

**THE INFLUENCE OF LEADERSHIP STYLES  
(AS PER LEWIN) ON THE STRATEGY-  
FORMULATION-IMPLEMENTATION-PERFORMANCE  
GAP: AN EXPLORATORY CASE STUDY OF  
SELECTED ORGANISATIONS IN THE  
SOUTH AFRICAN WINE INDUSTRY**

**By**

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## DECLARATION

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I declare that this dissertation **The influence of leadership styles (as per Lewin) on the strategy-formulation-implementation-performance gap: An exploratory case study of selected organisations in the South African wine industry** is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete referencing.



20 June 2018

.....  
**Signature**

.....  
**Date**

The influence of leadership styles (as per Lewin) on the  
strategy-formulation-implementation-performance gap:  
An exploratory case study of selected organisations in the  
South African wine industry

**“Without strategy, execution is aimless.  
Without execution, strategy is useless.”**

**Morris Chang (1999)**

*(Chairman and chief executive officer, Taiwan Semiconductor Manufacturing)*

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I am forever grateful for this journey. It certainly wasn't easy, and the challenges, tears and sacrifices are lost between these pages ... But the growth, enrichment and inspiration remain forever.

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Annelize Morkel

*“Only those who attempt the absurd can achieve the impossible ...”  
(Albert Einstein)*

## ABSTRACT

**Purpose:** The strategy-to-performance gap is a contemporary problem that causes organisations to perform less than optimal or fail. Leadership, strategy and performance are complex areas of research on the topic with lack of conclusive results, and solutions to the issue remain elusive. This study offered a clearer understanding of the problem.

**Design:** This qualitative study explored leadership style in the context of strategy execution with the objective of offering a better understanding of performance and the strategy-to-performance gap. The study is a case study of selected organisations in the wine industry in South Africa. Data were collected via interviews on leadership figures and employees. Data were analysed qualitatively.

**Findings:** The study confirmed the existence and issues surrounding the strategy-to-performance gap. Some findings concurred with previous studies on the gap and confirmed that it is intertwined with leadership and strategy execution issues. New themes were identified that contributed to the field of study and could prove to be valuable to narrow the strategy-to-performance gap in future.

**Value:** Leadership is linked with performance in literature but there was limited research found on leadership style specifically in the context of the strategy-to-performance gap. This study confirmed issues surrounding the gap and it was found that the issue is a contemporary problem affecting organisational performance in various ways. This contributed to a better understanding of the problem. New themes that emerged could prove valuable to further research. Leadership and specifically leadership styles (as per Lewin) were found to influence and be interwoven with the strategy-to-performance gap. This study is original as it is the first study that explored leadership styles specifically in the context of the other key themes: strategy and the strategy-to-performance gap. The new themes that emerged are leadership style requirements from an employee satisfaction perspective as well as specific skills suggested to improve performance, all highlighted in the findings.

**Recommendations:** Further research could explore leadership styles in more detail with regard to the strategy-to-performance gap. New themes in the context of strategy execution and leadership style could also be valuable. Future studies could also potentially evaluate the key themes with other measurement instruments such as different leadership styles or different performance criteria.

**Key words:** Leadership, Leadership style, Lewin leadership styles, Strategy, Strategic management, Strategy formulation, Strategy implementation/execution, Strategy-to-performance gap, Employee satisfaction, Performance.

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## LIST OF ABBREVIATIONS

<b>SAWIS:</b>	South African Wine Industry Information and Systems
<b>SAWI:</b>	South African Wine Index
<b>PWC:</b>	PricewaterhouseCoopers
<b>GDP:</b>	Gross Domestic Product
<b>StatsSA:</b>	Statistics South Africa
<b>VinPro:</b>	Non-Profit South African wine industry information organisation
<b>KWV:</b>	Koöperatieve Wijnbouwers Vereniging

### DEFINITION

#### **Strategy-formulation-implementation-performance gap**

(Also referred to in literature as):

Strategy implementation gap

Strategy execution gap

Strategy-to-performance gap

Performance gap

# CHAPTER 1

## INTRODUCTION TO STUDY

### 1. INTRODUCTION AND CONTEXT OF STUDY

Leadership impact performance (Maxwell, 2005). Strategy is the tool that leadership uses to achieve performance, expressed as the goals achieved (Mankins & Steele, 2005). In reality, planned strategy doesn't always achieve planned performance. This breakdown in strategy implementation is referred to as the strategy-to-performance gap. Leadership, strategy and performance are three key concepts across different fields of research, intertwined in some way or another to each other, and form the base of this study. In different ways, the strategy-to-performance gap are causing organisations to fail or perform less than optimal. This study presents these three key concepts and aim to answer the research problem over the next six chapters, as per the layout below. The study was presented as a case study exploring dynamics in the wine industry.

An introduction to the layout and flow of this study is presented below in Figure 1.1.

<b>Chapter 1</b>	<b>Introduction to study</b>
<b>Chapter 2</b>	<b>The wine industry</b>
<b>Chapter 3</b>	<b>Literature review</b>
<b>Chapter 4</b>	<b>Research design and methodology</b>
<b>Chapter 5</b>	<b>Research findings and data analysis</b>
<b>Chapter 6</b>	<b>Interpretation, contextualisation, findings and recommendations for further research</b>

**Figure 1.1: The layout and flow of this study**

*Source: Author's own structure*

## **1.1 INTRODUCTION TO KEY CONCEPTS: LEADERSHIP, STRATEGY, PERFORMANCE**

There are as many definitions of leadership as there are leaders (Ambler, 2013). Leadership, which is seen as the starting point of strategy (Hsieh & Yik, 2005:65), can be defined as the people entrusted with the responsibility of taking charge in an organisation “to ensure its survival and growth” (Nienaber, 2010:661). Another well-known definition is by Northouse (2007:3) is the following: “Leadership is a process whereby an individual influences a group of individuals to achieve a common goal.” Leadership is ultimately charged with the end performance of organisations (Kaiser, Hogan & Craig, 2008:96-97). Leadership and its role in organisational performance have of late come under close scrutiny (Karp & Helgo, 2009; Overstreet, Hazen, Skipper & Hanna, 2014; Richardson, 2008; Svensson, Wood & Mathisen, 2008). In recent studies authors indicate that leadership and its impact has gone through periods of scepticism (Ogbonna & Harris, 2000; Overstreet et al., 2014) and various recent studies have focused on gaining a better understanding of the role and its importance to organisational success.

Different ideologies and applications have been proposed to gain a better understanding of the link between leadership and organisational performance. In the various definitions and studies available on leadership, a variety of concepts associated with leaders are directly linked to organisational performance, and ultimately to its success or failure (Kaiser et al., 2008; Olivier & Schwella, 2018; Jowah, 2016).

With regard to a widely researched phenomenon such as leadership, it is surprising to find that the academic world still abounds with a diversity of opinions on the exact effects of leadership on organisational outcomes (Kaiser et al., 2008; Khouly, AbdelDayem & Saleh, 2017). Although there are sufficient empirical facts to support the notion that leaders have a significant effect on organisational performance, this view and the different contexts are constantly being challenged; and as new information on the subject becomes available, it comes under scrutiny almost every

year (Bloom & Van Reenen, 2006; Chen, Eriksson & Giustiniano, 2016; Kaiser et al., 2008; Marion & Uhl-Bien, 2001).

A number of studies have investigated organisational performance by focusing specifically on strategic management that is described as the formal process applied by leaders (CEOs and senior managers) to ensure that their organisations perform excellently (Martin, 2017; Mintzberg, 1994; Prevos, 2005; Thompson, Strickland & Gamble, 2007). Strategic management is a complex phenomenon in its own right, fundamentally consisting of a process of three key stages all of which are interrelated, namely formulation, implementation and control, to produce a strategy (Pearce & Robinson, 2011).

Strategy is the outcome of strategic management, which in essence comprises plans and actions applied by leadership to achieve organisational objectives. This would ultimately ensure performance and reflect organisational success (Hitt, Ireland & Hoskisson, 2007; Jooste & Fourie, 2009; Pearce & Robinson, 2011).

Organisational performance comprises the actual results an organisation achieves in comparison to the set goals or objectives (Upadhaya, Munir & Blount, 2014:853-855). It consists of a broad system of measurement areas. In the next section performance is introduced in the context of strategy.

## **1.2 STRATEGY AND PERFORMANCE: BACKGROUND ON THE GAP**

According to the literature on strategy and performance, actual performance does not necessarily coincide with planned performance (Mintzberg, 1994) – a phenomenon referred to as the strategy-formulation-implementation-performance gap. In other studies, it is referred to as the strategy-to-performance gap (Tait & Nienaber, 2010; Norval, 2013) and from here on it will be referred to as either the strategy-formulation-implementation-performance gap or strategy-to-performance gap as it is referred to in current literature. In earlier studies the gap was calculated to present between 30 and 37% of planned performance (Gottfredson & Aguinis, 2016; Mankins & Steele, 2005; Tait & Nienaber, 2010). Certain researchers note that organisations fail to execute up to 70% of their strategic initiatives (Beer & Nohria, 2000; Miller, Eisenstat & Foote, 2002), and it has been noted to be even higher in recent studies (Gottfredson &

Aguinis, 2016; Mankins, 2017). Although statistics on the scope of the actual gap differ, it is clear that a real strategy implementation and/or performance gap exists (Alexander, 1985; Mintzberg, 1994; Van der Merwe & Nienaber, 2015).

This implies that the strategic management process is often considered as ineffective, and that it results in organisational ineffectiveness. These inefficiencies can arise in any of the three interrelated stages of strategic management. Because of the interrelatedness of the whole process, inefficiencies in one area will inevitably have a knock-on effect in one or more of the other components of the process – adversely impacting organisational performance – or put differently: goals and objectives will not be achieved as planned.

The importance of strategic efficiency is increasingly recognised and studies on the performance gap have to date produced conflicting results (Falshaw, Glaister & Tatoglu, 2006; Hult, Ketchen & Slater, 2005; Wery & Waco, 2004). Two of the more recent studies (Mankins & Steele, 2005; Tait & Nienaber, 2010) concluded that the performance gap can be ascribed to factors such as: inappropriate resource allocation, conflicting priorities and a lack of focus by those implementing the strategy, to mention only a few possibilities. Another study by Jooste and Fourie (2009) indicated that too little attention is clearly being paid to the role of leadership – hence the existence of the performance gap. Olivier and Schwella (2018) refers to the critical role of leadership in strategy execution, and Van der Merwe and Nienaber (2015) also refer to leadership in their study on strategy. Hence it stands to reason that factors entrusted to leadership, such as the mission and the purpose of strategy and/or the fact that people are deemed unsure of what is expected of them (Oehmichen, Heyden, Georgakakis & Volberda, 2016; Pretorius, 2016) influences performance. Inefficiencies in boards of directors could possibly also be factors that contribute to the resultant and much debated performance gap (Oehmichen et al., 2016).

This study investigated the performance gap by focusing specifically on one component of leadership, namely leadership styles, while singling out the South African wine industry as a case in point. Leadership style, specifically as defined by Lewin (1939), is an overlooked area of research, which may hold answers to this seemingly elusive phenomenon. The wine industry is an ideal example and lends itself to a study of this nature as it is a growing and dynamic industry that has witnessed

several drastic changes since its deregulation in 1997. Leadership is directly responsible for strategy and management functions that play a critical role in ensuring organisational performance. The industry and why it was fit for the purpose of research will be discussed in more detail in Chapter 2. Deregulation and its effects on the South African wine industry will also be discussed more fully in Chapter 2 to indicate the relevance and suitability of the wine industry for this research. Some of these changes are visibly reflected in the performance of the organisations that feature in this study, as will also be illustrated in more detail in the next section. The purpose of the next section is to briefly offer a better understanding of organisational performance within the context of the South African wine industry.

### **1.3 THE WINE INDUSTRY**

#### **1.3.1 Introduction: The wine industry**

The South African wine industry forms part of beverage manufacturing, as classified by the Standard Industrial Classification (Classification number 3051) in South Africa. However, the wine industry is also linked to three other sectors in the South African economy, namely agriculture, tourism and the food and beverage sector which also form part of manufacturing in the country. This implies that the wine industry, from an economic perspective, is important to the South African economy because of its up- and downstream contribution to the economy. Manufacturing is the second largest contributor to the Gross Domestic Product, according to the latest available statistics just prior to commencement of this study (Statistics South Africa, 2016). In 2017 manufacturing grew with 1.5%; and the growth in the food and beverage sector specifically was deemed noticeable (Statistics South Africa, 2017).

Table 1.1 below gives a brief summary of the contribution of the wine industry to the South African economy when this research was started in 2013. Due to the drought, economic challenges and an overstocked market there was slow growth between 2014 and 2017. The biggest growth of the wine industry was in the tourist market. Due to its significant contribution this aspect will be discussed separately.

**Table 1.1: Brief analysis of the contribution of the South African wine industry 2013 (excluding tourism)**

Description	Total as part of agriculture/wine Industry
As a percentage of the GDP in the Western Cape	7.3 % (R14.2 billion)
As a percentage of the national GDP in South Africa	1.95% (R26.2 billion)
Exports	411 million litres (R120 billion)
Taxes and levies generated	R4.2 million (per annum)
Permanent employment	275 000

*Source: SAWIS Report, 2013*

Although the contribution towards the GDP is relatively small, it contributes significantly towards employment, especially in the Western Cape. Its link with the tourism industry also influences its overall contribution to the economy. In its link with tourism it is estimated the industry provides employment to 300 000 people (VinPro Report, 2015).

### **1.3.2 Deregulation of the South African wine industry**

Until 1997 the South African wine industry was regulated by the government. The deregulation of the wine industry in 1997 resulted in vast and significant changes (National Agriculture Marketing Report, 2002). These changes were brought about through the ending of sanctions for the country, strong growth in the world market for quality wines, growth in the domestic market for wines, the liberalisation of South Africa's trade policies and also the deregulation of the South African agricultural sector.

The South African wine industry also performs well in the global arena and has experienced significant growth since deregulation (South African Wine Industry Report, 2012). The period 2013-2015 experienced slower growth (SAWIS, 2015). For the past couple of years since 2010 South Africa has annually fallen under the top ten wine-producing countries in the world. It also forms a strong pillar of the Western Cape tourism sector, with the Western Cape wine tourism industry contributing directly to tourism in South Africa, contributing to another 3% of the national GDP as per the latest available statistics presented by government (South African Tourism Annual Report, 2012-2015). This has further increased in the last couple of years. According to the abovementioned Tourism Annual Report of 2015/2016, the wine industry creates

another secondary advantage through its links with the tourism sector. The wine industry is the main contributor to income via tourism in the Western Cape. The growth has been significant in the years since deregulation, especially since 2010. It is envisioned to grow through project 20/20 – a wine industry marketing strategy to be implemented by 2020. As such the wine industry is acknowledged for its role in building a positive image of the country, establishing itself among international tourists and promoting South Africa as a tourist destination.

The wine industry is considered highly dynamic and competitive. It is an industry that changes rapidly, while competition among the over 5 000 role players is fierce. According to one of the most recent reviews just before commencement of this study, a report from the South African Wine Information Centre (SAWIS Report, 2014), competitiveness in the South African wine industry is influenced by a variety of factors, including the global oversupply of over 1 billion litres of wine since 2007. This is put into perspective by the fact that the total volume of wine produced in South Africa for 2012 was already 872 million litres, hence the oversupply on the South African market where production exceeds the needs globally. The global recession since 2008, as well as the restructuring of the industry following the deregulation in 1997, also played a major role in increasing competitiveness. Therefore, it stands to reason that strategies and successful implementation thereof are of the utmost importance to ensure the survival of all organisations in the wine industry.

Since the deregulation in the South African wine industry it became evident that there were vast differences in the performance of seemingly similar institutions, all of them competing in the same industry under similar conditions (both in South Africa and globally) and dealing with comparable opportunities and threats. In order to understand the wine industry, a comparative picture of conditions prior to and after deregulation is presented in Table 1.2 below.

**Table 1.2: Pre-deregulation and post-deregulation of the South African wine industry**

Description	Pre-deregulation status (1997)	Status just prior to this research (2012)	Latest statistics (2015)
Market control	KWV dominant (over 50% of the market share)	Distell/Vinimark & other new role players (KWV less than 2% of the market share)	Distell/Vinimark/DGB still market leaders. KWV new ownership and still significantly lower market share than pre-regulation.
Total wineries	295	585	568
Total number of hectares of vines	87 301	102 146	95 775
Exports (in million litres)	111	272	458
Competitiveness according to Relative Revealed Trade Advantage (RTA) index	RTA = 1 = marginally competitive	RTA = 5 = Competitive	RTA = 5 = Competitive

Sources: *VinPro Report, 2012*

Deregulation levelled the playing field for participants for the very first time in the wine industry since its beginning in the 1600s. This had vast consequences for various contributors and former companies who had direct control over legislation, demand and other regulating factors. It is also clear, according to the RTA, that competitiveness increased from being only marginally competitive to being competitive as it stands today, as illustrated in Table 1.2 above.

One of the most visible indicators of the significant changes after deregulation is the fact that the KWV, once considered the dominant player in the market, had lost a large portion of their market share. Distell, established in 2000 only, became the dominant player, now owning the lion's share of the domestic market and growing into a global force.

Table 1.3 below shows the significant difference in the performance of four top performers in the industry after deregulation and under competitive circumstances, as it stood in 2012 as setting of the industry in preparation for this study. Four of the top

performers at the time were discussed to establish the context of the study. The performance of the organisations changed from the background until completion, and is addressed in later chapters. Information on the top performers is readily available online and through the media or public reports. In order to adhere to research principles (also as discussed in more detail in later chapters), the organisations and leadership that formed part of the study are not specifically mentioned.

### 1.3.3 Background information on market position

**Table 1.3: Market share distribution reports in 2012**

Description	Market share 2012
Total number of wine producers 3 527	100%
Distell	33%
Vinimark	7%
Van Loveren	5%
KWV	2%

*Source: VinPro Report, 2012*

The different organisations forming part of the background of this study will be presented in Chapter 2. The situation as presented above has not changed significantly over the last three years (2015-2018), but organisations such as DGB made a noticeable entrée. Distell has sold some of their wine farms and KWV has also sold some assets. This is indicative of the competitiveness in the industry and importance to perform by the different organisations.

Table 1.3 indicates that a handful of players at the time of the commencement of the study dominated the market and might even indicate that the industry was an oligopoly with a few players in control. Between these four dominant players and two other companies, DGB and Namaqua wines, they owned over 60% of the domestic wine market. This is still the case where the top five to seven organisations dominate the industry. Although the nature of the business is exactly the same for all of these players, and they compete under the same market conditions with precisely the same opportunities and face the same threats, there is evidently a vast difference in performance of all the competitive companies. The industry is clearly volatile and

changes rapidly due to the role played by market factors. Table 1.4 to follow later indicates the market share breakdown in 2014 during the execution of this study.

According to a VinPro marketing overview (VinPro Report, 2012) released in February 2012, the four leaders in the wine industry focused on the same corporate strategies to a large extent, and yet there was a vast difference in their performance. The VinPro report shows that in order to expand their brands and to grow in the domestic and international market, the corporate strategies they shared were in terms of product differentiation and partnerships.

They all started to diversify where possible and expanded their ranges with differentiation of products, for example flavoured wines, ciders and other products.

Also, according to the VinPro report of 2012, to ensure they stayed competitive, they all shared the following aims:

- Controlling input costs (i.e. follow a low-cost strategy)
- Ensuring cost-effective distribution (i.e. follow a low-cost strategy)
- Investing in brands and marketing (i.e. follow a strategy of differentiation)
- Knowing their business and consumers' demands (i.e. follow a strategy of differentiation).

These strategies were deemed to be appropriate for the industry and economic climate in 2012 when the background information was collected. Some of the challenges in the market were significant because the main goals of all these organisations were to increase their market share and ensure superior performance. As these factors typically result in fierce competition, they needed to increase and maximise their performance to ensure sustainability in the competitive environment, which was clearly evident from the factors mentioned above.

According to a survey conducted by the Department of Agriculture in 2011 ([www.agrisa.co.za](http://www.agrisa.co.za)), some of the challenges facing all role players in the wine industry at the time were the following:

- Low barriers of entry resulting in the rise of new role players and further increasing competition
- International oversupply supply of wine putting pressure on prices
- Escalating production costs not being supported by price increases
- Changing consumer behaviour (Brand loyalty makes it difficult to establish new products.)

Wesgro reports on the wine industry in 2017 confirmed most of these challenges were still evident.

It is clear that although the key organisations competing in the wine industry consistently share most of the goals and challenges, there is a marked difference in terms of their performance, as reflected in their market share and shown in Table 1.3. The question inevitably arises as to the role of leadership as part of the strategies and performance of the respective institutions.

When the leadership of the said wineries forming the background of this study was examined, a number of noteworthy aspects stood out and are worth stating (although relevance to this particular research is uncertain at this stage and will not be addressed in detail here). These aspects are discussed below.

Leaders often circulate between organisations in the industry and directors and/or key figures in management sometimes serve on more than one board or management committee at a time. It is not clear how this state of affairs influences leadership and performance, or whether it would be of any significance to this study.

It is important to note that changes in the industry occur rapidly. Chapter 2 contains detail on the industry and extensive background information and a history prior to this study. Changes to the industry considered relevant to this study are mentioned and were updated as the research unfolded, as indicated in later chapters. According to statements issued in the media, some of these organisations were expected to experience vast changes in structure and leadership between 2012 and 2015. It was not clear if and how these would impact the study objectives, but information was kept relevant throughout.

### 1.3.4 Background discussion

According to the websites of the previously mentioned organisations in the wine industry, and in the light of the various reports issued by VinPro in 2012-2015, various key leadership figures are briefly mentioned at this stage. The situation in the respective organisations with regard to certain leadership figures are presented as backdrop to the research and summarised as follows:

**KWV:** The KWV leader, Lourens Jonker, who served on the board of directors since the early 1990s and was chairman in 1997 when deregulation took place, was also a member of the Distell executive team when the KWV owned shares in Distell. KWV and Distell were still jointly considered market leaders in 2002, but 10 years later the picture changed and the KWV had become almost insignificant in terms of the domestic market share. Lourens Jonker was replaced in 2012 by a new leader, André van der Veen, in the hope that the KWV would improve its performance. Van der Veen followed up Jonker as acting CEO and made significant changes. He was followed up by Mr Boyce Lloyd in 2016.

**Distell:** The managing director, Jan Scannell, has held this position since 2000 until 2013. Under his leadership Distell grew into the domestic market leader and prior to his retirement Distell owned more than three times the market share of their closest competitor. Interestingly enough, Scannell himself identified the need to create a high-performance culture throughout Distell as one of his biggest responsibilities, according to his published report at the annual general meeting in 2011. Some significant changes were expected in 2012; for instance, certain brands were sold, and new partnership announcements were expected, according to press releases on the Distell website. A new strategy was launched in 2014 according to public reports. Mr Scannell was replaced in 2013 by Mr Richard Rushton.

**Van Loveren:** Van Loveren is a family-owned winery, its chief executive being a member of the Retief family, namely Phillip Retief. He also serves on the KWV board as a non-executive director and is a prominent figure in various wine organisations. He joined the 25-year old cellar in the 1990s and is considered to be hands-on and in direct control of various management activities. Under his leadership Van Loveren grew into one of the domestic leaders and is considered one of the current top ten wine

brands, with their 'Four Cousins' brand being one of the regular top performers. He is still at the helm of Van Loveren in 2018.

**Vinimark:** Vinimark was founded in the 1980s by Tim Rands who still acted as the managing director when the background to this study happened. (He passed away in 2016). Vinimark represent 20 of the most well-known wine brands in the country together with Spier, Val de Vie and others, and have experienced substantial growth in the domestic and international market share over the years following the deregulation of the industry. Vinimark performed well establishing themselves as a quality world wine organisation.

From Table 1.3 it is clear that there are vast differences in the performance of the organisations considered as the leaders in the country's wine industry. Although they share similar challenges and seemingly compete in the same markets, the strategies they mention as briefly presented earlier, namely cutting costs, growth strategy and market differentiation, performance of the leaders, appear to be very different.

Three of the four consistent key performing companies were chosen to take part in the research of this specific study, in order to remain unspecified not stated here. In order to adhere to research ethics, all research was done anonymously and to ensure privacy of information, the particular findings were not related to any specific organisation.

The next section gives a brief introduction to explain how the research problem evolved.

### **1.3.5 Background leading up to research problem**

Leadership, strategy and performance are all considered to be much more complex matters, consisting of much more information and complexities than what can be gleaned from the paragraphs above. One of the issues regarding strategy solutions that are proposed in literature is that they are often oversimplified (Olivier & Schwella, 2018). The concepts of leadership, strategy and strategy execution continuously develop (Ehlers & Lazenby, 2008). The information on these concepts is also constantly challenged and expanded on in literature (Ogbonna & Harris, 2000). These

three concepts will be examined more closely and in greater detail in the literature review in Chapter 3.

From the discussion in the paragraphs above it is clear that strategy and its successful implementation are important factors influencing performance in the South African wine industry as is evidently experienced in other industries globally. It also appears that although various dynamics seem to be in agreement for the three organisations included in this research, there is a vast difference in the organisational performance. There appears to be a gap in research on the influence of leadership on the performance gap, with a particular focus on the different original leadership styles as per Lewin (1939) that are still recognised and used today. Leadership style appears to be a key function in strategy execution (Khouly et al., 2017), yet its role in the strategy and performance of organisations is not conclusively answered in any available literature today. New arguments and debates continue to surface. The research problem that developed as a result of this gap and the concomitant reasoning is discussed and defined below.

### **1.3.6 Description of the research problem**

The research question was formulated as follows:

*Exploring the role and/or influence of leadership styles on organisational performance of selected companies in the South African wine industry, in the context of understanding the strategy formulation-implementation-performance gap.*

The research question could be elaborated on or alternatively defined as follows:

To what degree, if any, do the different leaders and leadership styles, cited by Lewin (1939) as common variables in organisations, influence the actual performance of specific selected organisations (i.e. result in minimising the gap between the planned and actual performance). Performance is expressed as goal achievement in terms of market share, turnover, profit, employee satisfaction, customer satisfaction; but for the purpose of this study the focus was on employee satisfaction due to its connection to leadership as discussed in the Chapter 3 literature discussion.

Given the research question, the study entailed a qualitative inquiry, that is, it sought to discover and describe narratively what particular people do in their everyday lives and what their actions mean to them (Denzin & Lincoln, 2017).

**The primary objective:** The objective is to explore the three key concepts in order to better understand leadership styles (as identified by Lewin, 1939) and any plausible influence of the three chosen leaders in the context of the strategy-to-performance gap, and if so, in what way(s).

**The secondary objective:** This objective is aimed at contributing more detail and information on perceived factors that could add to the strategy-to-performance debate, by taking into consideration the leadership style (as identified by Lewin, 1939) of the particular leader, and accepting the notion that leadership is ultimately responsible for the performance of an organisation.

An alternative way of explaining the research objectives of this study is the following:

*The objectives of the study were to assist in identifying and understanding factors or themes that could potentially result in a better understanding of leadership styles and the performance gap as the key concepts that were researched. This could potentially contribute to narrowing the gap between strategy formulation and strategy implementation, and thus the strategy-to-performance gap.*

By contributing to an understanding of the role of leadership styles in the strategy-formulation-implementation-performance gap, the study could be valuable to leadership as a management tool to enhance performance. The findings could serve to offer a better understanding of the implementation gap, which would increase the chances of organisations to reach their objectives and ultimately business performance.

In undertaking this study, it was assumed that all organisations forming part of the research project would continue to compete in the same markets, and under similar economic constraints and conditions. It was also assumed that leaders would continue to comply with the same legislation and that market conditions would stay free and fair, so that these factors should not have any influence on the reliability and validity of this research and would not be referred to specifically in this dissertation unless it contributed to the research objectives.

#### **1.4 LITERATURE REVIEW: AN OVERVIEW AND INTRODUCTION OF THREE KEY CONCEPTS: STRATEGIC MANAGEMENT, LEADERSHIP STYLE AND PERFORMANCE**

This study investigated three key and central concepts of management in order to better understand their interrelatedness. Ample literature is available on the three concepts, strategy, leadership and performance. In this study the focus was on three components of these concepts namely *strategic management*, *leadership style* and *performance*.

The chief aim of strategic management is to ensure that organisations perform successfully by creating and shaping their strategies (Carpenter & Sanders, 2009; David, 2009; Ehlers & Lazenby, 2008; Hough, Thompson, Strickland & Gamble, 2008; Hult et al., 2005; Martin, 2017; Mintzberg, 1994; Pearce & Robinson, 2011).

Strategy, according to Nag, Hambrick and Chen (2007:944), aims at utilising organisational resources with maximum financial gain as its end goal. Intended strategy and realised strategy do not necessarily coincide, giving rise to a gap in execution also known as the performance gap (Mankins & Steele, 2005; Mintzberg, 1994; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015). Strategic planning is not enough without successful execution of strategy (Olivier & Schwella, 2018; Pretorius, 2016; Van der Merwe & Nienaber, 2015).

Although researchers have offered many possible explanations for this difference between planned and realised strategy and performance, a clear and conclusive explanation eludes them. Previous research on the strategy-to-performance gap rather emphasised the complexity of the problem, which might explain the diverse and varied opinions that still exist (Crittenden & Crittenden, 2008; Jooste & Fourie, 2009; Mankins & Steele, 2005; Short, Ketchen, Palmer & Hult, 2007; Van der Merwe & Nienaber, 2015). In the literature on strategy implementation very little is said conclusively about the factors responsible for the strategy-to-performance phenomenon, and Tait and Nienaber (2010:271-273) have questioned whether any effects were put in the context of leadership at all (Collins, 2001; Jooste & Fourie, 2009; Kaplan & Norton, 2004; Kirkpatrick & Locke, 1991; Useem, 1998). Even though the literature acknowledges

strategy and performance as the functions of leadership, little or no reference is made to leadership style (Olivier & Schwella, 2018; Martin, 2017).

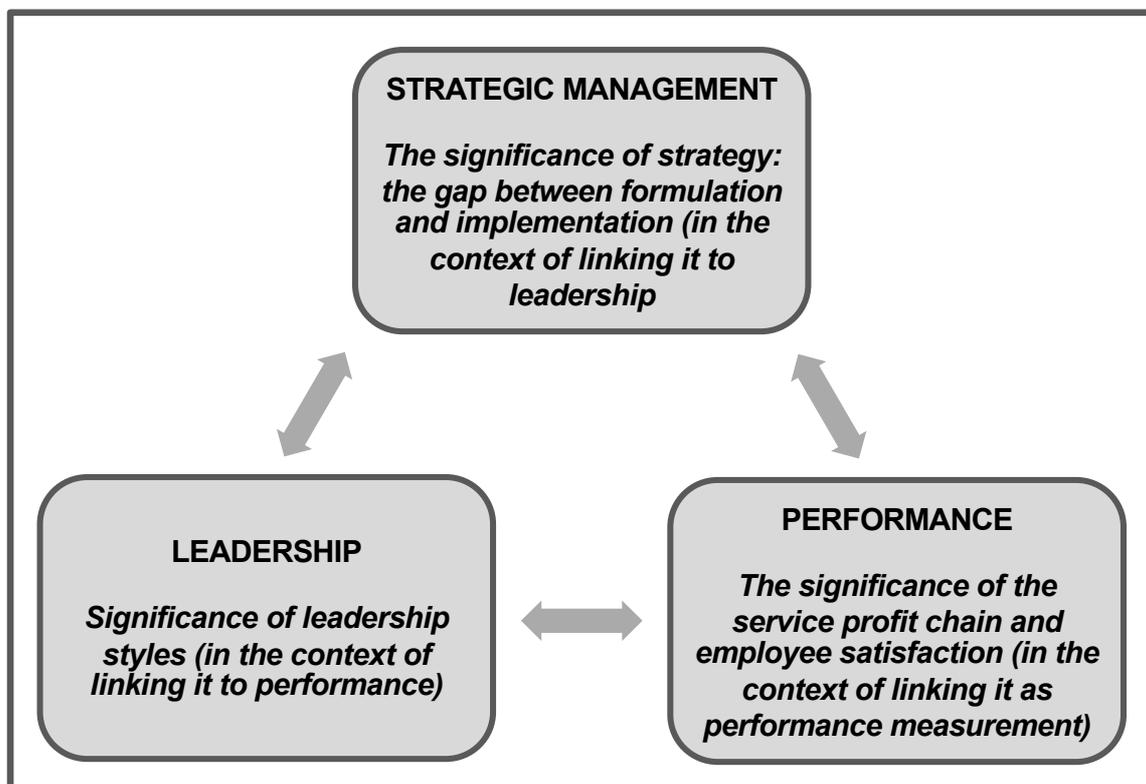
There appears to be scant information available in the literature to conclude (or exclude) that leadership styles could in fact have an influence on the performance gap, or to affirm its role in narrowing down the strategy-to-performance gap. Given the fact that leadership is ultimately responsible for performance (Fiedler, 1996) and leadership is critical to strategic management and execution (Martin, 2017), it is plausible that such a link does indeed exist and deserves a closer look and better understanding.

