goals proposed by all management levels and lastly selecting a different strategy as proposed by middle management.

Again, all of these actions can be classified into one or more of the strategy-shaping process illustrated in Figure 1. Furthermore, these responses indicate that the strategy-shaping process is indeed integrated, and that should one step in a phase or stage of the process be neglected, it will have a knock-on effect in the subsequent phases or stages (Alexander, 1985; David, 2013; Pearce & Robinson, 2009; Porter, 1985; 1998; Tait & Nienaber, 2010; Van der Merwe, 2013). Moreover, these responses are interpreted to show that the participants were mindful of their lack of expertise in terms of strategy-shaping, which could be improved by a range of actions, especially management development. The actions proposed by the respondents that could be taken to improve strategy implementation and thus performance, especially talent management and better environmental scanning, correspond with some of the elements of the strategy definition put forward by Nag et al. (2007).

Top and frontline managers were largely of the view that these corrective actions would have a noticeable improvement in performance, while middle managers were mainly of the view that these actions would result in a moderate improvement in performance. These responses coincided with findings from previous studies (Alexander, 1985; Beer & Eisenstat, 2000; Mankins & Steele, 2005; Porter, 1985; 1998; Tait & Nienaber, 2010). In all, the findings show that participants in the study displayed some understanding of strategy, all roleplayers were not optimally involved in shaping strategy, the formulation phase was underestimated, and strategy implementation begins in the formulation phase.

CONCLUSIONS

The purpose of this article was to report on the perceptions of frontline, middle and top managers of the SAEO of factors hindering strategy implementation and thus causing the performance gap. Strategy is the tool that management uses to achieve organisational performance by matching internal resources with conditions in the external environment with a view to financial gain. It stands to reason that should there be a breakdown in the strategy, financial performance will suffer.

The gap between planned and realised organisational performance has been investigated over a long period by a number of researchers, from different viewpoints. These studies, despite their limitations, have contributed to knowledge and understanding of the performance gap phenomenon. Yet, a conclusive answer to this phenomenon seems as elusive as the concept of strategy itself, emphasising the complexity of the matter.

This study endeavoured to contribute to an understanding of the performance gap, by exploring factors that hindered strategy implementation at the case organisation. The observations of the managers at the different hierarchical levels of the organisation in question were similar in some respects and differed in others. The participants showed some understanding of strategy; they furnished reasons for the breakdown in strategy implementation (specifically poor communication, inadequate monitoring, insufficient senior leadership, inadequate skills, no approved strategy, poor accountabilities, insufficient detail, no consequences, leadership barriers and insufficient focus) and offered possible corrective actions (improved communication, better rewards, enhanced strategy development, management buy-in, performance monitoring, empowerment, accountability assignment, improved talent management, management development, consequence management, better scanning of the environment, re-evaluation of goals and selecting a different strategy) to minimise, if not close, the performance gap. The reasons for both the breakdown and corrective actions can be categorised according to the different phases of the strategic management process, and are consistent with those in previous studies in connection with the performance gap. The barriers to strategy implementation and corrective actions as highlighted by respondents can be categorised according to the phases of the strategy-shaping process, which underscores the importance of the strategy formulation phase. However, this phase is generally underestimated and in effect neglected, affecting the proper design of an implementable strategy that is required to ensure success. The importance of the strategy formulation phase, which takes care of strategy implementation, is consistent with the literature. Attention should be focused on the integrated nature of the strategy-shaping process, rather than trying to pin the problem down to any of the phases, namely formulation, implementation or evaluation, including feedback. A better understanding of the strategy formulation phase/stage of the strategy-shaping process will benefit all organisations, especially those on the African continent, which is considered the future global growth hub.

Finally, further study is recommended to create knowledge in the area of the performance gap, in particular the designing of strategy implementation.

As with all studies, this study was not without limitations. The typical limitations of qualitative studies apply (Denzin & Lincoln, 2013; Marshall & Rossman, 2011). In particular this research was exploratory in nature, probing the phenomenon of the performance gap in a real organisation that can enhance understanding of existing theory and management practice, which may give rise to further research, including hypothesis testing.

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