This study explored the application of different leadership styles, and more particularly, leadership styles as originally identified by Lewin; e.g. democratic, laissez-faire and autocratic leadership (Blake & Mouton, 1978; Lewin et al., 1939; Raus, Haita & Lazar, 2012) in the context of the South African wine industry. Various recent studies have suggested that a better understanding of leadership style in context to performance is needed (Overstreet et al., 2014; Chen et al., 2016).

Leadership exercised by the person in charge of an organisation, including his/her behaviour, actions and styles, is considered as ultimately responsible for the performance of the organisation, e.g. the survival and growth of the organisation (Jooste & Fourie, 2009). The performance of the organisation, defined as financial growth and sustainability, among other factors, is ensured through strategic management, a process of steps and activities (Tait, 2006:11) culminating the implementation of appropriate strategies to achieve the organisation's objectives. These performance measures involve different factors in the service value chain that will be discussed in more detail later in this study, but ultimately include ensuring the survival and growth of the particular organisations in the long term, which in turn entails financial gain and sustainability.

From this point on in the literature review the focus will be mainly on the three key concepts, strategy, leadership and performance. These concepts are also discussed as discussed in literature: strategic management, leadership and performance, and the significant factors underpinning them.

Figure 1.2 below illustrates the interconnectedness of the three concepts and links in literature. A discussion on the relevance of this figure to the research problem follows.



**Figure 1.2:** Illustrates the interrelatedness of the three key concepts in this study

Source: Author's own compilation

The three key concepts are discussed in more detail and in context to what is considered key constructs in this study below.

- **Strategic management**

The significance of strategy: The gap between formulation and implementation (in the context of linking it to leadership).

- **Leadership**

Significance of leadership styles (in the context of linking it to performance).

- **Performance**

The significance of the service profit chain and employee satisfaction (in the context of linking it as performance measurement).

## 1.5 STRATEGIC MANAGEMENT

As previously stated in this chapter, the strategic management process consists of three interrelated phases: planning, implementation and control (Pearce & Robinson, 2011:3-5). Strategic management is widely regarded as the key to achieving organisational objectives. As early as 1955 Drucker put forth this argument by explicitly acknowledging that an organisation without a strategy is like a ship without a rudder. Drucker proposed that without having proper strategies and strategic management in place, organisations simply get lost on the way to achieving their organisational goals. Strategic management refers to the specific decisions, tasks and actions taken when aiming to achieve goals (Jooste & Fourie, 2009), also referred to as 'the strategy'.

The word 'strategy' is derived from the Greek word *strategos*, which literally means 'the art of generals' (Rossouw, 2006). Roman historians introduced the term 'strategia' to refer to the territories that were under control of a 'strategus', referring to a military commander in ancient Athens (Horwath, 2006). Since its origin the word clearly implied and made reference to the plans set out in order to achieve goals, and also referred to the action of leaders taking charge.

Over decades the notion of strategy formulation as a function of strategic management has evoked many debates. From as early as 1965 (Ansoff) contributed to the debate on strategy by emphasising the distinguishing factors and different strategies, among other things. Mintzberg (1994) distinguished between intended and emergent strategy. In this study, and for the purpose of answering the research question, attention was given only to what intended and emergent strategies are, without going into detail. According to these complex issues raised by Mintzberg (1994), the intended strategy focuses more strongly on a formal strategic process after internal and external factors have been analysed. In terms of emergent strategies, however, the processes are not yet developed, but they occur in organisations as a reaction to circumstances (Hill, Jones & Galvin, 2004; Prevos, 2005). It must be noted that although the process is formal, emergent strategies can be developed at any stage. Strategic management is a dynamic process, but research shows it remains a function to be executed by leadership (Ehlers & Lazenby, 2008; Olivier & Schwella, 2018). The aforementioned facts underscore the complexity involved in trying to understand the broader concept of strategy and affirm that it needs to be looked at in context of all constructs in order

to offer a better understanding. Both intended and emergent strategies as earlier mentioned are ultimately seen as leadership functions and responsibilities.

Strategic management is defined in the literature in different ways by various authors in many different scenarios. In view of the multitude of definitions, Nag et al. (2007:944-947) conducted their own investigation of the concept. Their study of strategic management resulted in the following definition, which encapsulates the leaders' responsibility to shareholders with regard to ensuring financial gain: "*The field of strategic management deals with the major intended and emergent initiatives taken by CEOs on behalf of shareholders, involving utilisation of resources to enhance the performance of firms in their external environment.*" This definition firmly links strategic management to organisational performance. It also integrates strategic management with strategy execution and indicates that it comprises decisions and actions taken by leadership with a view to making a profit, which is reflected by and measured as 'performance' in financial statements. Strategic management involves the planning and execution processes (Martin, 2017), both of which are needed for organisations to be successful.

It is important to note that throughout the literature leadership is seen as an integral link in all three phases of strategic management, and that the success of strategy is largely dependent on management capabilities (Pearce & Robinson, 2011; Rossouw, 2006). Leadership needs the skills required to achieve strategy objectives (Nag et al., 2007:944). This supports the link and relevance of leadership in the entire strategic management process.

Research also points toward a relationship between strategy formulation and company performance (Prevos, 2005). According to Jooste and Fourie (2009), the formulation of strategy has appeared to be widely regarded as the most important component of the strategic management process. Researchers also found that although strategy implementation is perceived to play such an important role in strategy execution, there is still a considerable amount of doubt concerning the implementation of formulated strategies. Johnson, Whittington and Scholes (2011:15) argue that strategy is of little value unless it can be turned into action. This view confirmed the statement by Ehlers and Lazenby (2008:1) that once strategies have been formulated, they need to be implemented successfully to be of any value to an organisation at all. Olivier and

Schwella (2018) contends in his study that strategic planning is not enough if it cannot be implemented. This implies that an increased focus needs to be placed on implementation, the responsibility of which is entrusted to leadership and management. Strategy 'implementation' is often referred to as strategy 'execution' or and these terms are used interchangeably throughout the literature.

More than two decades ago, Mintzberg (1994) observed that there is a gap between planned results and actual achievement, referring to the particular formulated strategy versus the realised strategy. They questioned the leaders' focus, one aspect that they identified as a stumbling block in breaching the gap. Mankins and Steele (2005) calculated the incidence of this gap at around 30%, which means that performance in terms of profit could have been 30% more than what was actually achieved. Crittenden and Crittenden (2008) also looked at leadership and made mention of its possible connection to the implementation of strategy. Recent studies have calculated the gap to be between 60% and 70% (Martin, 2017).

The debate around the implementation of strategies is equally complex. Conclusions are not only diverse, but have often been inconclusive (Falshaw et al., 2006; Tait & Nienaber, 2010:289). Hence an acceptable explanation and solution regarding the specific causes and reasons for the implementation gap have not been found. Falshaw et al. (2006) strongly emphasised that strategic planning is futile in an organisation where there is no proper implementation of strategy. Tait and Nienaber (2010:271-272) also focused on this aspect as they aimed to explain the phenomenon of strategy implementation. Agreeing on the lack of clarity on this issue, the researchers in both these studies concluded that there is a gap between strategic planning and strategy implementation. They also confirmed the need for further studies to obtain knowledge about the existing gap between strategy and performance.

### **1.5.1 The significance of strategy: The gap between formulation and implementation (in the context of linking it with leadership)**

Various recent studies have pointed out that a clear gap exists between strategic planning and strategy implementation (Falshaw et al., 2006; Fayol, 1949; Mankins & Steele, 2005; Mintzberg, 1994; Overstreet et al., 2014; Tait & Nienaber, 2010). These researchers also indicated that more studies are deemed necessary to provide

conclusive answers on the difference between planned and realised strategies. Some of these studies (Mankins & Steele, 2005; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015) suggested that factors such as leadership and leadership styles need to be explored more extensively to shed light on specific problems and challenges.

Studies on the strategy versus implementation gap (Crittenden & Crittenden, 2008; Thompson et al., 2007; Jooste & Fourie, 2009) make clear mention of senior management (strategic level) and management skills as having a critical influence on the execution of any given strategy. As a result, leadership can be regarded not merely as a link, as pointed out by Jooste and Fourie (2009:62), but also as the most important driver of strategy implementation. Olivier and Schwella (2018) identified leadership as a critical factor in the strategy execution issue and vital to ensure strategic objectives are achieved (Ehlers & Lazenby, 2008).

## **1.6 LEADERSHIP**

### **1.6.1 The significance of leadership (in the context of linking it to performance)**

Leadership has existed since the first human interaction (Humphrey, 2005; Nienaber, 2010). Although leadership has been researched extensively, various authors agree that a large amount of information needs sharpening in order to improve the understanding of its complexity. Leadership as a phenomenon crosses various fields and is viewed differently in different circumstances and scenarios (Bass, 1985; Kaiser et al., 2008). This highlights the complexity of leadership and the fact that there are still areas that are not completely understood. Leadership remains an ever-evolving field of research.

Leadership has captivated business audiences for decades because of its relevance and role in all areas of business studies (Raelin, 2003:290). Wren (2005) in his study points out that despite all the available literature not many of the findings are conclusive in terms of what is most effective in terms of leadership. Leadership has lately become the object of close scrutiny, and various researchers agree on the need for more accurate research on this topic (Kaiser et al., 2008). In their definitions of leadership, Hackman and Wageman (2005) and Morganson (2005) used the 'functions' that a

leader is responsible for as guidance: for example, identifying certain leadership characteristics and linking them to organisational performance. Tait and Nienaber (2010) also emphasised the importance of leadership and management in the context of the successful execution of any strategy, linking these aspects to the possible gap between strategic planning and strategy implementation. Nienaber (2010:661) recorded that one of leaders' key tasks is to assume responsibility for the survival and growth of organisations.

In referring to organisational performance, Kaiser et al. (2008) mention that changes in leadership lead to significant changes in organisational performance. Various empirical studies have calculated the effect of leaders influence on performance to be as high as 20-45%. Economists such as Bloom and Van Reenen (2006) also support the notion that leaders have a strong effect on organisational performance. Intensive studies on over 700 firms in the UK and the USA also supported this notion by indicating that as much as half of the variance in company performance can be linked directly to the effectiveness of senior management.

Leadership has a major impact on performance (Nazarian, Soares & Lottermoser, 2017; Overstreet et al., 2014) and it is widely argued that effective leadership has a positive influence on the performance of organisations (Bass & Avolio, 1997; Charlton, 2000; Maritz, 1995). It is argued that leadership is directly related to the future success of an organisation (Hitt et al., 2007). More recently the study by Kaiser et al. (2008) elaborated on the different theories of leadership by underlining the importance of leadership to create a climate where organisations have an optimum chance of reaching their goals and achieving superior organisational success. Johns (2006:386) described this principle as providing 'a situation that influences the behaviour of an organisation's performance', referring to the conditions under which performance is likely to take place. Nazarian et al. (2017) emphasise that leadership does not only influence people (employees) but organisational performance in general.

### **1.6.2 The significance of leadership styles (in the context of linking it to performance)**

The focus in this study was on the issue of leadership styles, which according to Hackman (2002) explained a significant part of how leaders act in creating certain

conditions in an organisation, all of which could be conducive to superior performance. The *Dictionary of Business and Management* (Law, 2009) defined leadership style as “the traits, behavioural tendencies, and characteristic methods of a person in a leadership position”. In referring to leadership styles in organisational management, climate and work environment, Lewin (1939) identified three main leadership styles that are still being used today, making them relevant to modern studies in this particular field. There is still a need for a better understanding of the Lewinian leadership styles (Khouly et al., 2017).

Leadership style, according to the literature, directly refers to and links with the context of the atmosphere for performance that leaders create within organisations (Schneider, White & Paul, 1998:151). There is still no dominant paradigm when defining leadership styles (Hackman & Wageman, 2007; Khouly et al., 2017). Despite the many theories on leadership styles, there still is no consistent definition that is accepted as a guarantee for organisations to ensure performance under all conditions (Yukl, 2006). It is still being suggested that further studies applicable to specific circumstances be conducted (Khouly et al., 2017; Overstreet et al., 2014).

New leadership styles are constantly emerging and developing. Recent studies on leadership styles take into consideration a variety of factors in leadership, for example gender, age, and demographics, to name but a few. These studies suggest that leadership needs a better understanding (Nienaber, 2010:17). They also suggest that many factors still need to be researched in order to understand the complexity of the various documented leadership styles and that a universal set of standards on leadership styles does not yet exist (Moore & Rudd, 2006; Khouly et al., 2017).

An acknowledged problem that has become apparent among the current generation of students is that they tend to pay less attention to the actual writings of earlier scholars (McMahon & Carr, 1999; Nienaber, 2010). From the literature on leadership styles it appears that more often than not, the earlier styles of leadership are simply not considered, while no conclusive evidence is provided as to why this tendency to avoid consulting earlier work has set in. In current leadership style studies, the focus is mainly on contemporary styles, for example transformational and transactional leadership, without taking into account the initial classifications of leadership styles in their most simplistic form and ignoring the original definitions of leadership styles that

refer to direct actions such as 'command and authority'. For the purpose of this study the earlier classifications of leadership style as per Lewin (1939) were considered best suited, as in other modern literature (Khouly et al., 2017).

Psychologists know that certain leadership styles are closely associated with certain effects on people and outcomes. They also accept that up to the present day, no single style has proved to be effective in all circumstances (Kaiser et al., 2008). More research on leadership styles in relation to effective performance and strategic management could bring a better understanding of its real-world relevance and its role in ensuring performance (Chen et al., 2016).

### **1.6.3 Leadership styles as per Lewin**

Three of the original most popular and simplistic classifications of leadership styles are termed autocratic, democratic and laissez-faire, terms developed by Kurt Lewin in 1939.<sup>1</sup> Further research was conducted by Lewin, Ronald Lippitt and Ralph White (1939). Although recent studies focus predominantly on alternative and modern leadership styles such as transformational, transactional, and task-oriented leadership, even studies as recent as the ones by Raus et al. (2012) and Khouly et al. (2017) still refer to the value of these three original leadership styles as classified by Lewin in 1939. Their relevance is further motivated as the abovementioned researchers link them to the terms *authority* and the ability to *deal with people*, a function of leaders. This fundamentally reflects on the direct influence of leaders on subordinates, and ultimately on how they manage to influence people to achieve organisational performance through their authority. The studies by Kaiser et al. (2008) also give prominence to a leader's influence on subordinates and groups, and to the importance of being effective in their performance as leaders.

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<sup>1</sup> Lewin: In 1939 a group of researchers under Kurt Lewin (Lewin, Lippitt & White) conducted research on three leadership styles identified as autocratic, democratic and laissez-faire. Prior to that there are reference to these being identified by 'Lewin', and in certain research studies these styles are often referred to as leadership style as identified by 'Kurt Lewin'. These leadership styles served as springboard to further leadership style research and is still used in literature on the topic (Bhatti, Maitlo, Shaikh, Hashmi & Shaikh, 2012; Raus & Haita, 2011). In this study reference is made to the three leadership styles and it is named as the 'Lewin' leadership styles. When the research on the study conducted by Lewin and his group is referred to, it is in reference to the study by Lewin and his team: Lewin, K., Lippitt, R. and White, R.K. The Lewin styles are used in different ways per isolation, expanded on or as per original classification throughout literature, as explained in the literature review in this study.

In contemporary studies on leadership the influence of leaders on their followers emerged as a fundamental factor (Northouse, 2007), which supports the attributes as well as the relevance of Lewin's leadership styles. The performance can be measured in various ways, focusing on factors such as financial performance, human resource management, productivity, and an individual's job satisfaction. Another important point made by Raus et al. (2012:239) is that authorities or leaders automatically focus on the *command* exercised by leaders. Command in this case is viewed as one of the original responsibilities attributed to leaders, rather than management tasks such as planning, implementing and control. Command can be further refined as accepting that a leader's authority implies that he/she can be trusted to give direction to subordinates with a view to achieving particular goals. All the divergent leadership styles, together with their main characteristics, can be categorised to fit one of the three original general styles. Leadership styles are seen as key in achieving objectives and the three Lewin styles are considered useful to discuss in relevance to performance. Leadership styles include the goal of assuming responsibility for the survival and growth of organisations (Nienaber, 2010).

It is clear that leadership styles are strongly connected to strategy and performance. In the course of this research the relevance of the chosen leadership styles became even more apparent as the researcher attempted to clarify the key concepts. In this study the focus was on these three proposed leadership styles, pointing out that they are in agreement with the original definitions by Lewin (1939).

#### **1.6.4 Autocratic leadership**

Leaders make decisions independently. It is viewed to be best applied in situations where time is a factor and the leader is the most knowledgeable member of the group. Leaders provide clear information on what needs to be done, and when and how it should be executed. In conditions where clear expectations are needed, and where a divide between leadership and subordinates is deemed necessary, this leadership style proves to be effective.

#### **1.6.5 Democratic leadership**

Leaders offer guidance but also encourage group participation. This style is most effective in motivating group members to be part of decisions and encouraging their

input. When productivity is not imperative, but quality contributions by team members are important, this leadership style is very effective and perceived to be motivational to group members.

#### **1.6.6 Delegation or laissez-faire leadership**

Leaders offer very little guidance and leave decision making to the group. This style puts a great deal of pressure on leadership and is not very effective in motivating group members. However, it is most effective where the group consists of highly qualified group members and productivity is not an issue at all. As it may lead to poorly defined roles, it is rarely used in practice.

As interviews were the chosen method of data collection used in this research an interview guide with questions on these leadership styles formed part of the research design and methodology. This is further explained in Chapters 4 and 5.

In the context of this study the goal was to understand whether the leadership style under research had an influence on the performance (expressed in terms of employee satisfaction which ultimately influences performance and financial survival) of the organisations in question.

This study focused on understanding the leader and his/her influence or role in employee satisfaction and organisational performance. According to Bossidy, Charan and Burck (2002) in their book on strategy execution, the responsibility of the leader is to integrate strategy, people and execution to ensure organisational performance, which in turn ensures success and sustainability. Ngodo (2008:82) describes leadership as a process of influence to achieve organisational goals.

Because of its interrelations in strategy and performance, leadership style could be viewed as the independent variable in this study which was undertaken in a strategy implementation environment of organisations. Both performance and strategy implementation are the responsibility of leadership, and clearly the three key concepts are linked. In practice, and more specifically outside the academic world, people are still very much questioning certain assumptions and statements about leadership, and there is a need to better understand the facts surrounding it to communicate more

clearly the role it plays in the fate of organisations (Kaiser et al., 2008). The role of leadership style in strategy execution still needs further clarification (Martin, 2017).

### **1.6.7 Leadership and connecting it to performance**

Leadership is often associated with and plays a role in organisational culture and structure (Pearce & Robinson, 2011). Organisational culture refers to certain significant people-oriented features within organisations, for example structure, systems and behavioural patterns and processes (Stare, 2011). It is widely recognised that leadership is cardinal in organisational culture and its impact on performance (Anderson, Fornell & Lehmann, 1994; Brown, 2008). Organisational culture is considered to be one of the main driving forces in organisations (Stare, 2011). The fact that leadership plays such a crucial role in organisational culture underpins the connection between leadership and its focus on 'guiding' people in order to influence them and affect their performance. For this specific study organisational culture was not studied in detail, although it is important to point out that organisational culture studies (Ogbonna & Harris, 2000) found a significant indirect influence of leadership styles on organisational performance.

Literature on leadership makes it clear that effective organisations require effective leadership that can make a difference as to whether organisations ultimately succeed or fail (Bass & Bass, 2008; Nazarian et al., 2017). Financially sustainable organisations with a climate of maximising the chances of superior performance consequently reflect their standard of leadership. One of the ways in which this can be accomplished is by also taking into consideration all the measurements required for ensuring organisational performance, e.g. considering internal factors such as leadership style and cognitive ability, and external factors such as an organisational climate that shapes individual and group performances (Kaiser et al., 2008).

The fact that very little research is available on the characteristics of the leadership styles of the leaders taking charge of organisations with superior performance (Kaiser et al., 2008) indicates that more information is needed to offer a better understanding in the context of performance (Chen et al., 2016). Recent studies have raised additional questions (Ogbonna & Harris, 2000; Nazarian et al., 2017) and this should

contribute to the pursuit of a better understanding of effective leadership styles as applied within a particular context to impact on organisational performance.

### **1.6.8 Performance introduction**

Performance is ultimately about achieving organisational goals (Bourne, Kennerley & Franco-Santos, 2005; George & Jones, 2008), although there are many varied definitions of the term. Nag et al. (2007:944) expressed performance in terms of financial gain – also referred to as profit. Profit, financial performance and shareholder value are currently still the key components for measuring organisational success in certain studies. However, a variety of other outcomes that are very relevant in modern studies have been identified, e.g. the study on sustainable performance by Fontannaz and Oosthuizen (2007). Performance in any organisation comprises a diversity of organisational outcomes that are directly linked to financial performance. There is a need for further research on the link between organisational performance and other performance indicators (Overstreet et al., 2014). Nonetheless, various studies link the different factors intertwined with performance. This includes factors such as productivity, customers and customer satisfaction, human resources and management thereof, innovation and employee measurement scales (Kaiser et al., 2008). Employee satisfaction and the relevance of employee performance have received more attention from authors such as Gottfredson and Aguinis (2016).

Performance as a concept, apart from the other two key concepts, is another extremely complex and thoroughly researched topic (Corvellec, 1995; Lebars & Euske 2006; Sowa, Seldon & Sandfort, 2004) continuously leading to various schools of thought (Spreitzer & Quin, 2001; Wu & Chuang, 2010). In the business world performance is often identified with organisational effectiveness (linked to goals) and efficiency (linked to productivity) (Neely, Gregory & Platts, 1995). The link between leadership effectiveness, organisational effectiveness and its relation in the context of performance has been researched in various studies, giving rise to varied opinions (Hrebiniak, 2013; Fontannaz & Oosthuizen, 2007; Chen et al., 2016).

George and Jones (2008) identified organisational effectiveness and efficiency as essential elements to ensure that organisations achieve their goals with the maximum chances of success, using resources effectively and ensuring that they stay

competitive. This is crucial in a world where competitive advantage is the goal of strategic thinking (Walker, 2004) and the hallmark of sound strategy to ensure performance (Nienaber, 2017). Kaiser et al. (2008) reached conclusions in support of the complexity in conceptualising and measuring organisational performance. They also admitted that objective measures are difficult to obtain and ever evolving. These are some of the reasons why so little information on leadership and its attributes is conclusive, making it difficult to guarantee organisational effectiveness in a particular context.

For the purpose of this study the organisation's 'performance' was viewed in terms of specific criteria that have become widely accepted as a key pillar in the literature on performance, namely employee performance. In applying the said criteria, leaders were also measured for the extent to which their organisations manage to achieve their strategic goals around employee perception. The main criterion that was used is employee satisfaction, an indicator towards employee performance that will be discussed in more detail in the literature chapter. Employees and leadership have been linked in various studies as being tangled concepts. Most of the financial and growth statistics in the wine industry are readily available via public media reports but will only be mentioned and highlighted where deemed significant to the research objectives of this study.

All of these measurements are also described as part of the service profit chain, and serve to establish relationships between profitability, customer satisfaction and employee satisfaction (Heskett, Sasser & Schelsinger, 1997).

This study focused on one factor specifically for its established link in literature with leadership style: employee satisfaction. In the next section a short discussion follows on its context within the service profit chain.

## **1.7 PERFORMANCE**

### **1.7.1 The significance of the service profit chain and employee satisfaction (in the context of linking it as performance measurement)**

The three companies participating in the study have been consistently performing well in the wine industry over the last 10 years. The industry formed part of the bigger South

African economy – as discussed in Chapter 2. The companies' performance was measured in terms of specific measurement areas, as will be explained in detail later. Reliable measuring instruments exist for all the performance indicators in the service profit chain. It is worth mentioning all three of these relevant indicators, although for the purpose of this study it will be centred on one factor, namely employee satisfaction.

#### **1.7.1.1 Shareholder satisfaction**

Shareholder satisfaction refers to the financial results, growth in business, and the satisfaction of investors and financial shareholders. These are vital measures for the survival of any organisation. Especially in the industrial economy, performance has been defined in terms of income, annual growth and returns on investment (Kirby, 2005; Zook & Rogers, 2001). Financial performance is often easy to measure, and various empirical studies have linked leadership directly to financial performance (Kaiser et al., 2008; Ling & Hong, 2010).

It is widely accepted that the financial perspective is no longer accepted as the only key factor impacting on performance in the modern networked economy (Kolk, Van der Veen, Pinkse & Fortanier, 2005). As organisational performance is presently seen as multi-faceted, performance needs to be measured across different dimensions (Abasilim, 2014; Fontannaz & Oosthuizen, 2007; Neely, 2007). Other factors that enjoy prominence in these specific studies are those with a strong focus on people within the organisation (employees) and the perceived reaching of goals through the eyes of the actual focus market (customers), in which event performance is also linked to profit.

#### **1.7.1.2 Employee satisfaction**

Employee satisfaction was measured in this study as part of the performance measurement indicator. Recent studies strongly emphasise that individual performance is essential for organisational performance (Spreitzer & Quin, 2001; Drucker, 1955; Kirby, 2005). The fact that employees (and individual performance) play an important role in gaining a competitive advantage for the organisation is well documented in the literature (Brewster, Carey, Dowling, Grobler, Holland & Warnich, 2003).

Employee satisfaction also drives employee loyalty, and so do employee enthusiasm, engagement and productivity. According to Heskett et al. (1997) satisfied employees frequently become considerate employees who often have a much longer tenure with organisations. Moreover, they enjoy the advantage of having gained substantial knowledge and experience of the customers, processes and company culture. The negative side is the real cost involved with regard to employee turnover. If retention is not managed efficiently, it results in the loss of productivity, which often leads to decreased customer satisfaction. In the literature leadership is strongly linked to all of the abovementioned measures and underscores the importance of measuring both leadership and organisational performance.

The degree to which a leader succeeds in ensuring employee satisfaction will play an important role in the broader measurement of the organisation's performance (Heskett et al., 1997). Leaders do not achieve results from their own doing, but they influence subordinates and employees' ability to contribute to organisational goals. For this reason, it is essential that these factors be measured within the context of creating an environment to ensure organisational performance (Kaiser et al., 2008).

In literature on leadership style, organisational culture and performance it has been suggested that further studies be undertaken to help clarify the confusion that still exists (Ogbonna & Harris, 2000). To support this view, it must be noted that as mentioned in the literature on strategic management, organisational culture rooted in the company mission forms part of a strategic plan (Pearce & Robinson, 2011). Leadership needs to make sure that employees understand this mission. This is partly to creating the right culture and providing a climate that stimulates superior organisational performance (Kaiser et al., 2008). Employees' ability to achieve their strategic goals in the workplace flourishes in the right organisational culture, which is considered to be one of the main driving forces of any business (Stare, 2011).

Recent studies have pointed out that motivational mechanisms are insensitive to specific leadership styles that are being applied. Some authors even challenge previous studies on motivational factors, stating that it could be those factors that played the biggest role where organisational goals were *not* achieved (Raus et al., 2012:249).

### **1.7.1.3 Customer satisfaction**

Customer satisfaction is another central component of the service value chain worth mentioning, and also serves to establish the perceived reaching of organisational goals. Top-level executives presently regard customer satisfaction as one of the key factors to ensure long-term strategic success and drive profitability (Heskett et al., 1997).

According to Kaplan and Norton (2005), customers form an integral part of their balanced scorecard method which is used to drive organisational strategy. Various other studies have proved that customer satisfaction leads to positive influences in an organisation, referring to factors such as loyalty, reduced price elasticity, positive word of mouth reports, and many others.

Numerous empirical studies confirm that there is a positive relationship between customer satisfaction and profitability (Anderson et al., 1994; Eklof, Hackl & Westlund, 1999). Some of these studies even suggest that a 5% improvement in customer loyalty and satisfaction results in as much as a 25-85% improvement in profit, depending on the industry.

The importance of customer satisfaction in measuring an organisation's performance is considered applicable to establish and eventually measure a climate that is conducive to superior organisational performance. Ensuring customer value is one of the key dynamics that strategic leaders need to consider when executing their strategies (Drucker, 1955; Nienaber, 2010). Consequently, leadership should focus on customer satisfaction as part of their success measurement system. Striving for optimal customer satisfaction is imperative for long-term organisational success (Pearce & Robinson, 2011). For the purpose of this study this aspect was not measured but could be fruitful in later studies on this phenomenon.

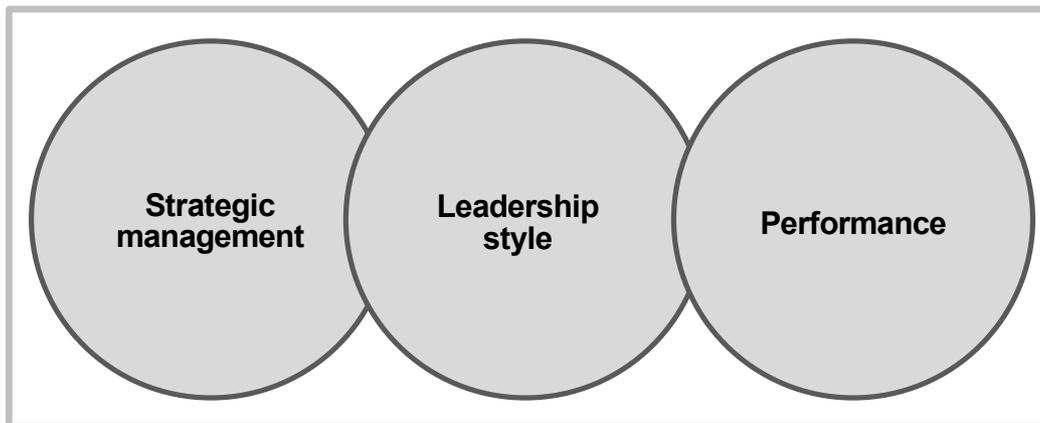
## **1.8 CONCLUSIONS RELATED TO THE LITERATURE REVIEW**

### **INTRODUCTION**

The research question is ultimately encapsulated in the question whether leadership style as an internal factor influences the implementation of strategies and/or the lack of successful execution of strategy in any way. The findings could be instrumental to

generate a better understanding of the possible influence leadership on organisational performance. The available literature suggests that this is a very complex field of study, yet also confirms that there are definite links between the three key concepts.

In an attempt to proceed to conduct this proposed research, it is important to explore and better understand the three central themes reflected in Figure 1.3 below:



**Figure 1.3: Summarizes the three key concepts forming part of this study**

*Source: Author's own compilation*

From the mentioned literature it became clear that certain relevant phenomena have not been covered extensively in academic literature. It therefore follows that more research could provide valuable information for developing a better understanding of these particular phenomena and their respective roles in this field of study. As the strategy-formulation-implementation-performance gap has not yet been completely understood and is still influencing organisations globally, more comprehensive information is needed for managing it appropriately. In the field of leadership styles, the researchers are confronted with many contradicting studies and obvious gaps in the research. New studies on these factors are published almost every year.

This study may contribute to the ongoing debate by elaborating on the understanding and significance of leadership styles in the context of organisational performance and the strategy-to-performance gap. It could also offer leaders valuable information on factors influencing the gap, the application of which would enhance the chances of attaining superior organisational performance. Moreover, the study could suggest further areas of study that might be of value for achieving strategic goals and maximising organisational performance.

From the literature it is also clear that this study, in exploring important themes and adding to the limited number of conclusive findings, may contribute insights that can be applied effectively in the current situation. Various leading researchers such as Kaiser et al. (2008) have suggested that further studies are needed in order to improve the understanding of leadership. Olivier and Schwella (2018) also stated that anything that could provide understanding of strategy execution is very valuable. It is important that new findings be applied in context to ensure the best organisational performance. An improved understanding of leadership, strategy implementation and performance could also pave the way for further studies which could provide strategic leaders with significant information to enhance their organisation's performance.

## **1.9 RESEARCH DESIGN AND METHODOLOGY PROPOSED**

The next section is briefly discussing the research design and methodology for this study.

### **1.9.1 Research design**

The research question and objectives, as discussed earlier in this chapter indicate that this is a qualitative study and the purpose of this study is exploratory in nature. Exploratory studies aim to increase the understanding of certain phenomena, which in this specific instance calls for a case study that was most relevant to adhere to the research objectives of this specific study. Exploratory studies are viewed as qualitative research and being regarded as the least prescriptive style of research, this approach is well suited to the nature and objectives of this study, namely to offer better in-depth understanding (Denzin & Lincoln, 2017; Leedy & Ormrod, 2005). Case studies have proved to be most useful in attempting to understand complex data that needs a better understanding (Siggelkow, 2007).

At this point the research design will be presented in fairly broad terms. It will be covered extensively in Chapters 4 and 5. In qualitative studies, design elements are often worked out and adjustments are made during the course of the study. This was also anticipated and played out in this study as the research progressed and a better understanding of the research problem unfolded (Leedy & Ormrod, 2005; Charmaz, 2006).

No ideal sample size is conclusively accepted for qualitative studies, but various general guidelines are available for case studies. Creswell (2013) proposes that three to five cases are ideal, while Eisenhardt (1998) favours four to ten cases. Stake (2005) mentioned that depending on the depth of information the ideal number of cases remains uncertain. Thus, the three organisations and sample size chosen for this study complies with the norm for case studies as discussed in Chapter 4.

Three organisations were chosen to form part of this study and their leadership figures were selected as the three respondents. Employees formed part of the employee satisfaction section and required to find answers to the research questions. It was planned that interviews would be conducted until saturation was achieved. The research design and methodology of covering these three cases correlates with the norms of qualitative case study research, as explained later in Chapters 4 and 5. The approach that was followed in seeking to achieve the main objective of the research, which was exploratory in nature, is discussed below.

## **1.10 DATA COLLECTION TECHNIQUES**

### **1.10.1 Data on leadership styles**

The main aim of this study was to offer an understanding on certain phenomena. Interviews and observation were important for collecting relevant and sufficient data. Interview guides were developed in line with the research objectives of this study and were used as a tool in order to distinguish between the three different leadership styles as identified by Lewin (1939). Based on Lewin's leadership research, it is possible to identify and classify through questions and actions whether leaders predominantly act as autocratic, democratic or delegative (*laissez-faire*) leaders.

In order to overcome some the limitations of other studies on strategy and leadership, interviews were deemed best suited and played an important role in this study to ensure in-depth understanding on the key concepts. Interviews are often regarded as the most appropriate way of collecting data for qualitative studies and they show how things happen in practice (McNamara, 1999). This approach provides scope for procuring more detailed information that could shed new light on some of inconclusive literature and potentially offer a better understanding of the phenomena in question.

Qualitative interviews were conducted as described by Leedy and Ormrod (2005), and interview guidelines such as offered by Mouton (2010) and Creswell (2013) were consulted in order to consider all the relevant factors and best understand the cases in their natural context and setting. Interview guides were prepared beforehand so that the proposed participants in the study were all handled appropriately to ensure ethical considerations were followed, reliability assured, and all steps taken to prevent any biased approaches. All ethical procedures that were followed are discussed in detail in Chapter 4.

All interviews were expected to take place in their natural setting, with the aim of accommodating leaders and employees taking part in this study. For the purposes of this study, and to remain true to the objective of understanding leadership styles, employee satisfaction interviews were conducted with the permission of the specific participating organisations and employees. In order to link employee satisfaction to leadership styles in the context of the research question, new employee satisfaction interviews were designed and conducted, and relevant information was collected.

### **1.10.2 Sampling**

Sampling explains the section or units chosen to form part of this study. The organisations and leaders that participated in this study were selected because of their continued dominance and position in the wine industry, assuming that they were most valuable to the research objectives. Therefore, purposive sampling was considered most suitable for this study, which is in alignment with in-depth qualitative studies as discussed by various authors (Creswell, 2013; Leedy & Ormrod 2005).

Interviews with employees were conducted in agreement with purposive sampling to ensure validity and, for example, to make sure that they are on the same level in organisations to minimise external factors that could influence the interview. Snowball sampling was subsequently applied to support anonymity and create ethical conditions, as well as to avoid interfering factors that could influence the findings. This is discussed in more detail in Chapter 4.

For future studies customer satisfaction surveys could perhaps be drawn up to add to information in context with the other generally accepted measurements, and some of

the other themes that emerged in this study could prove valuable for future research as presented and discussed in more detail in Chapter 6.

### **1.10.3 Data on the measurement of performance**

Although not handled in-depth in this study, various existing measurement scales for the service profit chain can be used very effectively when collecting and interpreting data on the link between leadership, customers, employees and financial performance. The measurement scales currently used for understanding customer satisfaction could easily be utilised just as they randomly available, because of their simplicity and reasonably easy access. Such an approach could be useful in helping to understand customer satisfaction in the context of this specific research, from the perspective of customer satisfaction being part of the profit service chain in the respective wine organisations that formed part of this study.

#### **1.10.3.1 *Employee satisfaction interviews***

Performance can be measured in various ways. In this study interviews were the primary means of data collection. A semi-structured interview guide aligned with research objectives was designed for collection of data on employee satisfaction. Once again, the research objectives of the study were taken into consideration in collecting the data, so that applicable and valuable data was collected, and interviews could be adapted where needed. This was envisioned to help the researcher to focus on the relevant data needed to establish the relationship between employee satisfaction and leadership style, taking cognizance of organisational performance, as per the earlier discussed research objectives.

It is suggested that in case studies one of the most appropriate ways of collecting data is by means of interviews in order to ensure in-depth detail in a real-life situation (McNamara, 1999). Although this is not always possible in certain studies due to time and funding issues, it presented no limitations to this particular study. The organisations are geographically accessible and, due to the nature of the industry, all operate in the Western Cape. The researcher forms part of the interview process as the instrument that collects data (Denzin & Lincoln, 2017). The researcher is a seasoned interviewer and used the available guidelines for conducting effective interviews in all cases where leaders and/or employees were interviewed. This

ensured that the data obtained was considered representative and in maximum support of answering the research question. Consulting any available past records on employee satisfaction in the respective organisations might have saved time and improved understanding, but designing new interviews contributed to a better understanding of the phenomena being researched in this study and best supported the purpose of the study. This also allowed flexibility during data collection. The designed interviews for establishing leadership styles and employee satisfaction were expected to ensure that responses stay relevant to the research question and objectives and specifically leadership styles and the strategy-to-performance gap.

A key measurement of the particular organisations and their respondents that were not measured in this study is financial performance. However, the respective financial results are readily available in the media and on the internet and could be obtained from organisations like VinPro and SAWI (South African Wine Information) as they are used to measure organisational performance. Such measurement could have added further validity and value to the findings of this study and, as per the suggestions in Chapter 6, could prove valuable to expand on for future studies.

### **1.11 CONCLUSIONS RELATED TO MEASUREMENT METHODS AND FACTORS USED**

The research objective was to explore and offer a better understanding of the phenomena known as the strategy-to-performance gap. The different ways to achieve this objective were introduced in Chapter 4 of this study. Leadership were explored and specifically leadership styles as per Lewin (1939). Performance is a broad concept and were discussed in the literature review in Chapter 3. Employee satisfaction was explored and measured in order to support the research question of this study and in considering its relevance to leadership and to the strategy-to-performance gap. Financial performance and customer satisfaction are merely mentioned in this part of Chapter 1 and briefly discussed as part of the service profit chain that could potentially be of value and explored in further research as suggested in Chapter 6.

### 1.11.1 Strategy and the relevance of the strategy-formulation-implementation-performance or execution gap in the research design and methods

All research and data collection for the purposes of the study were undertaken with the aim of exploring the possible relevance thereof in the context of strategy formulation and implementation. As strategy formulation is regularly evident in some form in an organisation's mission statement, the planning proposals and other documents of most organisations and the wineries under study could be referred to with easy availability, serving as a climate study and providing a backdrop to the participating organisations. The gaps in their strategy planning and implementation could be measured in financial terms, e.g. budgeted performance against actual performance, in future studies. In this study – the purpose being exploratory in nature – the gaps were explored through perceptions that unfolded in the leadership and employee interviews. This could be compared against actual performance or alternative measurement scales in future studies. Thus, the focus for this study was on employee satisfaction as performance indicator and measurement criteria, linking and exploring it in context with regard to leadership styles.

Figure 1.4 presents this broadly as below:



**Figure 1.4: Order of data collection**

*Source: Author's own compilation*

### 1.11.2 Data analysis

Data analysis aims to sort the data collected during the data collection process. In this study, primary data were used to answer the research objectives as this approach fitted the exploratory purpose of the study and answered the research questions. Data

from the qualitative study was analysed and appropriate steps taken as suggested in design literature (Creswell, 2009) to ensure trustworthiness and credibility of this study, as discussed in detail in Chapters 4 and 5. Guidelines forming part of general criteria for qualitative research were followed and expected to be implemented through the methods proposed, while the interviews were structured to facilitate the storing and analysing of data, as needed, to best fit the research objectives. A detailed and systematic content analysis was performed, as this component of analysis is applicable where human communication is involved (Leedy & Ormrod, 2005). Furthermore, guidelines by Yin (2014) were used to ensure data was collected, examined and categorised to adhere to the proposed research objectives. Content analysis is a form of data analysis often recommended in qualitative studies, because it can offer a better understanding of concepts by identifying patterns, trends and themes (Leedy & Ormrod, 2005). Content analysis has become increasingly popular as a way of data analysis in complex studies around organisational behaviour, business strategy and organisation theory (Duriau, Reger & Pfarrer, 2007).

Data analysis and content analysis, as proposed by Creswell (2013), were undertaken and executed to ensure that the study was conducted in a valid way and to minimise any influence exercised by the researcher as per scientific research requirements. Content analysis, which is seen as a systematic approach to identify and summarise messages (Neuendorf, 2002), suited the research objectives of this study. This approach was seen to eliminate possible barriers which might have jeopardised the validity of the research findings. Further detail on the chosen research design, data collection and data analysis methods, as well as advantages and disadvantages, will be discussed in Chapters 4 and 5 of this study.

### **1.11.3 Ethical considerations of the study**

Ethical guidelines were followed throughout this research. The study also complied with all ethical requirements as set by the University of South Africa and the ethical review committee granted clearance prior to interviews. Guidelines as per the norm in qualitative research and suggested as such by Bryman and Bell (2007) were followed throughout this study. Respect for research participants was ensured and informed written consent was obtained from all participants. To make sure that the proposed participants were comfortable about and willing to participate and contribute to the

study, they were informed that they would remain anonymous. Furthermore, the relevant organisations were protected and ensured of confidentiality as information was coded in order to remain confidential. If they so wished, participants would have access to the research results of their specific organisation. The following ethical guidelines as suggested by McMillan and Schumacher (2001) were implemented:

- Respect was guaranteed for the participants' privacy at all times.
- Participants' gave their written consent.
- The researcher would endeavour to minimise any inaccurate interpretation.
- The research results would be made known to participants if they so wished.
- No conflicts of interest would be present.

Prior to starting the research process the researcher obtained written consent from senior management to use the selected organisations in this study. A comprehensive ethical application was handed in before interviews or data collection started – as discussed in detail in Chapter 4. All the necessary steps were put into place to ensure ethical rules would be followed to ensure the research would be conducted according to scientific research guidelines.

#### **1.11.4 Limitations of the study**

This study is subject to the general criticism and limitations of case studies. Because of the nature of case study research there are potential limitations, but the researcher followed the available guidelines and took all steps to avoid limitations where reasonably possible. It might not always be possible to generalise findings to the entire population, but according to Flyvbjerg (2006), case studies are often misinterpreted and some of the best research in history was based on single case studies (e.g. Galileo, Marx, Freud; starting as early as the 16<sup>th</sup> century). Whereas case study as a design is often criticised for its lack of representativeness (Hamel, Dufour & Fortin, 1993), certain authors argue for its value in research (Denzin & Lincoln, 2017; Shields, 2007). The researcher took all steps to advance generalisability as discussed in Chapter 4. The research objectives of this study were used as a guideline throughout the research process and recommendations were made in attempting to address the

limitations of this study. Recommendations are made for future studies in Chapter 6, to address the gaps in this research.

The next chapter (Chapter 2) will provide further background to and explanation of this study by exploring the industry and role players as applicable to the study.

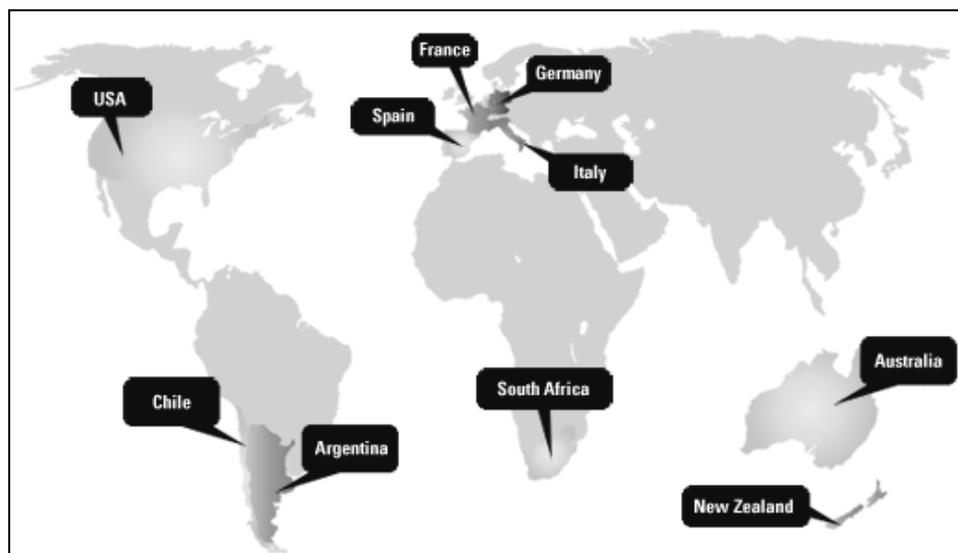
## CHAPTER 2

# THE WINE INDUSTRY

### 2.1 AN OVERVIEW OF THE SOUTH AFRICAN WINE INDUSTRY

Chapter 1 stated the research problem that serves as backdrop to this study. In Chapter 1 it was specified that the research objectives of this study are exploratory in nature and the industry in question is the South African wine industry. In Chapter 1 it was also stated briefly that the South African wine industry plays a significant role in the economy and is intertwined with various other sectors. With a view to at understanding the key concepts and dynamics at work in the South African wine industry, Chapter 2 addresses the wine industry in more detail. It also describes the development of the industry since its establishment in South Africa. The objective is to offer the reader a better overall understanding of the South African wine industry, by looking at the history and development in the context of the general development of the South African history and economy.

South Africa is seen as new world wine producer, in spite of its long history in the global wine arena. New world wine producers with South Africa is Argentina, Chilli, New Zealand and USA. Figure 2.1 below shows a map of key wine producing countries.



**Figure 2.1: Key wine producing countries**

Source: Authors own compilation

The purpose of Chapter 2 is thus to explore the interrelated elements relevant to this specific study, by investigating the different sectors of the economy to which the wine industry currently contributes. This is done in line with the research objectives. Chapter 2 will focus on the development of the industry, and general market information prior to this study. The period 2012-2014 will be briefly discussed as backdrop prior to the commencement of this research, and updated information deemed relevant for the purpose of this study will be added in subsequent chapters. Four of the big role players in the industry will be highlighted for their significance in the industry, but the chapter finishes off by focusing on three wine companies that formed part of this particular study, by viewing their unique strategies and relevant activities in the current market. It was done with ethical principles in mind, as discussed in Chapters 4, 5 and 6. Hence the three organisations forming part of the study are not mentioned specifically, and pseudonyms were used to keep the organisation, leadership and employees' anonymous. Chapter 2 concludes with a summary of the different leadership figures in order to prepare for significance towards exploring areas of the research topic: Leadership and its role towards strategy implementation and performance.

In order to offer a better understanding of the wine industry in the context of the different sectors to which it is connected, it is important to start by describing and analysing the economic environment in which the South African wine industry operates (Loubser, 2004; Wesgro, 2017). Chapter 2 consequently continues with a brief history and discussing the development of the South African wine industry. It further continues by exploring and considering the micro-economic and macro-economic indicators influencing and guiding the industry. Chapter 2 finally finishes with details of the four wine companies prominent in the industry that were used as background information, and three organisations were under scrutiny for this specific study. The goal in this chapter is to explore their individual strategies and approaches as current participants in the wine industry. Due to their prominence in the South African economy, much of this information on organisations in the wine industry is available in public space. This information will be presented as a background introduction of the industry and considered in relevance to the objectives of this study.

## 2.2 HISTORY OF THE SOUTH AFRICAN WINE INDUSTRY

The first vineyard was planted in South Africa shortly after the first people settled in the Cape of Good Hope from Europe in the 1600s. Jan van Riebeeck of the Dutch East India Company planted the first vines in 1655 and the first wine was pressed from South African grapes in 1659 ([www.South Africa.info.co.za](http://www.South Africa.info.co.za)). South Africa is unique in that it knows the exact day on which its first wine was pressed, due to a diary entry by Jan van Riebeeck made on the 2<sup>nd</sup> of February in 1659 (WOSA Report, 2012). Wine has been part of the South African economy ever since then, contributing to various sectors and in various ways to be discussed later in this chapter. At the beginning of the 19<sup>th</sup> century wine had already been considered one of the key exports from the Cape Colony, representing almost 90% of its total exports ([www.southafrica.net/research](http://www.southafrica.net/research)).

During the 18<sup>th</sup> century the Cape Colony established itself as a premium wine producer globally (Wine of origin. SAWIS Report. 13 August 2005). Two of the first areas established in South Africa, Constantia and Stellenbosch, are still considered pivotal points of winemaking worldwide ([www.vinpro.co.za](http://www.vinpro.co.za)), regularly winning significant international awards (SAWIS, 2008).

In order to manage and control production and to regulate the wine market, in 1918 a large farmers' co-operative was established. The name of the organisation was "Kooperatiewe Wijnbouers Vereniging van Zuid-Afrika Bpkt", or KWV, as it still is known today (SAWIS, 2006) and used in this study. Various other organisations were formed throughout the years, of which one of the most noteworthy was the Stellenbosch Farmers' Winery in 1925. This was done mostly because of the influence they had on the industry at a time where there were very few measures in place to control the quality and/or production of wines (WOSA Report, 2011; [www.home.intekom.com/sfwineries](http://www.home.intekom.com/sfwineries)).

One of the most successful mergers in the history of the South African wine industry was the merger of Distillers Corporation and Stellenbosch Farmers' Winery in 2001 to form what would become one of the modern giants in the wine industry, namely Distell (<http://www.wine-South African.com>). This corporate strategy of a merger/partnership was implemented at an important time in the wine industry with noteworthy results.

This partnership, which gave rise to Distell, and its performance and growth, will be discussed in more detail in section 2.4. At the time of gathering background information for this study (2012-2014), Distell was considered to be one of the most significant business entities in South Africa, in terms of its output and reputation. They are considered a competitive player on the international wine stage, for reasons such as being the third biggest cider producer globally, owning the top five high-priced wine brands in South Africa ([www.distell.co.za](http://www.distell.co.za)) and several other factors that will be discussed in more detail later in this chapter. Distell is still growing and the main player in the South African beverage industry (2018).

### **2.2.1 Growth of the South African wine industry and the role of regulation**

The wine industry continued to grow, and throughout much of the 20<sup>th</sup> century it was mostly centred on the principle of co-operative wine cellars of which there were a total of 70 by 1991 (SAWIS Report, 2012). Co-operative wine cellars were broadly based on a system where various producers would form an independent legal entity in order for all to benefit from this newly formed structure. This was usually achieved by implementing collective decisions such as sharing costs, joining marketing forces and other ways of trying to benefit the respective co-operative members. The wine industry, just like the rest of the South African agricultural sector, was highly regulated until the early 1990s (VinPro, 2010), with consequences and results as explained next.

Since its establishment in 1918, KWV as the leading co-operative in the wine industry grew in power and prominence swiftly (SAWIS, 2008). Although they were initially established as a co-operative, they had full government backing at the time and started setting policies and prices for the entire South African wine industry (SAWIS, 2006). Political influences such as apartheid and subsequent sanctions influenced the general South African economy in many ways. As a result, wine did not receive much attention from government because it was not regarded as a significant enough part of the economy at the time. As a further result of KWV's complete dominance, they exercised full control of the wine industry by having authority such as the ability to implement and set minimum prices and restrict yields of producers. The KWV also encouraged the production of alternatives to wine, such as brandy and other liquor products. Their aim was to ensure better performance in the local market. During the time when the KWV were regulating the wine industry with their complete control and price-setting

measures, wine farmers and producers were very much dependent on them for all their information and guidance (Williams, 2005). In 1924 it was estimated that nearly 95% of all vineyard owners belonged to the KWV (SAWIS, 2006). As in many industries that were regulated in South Africa prior to democracy, this resulted in the KWV having direct influence on supply, demand, pricing and other economic factors shaping the wine industry.

The 20<sup>th</sup> century in South Africa was known for the country's political system of apartheid, and as a result of boycotts and sanctions the wine industry suffered severely and, as mentioned earlier, did not receive much attention on the world stage (South African Tourism, 2005). In the 1990s, when world export markets opened to South Africa, the wine industry transformed and changed considerably (<http://www.wine-southafrican.com>; SAWIS, 2008). Emphasis was suddenly shifted towards producing quality wines, and South Africa started getting worldwide recognition for their wines (Loubser, 2004; SAWIS, 2016). Consequently, there was rapid growth and focused attention on one of the oldest industries in South Africa, turning it into the significant role player it is today.

### **2.2.2 Deregulation of markets and the transformation of the wine industry**

Although South Africa has been involved in wine markets for centuries as explained in the previous paragraphs, it is in fact classified as a 'New World' producer with other newer entree countries such as Australia, Chile and the USA. Although this is to some extent misleading, it is being done due to the fact that South Africa really only started competing internationally with its wines after 1994, when sanctions were lifted, and South Africa could freely and fairly export globally (SAWIS, 2005).

With the opening of international markets and the deregulating of industries that previously benefited only certain segments of the population, it brought significant changes to the wine industry and global competitiveness. As a result, privatisation followed, and that brought with it more innovation to the wine industry, which improved systems and the quality of wine produced in South Africa. This movement towards less regulation and more privatisation is referred to as the stage of deregulation (Ewert, 2003). Deregulation of the wine industry, as previously stated, brought with it certain

considerable changes to the wine landscape and economy in South Africa (South African Wine Industry Directory, 2009/10/11/2012).

Various new organisations formed in support of the internal and external needs created by this growth in the industry, and some of these organisations evolved into arguably global leaders as they are still known and active today. Some of the leading companies that were formed and are still providing assistance and guiding the South African wine industry at present are the following:

- **Winetech**, a research institution supporting the wine industry in terms of development needs;
- **SAWIS**, the South African Wine Industry Information Systems with the objective of making data and information available to the industry;
- **WOSA**, Wines of South Africa, as collective representative of South Africa especially focused on marketing of South African wines;
- **Wesgro**, the Western Cape tourism, trade and investment organisation, is also continuously growing their support of the Western Cape wine industry (Wesgro Research Report, March 2017).

The main objective for the establishment of these wine support organisations was to provide dependable support to the wine industry, make available proper data and statistical support to the industry, and ultimately ensure that the industry can grow its global market share.

After deregulation and the opening of global markets to South Africa, the wine industry grew from strength to strength and started playing a significant role in the South African economy in various ways across different sectors (Du Toit, 2009), as briefly discussed in the next paragraph.

The industry started contributing to different sectors in the economy, e.g. in manufacturing, agriculture and the tourism industry, as explained in Chapter 1. According to the International Wine Review (2012), South Africa had recently been chosen as the country where wine tourism was currently better developed than in any other country. Wine tourism is receiving continuous attention and investment (Wesgro, 2017). This is important as a support factor to the image of the country globally and

demonstrates the value of the wine industry in terms of South African tourism and its reputation.

Statistics show the industry has grown in contribution to the GDP at least 10% per annum up until 2015. Earlier SAWIS reports estimated wine tourism alone in South Africa was generating between R5 and R6 billion annually (WOSA Report, May 2013). This will be put into context in the following section in considering variable economic influences. Section 2.3 to follow subsequently explores the wine industry in terms of its market environment and the evident micro- and macro-economic forces that are visibly influencing the South African wine industry.

### **2.3 THE WINE INDUSTRY AND ITS MARKET ENVIRONMENT**

The wine industry in South Africa is much wider than signified by only the word 'wine' (VinPro, 2009). To categorise: table grapes and grapes sold directly to retail forms part of 'table grapes' in terms of classification. Wine grapes are classified as all grapes used in the production of 'wines' but also all that is used as building blocks for other liquor products such as brandy, distilled wines and some non-alcoholic sparkling wines and concentrated grape juices (SAWIS, 2016). Wines are also classified as all wine made of fresh grapes, including fortified wines and grape must (Wesgro Report, 2017). (These other products have always formed an important part of South Africa's wine industry and are considered part of the wine market for its direct origin in 'wine' grapes that are being produced for this purpose.)

The wine industry is considered to be highly competitive and dynamic (Heijbroek, 2003) mainly because of the large number of participants competing in the industry and the fact that it changes continuously (Van Rooyen, Esterhuizen & Stroebel, 2011). As a result, role players in the wine industry have to consider a variety of economic factors in the founding, formulating and implementation of their own strategies: factors such as changes in consumer behaviour, economic indicators, supply and demand (global and local), exchange rates, fiscal policies and many others to ensure competitiveness and sustainability in the industry (Van Rooyen, 2007).

Table 2.1 below provides a brief summary of the competitive nature of the South African wine industry, according to Porter's 5 forces analysis (Porter, 1979) which is still being used frequently today to analyse competitiveness within an industry.

**Table 2.1: Analysis of the South African Wine industry**

<b>Analysis of the South African wine industry (Porter's 5 forces)</b>	<b>The South African wine industry</b>
<b>Rivalry amongst existing competitors</b>	<ul style="list-style-type: none"> <li>• Strong rivalry amongst leading companies in wine industry, e.g. Distell, KWV, Vinimark, DGB, Van Loveren and others</li> <li>• Significant growth in 'New World' wine countries such as Chile – strong competition globally</li> <li>• Industry structure: Relative size of producers; boutique – small niche vs. larger wineries (Retail volume)</li> </ul>
<b>Threat of new entrants</b>	<ul style="list-style-type: none"> <li>• Globally and locally there are constantly new entrées into the wine industry (imported wine products marketed and available at South African retail outlets).</li> <li>• Economic variables in other export countries compete for consumer spend (exchange rate supports import: pressure on local producer prices).</li> </ul>
<b>Bargaining power of buyers</b>	<ul style="list-style-type: none"> <li>• Oversupply of wines in recent years resulted in buyers and retailers having strong bargaining power.</li> <li>• Supply of wines exceeded demand significantly, resulting in significantly more power to buyers encouraging competition.</li> <li>• Consumer preference for quality: buyers insist on higher quality products.</li> </ul>
<b>Threat of substitute products</b>	<ul style="list-style-type: none"> <li>• The wine industry has constantly been in competition with other beverages entering the market. Beer makes up 76% of volume of liquor sales. Ready to drink products had 24% growth from 2006.</li> <li>• Marketing and branding of other products put pressure on wine brands: wine in 12th position in 2007.</li> </ul>
<b>Bargaining power of suppliers</b>	<ul style="list-style-type: none"> <li>• There are limited numbers of suppliers for items needed and forming part of production in the wine industry. This raises production cost.</li> <li>• This situation influences smaller producers' ability to compete fairly.</li> <li>• It limits competitive forces at work in the wine industry.</li> </ul>

*Source: Author's own compilation based on Porter's 5 forces model (1979)*

According to statistics on research conducted in the wine industry by VinPro and Winetech (2008-2012), the re-introduction of world trade had a considerable influence on the wine industry in South Africa and exports especially grew exponentially. Major export destinations that were developed are the UK, Sweden, Germany and China. Those destinations have not only benefitted the industry financially but have also enhanced the image of products from South Africa that are available to those countries because of the quality of wines being supplied to them (VinPro, 2009; Wesgro Report, 2017).

The wine industry forms the backbone of the economy of many districts in South Africa, especially in certain areas in the Western Cape. It creates household income of at least R17 124 million annually (PricewaterhouseCoopers, 2009). Although the worldwide recession since 2008 also took its toll on the wine industry as in many other industries, slowing down growth, the industry still contributes significantly towards the overall South African economy (SAWIS, 2012) as elaborated on in Tables 2.2 to 2.4. Of the R36.1 billion GDP the industry contributes to the economy, at least R19.3 billion remains in the Western Cape (SAWIS, 2015).

In order to understand the South African wine industry and more specifically its connections to the economy and market environment, the next paragraph explores certain micro- and macro-economic features and their impact and influence on the South African wine industry.

## **2.4 MACRO-ECONOMIC FACTORS**

### **2.4.1 External factors influencing the wine industry**

In the period 2006-2012 there was a vast over supply of wines globally, which had a significant influence on the wine industry. This was still felt in 2013 as is evident in financial reports such as those in the Food and Drink report in quarter 1 (2013). This state of affairs also had a negative impact on income and prices for all producers from South Africa, which became evident in various financial reports (Wineland Magazine, 2012). This situation changed in the period 2015-2018 and further changes are expected. Market analysts predict that within five years from the 2018 harvest there might even be a shortage of especially certain varietals of wines globally (specifically

certain red wines varieties are expected to be in high demand) (SAWIS, 2011). There was significant growth in the industry between 2013 and 2015 (SAWIS, 2015). The period 2016-2017 was still marked by growth, but by much slower growth (Wesgro, 2017).

The wine industry has to compete directly with producers of various other liquors such as beers, ciders and spirits, and consumers are offered a variety of choices in terms of alcoholic beverages. Local wine consumption has declined in recent years, and producers are currently fighting to gain competitive advantage in various ways (Wineland Magazine, 2011; Wine Insights Survey, 2012). New products such as ready to drink products are the fastest growing in the beverage segment and whisky, gin, craft beer and other beverages are putting pressure on wines in especially the retail environment competing for consumer spend (WOSA Report, 2015; SAWIS, 2016).

Government is continuously putting pressure on wine prices with raising taxes and governmental levies, which have an impact on sales to consumers. Consequently, the end price of wines is significantly higher because of taxes, resulting in price resistance and finally fewer sales for producers. In the current economic climate where consumer spend is already under pressure, it puts extra pressure on producers as they ultimately sell fewer of their products and often have to cut their prices more than the rise they experience annually in their production costs (PricewaterhouseCoopers, 2009).

Difficulties in labour stability due to strikes in 2012-2014 and job losses in the agricultural sector resulted in increasing the production costs of wine significantly for this period. This put even more pressure on prices in the already difficult market conditions (SAWIS, 2012/2013) in which producers were competing. Currently it is stated that producers might eventually not be able to sustain their businesses. Competitive products that are not directly influenced by raising labour costs could consequently take more market share away from wines towards other products.

The strength of the Rand as currency had an influence on the wine industry, especially since 2005 significantly influencing profit margins (SAWIS, 2012). Production costs increased because of the weaker local currency and rising cost of imported materials. According to SAWIS (2012), this also resulted in smaller profit for South African producers who were already suffering to stay competitive globally, as they were

competing with countries with stronger economies of scale such as Australia and the USA.

Government support in matters such as export, trading, empowerment and transformation could potentially have a significant influence on the wine industry in various ways. According to the Wine Insights survey 2012 conducted by PricewaterhouseCoopers producers showed a strong need for government support. If government subsidises skills development and empowerment it could ultimately also benefit the industry's labour force currently in need of certain skills. By also protecting South Africa against dumping of oversupply of imported wines, it could also help the local wine industry to stay competitive and grow in South Africa.

#### **2.4.2 Micro-economic factors**

##### **(Internal factors influencing the wine industry)**

There are various internal factors that have an important impact on the conditions and performance of the South African wine industry, particularly in terms of determining price and influencing other micro-economic factors. The wine industry is vulnerable when it comes to global supply and demand, as these factors could easily put pressure on pricing and ultimately sustainability. Earlier WOSA reports (2011/2012/2013) named some of the reasons for the apparent vulnerability of the South African wine industry:

- There has been an intensification of competition over the past two decades (new entrées from developing countries such as Chile and the USA competing with South African wines).
- South African producers are often significantly smaller than other 'New World' producers, which puts pressure on production costs and makes it difficult to remain competitive with their prices (Rabobank, 2004).
- High input costs such as rising fuel and labour costs among other things put pressure on pricing and also filter through to the distribution of wines, eventually adding to the end price to the consumer (Heijbroek, 2003). This leads to loss of market share.

- The lack of quality production services and processes (e.g. lack of skilled workers, efficient marketing channels, and retail support) results in high costs that often need to be absorbed by the producer.

### **2.4.3 Demand factors influencing the wine industry**

The fact that the wine industry is currently less regulated than what it was in earlier years (1970-1990) has influenced the supply and demand forces of products considerably ([www.wine.co.za](http://www.wine.co.za); Heijbroek, 2003).

The following factors have been identified to have had an enhancing effect and benefit the wine industry:

- Consumers are currently more environmentally aware and apparently support local products more than ever.
- Competitiveness in the local markets ensures quality of products is necessary in order to be competitive ([www.wine.co.za](http://www.wine.co.za), 2012).
- Local infrastructure and distribution networks enhance the availability of products to a wider consumer market (SAWIS, 2011, 2015).
- Growth in on-line sales and technology influences the sales of wine and this route to market in the wine industry is currently experiencing rapid growth ([www.cybercellar.com](http://www.cybercellar.com), 2012).

The market environment has also transformed markedly over the last decade (Lunardo & Guerinet, 2007; Wesgro Report, 2017), particularly in terms of consumer demands as a result of some of these micro-economic changes. The fact that consumers are increasingly becoming more educated on wines has brought about a definite shift in sales towards premium wines. It was reported in 2012 (WOSA Report) that consumers were buying more in the segment R25-R45 (2012) – which were considered to be higher quality wines (premium wines) – than before 2005. The trend is continuing, breaking through the R100 mark ([www.topwinesa.com/2015](http://www.topwinesa.com/2015)). More recently the premium market experienced significant growth (SAWIS, 2015/2016). New and emerging markets (Wittwer & Rothfield, 2005) such as the upcoming black middle class (considered previously to be traditional beer drinkers) also started to enter the wine market. As a result, wine producers are all increasingly marketing to this emerging

target segment, also particularly in the premium section mentioned earlier (Ndanga, Louw & Van Rooyen, 2009). The WOSA Strategic Initiative set a target of sales growth from 325 million litres in 2015 to 425 million litres in 2025.

In the next section the South African wine industry is contextualised by considering the micro- and macro-economic factors mentioned previously and putting into context their influence in the industry.

## **2.5 THE SOUTH AFRICAN WINE INDUSTRY VIEWED IN THE CONTEXT OF THE ECONOMY**

### **2.5.1 Contribution to the South African economy**

The South African Wine Industry Trust is one of the leading organisations monitoring the wine industry to measure success and offer assistance with the objective of ensuring long-term sustainability. In the organisation's strategy report released on the 8<sup>th</sup> of March 2012 and the SAWIS report in 2015 they shared statistics and planning in terms of current and future statistical expectation with regard to the South African wine industry. These aspects are discussed in the subsections that follow.

### **2.5.2 Financial statistics**

The South African wine industry experienced dramatic growth since the mid-1990s when plantings and production increased substantially. The industry contributes financially to the economy in various ways across various segments. Since 2003 it has grown in terms of contribution to GDP by at least 10% per annum. In terms of its financial contribution to the economy the figures provided in Table 2.2 are seen as significant.

**Table 2.2: Financial contribution of the South African wine industry**

Financial contribution 2012	Description
R36.1 billion annually	South Africa's GDP
R6 billion annually	Wine tourism income
18% of income generated by the wine industry (tourism income excluded)	Directly destined to contributing towards low-income households who depend completely on the industry
8.2% of Gross-Geographic Product in the Western Cape	Significant financial contribution towards Western Cape economy
R19.3 billion	Western Cape residents benefit through wine income

Source: SAWIS Report, 2012

The industry contributes to the economy with prominent focus on the Western Cape economy.

The Wine Strategy Initiative also set a key target to increase the contribution of wine tourism from R6 billion in 2015 to R15 billion by 2025 (Wesgro Report, 2017).

### 2.5.3 Employment statistics

The industry plays a significant role in terms of contributing towards job creation in South Africa. In a country such as South Africa where unemployment is part of government's focus strategy, the following statistics are key:

**Table 2.3: Employment figures in the South African wine industry**

Employment figure	Description
275 606 employed	Total directly and indirectly employed
8.8% employed	Total employment in Western Cape
2.2% employed	Total employment in South Africa

Source: SAWIS Report, 2012

The wine industry is considered a labour-intensive industry and with annual expansion of average 5% – thus is considered an excellent ratio as investment towards job creation.

In terms of South Africa's goals of reaching transformation goals: it could only be considered sustainable if it were to be proactively addressed. Skills development is considered a crucial factor to assure this (SAWIT, 2012). This matter is addressed in Table 2.4.

#### 2.5.4 Skills development statistics

**Table 2.4: Employee skills breakdown in the South African wine industry**

Status	Description
58% of employees	Unskilled (mostly concentrated in production of primary agriculture)
29% of employees	Semi-skilled (production/cellars/tourism)
13% of employees	Skilled (especially focused on management level)
510 686 employees needed across different levels	AgriSETA expects demand for skilled employees (all levels of skills) in next few years (Vision 20/20 Report, 2015)

Source: SAWIT, 2012

This table illustrates that substantial growth in the wine industry is expected – with a down-stream effect on employment and skills development needed in the industry. A R36-million plan was put into place as result and has been driven by SAWIT since September 2011 at objective to address the current and future expected skills needed in the industry.

Tables 2.2-2.4 highlight the importance of the wine industry in the economy in general. In the next section, some of the major role players in the South African wine industry are examined in more detail. They are specifically studied with regard to their development and growth in order to provide insight into their strategy and the implementation thereof in the wine industry.

#### 2.5.5 Prominent wine companies involved in the South African wine industry

As mentioned earlier in this chapter, at the time of this background research South Africa was rated as the 8<sup>th</sup> largest wine-producing country in the world (SAWIS, 2012). It was rated just behind Chile (7<sup>th</sup>) as a producer and just before Germany as the 9<sup>th</sup>

largest producer. The country exports mainly to the UK (21%), Germany (18.4%), Sweden (7.5%) and the USA (5.4%) (SAWO Report February 2013).

South African wines are considered to be of high quality and have won international quality awards regularly since it entered the global market (SAWIS, 2008, 2015). Various producers such as Distell, KWV and even some of the small boutique cellars have won various producer- and product-related awards at the International Wine and Spirit competition over the last five years (SA Wine, 2006; SAWIS, 2011). Various products displayed the quality of South African wines by winning internationally recognised awards such as Best Brandy in the World (\*KWV Laborie Alambic Brandy 2010) and Winery of the Year internationally by a South-African winery (Kanonkop in 2008). Nederburg wines (Distell) won top scores at the World Wine Championships held in Chicago on 7 May 2013 (SAWIS, 2013). These are just a few of the various internationally recognised awards that were recently credited to South African producers and wines.

As stated previously, there are currently over 5 000 different organisations in the wine industry, but it is quite evident from reports that four organisations forming the background of this study are regarded as consistently dominant players in the industry ([www.vinpro.co.za](http://www.vinpro.co.za)). Three organisations formed the research part of this study. Furthermore, as a result of developments previously discussed, by 1990 it was noteworthy that there were 70 co-operatives in the wine industry, and that this number came down to only 52 by 2011. This is mostly due to mergers and privatisation, supporting the notion of oligopolistic control in the industry (WOSA Report, 2011). Although there are approximately 3 527 product participants that are considered to be wine producers, jointly with all the other wine-related/marketing companies in the industry, the market control is clearly strongly located in the hands of a few giants in the industry (SAWIS, 2011, 2015).

In a report for WOSA (Wines of South Africa 2013), Christian Eedes indicated that Distell controls approximately 70% of the domestic combined wine and spirits market. According to the South African Food and Beverage report Q1 (2013), Distell has a 40% share of the premium and super premium wine market alone, which displays their tremendous growth over the last decade. These facts strongly indicate an oligopolistic market structure at present in the wine and liquor industry. That in itself has also had

an impact on pricing, supply, demand and other economic factors prominent within the wine industry.

This study was aimed at offering an understanding of the strategy and leadership in a selected group of these leading companies within the industry. In an attempt to understand the focus of their strategy as well as their overall strategy, the next section examines the leadership, vision and other goals of these companies. Information on these aspects is available on their respective websites which cannot be mentioned to protect the privacy of the participating organisations. In the background information of this study the focus was on four organisations that consistently perform well. Three organisations were eventually chosen to form part of the research, not mentioned specifically to protect their anonymity. The next section focusses on the background information of the leadership and strategy of the top four organisations as previously discussed.

## 2.6 LEADERSHIP AND STRATEGY SUMMARY OF FOUR TOP PERFORMING COMPANIES PROMINENT IN THE SOUTH AFRICAN WINE INDUSTRY

**Table 2.5: Organisation 1**

Leadership	Strategy
CEO	Increase of profit margins across portfolios
Previously: Executive Director of Hoskins Consolidated Investments (KWV shareholder)	Focus on efforts to reduce costs
Executive Director of Organisation 1 prior to appointment as CEO	Customer-focused: Consumer demand (invest in ready to drink range)
Acting as CEO since July 2011	Employee focus to grow Human resource strategy alignment with corporate strategy
Qualifications: BComm (Hons), CA (South Africa), CFA	Concerns on recent shareholder reports because of weak performance to be addressed

*Source: Author's own compilation*

**Table 2.6: Organisation 2**

Leadership	Strategy
Managing Director	Key objective: high performance culture
Joined the firm in <b>1997</b>	Strong marketing-orientated focus Excellent growth statistics and expansion
Involved in the wine industry since <b>1995</b>	Building strong brands: large PR support function to support brands
Managing director of firm since 2000	Focus on consumer demands and consumer satisfaction (regular research)
Qualifications: MComm (Industrial Psychology)	Emphasis on talent, employee wellness and human resources development programmes

*Source: Author's own compilation*

**Table 2.7: Organisation 3**

Leadership	Strategy
Managing Director	Focus on brand and product integrity. Continuously growing their offering by expanding brands and innovation.
Organisation was established in 1985, leader has been MD since founding the organisation	Marketing and system development, focus on effective distribution and availability of products at market.
Acts as wholesale and distribution agency for leading brands such as Robertson winery and others	Focus on people and development of talent
Current leader was influential in setting up leading wineries such as Boekenhoutskloof with its strong brand presence in the market.	Consumer focus: establishing online presence in order to increase effectiveness
Qualifications	Unknown

*Source: Author's own compilation*

**Table 2.8: Organisation 4**

Leadership	Strategy
Managing Director	Strongly consumer-driven Innovative products New markets
One of the family-owned wineries in South Africa	Consumer-focused product development, customer research
Current leader joined the company in 1998	Profit-orientated and growing profitable practices Cost advantage
In charge of financial and marketing aspects	Staff empowerment and incentive schemes are important part of employee management
Qualifications: Chartered Accountant	Promote family culture and employee wellness

*Source: Author's own compilation*

### **2.6.5 Leading companies in the South African wine industry: Summary of strategy and leadership**

According to Tables 2.5-2.8 above and based on strategy and performance reports that the four companies released throughout the past three years, it can be argued and interpreted that the four wine companies forming the background of this study, Distell, KWV, Vinimark and Van Loveren, all seem to have certain strategies in common. Their leadership appear to regard the following strategies as necessary to ensure success in the competitive South African wine industry (VinPro Report, 2012):

- Effective cost control, including controlling distribution costs
- Partnerships and relationships across industries as part of corporate strategy
- Growing new markets and focusing on capitalising on consumer trends (consumer research)
- Strong focus on brand building and advertising
- Focus on customers (customer satisfaction)
- Focus on employees (employee satisfaction)

The final subsection summarises the strategy and leadership of the three companies that came under scrutiny in this study on the South African wine industry. The aim was to encapsulate a better understanding of these companies in understanding their leadership, strategy and performance.

#### **2.6.6 Summary: Leadership, strategy and performance of four of the top-performing companies in the South African wine industry**

The focus of this study is on strategy, leadership and performance. In terms of the strategy and the key goal objectives of all four of these wine companies and ultimately their leadership, it is evident that there is a strong emphasis on 'people', defined as employees and customers. This corresponds to the performance measures as proposed by the service profit chain presented in Chapter 1. The leaders in charge of these wine companies all referred to common areas of focus, such as shareholder value and profit, often in their annual reports, press releases and other forms of public communication. This is in line with the notion that employee performance (Schneider, White & Paul, 1998) and customer delight (satisfaction) are crucial to ensure organisational performance (Nienaber, 2017). In terms of the strategic planning and strategic directional reports in the wine industry, it could therefore be argued and interpreted that these leadership figures regard customer satisfaction and employee satisfaction as important measures towards the successful implementation of their strategies and measurement of performance. In this study employee satisfaction will be explored and analysed in more detail in Chapter 4. Performance measurement as explored in this study, is also addressed in Chapter 4.

Leadership influence is central as part of these key objectives identified in literature on performance (George, 2000). This is especially so in this study with its key objective of exploring the role of the leadership styles as part of the strategy implementation gap, indicating that these factors are all relevant to performance. There is a lack of research in wine and tourism in this regard, but in support of this argument the following should be noted: In a study by Thatch (2008) on the USA and Australian wine industry, a correlation was drawn between employees, sales and return on investment results, suggesting further studies in this regard. These factors all link the measurements of shareholder satisfaction, employee satisfaction and customer satisfaction to plan for

and ensure performance and further research could prove helpful in understanding the subject.

It is conclusively evident from the overview of the South African wine industry presented in this chapter that the industry has up to now played an important part in the general economy across applicable sectors. It is also expected to be of significance in the future for many of the reasons discussed in this chapter. Especially in the Western Cape, it is vital to economic sustainability. This study considered leadership and strategy, with the objective of offering a better understanding of leadership styles (as per Lewin, 1939) and specifically the strategy-formulation-implementation-performance gap. It is clear from this chapter that the South African wine industry has always been dynamic and vast changes have occurred, especially in recent years. This provided the ideal backdrop for the research objectives. It is also evident from the latter part of this chapter that leadership is one of the key factors in the future direction and ultimately the performance and sustainability of the wine industry, both globally and locally.

Chapter 2 provided a background to the wine industry and placed this case study in context. Chapter 3 will follow and focus on the relevant literature available on the fundamental concepts discussed in this study. An in-depth review of available literature is offered. For example, a review of important and relevant literature focused on the key concepts and components of this study taking place in the background of the South African wine industry are to follow in Chapter 3. Leadership, strategy and performance and its constructs will be discussed in detail (with specific focus on employee satisfaction as performance measurement). Chapter 3 proceeds to present the literature forming parts of the theory of this study by reviewing literature, highlighting the significance of key concepts and discussing gaps in current literature that could benefit from a better understanding.

## CHAPTER 3

### LITERATURE REVIEW

#### 3.1 INTRODUCTION TO THE THREE KEY CONCEPTS: LEADERSHIP, STRATEGY AND PERFORMANCE

“Leadership is defined by results,” Peter Drucker stated in 1955. Leadership is widely considered one of the key drivers of performance (Ogbonna & Harris, 2000; Sethibe & Steyn, 2015). The literature review in this chapter explores three key concepts forming part of the research question of this study as mentioned in Chapter 1, namely leadership, strategy and performance. The objective of the literature discussion is to offer the reader a better understanding of any possible associations and synergy between the key concepts in literature indicated as being the strategy-formulation-implementation-performance gap,<sup>2</sup> leadership styles, and organisational performance. These concepts are covered across different disciplines and research but will be explored in the context of each other in this chapter. Strategy, strategic planning and leadership have been linked and considered intertwined concepts in leadership theory for many centuries (Sun Tzū, 512 BC, in *The Art of War*, 1910).

The significance of this specific literature review lies in exploring the two concepts specifically in context of the strategy implementation gap and organisational performance. The literature on all three key concepts stretches across various fields of study that are constantly emerging and evolving (Johnson, Scholes & Whittington, 2005:15). Today’s business world is more dynamic than ever, and strategic management is an ongoing process (Dandira, 2012). However, it appears that much focus in literature is still on strategy formulation and not enough on execution (Khouly et al., 2017; Martin, 2017). The strategy formulation and implementation gap are very much a contemporary problem and is still resulting in huge losses for many

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<sup>2</sup> In literature the phenomenon known as the strategy-formulation-implementation-performance gap is referred to differently by different authors. It is known as the strategy execution gap, strategy-to-performance gap, the implementation gap and/or other terminology (Jooste & Fourie, 2009; Tait & Nienaber, 2010; Olivier, 2015) that refers to the same concept. In this study the focus is on ‘meaning’ of the gap as a difference between strategic planning and implementation, rather than the exact wording of the concept. In general it is referred to as the strategy-to-performance gap, but reference is given to the author and/or concept used in specific instances. This was deemed most suitable as this study focused on ‘meaning’ and ‘understanding’ of the gap.

organisations (Cocks, 2011; Mankins & Steele, 2005; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015). As a result of its complexity, researchers are constantly looking at ways and indicators to bridge this gap (Pietersen, 2002; Jooste & Fourie, 2009; Tait & Nienaber, 2010; Pretorius, 2016) and any literature that could contribute to managing the gap is deemed valuable to improve organisational performance (Olivier & Schwella, 2018).

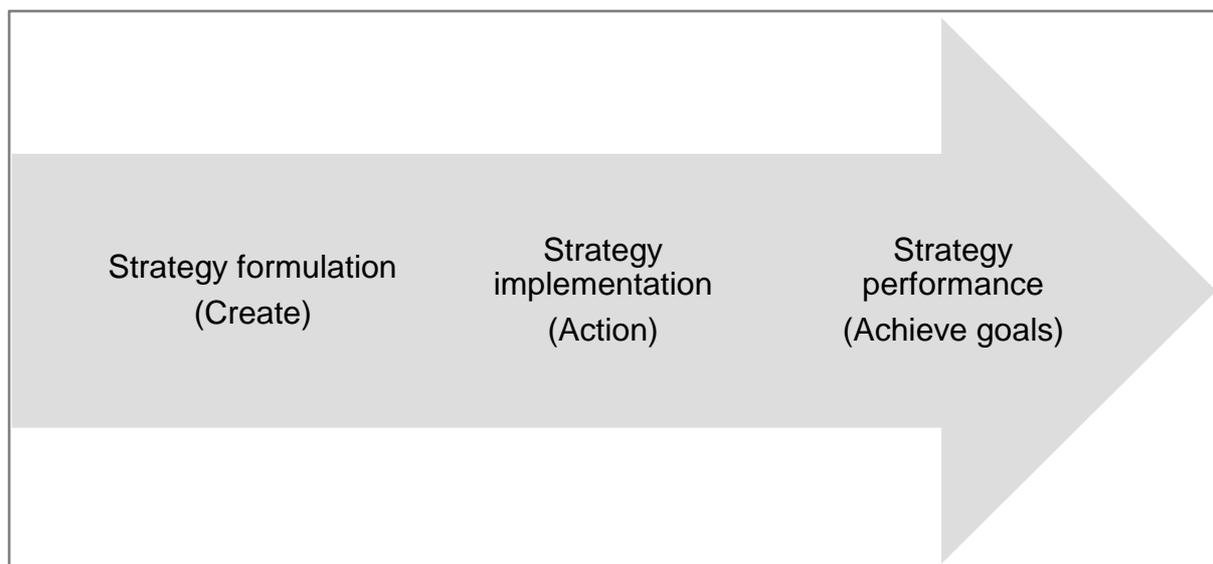
The purpose of this review could be alternatively defined as: to explore the literature on leadership, strategy and performance as underlined in previous research, taking cognizance of certain relevant associations that appear evident in the literature. The following section explores the three key concepts independently at first, in order to offer a better understanding of potential links and associations relevant to the research objectives.

### **3.1.1 Strategic management and the strategy-formulation-implementation-performance gap**

Strategy is defined with the objective of turning plans into tasks (Ehlers & Lazenby, 2008) and strategy's main objective is to provide guidance for an organisation to reach their goals (Adendorff, Appels & Botha, 2011). In Chapter 1 of this dissertation the statement was made that the main aim of strategic management is to ensure that organisations perform successfully and that they manage to do so by creating and shaping their strategies (Carpenter & Sanders, 2009; David, 2009; Nienaber, 2010; Pearce & Robinson, 2011; Martin, 2017) to achieve organisational goals. Strategic management consists of a combination of different elements, such as planning, implementation, control and measurement, in order to manage organisational performance (Olsen & Haslett, 2002; Pearce & Robinson, 2011). Earlier researchers such as Drucker (1955) and Mintzberg (1979) contributed considerably in highlighting the importance of strategy to ensure the success of any business as evident in strategic management literature discussions.

As stated in Chapter 1, Strategic management has been defined in many different ways by different authors through the years. Some of the definitions such as the one by Nag et al. (2007) indicate the relevance in their definition to the key concepts of this study, e.g. the strategy-to-performance relevance of leadership. Nag et al. (2007:944)

defined strategic management as follows: “The field of strategic management deals with the major intended and emergent initiatives taken by CEOs on behalf of shareholders, involving utilisation of resources to enhance the performance of firms in their external environment.” This definition links strategic management as key and fundamental to organisational performance while also specifying that it consists of the ‘decisions and actions’ that are taken by leadership to ensure profit and sustainability (often measured as part of organisational performance in the service profit chain, to be discussed in section 3.3.3). In literature the process appears to consist of three phases and Figure 3.1 below illustrates the strategy processes as per the above definitions.



**Figure 3.1: The three steps describing the strategic management process in this study**

*Source: Author's own compilation*

Figure 3.1 illustrates the 3 steps used in describing the strategic management process as referred to throughout this study.

From certain definitions of strategic management in the literature, it appears various different meanings are accepted in practice. Researchers continuously try to refine the definitions on strategic management in offering a better understanding of this aspect of management. Most of the debates in the different schools of thoughts on strategy are centred on the understanding of different perspectives applicable to different organisational scenarios. This is resulting in different perspectives and adding to the complexity of the phenomena. In this study the focus was mainly on the literature

linking strategic management to leadership and more specifically so in terms of *strategy formulation* and *strategy implementation* in order to explore any relevance to the existing implementation gap.

### **3.1.2 Strategy formulation and strategy implementation in context**

Since early researchers such as Mintzberg (1979) explored strategy formulation as one of the important components of strategy, many authors have supported and elaborated on strategy formulation theory. Atkinson (2006:1441-1442) expanded thoughts on strategy formulation, implementation and control as the key notions in strategy, and Ehlers and Lazenby (2008) also concentrated on strategy by way of explaining the importance of strategy formulation and implementation as the key steps of strategic management. Strategic planning as concept is referred to as the systematic process of the various steps in strategy such as strategy formulation, implementation and monitoring (Thompson & Martin, 2010). All these phases are ultimately aimed at ensuring organisations meet their goals and objectives (Ehlers & Lazenby, 2008; Rothaermel, 2012).

Researchers such as Hill et al. (2004) argue in support of the importance of successful strategic planning and its prominence in organisational performance, and this was also quoted by Prevos in 2005 in his study in this field. These authors define strategic planning as a formal process of setting goals e.g. such as found in the Mintzberg definition, referring to his multidimensional approach to strategy looking at it from different views (Prevos, 2005). Strategy formulation, thinking and planning were also discussed for its significance by Fairholm in 2009.

Rossouw (2006) highlights the importance of management capabilities in strategy formulation and specifically the connection with leadership in order to ensure successful formulation and implementation, all ultimately aimed at increasing organisational performance. Ogbonna and Harris (2000) indirectly draw a link between leadership and performance by looking at factors where leadership have direct influence on performance, pointing out concepts such as organisational culture forming part of this field of study that will be discussed later. Since the earliest literature on gaps between strategy formulation and implementation there have been suggestions on how to ensure better management practices (Cocks, 2011). Recent studies have

also drawn strong associations between leadership and performance in the context of strategy (Chen et al., 2016; Overstreet et al., 2014).

Ehlers and Lazenby (2008) define strategy implementation in their research basically as the process that turns strategic plans into action, and more recent studies have all acknowledged the importance of strategic plans needing to be turned into action to be of any real value to an organisation (Johnson et al., 2011). Tait and Nienaber (2010) support this argument by researching the strategy implementation gap and looking for causes of the gap to ultimately improve strategy implementation and performance. Prevos (2005) and Pearce and Robinson (2011) also confirmed in their studies that strategic planning and strategy implementation are both equally necessary aspects to maximise chances of organisational performance. In the next paragraph the available literature specifically on strategy formulation (planning) and strategy implementation will be discussed in more detail in order to explore the theory and findings around the phenomenon known as the strategy-formulation-implementation-performance gap.

### **3.1.3 Strategic management and the strategy-formulation-implementation-performance gap**

The gap between strategy formulation (planning) and strategy implementation has been identified and discussed in various studies over a long time and has been found to have significant impact on organisational performance (Cocks, 2011, 2005; Falshaw et al., 2006; Mankins & Steele, 2005; Overstreet et al., 2014; Tait & Nienaber 2010). Studies by Flood, Dromgoole, Carroll and Gorman (2000), Stronz (2005) and Martin (2017) found that problems in the field of strategy implementation is a contemporary challenge that often results in a high failure rate for organisational initiatives. Both Mankins and Steele (2005) and Tait and Nienaber (2010) have contributed valuable findings to the available literature on the strategy-formulation-implementation-performance gap, and particularly so by linking it to performance and/or the failure to perform, especially in view of the lack of resources, specifically so of 'human' resources. These studies all support the argument that strategy formulation and execution are associated concepts and reciprocally important in ensuring successful organisational performance. More recent articles have supported this view and evaluated various models and suggestions on the gap across industries (Olivier & Schwella, 2018).

The so-called strategy-formulation-implementation-performance gap or strategy-to-performance gap has been observed and discussed from different perspectives in management literature. Mankins and Steele (2005:64-72) point out that organisations typically realise only 60% of their strategies' potential. (E.g. 40% of strategic goals are not achieved). They also found that managing to close the implementation gap could result in an increase of performance of anything between 60% and 100%, presenting the significance to try and find ways to close down the strategy-to-performance gap. In their study, Tait and Nienaber (2010) confirmed the findings and reality of the strategy-to-performance gap and underlined the effect on company performance in a South African context. Both these studies, like all studies in this regard, suggested further research is necessary to explore the strategy-performance gap in detail; and more specifically the field of strategy implementation or execution needs better clarification. This call for further research is understandable as some other studies have estimated that up to 80% of strategies fail (Olivier & Schwella, 2018:6-32), compounding the influence of the performance gap. The magnitude of the gap is continuously debated but solutions to narrow the gap remain elusive.

In the literature on the strategy-to-performance gap there are still no conclusive answers and specific solutions and preventative measures appear to remain vague and unclear. A study of the performance gap conducted across various different industries published in Syrett (2012) indicated the reality of the negative effect of the persistent gap on financial performance of the participating organisations. Studies by Stronz (2005), Johnson, Melin and Whittington (2003) and Jooste and Fourie (2009) identified management and leadership unambiguously as being important critical factors in the implementation of strategies and consequently firmly connected these factors to strategy implementation/execution. Cocks (2011:260-266) also points out that leadership, among other factors mentioned, some of which mentioned as attention to detail of plans and creative skills, are key factors deemed important for successful strategy implementation. Other factors listed in these studies are not discussed as part of this study but could prove valuable in further research.

In the following section leadership literature within the context of strategy implementation/execution will be discussed in more detail to highlight its relevance to the research problem in this study.

### **3.1.4 The strategy-formulation-implementation-performance gap and its connection to leadership**

Leadership have been linked to performance in literature. Studies by Crittenden and Crittenden (2008) and Jooste and Fourie (2009) all note the importance of strategic management and leadership as influential factors in the function of strategy implementation. Tait and Nienaber (2010), Mankins and Steele (2005) and Cocks (2011) mention the role of people and leadership as specific dynamics needing to be explored more extensively in order to better understand the challenges and problems relating to strategy execution. Jooste and Fourie (2009:66) concluded in their study that strategy implementation is found to be more important than strategy formulation and leadership contributes positively to ensure effective strategy implementation. Leadership evidently plays a critical role in effective strategy implementation (Jooste & Fourie, 2009; Crittenden & Crittenden, 2008). Crittenden and Crittenden (2008:301-306) is emphatic in stating that “leadership could be considered the most important driver of strategy” – consequently standing central to strategy implementation and ultimately performance. Van der Merwe and Nienaber (2015) and Khouly et al. (2017) also very recently identified and discussed leadership and strategy execution as being linked to superior performance.

Researchers such as Cocks (2011) point out that strategy and leadership are complex and that there are many areas that are still not clearly understood by researchers. This is also apparent throughout the literature and can be observed in the strategy-to-performance gap. Lack of understanding and lack of information on human factors and management dynamics specifically are areas where more research could offer a better understanding of the phenomenon (Khouly et al., 2017; Stronz, 2005). It is also evident in the literature that leadership is connected to strategy execution in numerous ways and is closely linked to specific aspects of the strategy-to-performance gap. Strategy execution clearly is not as effective as it could be (Beer & Eisenstat, 2000; Martin, 2017; Van der Merwe & Nienaber, 2015) resulting in the strategy-to-performance gap.

In Table 3.1 below the studies referred to on the strategy-formulation-implementation-performance gap that were considered landmark studies (to form a background and provide context for this study, 2012-2018) are summarised.

**Table 3.1: Strategy-to-performance gap literature – Key studies**

Study	Key findings	Key construct to this study
Cocks, 2011	<ol style="list-style-type: none"> <li>1. Strategy needs to be formulated so that it can be executed.</li> <li>2. Strategy formulation and execution need to be balanced for high-performance</li> <li>3. Focused leadership and visible management systems are vital to superior performance.</li> </ol>	<p>Leadership and strategy are vital to performance.</p> <p>Effective execution of strategy leads to better performance.</p>
Falshaw, Glaister and Tatoglu, 2005	<ol style="list-style-type: none"> <li>1. Leadership plays a big role in human relations.</li> <li>2. Leadership plays a central role in strategy implementation.</li> <li>3. Strategy needs focused attention on strategy formulation and implementation.</li> </ol>	<p>Leadership affects employees and strategy.</p> <p>There are challenges in strategy formulation and implementation that need attention.</p> <p>Leadership, strategy and performance are intertwined.</p>
Jooste and Fourie, 2009	<ol style="list-style-type: none"> <li>1. Strategy execution needs same attention as formulation.</li> <li>2. Strategic leadership is responsible for execution.</li> <li>3. Leadership could be a driver of or barrier to strategy execution and performance.</li> </ol>	<p>Leadership, especially top leadership, is important to strategy execution.</p> <p>The way leadership implements strategy influences performance.</p>
Mankins and Steele, 2005	<ol style="list-style-type: none"> <li>1. The strategy-to-performance gap causes huge failures.</li> <li>2. Leadership is responsible for strategy implementation.</li> <li>3. Companies that are good at strategy execution perform better.</li> <li>4. Leadership that knows how to execute properly has better performance.</li> </ol>	<p>Top leadership is linked to strategy (formulation and implementation).</p> <p>Leadership who focus on planning and execution perform better and could narrow the performance gap.</p> <p>Poor senior leadership could negatively influence performance.</p>
Tait and Nienaber, 2010	<ol style="list-style-type: none"> <li>1. The strategy-to-performance gap definitely exists.</li> <li>2. The entire strategy process – planning and implementation – matters to close the strategy-to-performance gap.</li> </ol>	<p>Strategic management needs an integrated approach to be understood.</p> <p>The persons involved in strategy play a role in the performance gap, e.g. leadership and employees, and deserve better understanding.</p>

Study	Key findings	Key construct to this study
Martin, 2017	<ol style="list-style-type: none"> <li>1. Strategy execution is a leadership responsibility.</li> <li>2. Top levels of an organisation (leadership) are responsible for strategy execution.</li> <li>3. Improved execution is linked to improved performance.</li> </ol>	<p>Leadership is linked to strategy execution as much as strategy formulation.</p> <p>Leadership who execute strategy more effectively perform better.</p>
Olivier and Schwella, 2018	<ol style="list-style-type: none"> <li>1. Proper strategy execution is important but remains a challenge.</li> <li>2. Vital components for effective strategy execution include leadership, strategic planning, and performance management.</li> </ol>	<p>Improved strategy execution leads to better achievement of organisational goals (i.e. performance).</p> <p>Various leadership responsibilities (e.g. performance systems, engagement functions and management functions) are linked to strategy execution and performance.</p>
Van der Merwe and Nienaber, 2015	<ol style="list-style-type: none"> <li>1. Strategy execution barriers influence performance.</li> <li>2. The performance gap is complex, but linked to leadership (management) on different levels of the organisation.</li> <li>3. Leadership skills (such as communication skills, accountability skills and monitoring) influence strategy execution and performance.</li> </ol>	<p>The performance or execution gap (strategy, leadership and performance) needs to be studied with an integrated approach.</p> <p>Leadership style is a factor that could hinder strategy execution and plausibly performance.</p>

*Source: Author's own compilation of previous research that formed the background literature for this study*

The literature as summarised in Table 3.1 indicates the relevance of the strategy-to-performance gap. These studies highlight the complexity of the problem and formed the background literature for this study. In the next section leadership as a concept is discussed in more detail. In line with the research objectives of this study, leadership styles (as identified by Kurt Lewin in 1939) are discussed. At the same time the other two key concepts, strategy and performance, are also explored.

## **3.2 LEADERSHIP AND LEADERSHIP STYLES (AS PER LEWIN)**

### **3.2.1 Leadership**

Leadership is defined in certain definitions as something that could fundamentally be viewed as being “a process of social influence” (Bhatti, Maitlo, Shaikh, Hashmi & Shaikh, 2012:192) in order to influence followers to reach organisational goals. Leadership as a subject has been covered extensively in research and has been present and observed since the “first interactions of humankind” (Nienaber, 2010). Leadership is regarded as a dynamic phenomenon that covers various fields of study; therefore, it often needs to be considered uniquely in different circumstances (Bass, 1985; Chen et al., 2016; Kaiser et al., 2008). Although the issue of leadership has captivated researchers for many decades, various authors agree that because of the complexity of the phenomenon many areas still need sharpening to offer a better practical understanding (Kaiser et al., 2008; Khouly et al., 2017; Nazarian et al., 2017).

Wren (2005) points out in his book on leadership that very few academic research findings on leadership actually provide conclusive answers. Kaiser et al. (2008) agree with this suggestion and suggest that more studies on leadership could provide useful answers and increase the probability of effective leadership practice. O'Regan, Sims and Ghobadian (2005) emphasised that leadership needs to be actively involved in strategy formulation as well as execution activities to maximise the chance of superior performance. Jowah (2016) also contributed to the debate on strategy execution by reviewing leadership and management issues. Both Cocks (2011) and Martin (2017) point out that there is often the mistaken perception that strategy is formulated by the top leadership, but execution is done lower down in the hierarchy without consulting the employees on the lower levels of the hierarchy, which is a recipe for poor execution. In order to understand the significant responsibilities of leadership in the context of strategy, it is essential to give an overview of the different definitions of leadership.

### **3.2.2 Definitions of leadership**

Leadership is hard to define. Khouly et al. (2017) stated that leadership cannot be defined by a universal set of standards. Bass and Bass (2008) indicated that there are many different definitions of leadership but the most suited one depends on the context in which it is used. In a popular definition of leadership by Hogan and Kaiser (2005:172)

they contend that leadership can be seen as something that offers a “solution to a problem” in the sense that it refers to ability to build and maintain a group that performs well. Hackman and Wageman (2005) as well as Morganson (2005) define leadership by describing the different ‘functions’ for which leadership is responsible (also commonly referred to in literature as leadership characteristics) and finally link it to the goal being stated as organisational performance. Kotter (2001) argues that setting a direction is a crucial responsibility of leadership and Nienaber (2010) claims that one of leadership’s key tasks is to assume responsibility for the survival and growth of organisations. Vecchio (1995) defines and explains leadership with reference to the ability to influence values, behaviour and the actions of others (e.g. influence people). Hitt et al. (2007:384) support this definition by adding that “all managers should be considered as being strategic leaders in order to ultimately be successful in strategy implementation”. Over the past two decades researchers have managed to prove through various practical research studies the significance of leadership in setting direction and the ultimate fate and performance of organisations (Bloom & Van Reenen, 2006; Chen et al., 2016; Kaiser et al., 2008; Khouly et al., 2017; Nahavandi, 2009).

Kaiser et al. (2008), who studied the connection of leadership and strategy within the context of organisational performance, suggest that changes in leadership could lead to significant changes in performance. According to Kaiser et al. (2008), empirical studies have calculated that these influences of leadership could be as much as 20-45% on performance and economists such as Bloom and Van Reenen (2006) confirm this view. Nohria, Joyce and Roberson (2003) determined that CEOs account for around 14% of variance in organisations’ financial performance, thus supporting the argument on the importance of leadership in performance. Studies on the different theories on leadership have further underlined the importance of leadership. For instance, Kaiser et al. (2008) argue that leadership has to create a climate where organisations have an optimum chance to reach its goals and achieve superior organizational success. This theory concurs with the view of Schneider et al. (1998) that the goal of leadership is to provide a context for performance. It is clearly apparent in all of these studies that leadership is directly connected to the performance and future success of an organisation (Hitt et al., 2007). Khouly et al. (2017:240) state it strongly in their view that “leadership is the lifeblood of any organization”. Nahavandi

(2009:206-207) defines the leader of an organisation as someone “who influences and guides in order to establish and achieve goals”. All of these studies correspondingly connect leadership to performance.

Leadership studies often explain leadership by referring to certain leadership-specific traits and characteristics which could be described as the “leadership style”. As early as 1969, Fiedler identified leadership style for its significance in performance. Leadership style has emerged over decades as an important concept in leadership theory and for the way in which it ultimately influences organisations (Bass, 1985; Moss & Ritossa, 2007; Sethibe & Steyn, 2015).

### **3.2.3 Leadership style and its significance in leadership theory**

Leadership and its constructs – in the case of this study leadership style – are topics that are still constantly being explored by researchers. There are many ways to define leadership, depending on the aspects and context of leadership under study (Leon-Cannock, 2012; Nahavandi, 2009). Leadership style as a key construct of leadership has also been researched intensively from different angles and has been found to be closely associated with improved organisational performance (Moss & Ritossa, 2007; O’Regan et al., 2005; Overstreet et al., 2014). It remains ever dynamic. Leadership style could be considered and described as being the “pattern of behavior of a leader” (Bhatti et al., 2012:193), or alternatively as the way a leader acts with the objective to influence performance (Al-Khasawneh & Futa, 2012). These descriptions reflect the definitions of leadership style as proposed by Lewin (1939). Leadership styles, and mainly the three styles originally identified by Lewin (1939), will be explored in more detail in the following section to demonstrate its relevance to the research problem and this specific study.

### **3.2.4 Leadership style**

#### **3.2.4.1 Leadership style: Definitions**

Leadership style as a subdivision of leadership has been researched and debated comprehensively, especially so in the field of psychology (Billig, 2014; Moss & Ritossa, 2007). According to Hackman (2002), leadership styles explain a significant part of ‘how’ leaders act in creating certain conditions within an organisation. These conditions

could potentially turn out to be conducive to organisational performance. A key definition of leadership style for the purpose of this study is the following: “Leadership style could be defined as the traits, behavioral tendencies and characteristic methods of a person in a leadership position” (Dictionary of Business and Management, 2006). Some of the other key definitions on leadership styles correspondingly refer to the context of creating an atmosphere that promotes superior performance within an organisation (Nahavandi, 2009; Schneider et al., 2008). However, the literature on leadership style still has not offered a consistent definition that seems able to ensure its relation to performance under all conditions, and debate is still ongoing (Billig, 2014; Nahavandi, 2009; Yukl, 2006).

Many uncertainties are obvious in the different definitions of leadership style in literature, continuously evoking debates and new thoughts from different theorists (Kaiser et al., 2008). Bhatti et al. (2012:193) state that there is still not one best style of leadership being recognised and Al-Khasawneh and Futa (2012) agree with this statement. Overstreet et al. (2014) support this view in recommending further studies on leadership style in relation to strategy and performance.

According to O'Regan et al. (2005), existing studies on performance tend to focus mainly on individually examining one or two of the key concepts discussed in the particular review, instead of examining the relationship of all the important variables (leadership, strategy and performance) simultaneously. They also state that researchers have not reached consensus on many of the factors that influence performance yet – and even more so there are still vast uncertainties in terms of leadership style and its influence/role in performance. Recent studies have highlighted the gaps in literature (Billig, 2014; Chen et al., 2016).

Nienaber and Svensson (2013) investigated the contribution of leadership to organisational performance, questioning certain assumptions in this regard. They mention Mumford's view (2011) that organisations are complex systems. It appears that there are still many uncertainties regarding these complex phenomena and there are many debates still on direct factors and their influence on organisational performance. Leon-Cannock (2012:1) also refers to the link between leadership style, the business model of an organisation and ultimately organisational performance. What also stands out in the Nienaber and Svensson (2013) study and that of Chen et

al. (2016), relevant to this research problem, is that leadership is ultimately still viewed as responsible for organisational performance and it is their key objective.

With regard to this study and worth mentioning in terms of leadership styles specifically, is the common research problem that seems evident across various fields of study. The current generation of students tends to pay less attention to the actual writings of early scholars, as mentioned by Nienaber in her study on leadership in 2010.

New leadership styles are identified and developed continuously, and because terminology is used differently and interchangeably in theory it is often impossible to distinguish between actual and conclusive findings. In terms of literature on leadership styles it similarly appears that often the earlier styles of leadership are simply ignored with inconclusive reasons as to why this propensity has set in. Initial classifications of leadership styles in their most simplistic form referring to the definition of direct actions such as “command and authority” are mostly being ignored in modern writings with no clear explanation as to why this is the case. Some authors question earlier studies (Billig, 2014) whereas other support and quote earlier writings (Khouly et al., 2017). This tendency adds to the confusion on leadership style theory.

Current leadership style studies focus mainly on popular contemporary styles, e.g. transformational, transactional, change-focused, situational, servant and many other modern and still emerging styles, although even recent research still focus on the earlier styles (Khouly et al., 2017; Raus et al., 2012). Leadership styles are clearly dynamic and constantly evolving, and studies suggest that many factors still need to be researched in more detail to understand the full complexity of leadership styles and their relation to performance (Moore & Rudd, 2006; Khouly et al., 2017; Moss & Ritossa, 2007). A fact that does stand out noticeably in leadership literature is the association between leadership styles, goal orientation and performance as stated by O'Regan et al. (2005) and Moss and Ritossa (2007). Bhatti et al. (2012) and Overstreet et al. (2014) have also confirmed this link between leadership styles and the reaching towards achieving organisational goals and performance.

### **3.2.4.2 Contextualising discussion on the literature on leadership styles**

In the vast amount of available psychology literature on leadership styles, the effects of leadership styles have been monitored from different perspectives such as which styles are most effective, situational effects and other factors influencing performance (Ogbonna & Harris, 2000) to name a few. In what is considered a landmark study at Harvard by Goleman (2009) it was indicated that leadership style changes influence an organisation's profitability by up to as much as 30%. Researchers appeared to have accepted the fact that up to the present, no single leadership style has proved to be effective in all circumstances (Bhatti et al., 2012; Kaiser et al., 2008; Khouly et al., 2017). The fact that new leadership style research appears almost every year supports this notion. Thus, further research on leadership styles and its connection to strategy could prove to be useful in seeking to offer a better understanding of the role of leadership in strategy execution specifically to ensure maximum organisational performance.

In their study, O'Regan et al. (2005) concluded that strong leadership styles (irrespective of what the style was), had a significant impact on performance. It is clear that the literature on leadership style changes and evolves continuously as has been the case over the past 50 years. In this literature review the section on leadership style will focus in detail on the leadership styles originally classified by Kurt Lewin (1939) that as discussed in Chapter 1 are still relevant and used in research today.

### **3.2.4.3 Discussion: Three leadership styles of Lewin (1939)**

Leadership style is a dynamic field of study. Three of the most popular original classifications of leadership styles were named autocratic, democratic and laissez-faire leadership (Lewin et al., 1939). Even contemporary researchers still consider the importance of these three basic classifications of leadership styles in their studies (Raus et al., 2012; Al-Khasawneh & Futa, 2012; Billig, 2014) and they are still used individually or collectively today (Bass & Bass, 2008; Pradeep & Prabhu, 2011). Certain recent studies such as those by Raus et al. (2012), Bhatti et al. (2012) and Khouly et al. (2017) still refer to the leadership styles originally classified by Lewin for their perceived relevance and value. Ledlow and Coppola (2011) state that Lewin's classic leadership study is still arguably the benchmark of its time. These researchers

motivate its relevance by linking these styles to the long-standing concept of authority as key characteristic of leaders, ultimately reflecting on and connecting them to the influence and impact they have on people in order to achieve organisational goals (Raus et al., 2012).

Kaiser et al. (2008) as well as Nahavandi (2009) refer to the importance of the leader's influence on subordinates. This notion is now seen as important as part of leadership's performance abilities. O'Regan et al. (2005) comment that many leadership styles have overlapping characteristics and attributes, as also noticeable in discussions in the Chen et al. (2016) and Khouly et al. (2017) studies. In this current study the focus was on the three original leadership styles as identified by Lewin (1939), and their specific characteristics. The purpose was to distinguish between these overlapping leadership styles and consequently to simplify the understanding of the Lewin leadership styles in the context of performance and eventually the strategy-to-performance gap.

#### **3.2.4.4 Leadership style and influence (linked to the command and authority function)**

Northouse (2007) points out that in contemporary studies the influence of leaders on followers is considered a fundamental factor of their leadership. This supports current studies on the causal link between leadership style and performance (Pradeep & Prabhu, 2011). The use of the three leadership styles identified by Lewin (1939) is also defined by the 'influence and authority' theory principles. The other factor of leadership receiving attention in research is the 'command' function. An important point emphasised by Raus et al. (2012) is that leaders automatically focus on the command function needing to be applied by all leaders. Command can be seen as one of the original attributes regarded as the responsibility of leaders whereas management tasks such as planning, implementation and control have recently been getting more attention in literature than command has. Command could also be defined as accepting that a leader's authority implies the responsibility to give direction to subordinates in order to achieve goals. Kotter (2001:26) emphasises the importance of "setting direction" as leadership responsibility, as confirmed by Chen et al. (2016).

All divergent and evolving leadership styles and their key characteristics could arguably be simplified and categorised into one of the three original Lewin styles when viewed as operating from a command and authority perspective, i.e. to give direction. This includes the essential goal of leaders as having to assume responsibility for the survival and growth of organisations (Nienaber, 2010). The leader is someone who influences people and has the ability to do so, whether this influence is garnered voluntarily or coerced (Robbins & Coulter, 2009). Lewin's three leadership styles can be categorised by explaining as how a leader influences followers and exercises authority, or in certain instances refuses or fails to do so. The arguments regarding context and meaning around the ground-breaking work on leadership theory by Lewin and colleagues are still prevalent (Billig, 2014).

Sustainable organisational performance could be regarded as dependent on an organisation's quality of leadership (O'Regan et al., 2005). Al-Khasawneh and Futa (2012:1-3) discuss the notion that leadership has direct and indirect influence on organisational performance. The literature distinctly links leadership styles to strategy and performance, in effect how effective leadership influence can impact employees' performance, either positively or negatively. For the purpose of this study performance took into consideration employees/human resources. The focus was especially on employee satisfaction as discussed in Chapter 1. Hence leadership style needed to be considered for its role and impact on human resources, employees and specifically employee satisfaction. As mentioned earlier, Lewin's leadership styles operate from a stance of authority and command making the key concepts relevant to leadership theories wherever they are linked to performance.

How leaders create and implement strategies is key to organisational growth, performance and sustainability (Leon-Cannock, 2012:7). In order to research and understand the three key concepts intertwined in this study, the focus was on the three original leadership style classifications by Lewin et al. (1939), as per their definitions in the next section.

### **3.2.4.5 Lewin's three leadership styles: Definitions**

- **Autocratic leadership**

Autocratic leaders are leaders that generally operate independently. The leader is often regarded as the final authority figure providing instructions (command) on what needs to be done, and how and when tasks should be executed. The autocratic leader limits the participation of subordinates (Robbins & Coulter, 2009). This style is seen as effective where the leader is the most knowledgeable in the group and where time is a factor in decision making. In conditions where clear expectations are needed and a divide between leadership and subordinates proves useful, autocratic leadership is normally the most successful. Autocratic leaders could sometimes be regarded as aggressive by the group (Lewin et al., 1939) and followers could consequently resist and be in a state of tension (Raus et al., 2012). This state may adversely affect performance.

- **Democratic leadership**

Democratic leaders typically make decisions together with the group and offer guidance while also encouraging group participation. This style motivates group members to be part of decisions and encourages their input. Leaders focus on the human nature of people with the aim of involving them in decisions and minimising conflict. In situations where quality contributions by group members are important and productivity is not all that is imperative, democratic leadership could be very effective (Lewin et al., 1939). Democratic leaders are normally associated with high employee satisfaction and it seen as a highly preferred leadership style (Raus et al., 2012). The democratic leader distributes authority (Kawar, 2012), and this is recognised as leading to higher commitment from subordinates.

- **Laissez-faire leadership**

The laissez-faire leader typically gives freedom to the group, and influences and interferes as little as possible. Laissez-faire leaders frequently simply avoid making decisions (Al-Khasawneh & Futa, 2012:4). The leader only supports the group when asked to do so, and leaves the decision making to groups and individuals. These leaders very rarely comment on performance, and hence are not very effective in motivating employees, as employees need feedback to perform effectively (see Hackman & Oldham, 1975). Laissez-faire leaders generally do not use their authority.

This type of leadership could be most effective where the group consists of highly qualified or skilled people and where productivity is not a focus area at all. The laissez-faire leader regularly avoids group interaction and taking action, potentially resulting in a low performance orientation (Moss & Ritossa, 2007). Certain researchers prefer to use the term 'liberal leadership' when referring to laissez-faire leadership (Bosiok, 2013). Laissez-faire leadership could potentially reduce group efficiency, ultimately adversely influencing performance (Raus et al., 2012) because of the lack of direction given with this type of leadership.

#### **3.2.4.6 *The significance of the three leadership styles identified by Lewin***

The three leadership styles identified by Lewin (1939) has been a topic debated over many decades (Billig, 2014). Wolf (1996) quoted Lewin on leadership styles in stating: Leadership styles and not individual differences tend to determine the behavior of groups. In this study the objective was to explore whether the leadership style as a variable under research had any association with or possible impact on the organisation's performance. The focus in this literature review is consequently on the leader, whose responsibility is considered (as per the definition by Bossidy, Charan & Burck, 2002) to integrate strategy, people and execution and aim to ensure performance, success and sustainability.

Lewin's (1939) theory on leadership styles was regarded as appropriate to support the objectives of this study as it offers a broad understanding of leadership's strategies and actions translated in their leadership style, specifically when striving to perform successfully within their respective organisations. Miriam Lewin (1992) suggested that future researchers could provide useful information by replicating the studies conducted by Lewin (1939) and Lewin et al. (1939) in order to offer more information on the effectiveness of the different leadership styles. Irrespective of the organisational environment, autocratic, democratic and laissez-faire leaders are still easily identifiable and visible in many organisations today, and researchers still argue the significance and assumptions of the Lewinian styles (Al-Khasawneh & Futa, 2012; Bosiok, 2013). The significance of Lewin's studies is still considered valuable and used in modern literature (Khouly et al., 2017; Ledlow & Coppola, 2011).

The literature describes the vital link between leadership, strategy and performance as evident in the enormous amount of literature available on the topics. Leadership style is a central construct of leadership and could be regarded as the key construct to contribute towards the strategy and performance debate. Performance and strategy implementation/execution are regarded as key responsibilities of leadership, and leadership style emerges as an important part of the leader's characteristics influencing implementation, group behaviour and ultimately performance. Individuals in the business community are still questioning certain assumptions and statements on leadership, and there is a visible need to a better understanding on the phenomenon in order to communicate its role in the performance of organisation's more clearly (Kaiser et al., 2008; Syrett, 2012; Bhatti et al., 2012).

There is a strong correlation in leadership literature linking leadership style to organisational performance (Chen et al., 2016; Leon-Cannock, 2012; Overstreet et al., 2014). In the next section the focus will be on leadership and performance to explore the significance of the association between the two concepts.

#### ***3.2.4.7 Leadership and the significance of connecting it to performance (Discussion)***

Leadership – as it has been debated in the literature – plays an important part in various sections and fields of organisations. Different constructs form part of organisational studies, of which the culture and structure are often mentioned. Organisational culture and structures are two concepts that are worth mentioning because they also feature in leadership literature (Ogbanna & Harris, 2000; Pearce & Robinson, 2011). Per definition, 'organisational culture' refers to certain people-orientated features and characteristics within organisations, and 'structures' refers to the different areas and usually reporting structures, roles, responsibilities, systems such as information technology, behavioural patterns, and other processes (Stare, 2011). 'Culture refers' to the way leadership do things and influence the behaviour of people. Leadership is a fundamental point of discussion in the literature on organisational culture, and relevant to this study for its impact on performance (Brown, 2008; Anderson et al., 1994). Organisational culture is considered as one of the core driving forces within an organisation (Stare, 2011), because it influences the behaviour of people in order to obtain certain goals. The fact that leadership forms such an

important part of the management of organisational culture underpins the connection between leadership and the focus on 'guiding people' so as to influence them with the objective of affecting their performance. In this specific study leadership style is a key concept guiding goal orientation, but organisational culture is considered a supplementary and additional field of study influencing performance, hence it will not form part of further detailed analysis in this review.

The literature on leadership clearly states that effective organisations require effective leadership that ultimately leads to its success or failure (Bass & Bass, 2008; Chen et al., 2016). Financially sustainable organisation has a climate known to maximise the chances of superior performance, consequently could be argued to reflect the standard of leadership in the organisation's success or failure. Despite common conditions and similar environments in which they compete, organisations continuously perform differently with differing success rate (O'Regan, 2005). Studies such as the one by Hitt et al. (2007) highlighted that financial performance and above average returns are closely linked to leadership. Other research conducted over the past 20 years constantly found a relationship between leadership and organisational performance (Barney, 1991; Nohria et al., 2003; Kaiser et al., 2008; Overstreet et al., 2014). Kaiser et al. (2008) point out that although organisational success depends on much more than just leadership, research data clearly indicates that leaders have a substantial influence on organisational performance. Senior leaders in senior positions have a greater opportunity to influence organisations and contribute to performance, either positively or negatively (Kaiser & Hogan, 2007). Leadership is strongly integrated with strategy and performance (Martin, 2017).

#### **3.2.4.8 *The integration of leadership and performance***

One of the ways in which the actual performance achieved by an organisation can be determined is by evaluating the different models required to ensure organisational performance, e.g. by firstly considering all internal factors needed, such as leadership and leadership style, and secondly also considering external factors that influence performance. 'Structure' is considered an internal factor to the organisation and so is 'climate'; both are intertwined with leadership and argued to shape individual and group performances (Kaiser et al., 2008). Studies have linked leadership personality traits with how leaders operate strategically (Howell & Higgens, 1990). Kaiser and Hogan

(2007) elaborated on this aspect by exploring leadership characteristics and the significance of leadership decisions, by linking them to the results (performance) being achieved. However, as with other leadership studies, very little conclusive literature is available on how exactly superior performance can be achieved. Leadership style clearly influences how people behave, but in certain areas it is not clear how it links to strategy and implementation or execution and how all of this actually translates into actual results without a gap (Kaiser et al., 2008; Olivier & Schwella, 2018).

According to Leon-Cannock (2012:7), there is a strong case for further research on the correlation between leadership style and performance. The fact that very little conclusive research is available on the characteristics of the leadership styles of the leaders taking charge of organisations with superior performance (Kaiser et al., 2008) indicates that more information is needed to offer a better understanding. Nanjundeswaraswamy and Swamy (2014) contend that leadership style is strongly linked to organisational performance in today's global, competitive environment. Surprisingly though, many contemporary writings still treat the topic vaguely and there are especially scant conclusive results linking it to strategy implementation, not helped by the fact that research on the key concepts is inconsistent.

It became clear in the literature review that because of the evident interrelatedness and complexity more research on leadership styles could be useful and contribute to a better understanding of its effectivity. Hayers (2000:509-510) argues that leadership style is crucial to providing direction towards the goals of an organisation. This study aims to contribute towards a better understanding of some of the vague areas in research on leadership styles, and especially so in a practical way within a particular context on organisational performance to offer a better understanding of the relevant phenomena.

This particular literature reviewed in this chapter suggests that leadership style has an impact on human behaviour and direction, and thus influences performance.

### **3.3 PERFORMANCE**

Organisational performance is one of the most important variables in management research, and continued performance is essential for organisational growth (Gavrea,

Ilies & Stegorean, 2011). Performance and organisational performance are often described in a way, as the achievement of organisational goals (George & Jones, 2008). Authors such as Nag et al. (2007) express performance explicitly in terms of financial gain – commonly also referred to in the literature as profit. Profit, financial performance and measurements such as shareholder value, are still regarded as the key components for measuring organisational success, according to most current studies. However, many researchers have been looking at performance in a much broader manner (Heskett et al., 1997; Nienaber & Svensson, 2013). These authors concluded that as little as a 5% improvement in employee satisfaction results in a significant increase of customer satisfaction and ultimately in as much as 85% in profitability.

Nienaber and Svensson (2013) claim that performance is a broader concept than merely profitability and shareholder returns, and various other outcomes that are deemed relevant to performance have been identified and discussed in modern studies. In Fontannaz and Oosthuizen's (2007) study on sustainable organisational performance they explored performance in a broader sense than simply profitability. As a result of these studies other factors are progressively forming part of many contemporary performance-related studies, broadening the view of what organisational performance encapsulates. In 2013, Bourne, Pavlov, Franco-Santos, Lucianetti and Mura explored the importance of human elements such as employee components in the context of organisational performance, which was found to be influenced by leadership style, as previously discussed in section 3.2.4.6.

It is clear that performance in organisations comprises a diversity of organisational outcomes that are linked directly to financial performance. This includes variables such as productivity, sales, growth, customers and customer satisfaction, human resources, retention and the management thereof, innovation, and human resource and employee engagement measurement systems (Bourne et al., 2013; Kaiser et al., 2008; Williams & Naumann, 2011).

Performance, independent from the other two key concepts (leadership and strategy), is also an extremely complex and thoroughly researched topic (Bourne et al., 2013; Corvellec, 1995) that has led to various schools of thought developing (Chen et al., 2016; Spreitzer & Quin, 2001). It appears that performance is intricately complex and

to avoid misinterpretation often needs to be viewed in the context of organisational goals with cognizance of relevant concepts. In the next section it is discussed in connection to effectiveness and efficiency.

### **3.3.1 Performance, effectiveness and efficiency**

In the business world organisational performance is often identified and defined around two concepts: organisational *effectiveness* (regularly linked in discussions to goals) and *efficiency* (regularly linked in discussions to productivity) (Neely et al., 1995). The link between leadership effectiveness, organisational effectiveness and the relation thereof to performance has been researched in various studies with varied results (Fontannaz & Oosthuizen, 2007; Hrebiniak, 2013). Schneider, Smith, Taylor and Fleenor (1998) describes the leader's influence on end results by pointing out the way a leader is successful in providing a context for performance. This resonates with the findings of Kaiser et al. (2008) on how leadership decisions directly affect performance. Nanjundeswaraswamy and Swamy (2014) connect leadership with organisational effectiveness and performance. Chen, Jing and Lee (2014) studied organisational effectiveness and gave particular attention to the mediating effects of leadership on performance.

A summary of the literature is discussed to demonstrate the relevance to the research objectives. The purpose is to emphasize the complexity of the phenomena and no links are drawn or conclusions made at this stage of the research process. The first concepts that are regularly found are effectiveness and efficiency.

George and Jones (2008) identified organisational effectiveness and efficiency as essential elements to ensure that organisations achieve their goals by creating ideal conditions for success, which are influenced by leadership style as discussed in section 3.2.2. They suggest that using resources effectively could ensure competitiveness and sustainability. This is often deemed crucial in a world where some authors consider competitive advantage as the goal of strategic thinking (Walker, 2004). Laitinen (2002) suggests that well organised performance measurement systems are essential to enhance the probability of success, and Watson and Wooldridge (2005), who examined leadership behaviour and style in connection to strategy implementation, confirmed the link. O'Regan et al. (2005) contend that

effective performance measurement systems need to cover all aspects of performance and should include more than just financial measures.

Nienaber and Svensson (2013) highlight the importance of people in the chain of achieving goals, while also referring to other authors such as Harvey (2009) and Linne (2009) who found that efforts to capitalize on people's contribution to organizational effectiveness remain relatively ineffective (Nienaber & Svensson, 2013:836-837). It is leadership's responsibility to ensure effectiveness linking the contribution to performance as pointed out before. The aim to improve performance is still ongoing and studies to explore ways to improve are still introduced continuously (Martinez, Pavlov & Bourne, 2010; Nazarian et al., 2017; Overstreet et al., 2014). It appears from these studies that there are still many areas in linking leadership and performance that are not fully understood and are filled with blank areas on how leadership style can maximise performance. This study aims to offer a better understanding of the performance gap by viewing it in the context of leadership style and strategy execution. For the remainder of this review the other internal and external factors will be excluded and the focus will stay on the three key concepts.

### **3.3.2 Leadership, performance and measurement criteria**

This section integrates the key concepts with the chosen measurement areas addressed in detail in Chapter 4. Leadership and organisational performance have been studied intensively over the past four decades and it appears to be an ongoing area of interest with new studies continuing to search for answers (Chen et al., 2016; Jing & Avery, 2008). Leadership is repeatedly linked to performance in various ways as mentioned before (Overstreet et al., 2014; Martin, 2017; Sethibe & Steyn, 2015) indicative of its importance. The link is especially achieved through influencing of people's behaviour. Kaiser et al. (2008) conclude that various different aspects of leadership and performance are connected and hence acknowledge that this adds to the complexity of accurately measuring organisational performance. They also recognise that objective measures are difficult to achieve because of all the complex intertwined connections that need to be considered with regard to performance. These are a few of the reasons why so little information is conclusive on leadership and its attributes of which one is leadership style.

O'Regan et al. (2005) quote Short et al. (2007) in suggesting that researchers have not yet reached consensus on many factors surrounding performance. This is confirmed by the study by Svensson et al. (2008) who looked at the broader influences on performance and the subsequent results. This specific study focused on the service value chain components as introduced by Heskett et al. (1997). Jing and Avery (2008) investigated the lack of conclusions in leadership and performance studies, indicating there is still a gap that researchers need to explore. Martinez et al. (2010) aimed to contribute to the ongoing debate on performance measurement and Nienaber (2017) highlighted the importance of employees in organisational performance by reporting on the links between leadership and performance evaluation.

Given all the areas that need further investigation as clearly pointed out by a review of previous research, the purpose of this current study was to explore the three key concepts in search of clearer understanding. Therefore, organisational performance was viewed in terms of a certain set of criteria that occurs repeatedly in organisational performance literature. Kaiser et al. (2008), O'Regan et al. (2005) and many other studies used additional performance criteria in addition to financial performance suggesting a strong link with the 'people' (employees and customers) of an organisation and performance. Various studies focus and refer to leadership and management of employees in relation to performance (Chen et al., 2014; Jing & Avery, 2008; Overstreet et al., 2014).

In addition to many other measurements used to measure leaders, they are also measured by the extent to which their organisations manage to achieve their strategic goals. Martinez et al. (2010) and Nienaber and Svensson (2013), among others, mention the importance of human nature in organisational performance. Jarzabskowski and Spee (2009:69-70) point out that people/employees implement strategy by executing their daily jobs and thus 'do' strategy. The criteria to measure performance transpiring in numerous studies that were explored in this current research can be described as the reaching of goals, mainly so for the people involved in the performance frame, namely shareholder satisfaction, customer satisfaction and employee satisfaction (Heskett et al., 1997). This is a very broad and detailed description and in order to remain focused on the purpose of this study in exploring leadership styles, the focus in this study was mainly on employee satisfaction. This

suited the research objectives because Heskett et al. (1997) showed that employee satisfaction has an impact on customer satisfaction, which in turn has an impact on financial performance. Kouzes and Posner (2007) referred to the leadership challenges in achieving this in their study on leadership and performance.

Further research could potentially look at more in-depth information on the other factors involved in performance, as there are clearly areas that are still lacking conclusive results. New factors and themes that transpire are constantly under scrutiny. For the purpose of this study the focus was on the three key themes discussed in this review.

The literature review so far revealed that leadership influences both people and performance (Chen et al., 2016; Robinson, Lloyd & Rowe, 2008). The three themes, leadership, employees and performance measurements are also commonly described as part of the concept known as the service profit chain, and serve to establish relationships between profitability, customer satisfaction and employee satisfaction (Heskett et al., 1997). It is accepted that there is a link between effective leadership and employee performance, even though there are many debates around the topic (Pradeep & Prabhu, 2011). The literature indicates a correlation between leadership, specific leadership styles, human resources (employees), growth (financial performance) and market share (customer satisfaction) (Chen et al., 2016; O'Regan et al., 2005). As with other theories in this field of research, many descriptions and concepts from theory are used interchangeably. The next section will thus explore the individual factors forming part of the service profit chain and the factors in the context of organisational performance as per the research objectives set out earlier.

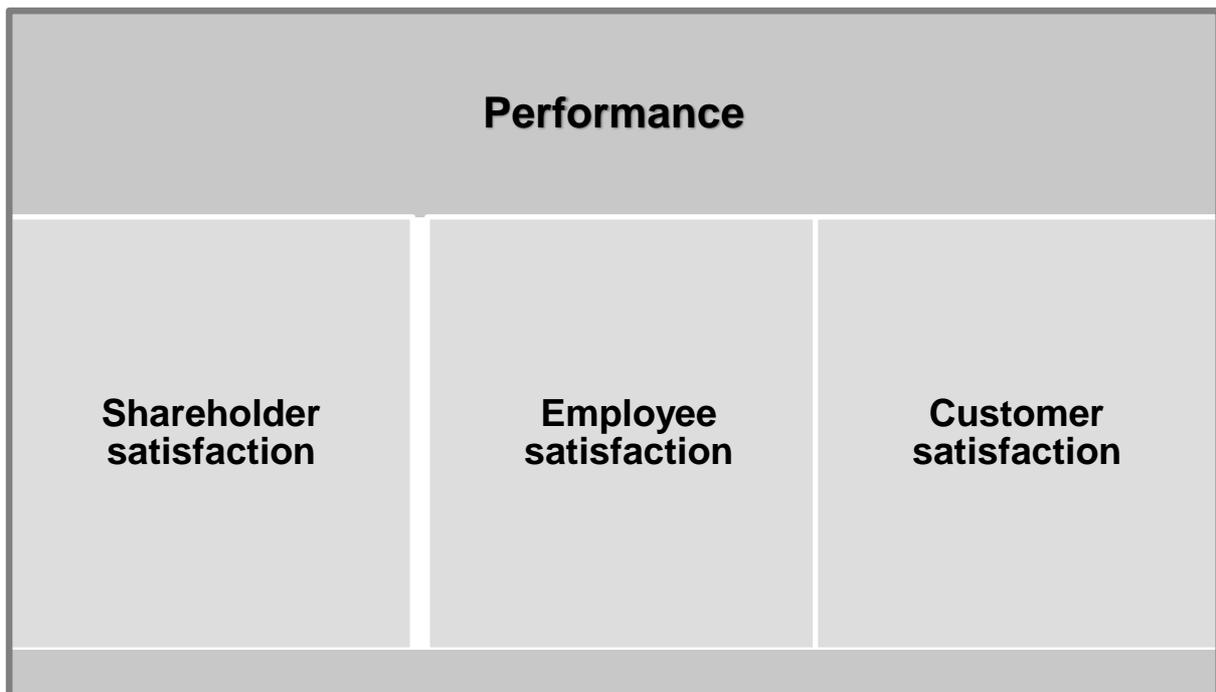
### **3.3.3 The significance of the service profit chain and its link to performance**

As with the other concepts it appears that terminology is often used in different ways when describing the service profit chain or value profit chain as presented by Heskett et al. (1997). It is referred to as either the value profit chain or service profit chain in literature, and both terms used in this study referring to the same concept connecting employees, consumer and profitability. Studies on the service profit chain are as relevant today as they were 20 years ago (Levine, 2013). Literature on the subject connects employees, customers and does so in linking it with describing how this

dynamic conjunction leads to increased sales and profitability (Stodnick, 2005). Manafi, Ghesmi, Hojabri and Fotoohnejad (2011) confirm the importance of the service value chain in establishing employee satisfaction as a prominent factor to ensure customer loyalty and finally warranting a greater return of financial performance. Bakotić (2016) researched the relationship between job satisfaction (employees) and organisational performance and found support that employee satisfaction influences financial performance.

Hence, for the purpose of this study: Employee satisfaction was the selected key factor to measure performance because of the link to leadership and leadership style. In order to offer a better contextual understanding of the three concepts at the core of the service profit chain the next section individually explores and summarises the three measures, shareholder satisfaction, employee satisfaction, and customer satisfaction.

Figure 3.2 presents the measurements used to measure performance according to the service profit chain as discussed in the next three paragraphs:



**Figure 3.2:** *Shareholder satisfaction, employee satisfaction and customer satisfaction as constructs of performance*

*Source: Author's own*

Figure 3.2 presents shareholder satisfaction, employee satisfaction and customer satisfaction as constructs of performance. These three concepts, forming part of the

service value chain, are defined and discussed for their relevance in this study in the below paragraphs.

### **3.3.3.1 Shareholder satisfaction**

'Shareholder satisfaction' is a term that commonly refers to all the financial results, growth in business, and the satisfaction of investors and financial shareholders within an organisation. These are all imperative measures for the survival of any organisation. Especially in the time of the industrial economy, performance used to be predominantly defined in terms of financial income, annual growth and returns on investment (Kirby, 2005; Zook & Rogers, 2001). Financial performance is often relatively easy and straightforward to measure, and various empirical studies link leadership directly to financial performance (Bakotić, 2016; Kaiser et al., 2008). Literature on shareholder value discusses the fact that customer satisfaction and employee satisfaction (which are leadership responsibilities that directly influence cash flow, shareholder value and long-term sustainability (Gruca & Rego, 2005). It was established in the study by Gruca and Rego (2005) as well as the study by Anderson, Fornell and Mazvancheryl (2004) that there is a positive correlation between employees, customer satisfaction (influencing market share) and financial values within an organisation. Although not the only measure named in various studies, shareholder satisfaction is arguably still one of the key measurements in organisational performance measurement systems. Bakotić (2016:127) notes that various authors today do not only use financial performance indicators in performance measurement, but also other measurements as discussed in the following two sections.

As is clearly evident in the literature review chapter, it is commonly accepted that financial perspectives are no longer accepted as the only key factor that has an impact on the performance of an organisation in the modern, interrelated economy (Chandrasekar, 2011; Kolk et al., 2005). Organisational performance is being viewed as multi-faceted and different drivers have been identified and linked to different outcomes (Bakotić, 2016; Gruga & Rego, 2005) as was shown by Heskett et al. (1997), among others. Since organisational performance is today seen as multi-faceted, performance needs to be measured accordingly and across different dimensions (Fontannaz & Oosthuizen, 2007; Neely, 2007). Some of the other obvious factors that enjoy prominence in these specific studies are those with an apparent strong focus on

people. These studies focus on the role of people within the organisation (employees) and the perceived reaching of goals through the eyes of the market (customers), directly translating into performance being linked to profit (Heskett et al., 1997). Even though the relationships between these factors are complicated (Bakotić, 2016), employees are a key construct in this value chain, fundamentally linking it to the other two constructs.

### **3.3.3.2 *Employee satisfaction***

Employees are the most important intangible asset of any organisation, according to a study by Martzler, Renzi, Muller, Herting and Mooradian (2007). Employee satisfaction per definition focuses on the internal focus of employees which is different from job satisfaction and areas such as employee engagement that have been explored in various studies (Nienaber, 2017; Thakur, 2014). It is not covered in full detail here.

Employee satisfaction has been identified as an important factor resulting in more loyal employees and a better customer experience, finally leading to better sales and profitability (Heskett et al., 1997; Stodnick, 2005). Employee satisfaction has been measured as part of performance measurements in various studies conducted over the past two decades. Contemporary studies strongly emphasise that individual performance as well as group performance is essential to ensure organisational performance (Drucker, 1955; Kirby 2005; Spreitzer & Quin, 2001). The fact that employees (individual performance) play an important role in gaining a competitive advantage for the organisation is well documented in literature (Bakotić, 2016; Brewster et al., 2003) as is its importance indicated in long-term sustainability and growth of an organisation.

The notion that employee satisfaction arguably drives employee loyalty – which is connected to employee enthusiasm and productivity – has come under scrutiny in studies on the service profit chain. According to Heskett et al. (1997), satisfied employees frequently produce more considerate employees, consequently resulting in lower staff turnover within organisations. This often leads to more knowledgeable and experienced employees, all linked to improved processes and a company culture of performance. In their study on employee satisfaction Peltier and Dahl (2009) point out

that employees continue to become more important as drivers of performance, especially since they implement strategy in executing their daily tasks.

In performance studies the relationship between leadership and employee performance is thus argued to be a key force (Pradeep & Prabhu, 2011). It is further argued that failure to focus on employee satisfaction has a negative impact on the real costs involved in terms of employee turnover, absence and unproductivity as it interrupts strategy implementation. If employee retention is not managed efficiently, it often results in the loss of productivity, which could lead to decreased customer satisfaction and loss of sales and profit. In the literature leadership is strongly linked to all of the abovementioned measures and underscores the importance of measuring both leadership and organisational performance in terms of the employee, customer and financial performance. Since performance is considered a complex phenomenon, an integrated view focusing on specific circumstances is needed to avoid unnecessary misinterpretations (Bakotić, 2016; Bernhardt, Donthu & Kennett, 2000).

Leadership studies have claimed that leadership is crucial to organisational effectiveness via managing employee performance (Pradeep & Prabhu, 2011:198). The degree to which a leader succeeds in ensuring employee satisfaction plays an important role in the broader measurement of the organisation's performance and sustainability (Chen et al., 2016; Heskett et al., 1997). Leadership literature clearly indicates that leaders do not achieve results from their own doing, but that they influence subordinates' and employees' ability to contribute to organisational goals. Employee satisfaction is consequently measured within the context of the leader's ability to create an environment to ensure organisational performance (Chen et al., 2016; Kaiser et al., 2008; Peltier & Dahl, 2009).

The ongoing debate in the literature on strategic management and the concept of organisational culture rooted in the company mission forms part of the strategic plan of an organisation (Pearce & Robinson, 2011). It is widely understood that leaders need to ensure that employees understand the mission and all strategic messages are communicated clearly (Mankins & Steele, 2005). This is crucial to establishing an effective culture and providing a climate that stimulates superior performance (Kaiser et al., 2008). Employees' ability to achieve their strategic goals in the workplace flourishes in the right organisational culture, which, as previously said, is considered

to be one of the main driving forces of any business (Stare 2011). This is one of the key objectives of leadership.

Recent studies suggest that motivation mechanisms are insensitive to specific leadership styles that are being applied. Some authors challenge previous studies conducted on motivational factors, stating that motivation factors could have played a role in situations where organisational goals failed or were not being achieved because leadership focused on the 'wrong' motivational factors (Raus et al., 2012). O'Regan et al. (2005) found that leadership style studies were still not providing enough convincing answers but recognised the importance of leadership styles in organisational strategy and performance. Research indicates there is a need for an improved understanding to improve performance (Jing & Avery, 2008). Overstreet et al. (2014), who looked at certain leadership styles, suggested further research on appropriate leadership styles to bridge the gap between strategy and performance.

### **3.3.3.3 Customer satisfaction**

Customer satisfaction is an essential aspect that is explored in service value chain literature studies. It also serves as a key measurement criterion to establish the perceived reaching of organisational goals and over the last decade various studies have confirmed its importance as part of performance (Williams & Naumann, 2011). Customer satisfaction is linked directly to financial performance and top-level executives regard it as one of the key factors to ensure long-term strategic success and drive profitability (Heskett et al., 1997; Williams & Naumann, 2011).

In the studies conducted by Kaplan and Norton (2005) customers form an integral part of their balanced scorecard method which is used to evaluate and drive organisational strategy. Various other studies have substantiated that customer satisfaction leads to positive influences in an organisation, referring to important factors such as increased loyalty, reduced price elasticity, positive word of mouth reports, repurchase intent and many other factors relevant to customers' influence on organisational performance.

Throughout the literature it is highlighted that customer satisfaction could benefit an organisation in many ways, and numerous empirical studies on the service profit chain have confirmed the positive relationship between customer satisfaction and profitability (Anderson et al., 2004; Eklof et al., 1999). In terms of financial results some studies

even suggest that as little as a 5% improvement in customer loyalty and satisfaction results in as much as a 25-85% improvement in profit, depending on the specific industry of operation. Bakotić (2016:118-119) linked various characteristics of 'happy employees' to factors related to better customer services and essentially performance. Suchánek, Richter, Pokorná and Králová (2014) also found direct influences of customer satisfaction on company performance and suggested further research in this field.

### **3.3.4 Contextualising employee satisfaction and performance**

Napoleon suggested that the effectiveness and success of an army is most dependent on its morale (Bakotić, 2016:119). Koys (2003) relates this idea to business and states that if a business pays attention to its employees, they will pay attention to customers, which will be important to reach financial goals. Manafi et al. (2011) concluded in their research that there is a visible relationship between employee and customer satisfaction and financial performance. Some of the important findings they made were that attracting and training new employees to increase customer service is costly, and retaining customers is less costly than attracting new customers. These facts influence the financial consequences and finally the performance of an organisation.

The importance of customer satisfaction when measuring an organisation's performance is considered relevant in seeking to establish and measure a climate that is conducive to superior organisational performance. Ensuring that customer value is created through customer service is considered one of the key dynamics that leaders need to consider when executing their strategies (Drucker, 1955; Nienaber, 2010). There are direct and indirect relationships between customer satisfaction and financial performance, and the relationship between employees, customers and financial performance have been found true especially in the service, tourism and hospitality industry (Gursoy & Swanger, 2007:245).

It can therefore be reasoned that it is essential for leadership to focus on employee satisfaction to ensure customer satisfaction as part of their performance measurement management system. Striving for optimal customer satisfaction is imperative for long-term organisational success (Pearce & Robinson, 2011) and customer satisfaction is chained to financial results such as cash flow as well as shareholder value (Bakotić,

2016; Gruca & Rego, 2005). Positive correlations are observed in various direct and indirect ways between employee satisfaction, customer satisfaction and ultimately organisational performance (Mafini & Pooe, 2013:1-2). It is clear from this literature review that the concepts of strategic management, leadership style and performance are intertwined across research areas and need to be viewed in context as such.

### **3.4 CONCLUSION: THE THREE KEY CONCEPTS: LEADERSHIP, STRATEGY AND PERFORMANCE**

The available literature on leadership, strategy and performance highlights the complexity and uncertainties in this dynamic field of study. Research has indicated the dynamic nature of these concepts and their role within organisational performance. The literature indicates that all of these concepts are continuously evolving and there is still much debate on these matters. The literature discussion was attempted from the perspective of the development of the research question, namely whether leadership style, as an internal factor, influences the implementation of strategies and/or the lack of successful implementation in any way.

- **The research question was formulated as follows:**

What is the role and/or influence of leadership styles on organisational performance of selected companies in the South African wine industry, in the context of understanding the strategy-formulation-implementation-performance gap?

It could be elaborated in more detail as follows: To what degree, if any, do the different leaders and leadership styles, cited by Lewin (1939) as variable in organisations, influence the actual performance of specific organisations (i.e. by minimising the gap between the planned and actual performance)?

As very little research in the respective fields is deemed conclusive (Kaiser et al., 2008; Overstreet et al., 2014) and various authors have noted the need for further research, the research questions addresses a contemporary problem. Three decades ago Mintzberg (1987:65-67) stated that effectively managing strategy means to “craft” thought, action, control and the learning of strategy. The various studies on the topic indicate the reality and cost of the strategy implementation gap and its role in organisational performance/failure and point out a lack of understanding to enable the

management of strategy properly and ensure successful execution specifically (Overstreet et al., 2014; Van der Merwe & Nienaber, 2015). It is argued that a better understanding of these concepts is very valuable to organisational performance (Olivier & Schwella, 2018).

Hence, the objective of this study was to explore and generate a better understanding of the three closely intertwined key concepts in this dynamic field of study concerning organisational performance. This study aimed to contribute to theory with regard to the possible influence of leadership styles on organisational performance. In confirming the links between the three key concepts it could also offer useful information to organisations and pave the way for further research that could create a better understanding of the strategy-formulation-implementation-performance or strategy-to-performance gap.

The available literature on strategic management, leadership style and performance reveal that various aspects of these concepts have not been covered extensively and are still being debated by researchers. More research could provide valuable information for developing a better understanding of these particular phenomena and their respective roles in the field of organisational performance. As the strategy-formulation-implementation-performance gap is a contemporary problem and has not yet been completely evaluated and understood, more information is needed in order to manage it properly. The strategy-to-performance gap still leads to underperformance (Tait & Nienaber 2010; Olivier & Schwella, 2018; Pretorius, 2016). It appears that researchers in the field of leadership styles are confronted with many contradicting studies, some obvious gaps in research, and lack of coherence (Jing & Avery, 2008), making conclusions difficult. Since organisations are complex systems (Mumford, 2011), the key concepts are influenced by many factors and research specialists seem to conceptualise them depending on which areas they study (Nahavandi, 2009)

This study sought to contribute to the gaps in practical information on the strategy-to-performance gap by elaborating on the significance of leadership styles in the context of strategy implementation and organisational performance. Employee satisfaction has been firmly linked to performance, albeit in various ways, and was the chosen performance indicator in this study. Because of its link to leadership as indicated in the

literature (Pradeep & Prabhu, 2011; Mafini & Pooe, 2013) it was regarded as appropriate in contributing to the research objectives of this study.

The literature makes it clear that practical solutions and conclusions on the matter of leadership are still evasive. This study could contribute to awareness that could potentially be interpreted and used effectively in organisations. Leading researchers such as Kaiser et al. (2008), Bhatti et al. (2012) and Khouly et al. (2017) have all suggested that further studies are needed in order to improve the understanding of leadership. The strategy implementation gap is very real and is seriously influencing strategy implementation/execution and organisational performance. The fact that the complexity of multi-faceted factors influences performance makes accurate analysis and understanding difficult (Nienaber & Svensson, 2013).

It was important that the challenges surrounding this area were discussed prior to and during research in an attempt to avoid previous pitfalls found in other studies. Strategy, leadership and performance still come under scrutiny and debate regularly. New findings in this study need to be viewed in the context of this study's specific scenarios and in integration with overlapping areas in literature. Greater understanding of leadership, strategy implementation and performance is deemed valuable in attempts to understand the strategy-formulation-implementation-performance or strategy-to-performance gap. This gap is still causing unsatisfactory organisational performance and this study could assist relevant future studies in various ways as discussed and proposed in Chapter 6. It was aimed at offering a better understanding of the research problem and potentially providing leaders with more practical information to enhance the achievement of goals and organisational performance. A key objective was to narrow the strategy-to-performance gap. Chapter 3 offered a review of the literature that discusses the research problem. The research design and methodology were at aim to support the research objectives as stated in this chapter. In Chapter 4 the research design and method/methodology to achieve the research objectives will be presented and discussed in more detail.

## **CHAPTER 4**

# **RESEARCH DESIGN AND METHODOLOGY**

### **4.1 INTRODUCTION TO RESEARCH DESIGN**

The previous chapter consisted of a literature review and explained the context of this research. Different authors have different definitions for research design and methodology (Leedy & Ormrod, 2013; Yin, 2014). The research design in the case of this study was a qualitative, case study and exploratory in nature at aim to assess certain phenomena in a new way (Bloor, Frankland, Thomas & Robson, 2001). All research is based on some underlying philosophical assumptions about what constitutes valid research and which research method(s) is/are deemed most appropriate (Burnes & Grove, 2003; Leedy & Ormrod, 2013). Chapter 4 defines and describes in more detail the research design and methodological approach taken to explore the research question of this study, as discussed in Chapters 1-3.

The key objective of this study as mentioned in Chapter 1 was to enhance the understanding of the influence of leadership style on the strategy-formulation-implementation-performance gap and ultimately better understand organisational performance. The overall aim was to contribute to a better understanding of the phenomena under discussion, in this case the influence of leadership style on the strategy-formulation-implementation-performance gap and enhance the chances of better organisational performance.

The strategy-to-performance gap as discussed in detail in Chapters 1 and 3 hence formed a key part of the research and also created the theory context in this study on organisational performance. This study was exploratory in nature and hence aimed to provide more information in order to better understand the strategy-to-performance gap that is linked to various potential causes, but still causing huge losses and underperformance in organisations globally. In the literature review it became clear this area still needs a better understanding.

Chapter 4 will first present the main objectives of the research design to serve as blueprint to start from (Burnes & Grove, 2003; Mouton, 2010), and proceed to explain

the methodological approach and methods used in this study in alignment with the research objectives.

The research approach chosen was qualitative in nature. Qualitative research is focused on understanding behaviour in real-life circumstances (Creswell, 2009; Mouton, 2010) and deemed suitable to study “natural social life” (Saldaña, 2011:3). This was considered appropriate in this research study because evidence is sparse in this regard as demonstrated in the literature review. As mentioned, this chapter will first present the research design and subsequently the chosen methodology. It will continue with method – population, sample, data collection and data processing discussions on the samples which were selected and explain the purpose and relevance to research objectives. It will then present the different methods used for data collection and the reason for choosing these methods.

The research methods are described in this chapter to explain the rationale behind the data collection and analysis and to provide context in the field of study. The semi-structured interviews that were used with an interview guide will be discussed in more detail later in this chapter. The data analysis process flowed from the data collection to illustrate the process of analysis as well as the significance and relevance of the selected methods. In the third part of Chapter 4 ethical issues will be discussed and the required ethical clearance issues addressed. The chapter ends with conclusions on the different discussions as well as the specific limitations applicable to this study. Finally, potential areas for further research are suggested. These suggestions are presented and discussed in detail in Chapters 5 and 6.

## **4.2 RESEARCH OBJECTIVES AND PHILOSOPHY**

*Research is undertaken as an original investigation to contribute towards knowledge, information and understanding in a particular field of study* (Myers, 2013:6).

The research question as introduced in Chapter 1 was formulated as follows:

Exploring the role and/or influence of leadership styles on organisational performance of selected companies in the South African wine industry, in the context of understanding the strategy-formulation-implementation-performance gap.

This problem statement meets the criteria of a problem statement as indicated by Mouton (2010) on 'what' will be studied (unit of analysis) and to 'what effect' (objectives). In this instance the unit of analysis is the influence of leadership styles on the strategy-formulation-implementation-performance gap (that is a social intervention as unit of analysis) and the effect is to offer 'understanding'. The unit of observation is perceptions/experiences of individual leaders and employees operating strategically from selected wineries in the Western Cape.

The research question validates a phenomenon in need of a better understanding and hence a qualitative approach to study the problem was deemed appropriate. An advantage of a qualitative approach is that it offered a real-life scenario.

Researchers who conduct qualitative research often need to consider multiple realities or actual happenings during the research process (Creswell, 2013). In this study the focus is on three specifically chosen leadership styles and the research question could also be rephrased as follows: To what degree, if any, do the different leaders and leadership styles, as cited by Lewin (1939) as common variable in organisations, influence the actual performance of specific organisations (and potentially result in minimising the gap between the planned and actual performance). For ease of reference: the key performance measure is employee satisfaction for reasons explained in Chapter 3 as the relevant chosen performance measurement, part of the service value chain (Heskett et al., 1997; Stodnick, 2005).

A strength of qualitative research is that it is descriptive (Marshall & Rossman, 2011) and as this study required an in-depth understanding of the phenomena under research, the researcher took an interpretivist view (Myers, 2013:39). An interpretivist view looks to 'understand' and is well suited in attempting to understand the differences between human behaviour. This was deemed appropriate in this study at aim to understand human behaviour in different contexts. Especially so at aim to understand the point of view of the chosen participants in the instance of this study, leaders' and employees' perspective in real-life (Roller, 2017; Saunders, Lewis & Thornhill, 2012).

The first research objective addressed in this chapter is to offer a better understanding and explore the perception of leaders and employees to determine whether the specific leadership styles of the three leaders are linked to the strategy implementation

performance gap at all, and if so, in what way(s). This would be done by gathering information from both leaders and employees in selected organisations to contribute new understanding towards an under-researched area (Bass & Bass, 2008; Van der Maas, 2017) and probably offering a better understanding of the research question being described as the influence of leadership style as per Lewin (1939) on the strategy-to-performance gap.

The second objective of this study was aimed at contributing more detail to the strategy-formulation-implementation-performance debate, by taking into consideration the leadership style of the particular leader, and accepting the idea that leadership is ultimately responsible for the growth and performance of an organisation (Hitt et al., 2007; Nienaber, 2010). This done arguably achieved through influencing employees and their willingness to implement strategy to attain the planned performance of an organisation.

#### **4.3 QUALITATIVE RESEARCH**

A qualitative research approach was regarded as most suited for this study as it fits the objectives to offer a better understanding of certain phenomena. Because perceptions and real-life experiences (Myers, 2013:6-7) of participants are needed to understand human behaviour, this was considered the most appropriate for this study where leadership is viewed as human behaviour. This study is essentially exploratory in nature and hence qualitative research allows for more in-depth detail, within the context of different phenomena as required for the gathering of information in this instance. Qualitative research is often used in social sciences and in this research, it was regarded as being more appropriate than quantitative research as it was in line with the objectives of the study where little was known and conclusive on the key concepts before the research started and thus by being open and flexible to potential findings.

Qualitative research often involves processes described as induction or deduction (Welman, Kruger & Mitchell, 2005). Induction refers to the data collection relating to a specific field of study with the aim of enabling researchers to construct different concepts and theories (Bryman, 2006; Creswell, 2013), in other words, to notice specific events or behaviour leading to general concepts and theories. This approach

is in contrast to a deductive approach as it derives a specific hypothesis from general theories and models (Creswell, 2013; Welman et al., 2005). Abductive approach uses both inductive and deductive reasoning (Saunders et al., 2012). Inductive and deductive approaches used in isolation could be confusing, and an abductive approach was considered more appropriate for this study because both inductive and deductive approaches were used in this study (Saunders et al., 2012) as demonstrated in Chapter 5.

In this specific study – as mentioned in previous Chapters 1 and 3 – context of the different concepts under study was important. Because there were complex, intertwined issues, richer data could provide more clarity and a better understanding on the concepts under study. This appeared to be a problem in other studies. An interpretivist approach was deemed most appropriate to offer a better understanding, and to be more open-ended and exploratory, due to the complex nature of the phenomena under study (Cottrell & McKenzie, 2011). Multiple and in-depth meaning could be constructed by gathering data from a number of participants in real-life situations, in this case leadership figures and employees.

As stated, measures were taken to avoid previous pitfalls on the topic and an exploratory study was expected to be valuable in gaining insight into specific phenomena (Creswell, 2013; Saunders et al., 2012) and hence was seen as most suitable for this research in supporting its unique approach to shed new light. Two of the commonly and most useful used techniques used in qualitative research are in-depth interviews and questionnaires (Welman et al., 2005), which were aimed at gathering detailed information on the key concepts in line with objectives of the study. In this study interviews were seen to be best aligned with research objectives. The research design followed in this study could be simplified by a three-step approach as per Figure 4.1 below. The different phases of how the design was implemented will be further elaborated on in the steps discussed in 4.3.1-4.3.3.



**Figure 4.1: Three-step approach to data collection**

*Source: Author's own layout*

Data on leadership, employees and the strategy-to-performance gap were gathered via interviews designed at purpose to answer the research question.

Finally, this data gathered via interviews was contextualised with theory on the strategy-to-performance gap to discuss the findings in detail.

#### **4.3.1 Identifying the leadership styles of organisational leaders**

As discussed in Chapters 1 and 3, leadership styles are still under scrutiny and debate today. The leadership styles under scrutiny in this study are three leadership styles originally identified by Kurt Lewin (1939) and which are still relevant and referred to in modern leadership studies (Khouly et al., 2017; Raus et al., 2012). The first step in executing the research was thus to determine the leadership styles of the three leaders of the organisations as alluded to in Chapter 2 forming part of this research. It was planned that the initial data would be gathered via a semi-structured leadership style interview, designed in line with the research objectives. The first part of data gathering in the interview process is discussed later in this chapter, allowing for flexibility as the data gathering required. A detailed layout of the complete process flow as carried out is provided in Chapter 5 as it was executed.

#### **4.3.2 Gathering data on employee satisfaction: Perception and discussion of employee satisfaction**

The next step to follow in the data collection process were the gathering of data from employees as referred by leadership – and done so via the employee interviews. Steps as suggested in research literature were put in place to increase the reliability and validity of the study at aim to ensure trustworthiness of information. Interviews were started with employees who were considered to be on the same level or hierarchy within the organisations to ensure an understanding of the research topic (Creswell, 2013; Leedy & Ormrod, 2013). Employee interviews were conducted until saturation was achieved according to research guidelines (Creswell 2013; Guest, Bunce & Johnson, 2006). Semi-structured interview guides were designed and used, with interview guides in format to ensure the research question was addressed and as much as possible relevant information was gathered in the process. The same questions were asked to participants, with the aim of providing answers to the research question, with the benefit of allowing flexibility or adaptations where deemed necessary. The measurement instrument design and function thereof will be discussed in more detail in section 4.4.

#### **4.3.3 Contextualisation of leadership style and employee satisfaction in the context of strategy formulation and implementation**

As discussed in Chapter 2, the organisations taking part in this research seemingly perform differently, although their strategies are apparently very similar in similar economic conditions subjected to comparable rules and regulation. After data collection on leadership styles and data collection on employee satisfaction a discussion and analysis followed to discuss the data in the context of the strategy-formulation-implementation-performance gap. Secondary data as discussed later in Chapter 4 were used in the contextualisation of leadership styles to support the objective of offering a better understanding of the key concepts. Leadership style is firmly linked to employees as indicated in the literature review, and it was a key construct in this research where employee satisfaction was intended to provide valuable information on performance. This information was viewed and analysed according to research principles, in the context of the strategy-to-performance gap. This is explained in the research design section in more detail in section 4.4.

#### 4.4 RESEARCH DESIGN DETAIL

The research design in essence is a design of the 'plan' on how the research will be conducted (Denzin & Lincoln, 2011:117). Because this research was exploratory, a qualitative case study was selected as most appropriate to explore the different themes (Myers, 2013; Yin, 2009). The main objectives of a case study are to explore a topic in real-life context and to provide an in-depth description of a single or small number of cases (Mouton, 2010).

As there were different concepts that needed more clarification, the research question fitted the advantages and usefulness of a case study to provide a better understanding of said concepts. The aim was to explore the strategy-to-performance gap from a leadership and employee perspective in a case study (real) setting, and three organisations and their respective leadership figures and employees were selected to form part of this research.

The logic that was used for this research was both deductive and inductive in nature (hence abductive) described by Saunders et al. (2012) as stated earlier. A definition on the reasoning concepts to follow:

**Deductive reasoning:** Conclusions are arrived at from a logical set of premises (Leedy & Ormrod, 2013).

**Inductive reasoning:** Starting with observation to support evidence (Leedy & Ormrod, 2013).

Both inductive and deductive reasoning were deemed suitable for the objectives of this qualitative study. Inductive reasoning was used to understand the evidence that were found, and conclusions were arrived at from a logical set of premises and observations. This is referred to as a process of abductive reasoning.

**Abductive reasoning:** A term used for a combination of reasoning as explained above: the objective is to find the most logical and simplistic explanation of data conclusion in line with research objectives (Leedy & Ormrod, 2013; Saunders et al., 2012). In this study abductive reasoning were seen to benefit study to understand data and this was seen as the appropriate way of reasoning required.

The research process is practically set out and each theme discussed separately in detail in the discussion of the research themes as presented in Chapter 5.

## **4.5 POPULATION AND SAMPLING**

### **4.5.1 Population and sampling in this research**

The research took place in South Africa. The wine industry in South Africa suited the purpose of the research well, and since it is located mainly in the Western Cape Province, there were advantages such as the similarity of the area in which the proposed organisations operate, accessibility and the fact that interviews could be conducted personally. This allowed personal contact from the researcher (Stake, 2005:450) and further benefits of that as stated in Chapter 1. The researcher approached different leadership figures from the top-performing organisations in the industry as they suited the research objectives seen from a leadership perspective.

In the data collection process, it is not always possible to study an entire population (Mouton, 2010) so a sample process (where a portion of the population is chosen) is suggested. Sampling approaches vary significantly and often reflect the purpose of the study (Creswell, 2009; Punch, 1998; Saunders et al., 2012). In line with the purpose and objectives of this study the purposive sampling method was used. Purposive sampling focuses on a specific chosen sample for its relevance and is in effect strategic in nature (i.e. with a specific purpose in mind). In this study with the focus on the South African Wine industry with its many role players as explained in Chapter 2, it was deemed valuable to use the top performers in the industry over a specific period in time. Three organisations were selected as a case in point.

Bergman (2008:70) points out that saving in terms of time and cost is one of the benefits of the sampling process. Since all the selected organisations are based in the Western Cape, there was a saving on these aspects whilst still ensuring research objectives were adhered to. This meant that time and cost, which are normally limitations of interview-based research, were excluded. The fact that the selected leaders and employees were on similar levels within the organisations ensured more coherent data collection and they were chosen specifically to ensure the least influence on findings from outside factors (Welman et al., 2005). Non-probability sampling was

used as the researcher needed to allow for interpretation and her own logic as per the norm in interview-based research and in line with research objectives. With the employee interviews addressing employee satisfaction as discussed, snowball sampling was used until saturation was achieved (Saunders et al., 2012:226).

Snowball sampling was deemed appropriate for the employee interviews to ensure anonymity. Purposeful snowball sampling in this study can be described as follows: employees interviewed were requested to refer the researcher to other employees who might have information needed to meet research objectives, and who would potentially be willing to participate in the study. To protect the anonymity of the recommender the researcher disclosed the purpose of the study to the potential participants only. The sample could be considered homogeneous with the benefits that offers as all participants would be employees from the same field and the same industry (Saunders et al., 2012). As the purpose of the study was focused mainly on contributing detail and in-depth information (exploratory) to the field of study, this approach was deemed best suited for this research in order to gain a better understanding of the research problem.

#### **4.5.2 Sample size**

There is still no uniform suggestion for the ideal sample size in qualitative research (Creswell, 2013; Saunders et al., 2012). It is accepted that for case studies anything between one and ten is acceptable. The sample size could depend on the research objectives, interview purpose and structure (Guest et al., 2006). The researcher chose homogeneous sub-groups from the three organisations to adhere to research principles. Data would be collected from each sub-group until saturation occurred (Glaser & Strauss, 1967; Saunders et al., 2012). In this instance a stratified purposeful sample was applicable (Onwuegbuzie & Collins, 2007) and according to these authors, at least three participants per group – in this case from the leadership level – should be sufficient to approach to provide adequate data.

Three in-depth semi-structured interviews with the leadership figures were therefore suggested. Interview guides used for the leadership data collection are found in the annexure section of this dissertation in Annexure B. Saunders et al. (2012) recommend collection of qualitative data until saturation is reached. It was estimated that between

three and six sub-groups (in this case employees) would be sufficient prior to data collection. This was in line with recommendations for research design sample size (Creswell, 2013; Saunders et al., 2012). The sample size and saturation as it actually transpired during data collection and until saturation achieved as per research principles, will be discussed in more detail in Chapter 5.

## **4.6 DATA COLLECTION**

### **4.6.1 Background to the data collection**

Data collection, which for this research took place between 2015 and 2017 was largely dependent on the availability of leadership and employees forming part of the study. The leadership style interview guides designed were used with all leadership and employees, for ease of analysis. A Dictaphone was used to record interviews to ensure no information would be lost in a specific situation as well as to allow ease of access for later reviews. The recorded interviews were supplemented by field notes made by the researcher throughout the interviews. The leadership figures and employees were approached by the researcher personally via e-mail or telephone and informed thoroughly of the objectives of the study. The leadership of the organisations were contacted after agreed participation via e-mail and phone calls, and interviews were booked at locations and times most convenient to all participants. A full description of the research was provided, and ethical considerations were discussed exhaustively with participants before the interviews started. It was discussed again prior to the start of the interviews as data collection commenced and ensured they understand the research objectives and data collection process.

### **4.6.2 Data collection: Instrument and Interview format**

The researcher is seen as the primary instrument for data collection in qualitative research. It is suggested that researchers prepare themselves to master interpersonal and communication skills (De Vos, Strydom, Fouché & Delport, 2011). Interviews were the chosen data collection instrument and the researcher conducted all interviews personally. The researcher is an experienced interviewer but consulted with experts in the field of study as eluded to in Chapter 1. Data was collected by using the semi-

structured interview guides as attached at the back of this study (Annexure B & Annexure C).

Semi-structured interviews are described as a way of data collection where the interviewer often asks questions about a set of themes (Saunders et al., 2012). Semi-structured interviews suited the research objectives because this approach offers enough flexibility but still covers the necessary areas of data that need to be collected to answer the research question whilst allowing for new themes to transpire (Bryman, 2004). This was deemed most suited to allow for potential new themes to emerge.

Themes were identified based on the literature review and the research problem derived from that, and questions were prepared to suit the research objectives. The purpose of the interviews was to gather data on perceptions and gain insights into and understanding of the different phenomena relating to the research problem described as the strategy-to-performance gap.

**Leadership interview:** A leadership interview consisting of questions on different themes was designed and used to determine the leadership styles of the leaders of the three organisations (as per Lewin). The questions were aimed at delivering information on and insights into leadership style and the strategy-to-performance gap.

**Employee interview:** Interview guides with questions on employee satisfaction were designed and used to collect data on leadership style and the strategy-to-performance gap, all from an employee perspective, to support the research objectives.

As the research was exploratory in nature, both semi-structured interviews were done in the context of the research objectives to encourage detailed responses and a better understanding of themes. The sequence of questions in the interviews was adapted as often happens in semi-structured interviews in response to significant replies, intended to contribute to research information (Bryman, 2004:102-103). Closed-ended and open-ended questions were used in the interview in order gain comparative data but also to encourage richer information. This approach was chosen in order to provide a deeper understanding of the research problem. The language used was adapted to be most relevant to each participant, to ensure better understanding as explained in more detail in the ethics section.

All interview guides were tested, and pilot interviews were conducted prior to the actual research to allow the researcher to resolve difficulties related to understanding the questions and understanding the structure or the content before actual research commenced, as suggested by Creswell (2013). The data was discussed in two different stages, as primary and secondary data were taken into consideration during analysis. This is addressed in the next two paragraphs, and in more detail in Chapter 5.

#### **4.6.2.1 Primary data**

Primary data, defined as original data in line with research design (Creswell, 2013:45-47) was anticipated to be collected in two phases. The first data that was important in terms of the research question was around the leadership style of the respective leaders. A semi-structured interview was used to determine the leadership style of the leaders as discussed in Chapter 1, in order to determine the leadership style as classified by Lewin (1939). Cross-reference questions were used to check for validity.

As mentioned, the semi-structured interviews are one of the most widely used data collection techniques and refer to techniques where different individuals are asked to respond to the same questions in a specific order (De Vos et al., 2011). One of the advantages of this method is that the interviews usually provide a comparatively straightforward approach to the beliefs and values of a study (Bloor et al., 2001). This approach allowed for data in the interview process to ensure that information remained aligned with the objectives of the study. Because of the complexity of themes in this study and the overlaps in different areas on this topic, this supported the research objectives to offer a better understanding in a new way.

According to Yukl (2006), more studies are done on the behaviour of leaders than any other aspect, connecting it to the leadership styles of leaders. Yukl (2006) also suggests more use could be made of qualitative studies on leadership, and to achieve this, interviews could provide richer data offering a better understanding. For the purpose of this study semi-structured interviews were thus used because of their flexibility as required, as well as the fact that interviewees could use their own words, thus providing more usable and real-life information. This is an advantage, according

to Bryman (2004) and Marshall and Rossman (2011), especially in areas where there are gaps and a better understanding is needed, as in the case of this study.

The second part of primary data that needed to be collected consisted of the data on employee satisfaction. This was also collected via a semi-structured interview. The interview explored perceptions on leadership style and employee satisfaction in a comparative scenario with the same advantages as in the case of leadership by being fairly straightforward. The interview provided more detailed information that could be valuable in the interpretation of information regarding the leadership style.

The employee interview also provided a degree of flexibility allowing more information in the context of the themes to be used towards the secondary part of the data analysis described in the next paragraph. This analysis was done in the context of the strategy implementation/execution gap. An advantage of using in-depth interviews is that the interviewer also has the opportunity to clarify questions and ambiguities during the data collection which could arguably allow respondents to expand on or better explain answers (Sarantakos, 2005). This is useful in the data collection process in support of the research objectives and especially so when having to put it in context with the strategy implementation analysis in the secondary part of data analysis. The secondary part of the data analysis is described in the next paragraph.

#### **4.6.2.2 Secondary data discussion**

The next part of data collection addressed the second part of the research question: '*... the role of leadership styles/performance in terms of the strategy-formulation-implementation-performance gap*'. As the data needed on the strategy and strategy implementation is readily available through the internet, documents and the media, secondary data was considered valuable for its ability to provide context – a pitfall in previous studies and in line with the objectives of this study. One of the main advantages of using secondary data is the saving of time and money and also that it is relatively quickly obtainable (Malhotra & Birks, 2003). Saunders et al. (2012) state that secondary data is a viable alternative when one needs data quickly, and because it is time effective it also gives the researcher more time to work on theory claims and substantive issues which could prove valuable. It is argued that this supported the purpose of this study as the collection of primary data was extensive and time-

consuming and the qualitative nature of this study required comprehensive data on the key constructs to broaden understanding. Thus, secondary data was used and consulted where it seemed to contribute to the research objectives and contributed towards a better understanding. The data was collected and analysed in context of the main aims of this study as proposed in Chapter 1.

Exploratory studies are deemed to be valuable to assess phenomena in a new light (Bloor et al., 2001). This was necessary in addressing key objectives of this study in a new context. Since information on the strategy-formulation-implementation-performance gap is widely available and easily accessible, and the fact that most strategy implementations or execution still fail are considered an under-researched area (Martin, 2017; Van der Maas, 2017), were all reasons to support the use of primary data in context to current literature in seeking to better understand the problem stated. It also aimed to contribute to an apparent lack of information available on leadership style and the strategy-to-performance gap. The study was at aim to explore concepts around this gap. The participants in this study used their own words throughout, and explained their perceptions, which provided valuable information about real situation experiences (Marshall & Rossman, 2011). This was presented as it actually happened in Chapter 5.

Strategy formulation goals, regular extensive reports and performance results of the companies in the wine industry are just some of the readily available information via the internet, their websites, annual reports and other documented files in public domain. This was useful during data analysis, as briefly described in the next section. In this study, however, the focus was on leadership style specifically and employee satisfaction as the performance indicators in the context of strategy and performance, and furthermore the 'gap' between these aspects. The primary data collected was integrated with the secondary data on strategy formulation and implementation of the different organisations, in order to explore any potential significance or to suggest areas of interest to contribute to a better understanding of the phenomena. As stated earlier, qualitative data provides richer information (Bryman, 2006; Welman et al., 2005) and the secondary data in this study was dealt with in data analysis in line with the research objectives. This was discussed in detail in the practical discussion and findings presented to follow in Chapter 5.

## **4.7 DATA ANALYSIS**

A main objective of data analysis is to derive meaning (Denzin & Lincoln, 2011). This was also the main objective in this study. The interview guides were designed to fit the research objectives related to leadership style – focusing on styles as per Lewin (1939) and employee satisfaction questions in the context of leadership styles as per Lewin (1939). Interviews with participants were conducted in person and as mentioned at a convenient location chosen by the participants. Prior to the interviews the respondents were informed about the purpose of the research and the need for recording the interviews, and all issues related to confidentiality and anonymity were addressed simultaneously. Respondents were informed that participation was voluntary and were asked and tested to ensure understanding of the whole process. It was anticipated that each interview would take between 30 and 50 minutes, which was the actual case. The participants were informed that recording of the interview as well as notes made during the interview would be used in the data analysis and ultimately in aiming to gain more detailed information on the research problem (Creswell, 2013). The participants were informed of this again during the actual interviews.

The field and reflective notes made during interviews were seen as valuable to supplement recordings in terms of ideas and thoughts that arose during the interviews. This is often the case with qualitative research and further complemented the research objectives in providing richer information and exploring the research problem and offer more in-depth understanding. The data analysis methods always need to be aligned to the research objectives to ensure that the best possible data is used. The chosen methods used for this study will be described in more detail in the next paragraph.

### **4.7.1 Data analysis methods**

#### ***4.7.1.1 Interviews and data analysis***

The first part of data collected on leadership styles was analysed in two segments. The first part of the interview was used to identify and determine leadership style from the leadership perspective. As the purpose of the interview was to further explore details around the leadership style and point out more information on leadership in the context of strategy, questions were designed to encourage information around the important themes.

The interview data collected was managed and organised through a coding system as proposed by Mouton (2010). A manually coded system was used to ensure it was structured properly according to themes, as suggested by Morse and Richards (2002) and Mouton (2010). Key words were identified and used as codes, and further organised to ensure correct interpretation of data. This was done in a flexible process as interviews unfolded, to allow for new themes to emerge at the same time. This approach is deemed important in qualitative research to ensure that the data analysis is worked through in a logical manner to obtain the best possible information (Sarantakos, 2005; Creswell, 2013).

A coding table was proposed and was used to identify specific themes and concepts in order to analyse and compare the findings of the study. The coding was structured to align the data with the research question and supporting the objectives of this study. The coding process is discussed as it was applied in detail in Chapter 5.

The data were essentially categorised and organised into themes and sub-themes as set out and presented in Chapter 5. Table 4.1 below broadly summarises the two ways in which data was collected:

**Table 4.1: Layout of data collection of leadership**

Organisation	Leadership style	Leadership and strategy discussion
Organisation 1	Identify style Discussion	Leadership style and strategy implementation integration
Organisation 2	Identify style Discussion	Leadership style and strategy implementation integration
Organisation 3	Identify style Discussion	Leadership style and strategy implementation integration

*Source: Author's own compilation*

The discussion: Further notes and information on leadership and leadership style that transpired were discussed – in context of perceptions on organisational performance and the strategy-to-performance gap.

The discussion on leadership style (as per Lewin) were discussed in context of the strategy-to-performance gap. Flexibility was allowed for new themes that transpired in each of the data collection interviews. These are presented in Chapter 5.

The second part of the data collection and analysis were on the employees as measurement of performance. This was done by looking at employee satisfaction and discussing it in context of the strategy-to-performance gap as per the layout below:

**Table 4.2: Layout of data collection on employee satisfaction**

Organisation	Employee satisfaction	Discussion in context of the strategy-to-performance gap
Organisation 1	Perception of leadership style	Employee satisfaction in context to strategy-to-performance gap
Organisation 2	Perception of leadership style	Employee satisfaction in context to strategy-to-performance gap
Organisation 3	Perception of leadership style	Employee satisfaction in context to strategy-to-performance gap

*Source: Author's own compilation*

The discussion in context of the strategy-to-performance gap: Further notes and information on interviews on employee satisfaction followed – in context of perceptions on organisational performance and the strategy-to-performance gap. The data analysis and coding flowed from this, as presented in the next section.

#### **4.7.1.2 Data analysis coding (themes and subthemes)**

The main aim of data analysis in this study as mentioned was to offer 'understanding'. The next part of the data analysis was conducted once all the data was collected and transcribed and field notes thoroughly studied as per research guidelines (Creswell, 2013). Keywords were identified and used to organise text and care was taken to ensure full adherence to research principles and objectivity as well as to minimise error as far as possible, as suggested by Mouton (2010). The researcher went through the data through a process of 'selecting, focusing and simplifying data' to create meaning from the words, and direct quoting was used where applicable to allow for better interpretation (Denzin & Lincoln, 2017; Ghauri & Gronhaug, 2005). Qualitative content analysis was applied to create different theme categories and build a narrative pertaining to the meaning of the data and text collected (Krippendorff, 2013). The process was conducted from a concept driven and data driven approach (Saldaña, 2011), and this is presented and discussed in detail in Chapter 5.

Below is a draft sample layout in table format of the planned data selection process as proposed in the data analysis process? The final tables are presented and numbered in Chapter 5.

**Table 4.3: Data: Coding of themes and sub-themes (sample of template used for data analysis)**

Theme	Organisation 1	Organisation 2	Organisation 3
Leadership style			
Employee satisfaction			
Strategy formulation			
Strategy implementation			
Leadership /performance			
Uncertainties (gaps)			
New themes emerging			

*Source: Author's own coding structure template*

The table presents a structure from which the data coding process developed. A brief framework of the coding process is presented below.

#### **4.7.1.3 Data coding and interpretation of context**

The research was exploratory in essence, and meaningfulness of data was seen as vital. The researcher started the data analysis with coding, which is described as a way of analysis referred to by Myers (2013:167) as 'tags or labels used to assign units of meaning' to the data collected in order to find a better understanding or meaning. The semi-structured interview guide had predetermined categories to assist with the data analysis process and allow for easier interpretation. This helped the researcher to categorise themes and concepts, which is described as the process of grouping ideas, objects and data in convenient groups with common meaning (Krippendorff, 2013).

As the research objective was exploratory and qualitative research has at goal to elicit meaning in a systematic and comprehensive manner (Henning, Van Rensburg & Smit, 2004), the researcher continued the data analysis process of interpretation in line with the research objectives (Marshall & Rossman, 2011). The data analysis in this study remained open and flexible to facilitate new and emerging themes.

The final stage of the data analysis was carried out by interpreting the data, considering the themes and subthemes and contextualising them within the strategy implementation gap. The interpretation that was done in the context of the strategy implementation gap was also conducted in two stages:

**Stage 1:** Data interpreted was discussed in the context of the strategy-formulation-implementation-performance gap. As per the coding process, themes and sub-themes were highlighted and discussed in relation to the results and findings documented via the interview guides and interview process. The objective of contextualising the data was exploratory in nature and to offer a better understanding of the context of leadership style and employee satisfaction around the strategy-formulation-implementation-performance gap and consequently to expand knowledge on the phenomenon of strategy-to-performance. Key constructs were identified and emphasised in line with data collected. Allowance was made for emergent themes throughout the data collection process, as stipulated and presented in Chapters 5 and 6.

**Stage 2:** In stage 2, as suggested earlier, secondary data was interpreted to explore leadership style, strategy implementation and the strategy-to-performance gap. The purpose was to offer information that could prove valuable in terms of the strategy-formulation-implementation-performance gap around leadership styles and organisational performance (measured as employee satisfaction, for reasons as explained in Chapter 3). As mentioned, these concepts are intertwined, and were studied as such. This information was contextualised and summarised around the findings and discussions of this specific study. Conclusions and suggestions for further research were anticipated to follow.

#### **4.7.1.4 Data verification (trustworthiness and reliability mechanisms)**

After the first steps of the data analysis process were carried out, the finishing stage involved data verification and checking validity and reliability of understanding as far as possible to ensure the trustworthiness of information (Mouton, 2010; Sarantakos, 2005). Trustworthiness is defined differently by different authors, but refers to the way credibility, transferability, dependability and confirmability are achieved (Creswell, 2013). This was done by following the recommended steps: rechecking all data

collected as well as rechecking codes and themes to evaluate their alignment with the research objectives.

Neumann (1997) and Saunders et al. (2012) suggest that in interview-based data collection particular care should be taken to avoid interviewer bias and to ensure scientific reasoning procedures were used as suggested by Mouton (2010). This procedure was followed during the data analysis phase in order to ensure credibility, transferability and dependability. These three aspects are discussed below.

- **Credibility**

Credibility is about finding the truth in reality (Thomas & Magilvy, 2011:152). Credibility further refers to conducting the research in such a manner that the likelihood of the findings being found credible is improved through the analysis process (Thomas & Magilvy, 2011). The researcher recorded the interviews and made field notes to ensure credibility. Final understanding was checked with the participants, and questions were asked where needed to ensure correct interpretation of information. This all supported trustworthiness of information.

- **Transferability**

Transferability refers to the ability to transfer findings from one sample to another where findings could be deemed applicable to other contexts (Thomas & Magilvy, 2011). The researcher supported the transcribed interviews with field notes, using thick descriptions aimed at providing enough context and adhering to prescribed principles so that other researchers in the field can judge applicability and context of findings.

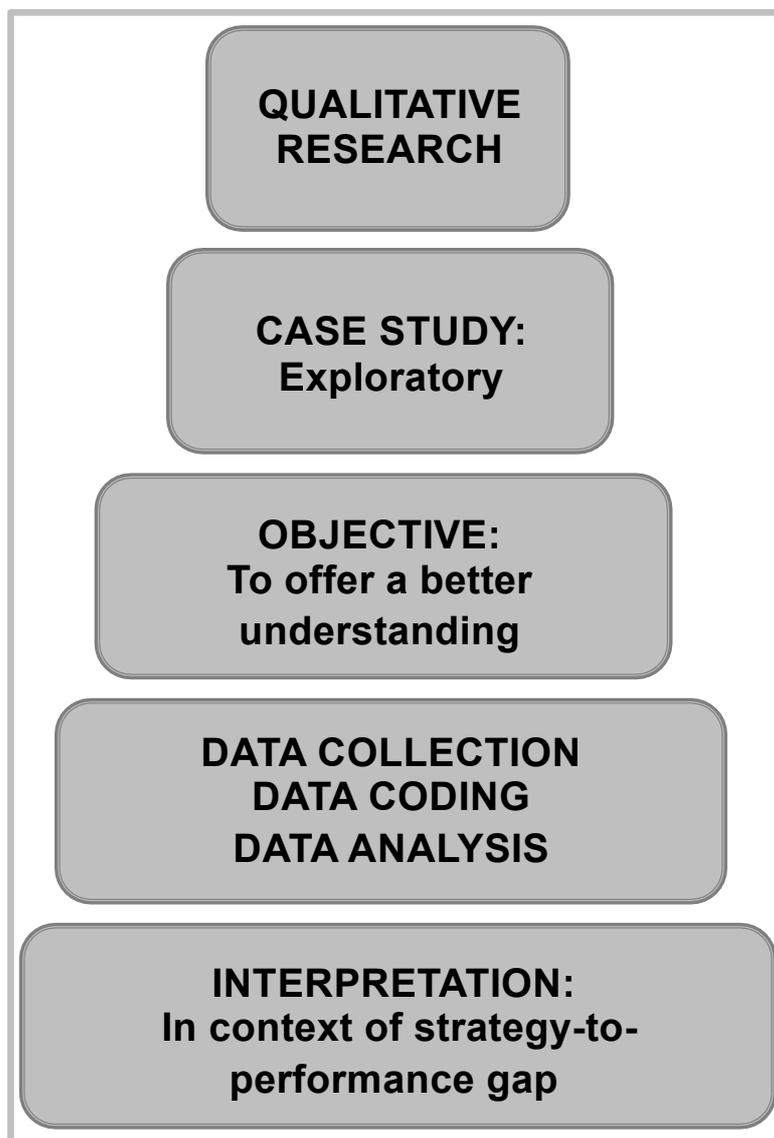
- **Dependability and confirmability**

Dependability is established when it is understood that it can be argued to be predicted that other researchers will come to the same conclusion if they were to analyse the raw data (Thomas & Magilvy, 2011).

The researcher ensured dependability through the processes followed, clearly stating the purpose of the study, research methods, how and why samples were chosen and ultimately that the research process was logical, traceable and documented (Eriksson & Kovalainen, 2008:294). Pitfalls in the literature and previous studies were avoided and addressed as presented in Chapter 5.

Confirmability was ensured in the same way. The researcher must have evidence that the research findings were a sole function of participants of the study and free of any other motivations or biases. The researcher did this through building in mechanisms throughout the execution of data collections and analysis, as seen and presented in Chapters 5 and 6.

The figure 4.3 below presents a basic layout for the data research process and methodology as discussed in Chapter 4.



**Figure 4.2:** *Basic layout for the data research process and methodology*

*Source: Author's own layout of research design according to research literature*

The figure provides a draft of this qualitative study conducted in a real context on actual happenings.

Because of the nature of this study pertaining to human behaviour, organisations and individuals, ethical considerations were deemed important and adhered to prior to and during the research process. This will be expanded on in the discussion in the next paragraph.

## **4.8 ETHICAL CONSIDERATIONS**

In this study all ethical considerations were followed, respected and handled as recommended by Welman et al. (2005) and Mouton (2010). The researcher applied for ethical clearance from the university, relevant parties and all participants. Before the study commenced, participants were informed of what was expected of them through involvement and exactly what it would entail. The researcher followed the principles of research ethics and explained the purpose transparently so that all participants understood clearly what was to be expected of them (Myers, 2013; Saunders et al., 2012). The researcher furthermore took all reasonable steps to ensure no harm, discomfort or loss of privacy would occur as per research guidelines (Creswell, 2013).

The key areas of prescribed ethical considerations that were addressed are explained in the subsections below.

### **4.8.1 Informed consent (written information)**

The respondents were fully informed about the purpose of the research as well as what their participation would entail. Both the leaders and the employees were informed about the objectives of the interviews, the purpose, process and feedback. Before the start of the actual data collection process, the respondents were given notice of the interview, informed of the nature thereof as well as how much time it would involve. The researcher allocated enough time for the potential participants' questions as well as her explanations where needed. This was done in writing before any part of the research data collection started. The researcher clearly explained that participation was voluntary to all participants and also that it could be withdrawn at any stage.

#### **4.8.2 Right of privacy and confidentiality**

All respondents were informed and ensured of their right to privacy and anonymity (Creswell, 2013). In dealing with the results the researcher took all reasonable steps to ensure the participants' privacy and anonymity. Participants were informed beforehand that they would remain anonymous and that their anonymity would be safeguarded in the data collection and as information were contextualised. A coding system and pseudonyms were used as explained in more detail in Chapter 5 as data collection happened. Steps were taken to remove identifiers in the discussion of results. (Acronyms and pseudonyms used for participants are explained in Chapters 5 and 6).

#### **4.8.3 Right to protection from harm**

All respondents (both leadership and employees) were assured that they would be indemnified against any physical or emotional harm during the research. They were put at ease throughout the process, and it was suggested that meetings would be held at a place of their choice to ensure they would be comfortable and at ease. Their identities were protected throughout the process. The obligation to maintain privacy, confidentiality and anonymity was followed at all times, as is explained in the discussions on data to follow.

#### **4.8.4 The researcher's involvement in ensuring trustworthiness**

The exact role of the researcher as data instrument is still debated in research studies (Denzin & Lincoln, 2017). The researcher took care not to use any unethical tactics that could influence reliability as identified and described by various authors (Creswell, 2013; Fontana & Frey, 1994; Saunders et al., 2012; Welman et al., 2005). The researcher ensured that no attempts were made to manipulate any of the respondents, and they were informed that they had the right to withhold information or withdraw at any stage of the research process. Their participation was completely voluntary. As indicated earlier, this was clearly stated to them before the data collection and interviews started.

All participants indicated willingness to participate in the research, in writing or verbally, and their right to confidentiality and anonymity was emphasised. The right to voluntary

participation was repeated verbally before the interviews commenced. It was also emphasised throughout discussion of the ethical considerations that participation was completely free and voluntary. The researcher also pretested the interviews to refine understanding prior to data collection. In conducting the study, allowance was made for the participants' understanding, and where necessary the question was repeated or elaborated on to ensure information was reliable and aligned as much as possible with the research objectives.

In view of the nature of this qualitative case study, there were certain limitations that need to be mentioned in this chapter. These limitations will be discussed in the following section.

#### **4.9 LIMITATIONS OF THE STUDY**

As discussed in Chapter 1 and earlier in this chapter, the study was exploratory in nature and as such mainly aimed to contribute by gaining in-depth data to offer a better understanding of the phenomena under research. However, due to the nature of this study – and especially qualitative studies in general – there were some limitations that need to be pointed out.

The sample size is in line with research recommendations, but at this stage it wasn't clear if the findings could necessarily be generalised. It is important to note this. However, it is important to also point out arguments for and against case study generalisability are still ongoing in research (Flyvbjerg, 2006; Mayring, 2007) nonetheless it suited the research objectives in this study. This study took cognizance of the steps to advance generalisability even in single case study research, and the generalisation is discussed in more detail in Chapter 6 where the findings are interpreted. The sample size and selection were described earlier as in line with research guidelines and objections. Although generalisation of findings is still being debated, it is clear that this type of study could be useful in better understanding and identifying new themes and hypotheses for further research as suggested by authors mentioned in Chapter 1.

In any study using semi-structured interviews the researcher needs to be aware of being biased. Although all reasonable measures were taken to avoid this, it remained

a limitation. This aspect was acknowledged and addressed by the researcher in following steps proposed to ensure validity as far as possible, as suggested by Babbie (2004, cited in Delport, 2005).

The interview process, albeit time-consuming and expensive, was deemed most suitable for this study and chosen to ensure data was collected extensively. This was done to meet the objectives of the study and would contribute valuable information on an area of study, strategy implementation or execution that despite its apparent importance still receives limited research (Van der Maas, 2017) and appears to have gaps. A conclusion on Chapter 4 follows.

#### **4.10 CONCLUSION**

This chapter gave an overview of how this research was executed. The study was longitudinal, conducted over a period of time as discussed in Chapter 1. The research objectives required flexibility, and a longitudinal study offered the advantages this brought (Bryman, 2006). This study, as a qualitative research project with the aim of offering a better understanding of certain phenomena, was “conducted to gather preliminary information that will help define problems and suggest hypotheses” (Kotler & Armstrong, 2006:122) to provide a comprehensive understanding (Creswell, 2013).

The final results of the data collection and data analysis were discussed in Chapters 5 and 6 describing the phenomena. The key concepts were contextualised and explained as they were presented in this chapter. As the research purpose was exploratory with objective of leaving room for new themes, the researcher left space throughout to make adaptations around themes to be discovered. These themes are presented in Chapter 5.

The study aimed to contribute to understanding the strategy-formulation-implementation-performance gap, given the fact that it is an integrated process (Van der Maas, 2017). This strategic management process was subsequently placed in context with leadership and performance, as discussed in Chapters 1 and 3. The qualitative approach used in this study, although time-consuming and expensive, added value to the purpose of the study and could further be valuable in understanding gaps in the proposed researched areas (Van der Maas, 2017) of the key concepts and

constructs as defined in Chapters 1 and 3. It appeared there is a gap in literature that this study addressed as per the planning as presented in the research design and methodology proposed in this chapter.

Based on the research design and methodology as explained in Chapter 4: the data, findings and results of the study will be presented and discussed in detail in Chapter 5, in line with the research purpose and objectives of this study.

## **CHAPTER 5**

### **RESEARCH FINDINGS AND DATA ANALYSIS**

#### **5.1 INTRODUCTION**

Chapter 5 presents the research findings and data analysis for this research study. As discussed in Chapter 4, qualitative research techniques (Denzin & Lincoln, 2017) were used to provide the most useful way of data analysis in order to offer a better understanding and interpretation (Saldaña, 2009:27) on the research topic. Interviews were the method of data collection presented in this chapter.

The research interviews for this study were conducted between 2015 and 2017 and largely depended on the availability of key leadership figures and employees participating in this study. The purpose of this Chapter 5 as mentioned, is to describe and discuss the data collection process and findings gathered through this qualitative study, in the context of the research purpose to answer the research question on the influence of leadership style as presented in Chapter 1.

The research design was presented in Chapter 4 and is carried out here. In order to adhere to research principles and achieve research objectives as set out for this study as proposed in Chapter 1, the primary data was collected in two stages discussed in Chapter 4. The first set of data gathered and analysed was in-depth interviews with the selected leadership figures who will be further discussed as per the coding and categorising suggested in Chapter 4. The second set of data was the employee interviews referring to the employee satisfaction side of the research objectives. Both sets of interviews were semi-structured interviews to align with the research objectives, aim to answer the research question and leave room for flexibility to explore new themes emerging. The new themes that emerged will also be discussed in more detail in Section 5.8 to follow later in Chapter 5.

The research objectives, data process and contextualisation as it was executed in this study are firstly presented in this chapter. The coding and categories used for data analysis is further discussed in Chapter 5. Chapter 5 presents the actual findings and data analysis of this study.

A simplified outline of the interview process is provided in Figure 5.1.



**Figure 5.1: Outline of interview process**

*Source: Author's own outline of the interview process*

The outline of the interview process as presented in Chapter 4 is displayed in the figure above. The interview process is discussed in the next section.

### 5.1.1 Leadership interviews

Leadership as a key theme to be explored in this study led to the leadership interviews to be conducted first. The three leadership figures from the organisations chosen according to the research objectives described in Chapter 2 were interviewed and presented as per Table 5.1 below.

**Table 5.1: Leadership interviews: Position and function of leaders**

Organisation	Leadership position	Research question alignment	(Pseudonym and code used)
Organisation 1	Chief Executive Officer (CEO)	Functioning on strategic level	Organisation 1 Leadership 1 (O1L1)
Organisation 2	Managing Director (MD)	Functioning on strategic level	Organisation 2 Leadership 1 (O2L1)
Organisation 3	Chief Executive Officer (CEO)	Functioning on strategic level	Organisation 3 Leadership1 (O3L1)

*Source: Author's own table of leadership interviews*

The leadership figures from the three organisations all fitted the research objectives of this study. They were all involved in strategic planning and strategy execution of the respective organisations and thus ultimately responsible for the organisations' performance, hence in line with the research objectives to discuss the strategy-to-

performance gap. The leadership interview used for all three leadership figures (as per the semi-structured interview guides) followed the same basic format – but was adapted as new themes emerged during interviews – in line with recommendations regarding qualitative research (Saunders et al., 2012). This was in agreement with the objectives of the study in order to offer a better understanding of perceptions of leadership styles and the strategy-formulation-implementation-performance gap. A copy of the semi-structured interview guide for the leadership participants can be found in Annexure B.

### 5.1.2 Employee interviews

The second part of data collection for this study was done via the employee interviews. Snowball sampling was used to adhere to ethical principles (Chapter 4), and interviews were conducted until saturation was reached for each organisation, in line with research guidelines as proposed in Chapter 4. A semi-structured interview guide was used and in the same way as with the leadership interviews was adapted and adjusted as new themes emerged. The employee interviews were coded, and in line with research objectives offered specific and unique findings per each organisation to offer a better understanding of the research question (Annexure C: Interview guide for employee satisfaction perceptions). The employee satisfaction interviews and coding/pseudonyms were broken down per organisation and leadership or employee and used as shown in Table 5.2 below.

**Table 5.2: Breakdown of employees interviewed for each organisation**

Organisation 1	Organisation 2	Organisation 3
Organisation 1 Employee 1 (O1E1)	Organisation 2 Employee 1 (O2E1)	Organisation 3 Employee 1 (O3E1)
Organisation 1 Employee 2 (O1E2)	Organisation 2 Employee 2 (O2E2)	Organisation 3 Employee 2 (O3E2)
Organisation 1 Employee 3 (O1E3)	Organisation 2 Employee 3 (O2E3)	Organisation 3 Employee 3 (O3E3)
	Organisation 2 Employee 4 (O2E4)	
	Organisation 2 Employee 5 (O2E5)	

*Source: Authors own table of employee interviews*

In line with the research methodology discussed in Chapter 4 as well as with the purpose of this specific study focusing on leadership and strategy, these employees were all deemed appropriate candidates for the employee interviews. All employees were accountable to the top leadership of their respective organisations and fitted the demographic criterion deemed necessary to add value to this study. With qualitative research, in this instance involving a process described as being abductive as presented in Chapter 4 (Welman et al., 2005) – the researcher is able to construct different concepts and theories (Bryman, 2006). This was deemed useful in this study at objective to offer a better understanding. Emergent themes developed through the data collection process as described in more detail in Section 5.3 below. Section 5.3 will also elaborate on how the data analysis method was adopted and carried out to fit the objectives of this study on leadership styles and the strategy-formulation-implementation-performance gap. The data analysis method will also be discussed in more detail in the next section.

## 5.2 ORGANISATION AND INTERVIEWEES: A BREAKDOWN IN ORGANISATIONAL CONTEXT AND BACKGROUND SETTING

The data gathering process were conducted as proposed in Chapter 4. Data was gathered in two stages for each of the three organisations stage 1 (leadership) and stage 2 (employees). The next three tables (Tables 5.3-5.5) presents the layout and details of interviews for each of the three organisations.

**Table 5.3: Organisation 1: Interview details**

Interview	Interview setting
Leadership (O1L1)	Interview was conducted at the leadership figure's business and lasted approximately 45 minutes.
Employee (O1E1)	Interview was conducted at the employee's place of work and lasted approximately 27 minutes.
Employee (O1E2)	Interview was conducted at employee's place of business and lasted approximately 20 minutes.
Employee (O1E3)	Interview was conducted at the employee's place of business and lasted approximately 18 minutes.

*Source: Author's own summary of interview details for Organisation 1*

**Table 5.4: Organisation 2: Interview details**

<b>Interview</b>	<b>Interview setting</b>
Leadership (O2L1)	Interview was conducted at a private coffee shop convenient for the leadership figure and lasted approximately 55 minutes.
Employee (O2E1)	Interview was conducted at the employee's place of work and lasted approximately 25 minutes.
Employee (O2E2)	Interview was conducted at employee's place of business and lasted approximately 20 minutes.
Employee (O2E3)	Interview was conducted at the employee's place of business and lasted approximately 20 minutes.
Employee (O2E4)	Interview was conducted at the employee's place of business and lasted approximately 17 minutes.
Employee (O2E5)	Interview was conducted at employee's place of business and lasted approximately 15 minutes.

*Source: Author's own summary of interview details for Organisation 2*

**Table 5.5: Organisation 3: Interview details**

<b>Interview</b>	<b>Interview setting</b>
Leadership (O3L1)	Interview was conducted at a coffee shop convenient for the leadership figure and lasted approximately 40 minutes.
Employee (O3E1)	Interview was conducted at the employee's place of work and lasted approximately 25 minutes.
Employee (O3E2)	Interview was conducted at employee's place of business and lasted approximately 22 minutes.
Employee (O3E3)	Interview was conducted at the employee's place of business and lasted approximately 28 minutes.

*Source: Author's own summary of interview details for Organisation 3*

The data collection was followed by the data analysis process as proposed in research literature and presented in Chapter 4. The data analysis for this study is discussed in section 5.3 to follow.

## **5.3 APPROACH TO THE DATA ANALYSIS AND COLLECTION OF DATA SETS**

### **5.3.1 Data definitions**

#### **Data analysis**

Data analysis deals with processing collected data by means of analytic procedures (Gibbs, 2007) into clear and understandable information. It deals predominantly with “meanings, descriptions and values” of people or things to evaluate from different perspectives; as mentioned by Grbich (2013:105).

In the discussion on the research methodology in Chapter 4 it was explained that this research was exploratory in nature, the aim being to offer a better understanding of the themes outlined. It was also interpretive to allow for themes to emerge that could prove significant to the research question (Gibbs, 2007; Maree, 2007). The objective of the analysis was to allow for flexibility and provide for new insights (Saldaña, 2011:89).

The interviews were conducted according to ethical research principles, ensuring anonymity as also discussed in Chapter 4. Some of the information gathered was based on personal experiences of leadership and employees, considered in line with qualitative research objectives. The data collected via the leadership and employee interviews was “rich” in nature (Mouton, 2010), meaning they consisted detailed information (Mouton, 2010; Saldaña, 2011) and thus different stages of analysis were necessary to ensure that it allowed for the analysis process to be in line with the research objectives. The interview transcriptions are presented in Annexure D. The response was transcribed verbatim as suggested by Saldaña (2009:13) and reflective field notes were also used to reflect critically on the data collected and to support data analysis where deemed necessary. The purpose of this was to create order in the data and present meaning, in line with research objectives.

A function called member checking was done with participants after the interviews, and the participants were asked to check for correct understanding of data collected. This supported the research guidelines to create meaning and establish trustworthiness. The data coding process flowed from this, supporting these objectives.

### 5.3.2 Data coding

Data analysis was steered through a process known as data coding (Saldaña, 2009). The coding in this study were both concept driven, and data driven.

**Concept driven** coding refers to the way the coding process starts from deriving codes from current literature on the theme (Gibbs, 2007). Literature on leadership styles (as per Lewin) and the strategy-to-performance gap as presented in the literature in Chapter 3, formed the backdrop of this.

**Data driven** coding refers to the way codes and analysis flow from the data collected in research (Gibbs, 2007).

In this study the coding and analysis process were both concept and data driven as it was considered the best way to answer the research question. The research started from current theory but wasn't bound by the current literature, with the gaps in current literature as presented in Chapter 3. The researcher remained open and flexible throughout the data collection and analysis process, and new themes that emerged were coded and presented as they transpired. This is an advantage of qualitative research such as in this study (Creswell, 2009). The next paragraph describes this in more detail.

#### Codes and Categories

Coding refers to the process of organising and sorting data to turn into meaning (Gibbs, 2007). In this data analysis process the coding was approached "as reading through data carefully in order to identify meaningful units or themes" (Saldaña, 2009:13). Concepts as presented in current literature formed the base of pre-identified codes such as leadership styles by Lewin. The interview guides designed were used in order to ensure the research questions were addressed, and the leadership and employee interviews were coded in different stages where different views of data were considered, and common words, phrases and themes aligned with the purpose of the study. This was done as presented and discussed in later tables and sections in Chapter 5 on each organisation forming part of this study.

The interview data was analysed through a systematic coding process. Descriptive (clearly defined) coding terms were used as this approach is deemed appropriate for

most qualitative studies in order to assist the researcher in analysing what they see and hear in general (Miles & Huberman, 1994:4-10). The researcher conducted and interpreted all the interviews herself to be close to the data as suggested by Henning et al. (2004). This offered advantages to allow for interpretation (Saldaña, 2009). As the purpose of this study was to explore, it was decided that manual coding was more suitable than using software like Atlas.ti to offer more flexibility and help to uncover and interpret the latent meaning of interviews. The coding layout process can be summarised in the following steps:

- **Leadership interview coding**

### **Stage 1**

The codes on leadership were started from a theory- or concept-driven perspective. As leadership was classified according to Lewin (1939), these three leadership styles were the three starting codes used. Flexibility was deemed important as it was necessary to remain open to themes emerging during the interviews. Open coding, defined as deriving from data gathered during the interview process (Urquhart, 2013:194), was further used in stage 1, where the interview guides served as a guide to manage the interview, retrieve and sort data to help with segmentation and putting the relevant data segments together. Themes were grouped according to the themes to fit the purpose and objectives of the study.

### **Stage 2**

The codes as they emerged through the research process were organised into categories and eventually led to the development of relevant themes and central concepts required to fit the research objectives. Table 5.6 displays the coding data process, as presented per the headings below.

**Table 5.6: Headings used for data coding**

<b>Data organisation, leadership and employee codes</b>	<b>Stage of data collection</b>	<b>Coding (theory-/concept-driven)</b>	<b>Categories</b>	<b>Themes as they emerged during interviews</b>
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*Source: Author's own table used for data coding*

- **Employee interview coding**

### Stage 1

Coding was done in a concept-driven manner in the same way as leadership interviews. The interview guides served as a guide to retrieve and sort data to help with segmentation and finally putting the relevant data segments together. Themes were also grouped together as they emerged during the interviews.

Flexibility was still deemed important and the open codes were organised into categories and themes as per the research objectives to answer the research question. This was presented in table form and contextualised according to each of the participating organisations (Chapter 5 in Table 5.7).

Table 5.7 below, which gives a framework of the coding process as part of the data analysis, illustrates the data collection stages and the manner of analysis that was followed systematically. This table presents the framework as discussed in detail in the data analysis tables and findings as presented. This process was chosen because it fitted the research purpose and the interview data could be “managed, analysed and compared” for relevance to the research question (Urquhart, 2013:194):

**Table 5.7: Coding framework that presents the process flow of the coding process**

<b>Data organisation, leadership and employee codes</b>	<b>Stage of data collection</b>	<b>Coding (theory-/concept-driven)</b>	<b>Categories</b>	<b>Themes as they emerged during interviews</b>
Leadership Organisation 1 Leadership 1 O1L1	Stage 1 Stage 2	Theory-driven and concept-drive	Leadership style (Autocratic/democratic/laissez faire style discussion) Strategic planning Strategy implementation Strategy-to-performance gap issues	Themes that emerged: Management skills, motivation of employees such as better rewards, remuneration
Leadership Organisation 2	Stage 1 Stage 2	Theory-driven and concept-driven	Leadership style (Autocratic/democratic/laissez	Themes that emerged: Time constraints

<b>Data organisation, leadership and employee codes</b>	<b>Stage of data collection</b>	<b>Coding (theory-/concept-driven)</b>	<b>Categories</b>	<b>Themes as they emerged during interviews</b>
Leadership 1 O2L1			faire style discussion) Strategic planning Strategy implementation Strategy-to- performance gap issues	Job satisfaction Different needs from different generations
Leadership Organisation 3 Leadership 1 O3L1	Stage 1 Stage 2	Theory-driven and concept- driven	Leadership style (Autocratic/ democratic/laissez faire style discussion) Strategic planning Strategy implementation Strategy-to- performance gap issues	Themes that emerged: Trial and error method Employees must be fit for job purpose Less formal strategies
Employee O1E1	Table of analysis	Theory-driven and concept- driven	Leadership style (Democratic) Strategy Employee satisfaction	Emerging themes: Relationship and employee satisfaction
Employee O1E2	Table of analysis	Theory-driven and concept- driven	Leadership style (Democratic and laissez-faire) Strategy Employee satisfaction	Emerging themes: More laissez-faire in future
Employee O1E3	Table of analysis	Theory-driven and concept- driven	Leadership style (Autocratic, democratic and laissez-faire) Strategy Employee satisfaction	No new themes
Employee O2E1	Table of analysis	Theory-driven and concept- driven	Leadership style (Democratic) Strategy Employee satisfaction	Emerging themes: More autocratic in conflict

<b>Data organisation, leadership and employee codes</b>	<b>Stage of data collection</b>	<b>Coding (theory-/concept-driven)</b>	<b>Categories</b>	<b>Themes as they emerged during interviews</b>
Employee O2E2	Table of analysis	Theory-driven and concept-driven	Leadership style (Democratic) Strategy Employee satisfaction	Emerging themes: More autocratic in conflict
Employee O2E3	Table of analysis	Theory-driven and concept-driven	Leadership style (Democratic) Strategy Employee satisfaction	Emerging themes: Lack of control mechanisms
Employee O2E4	Table of analysis	Theory-driven and concept-driven	Leadership style (Democratic) Strategy Employee satisfaction	Emerging themes: Communication with lower levels of hierarchy
Employee O2E5	Table of analysis	Theory-driven and concept-driven	Leadership style (Democratic) Strategy Employee satisfaction	Emerging themes: More autocratic in conflict
Employee O3E1	Table of analysis	Theory-driven and concept-driven	Leadership style (Democratic and autocratic) Strategy Employee satisfaction	Emerging themes: Autocratic characteristics
Employee O3E2	Table of analysis	Theory-driven and concept-driven	Leadership style (Democratic and autocratic) Strategy Employee satisfaction	Emerging themes: Strategy and communication gaps
Employee O3E3	Table of analysis	Theory-driven and concept-driven	Leadership style (Democratic and autocratic) Strategy Employee satisfaction	Emerging themes: Frustrations, lack of accountability and lack of performance

*Source: Author's own layout of coding process data used in data analysis*

The above framework presents the data flow process. It supported the qualitative research objectives to leave room for flexibility during the interview process. The emerging themes are discussed for its relevance in answering the research question in Chapter 6. This chapter continues and is carried out as per the design proposed in Chapter 4, with the research layout designed to meet the research objectives in being exploratory. Emerging themes that emerged during the data analysis were contextualised where deemed to be relevant and of value to the research objectives and to answer the research question. The interviews were conducted by the researcher, recorded and supported by field notes as stated in Chapter 4. This ensured trustworthiness and made reflection and context easier as it encapsulated everything the researcher saw, heard and experienced during the interviews (De Vos et al., 2011) all in support of qualitative research advantages (Leedy & Ormrod, 2013; Saldaña, 2009). The next section presents the layout and findings that were derived from the data analysis.

#### 5.4 RESEARCH LAYOUT

Since this study was exploratory in nature the data analysis was conducted at aim to exploring and answering the research question in order to offer a better understanding of the key concepts.

- **The research question as stated in Chapter 1 is re-stated here in Chapter 6 for ease of reference:**

*Exploring the role and/or influence of leadership styles on organisational performance of selected companies in the South African wine industry, in the context of understanding the strategy formulation-implementation-performance gap.*

- **The objectives re-stated for the same reason are:**

**The primary objective:** The objective is to explore these concepts in order to better understand leadership styles (as identified by Lewin, 1939) and any plausible influence of the three chosen leaders in the context of the performance gap, and if so, in what way(s).

**The secondary objective:** This objective is aimed at contributing more detail and information on perceived factors that contribute to the strategy-to-performance debate,

by taking into consideration the leadership style (as identified by Lewin, 1939) of the particular leader, and accepting the notion that leadership is ultimately responsible for the performance of an organisation.

The objectives of the data and information were exploratory at objective to explore the concepts in a real-life context in order to offer a better understanding of the phenomena under research and view in a new perspective.

**The secondary part of the research question could be alternatively explained as:**

How does leadership style influence the strategy-to-performance gap – measured from an employee satisfaction perspective?

As explained in the previous section the data collection was done in a two-fold manner, starting with the in-depth leadership interviews. Leadership was categorised into the identified themes to be aligned with research objectives and set out under headings as follows:

- Background and role in strategy
- Leadership style
- Employee perception of leadership
- Strategy
- Strategy-formulation-implementation-performance gap
- New themes (coded as identified)
- Discussion of employee satisfaction

After the stages proposed for the leadership interviews were executed and the data collected and analysed, the employee interviews followed the same process and were also grouped and contextualised, addressing the strategy-formulation-implementation or strategy-to-performance gap. This was done for each organisation to allow for further analysis and to categorise specific themes related to the findings for each organisation. Abbreviations (pseudonyms) were used for each organisation, leadership figure and employee to ensure anonymity. This supported ethics guidelines.

## 5.5 CODES AND CATEGORIES: LEADERSHIP ROLE AND LEADERSHIP STYLE

The leadership interviews were coded to make for an easier understanding of themes. The following codes and categories were identified and discussed as indicated in Table 5.8 below:

**Table 5.8: Leadership codes and categories to present data as they were derived from the interviews**

<b>Codes (theory- and concept-driven)</b>	<b>Category discussion during interview</b>
Leadership evaluation, leadership function	Leadership classification and characteristics
Leadership style functions	Leadership style identified: autocratic, democratic or laissez-faire
Strategic planning functions	Strategy formulation functions
Strategy implementation, function and success or failure	Strategy execution functions
Performance perceptions, functions, success	Strategy-to-performance gap (implementation gap)
Factors influencing leadership and performance	New and emergent themes, such as factors inhibiting execution, leadership style influences, and employee satisfaction perceptions as displayed in Table 5.4

*Source: Author's own data analysis table on leadership*

The data collection and findings as described and presented in this chapter is further discussed as carried out in this chapter. This is done according to the three organisations and leadership figures, presented and data analysis presented and discussed for each organisation and leadership figure in section 5.5.1-5.5.3 on the leadership data findings below.

## 5.5.1 Organisation 1

### Interviews

#### O1L1

##### a. Background and role in strategy

The leader is a chartered accountant and has been in control of the organisation for 10 years. He sees himself as an all-rounder involved in all facets of the business, across various departments. He is very involved in strategy formulation and views himself as the key person. He stated, "*I believe it helps that our strategy is flexible. I believe it helps that we have a flexible strategic plan, and we they shape it around events*" (O1L1:29).

O1L1 also considers himself as being "*very involved*" (O1L1:33) with strategy implementation but trying to be less involved now than in previous years. He empowers teams to work more independently. He views himself as very "*successful*" (O1L1:48-49) CEO.

##### b. Leadership style

O1L1 views his style as "*a combination between an autocratic and democratic leadership style*" (O1L1:66-67). His perception of his own leadership style is that it is balanced between a 50% autocratic and 50% democratic leadership style. His opinion is that he started off his career as being more autocratic but is moving into being more democratic. Even though he does not like the word 'laissez-faire' it appears that at times he encourages independent work as he said, "*... probably yes ...*" (O1L1:88) without too much interference. This can be concluded to be in line with a laissez-faire style (Lewin, 1939).

##### c. Employee perception of leadership

O1L1 is of the opinion that his employees view him as an autocratic leader and stated, "*... some would prefer me to be more democratic*" (O1L1:118-120). His view is that some employees prefer the support and decision-making assistance he gives when he is autocratic, while others would value more independence. He feels overall that most

of them will admit that he tries to accommodate their needs through adapting his leadership style to different situations.

**d. Strategy**

The leader of this organisation (O1L1) sees himself as ultimately being responsible for strategy implementation. He *stated*, “... *me as the leader ...*” (O1L1:123). He believes that he is jointly responsible with senior management, but in his opinion, it is ultimately his responsibility.

**e. Strategy-formulation-implementation-performance gap**

O1L1 does not think there is a significant gap between his organisation’s strategy formulation and the implementation of strategy. He commented that “*there isn’t a big gap*” (O1L1:127-128) and that his leadership style “*influences it positively*” (O1L1:133-137) e.g. by minimising the gap. He regards himself as “*very positive*” (O1L1:138-140) and feels that the fact that his employees see him cause them to be positive employees who perform better, resulting in smaller strategy implementation gaps.

This leader, who feels strongly that “*the strategy-formulation-implementation-performance gap is very real in the South African wine industry*” (O1L1:141-143), listed the factors below which he thought could influence the gap.

**f. Emergent themes (Factors influencing the strategy-to-performance gap that transpired)**

Factors influencing the strategy-to-performance gap according to O1L1 in interview: Management skills such as motivation of employees through better rewards such as remuneration and more focus on accountability, could influence the gap positively and ultimately result in better performance (O1L1:148-152).

## **5.5.2 Organisation 2**

### **O2L1**

**a. Background and role in strategy**

The leader from O2L1 has been in the liquor industry for 21 years in different departments (O2L1:8-10). He describes himself as being the “*bottom line*” (O2L1:19)

(highest) leadership figure in his organisation. He has been involved in all facets of the wine industry for over 21 years: human resources, development, projects, logistics and local distribution – everything up to the end consumer. He views strategic planning as “*bottom line to be my responsibility*” (O2L1:19-24) and it is his responsibility to involve all role players and work towards the organisation’s vision and strategy.

This leader is of the opinion that he is finally responsible for both strategic planning and strategy implementation, and because of the structure of the organisation he needs to ensure there is enough focus on both. He believes that “*sometimes planning is over-emphasised and execution is under-emphasised*” (O2L1:57-63). O2L1 believes in the principles laid by a well-known public business leader who said that you should focus on the five things that work best for your company and ignore the noise and opposition and competition (O2L1:65-70). He is of opinion that there is not enough completion and complete execution of strategies in the South African wine industry (O2L1:75-82).

O2L1 sees himself as reasonably successful with room for improvement in terms of execution of strategies (O2L1:97-99). Time constraints and other factors which in his opinion cause gaps in execution will be discussed in more detail under emerging themes (O2L1:100-107).

#### **b. Leadership style**

O2L1 views himself as a leader who “*call[s] into the situation and I adapt to that*” (O2L1:115-117). His perception of his natural leadership style is described as follows: “*I surround myself with people who are competent and willing*” (O2L1:118-120) – typical of a democratic leadership style (Lewin, 1939). He does admit that he is probably “*more democratic as a leader*” (O2L1:122-125), but he mentioned that he thinks there are certain benefits to the laissez-faire style he encourages (O2L1:138-141) – such as the freedom to look for solutions and empowering people to work independently (O2L1:13-139). In his communication it appears that he involves stakeholders and management and acts in a way that can mostly be seen and associated with democratic leadership. O2L1’s perception of himself and his leadership style is expressed as being “*predominantly democratic*” (O2L1:132).

**c. Employee perception of leadership**

O2L1 said he thinks his employees view him as “*democratic*” (O2L1:132). He believes that they view him as democratic most of the time, but that some might experience characteristics that could be viewed as more autocratic at times. He is of the opinion that most will say “*I am democratic, but some might prefer me to be slightly more laissez-faire*” (O2L1:159-165).

**d. Strategy**

O2L1 believes leadership is ultimately responsible for strategy execution. He feels that a true leader will never wait for strategy to get implemented: in his words, “... *he should take responsibility for execution and action*” it” (O2L1:172-176).

**e. Strategy-formulation-implementation-performance gap**

O2L1 is of the opinion that there are definitely “*strategy-formulation-implementation-to-performance gaps in the organisation he leads and industry in general*” (O2L1:181-185). He mentioned certain reasons which could be the cause for stating that – concluding that there are definite “gaps” that are perceptible within the organisation and industry (O2L1:181-185).

This leader believes that a big component resulting in the strategy-to-performance gap can be attributed to leadership style. He is of the opinion that leadership should be aware of gaps before employees perceive them in order to make changes to minimise those gaps. He used expressions such as “*Leadership should softly guide the team*” (O2L1:200-202) – indicative of democratic leadership focusing on people and employees. On the question whether leadership style influences performance, O2L1 answered “*100%*”, indicating and confirming his definite view that leadership can turn poor-performing teams into great-performance teams (O2L1:205-207).

O2L1 feels that his perception of the industry is that the strategy-to-performance gap is generally an issue in the South African wine industry (O2L1:212-219). He substantiates his view by mentioning facts such as market share and other performance gaps compared to countries such as New Zealand and Italy. He emphasised the opinion that it is essentially “*the responsibility of leadership*” (O2L1:227-232).

**f. Emergent themes (Factors influencing the strategy-to-performance gap that transpired)**

O2L1 named a number of themes that he views as influencing leadership and performance. He mentioned factors relevant to performance in broad as well as employee satisfaction, leading to better performance (as per the service value chain).

Some of the themes he named as influencing performance were the following:

**New themes**

A difference in leadership styles for different generations, e.g. generation Y or millennials (O2L:233-234).

A Stronger need for self-actualisation and job satisfaction (O2L1:242-243).

A difference in priorities for how they view employee satisfaction – they want to lead more balanced lives (O2L1:248-253).

Aligning or misaligning the right employee with the right job and tasks will have an effect on leadership style and performance (O2L12:275-277).

O2L1 notes that leadership is often “*over-complicated and should be simplified*” (O2L1:296-297). In simplifying strategy formulation execution will be simplified and potentially lead to narrowing the gap.

O2L1 concluded that “*high energy levels*” (O2L1:12-313) is the final characteristic that all leadership styles need in order to ensure better performance.

**5.5.3 Organisation 3**

**O3L1**

**a. Background and role in strategy**

O3L1 is the top leader in his organisation and has been in his current position for five years. He is responsible for strategic planning but stated that it “*is a difficult question to answer because I am not responsible for executing strategy but merely the custodian of it*” (O3L1:14).

In terms of strategy formulation O3L1 seems to perceive that he is sometimes required to get involved and other times he does not need to do more than redirect strategy (O3L1:17-19).

This leader views himself as ultimately “*successful*” (O3L1:29) but mentions that certain goals are obtained within different timeframes than originally planned. He is of the view that “*change and the ability to adapt to change is the most important factor in terms of strategy planning and execution*” (O3L1:38-40). He also disagrees with certain theoretical studies that argue that strategic planning is the starting point and execution should follow. He emphasised that employees need to be adaptable, creative and able to deal with change if they want to achieve success (O3L1:63-64). O3L1 believes that an organisation should have a strategy that starts small, test it, view mistakes and change rather than start from a ‘formal’ strategy. O3L1’s view is that “*strategy is overrated*” (O3L1:74).

#### **b. Leadership style**

O3L1 perceives himself to be a “*situational*” leader adapting to the needs of the organisation due to its maturity cycle (O3L1:93-97). He feels that sometimes he is required to be “*more autocratic*” as it is the right leadership style for a mature organisation that requires “*decisive action*” (O3L1:86:93-94). His answers on his display of characteristics as a leader lean towards autocratic actions where decisions need to be made fast and instructions given to avoid procrastination. His leadership style is more focused on “*individual accountability than group dynamics*”. He describes himself as “*leaning more towards individual performance in context of the team*” (O3L1:111-114). O3L1 believes in informal communication, values and teamwork more than strategy. He believes in “*making instructions clear*” (O3L1:136-137) through communication more than joint decision making – also in line with autocratic practices.

#### **c. Employee perception of leadership**

O3L1’s opinion is that “*my employees view me as autocratic*” (O3L1:151). He believes that “*ultimately people want to be led*” (O3L1:156). O3L1 mentioned there is a difference between leading people and being abusive towards them. He believes that people prefer certainty and if leadership has the skill to lead with certainty, people will respect that. O3L1 believes he is respected and that “*employees will respect decisions*

*arriving at the destination*” even if they *“don’t always agree with those decisions”* (O3L1:161-172).

**d. Strategy**

O3L1 believes that *“everybody”* is responsible for the strategy of the organisation (O3L1:178), from top to bottom and that different people in the organisation are responsible for different tasks. He emphasised that *“over-complexity is dangerous”* as it can lead to miscommunication (O3L1:180-181). O3L1 perceives their key strategy to be based on strong brands and he elaborated on the roles of individuals in executing the tasks in support of the brands. He mentioned that many decisions can change as strategy is executed (O3L1:206-208).

**e. Strategy-formulation-implementation-performance gap**

O3L1 believes that *“there isn’t really a gap between his organisation’s strategic plan and execution or performance”* (O3L1:199). He explained though, that perhaps they execute strategy badly sometimes, or that they might sometimes choose the wrong strategy. His answer on the gap is that *“efficiency in strategy is sometimes due to lack of execution”* (O3L1:204-205). He discussed some examples and reiterated his earlier statement that organisations should start with small steps, which can be expanded once mistakes have been made and strategies are viewed as successful. He repeated his opinion of starting small, testing, correcting mistakes as a way to grow business and mentioned a couple of cases where this had been evident in his organisation (O3L1:200-227-233).

**f. Emergent themes (factors influencing the strategy-to-performance gap that transpired)**

O3L1 repeated certain themes as being important in his opinion – such as the view that *“formal strategy is not as important as trial and error growth”*.

Change and the ability to adapt to change constantly is another key theme that emerged in different answers (O3L1; 215-217).

Finally, the concept in management that *“employees need to be fit for the purpose of their jobs”* (O3L1:116-120) is also a key theme that leader O3L1 repeated in view of

factors contributing towards the strategy-to-performance gap narrowing or growing. Some of the answers in the interview were regarded as superfluous and not relevant to the objectives of this specific study and hence considered as 'noise'. For example, there were comments made on past failures and personal experiences which were not deemed relevant. These were excluded for purpose of analysis.

Only themes relevant to the research question as stated earlier in this chapter were thematically analysed, and new information or themes that emerged deemed relevant to offer a better understanding of the research question were discussed above.

The next part of the data analysis was focused on the performance part of the research question from the employee perspective. As previously discussed in Chapters 1 and 4, employee satisfaction interviews were chosen to offer an understanding in the context of the leadership styles and strategy-formulation-implementation-performance gap. The leadership style findings are presented in Figure 5.2 below.



**Figure 5.2: Leadership style of the three organisations**

Source: Author's own compilation

The table presents the first part of information on the research question pertain in leadership style. Employee satisfaction interviews were presented and analysed in this context of these leadership style findings as presented earlier in Chapter 5.

## 5.6 EMPLOYEE SATISFACTION INTERVIEWS

Employee satisfaction were seen as part of performance measurement as discussed in Chapter 3. The employee satisfaction interviews were semi-structured with the purpose of exploring themes and perceptions relevant to the research question.

The employee interviews were aimed at exploring and contributing more detail to the strategy-to-performance debate, by taking into consideration the perceived leadership style of the particular leaders, according to employees – with the assumption that leadership is ultimately responsible for the performance of an organisation. The interviews further studied the strategy-to-performance gap by exploring the perceptions of employees on leadership style, strategy and performance – assuming employee satisfaction contributes to organisational performance via the service value chain, - as evident in research on the topic and previously discussed in Chapters 1-4. This was done in context of the strategy-to-performance gap.

In order to align with the research question the themes for the employee interviews were coded and divided into the following categories:

- Leadership and leadership style
- Strategy formulation and implementation
- Satisfaction in the context of strategy performance
- Emergent themes and observations

Each organisation was given a pseudonym (as in the case of the leadership interviews for example O1L1 and O1E1) and analysis was done for each organisation individually to create order and categorise data for ease of interpretation.

## 5.6.1 Organisation 1 (O1)

<b>Employee</b> <b>O1E1</b> <b>Background</b> <b>Involved in strategy implementation</b>	<b>a. Leadership and leadership style</b>
	O1E1's Perception of her leader is that he is " <i>democratic</i> ". O1E1 views her leadership figure as " <i>making joint decisions and encouraging teamwork</i> ". In addition, she also experiences him as more free-reign sometimes – <i>allowing independence</i> in Laissez-faire style (O1E1:48-54).
	O1E1 appreciates her leader's leadership style and thinks it is " <i>perfect for the organisation</i> ". She appears to be satisfied with the leadership style, and is of opinion "he is responsible for the organisation's success (O1E1:128-134).
	<b>b. Strategy formulation and implementation</b>
	O1E1 views her company as being " <i>average to good with strategic planning, but excellent with strategy implementation</i> " (O1E1:85-90).
	O1E1 quantified certain achievements stating that they were excellently performed and executed (O1E1:98-99).
	<b>c. Satisfaction in the context of strategy performance</b>
	O1E1 stated her satisfaction with her leadership figure and his style. She especially appears to be satisfied with performance and it could be deduced that she is an " <i>overall satisfied employee</i> " (O1E1:128).
	O1E1 supported her satisfaction by stating that " <i>if it wasn't for my leadership figure and his style, I would probably not be working at the organisation</i> " (O1E1:143-145).
	<b>d. Emergent themes</b>
O1 E1 mentioned the importance of leadership style and a good relationship with employees (O1E1:130-132).	

<b>Employee</b> <b>O1E2</b> <b>Background</b> <b>Involved in strategy implementation</b>	<b>a. Leadership and leadership style</b>
	O1E2 experiences her leader as a combination of “ <i>democratic and laissez-faire</i> ”. At times he leans slightly more towards teamwork and at other times he is more ‘free-reign’ in his style (O1E2:24-28).
	O1E2 prefers the times when leadership allows for “ <i>more individual space</i> ” to perform (O1E2:55-58).
	<b>b. Strategy formulation and implementation</b>
	O1E2 views her company as being “ <i>good</i> ” with strategic planning and “ <i>good</i> ” with strategy implementation. She stated that she feels they are slightly “ <i>better</i> ” with execution of plans than planning (O1E2:76-77).
	O1E2 is of opinion that the fact that her leadership is “ <i>actively</i> ” involved with implementation helps them to perform better than other players in the industry (O1E2:107-109).
	<b>c. Satisfaction in the context of strategy performance</b>
	O1E2 appears to be satisfied as an employee and indicated that “ <i>I appreciate my leader’s leadership style as being suitable for the organisation</i> ” (O1E2:92-95).
	O1E2 is of the opinion that her leader’s “ <i>democratic style was ideal for the performance</i> ” of the organisation (O1E2:117-122) but he would need to be more laissez-faire in the future allowing for more “ <i>freedom</i> ” and less micro-management (O1E2:134-135).
	<b>d. Emergent themes</b>
O1E2 believes more laissez-faire leadership will be needed in future to empower people to take accountability (O1E2:134-136).	

<b>Employee</b> <b>O1E3</b> <b>Background</b> <b>Involved in strategy implementation</b>	<b>a. Leadership and leadership style</b>
	<p>O1E3 is of the opinion that his leadership figure is a “<i>combination of autocratic, democratic and laissez-faire</i>” (O1E3:17-19). On later questions it appeared that the leadership figure leans “<i>more towards being democratic</i>” in his actions; and from his answers it was deduced that his leadership figure seldom acts in a way congruent with autocratic leadership (O1E3:42-44).</p>
	<p>O1E3 made comments supporting the notion that his leadership “<i>care[s] for employees and their opinions</i>”, in line with democratic leadership (O1E3:26-27). Certain behaviours were more orientated towards free-reign and O1E3 experienced that there was a “<i>change</i>” in approach lately, being more freedom orientated (O1E3:33-37).</p>
	<b>b. Strategy formulation and implementation</b>
	<p>O1E3 perceives his company as being “<i>excellent with strategic planning and strategy implementation</i>” (O1E3:69:85).</p>
	<p>O1E1 quantified certain achievements stating that it was “<i>greatly</i> (i.e. excellently) <i>performed</i>”. He appears to think the “<i>inclusive</i>” communication from leadership contributes to the excellent performance (O1E3:85-89).</p>
	<b>c. Satisfaction in the context of strategy performance</b>
	<p>O1E3 appears to be satisfied with his leadership figure and believes he is achieving goals as set out (O1E3:94-96).</p>
	<p>O1E3 believes his leadership figure “<i>cares for employees</i>” – and appears to be happy with his way of leading. He expresses his opinion that a lot of success can be attributed to that “<i>whatever leadership is doing is working</i>” (O1E3:97).</p>
	<b>d. Emergent Themes</b>
<p>No new themes emerged from the interview. The overlaps with findings similar to other employees are discussed later in Chapter 5.</p>	

### 5.6.2 Organisation 2 (O2)

<b>Employee</b> <b>O2E1</b> <b>Background</b> <b>Involved in strategy implementation</b>	<b>a. Leadership and leadership style</b>
	<p>O2E1 is of the view that her leadership is “<i>very democratic</i>” in his leadership style (O2E1:25-26). In certain instances, he encourages freedom: “<i>he is good at evaluating the situation</i>” (O2E1:50-54).</p>
	<p>O2E1 chose answers indicative of his notion to be democratic, such as asking team input and used words such as “<i>incredibly democratic</i>”. It appears that he adapts his style when needed – but mostly functions in a democratic way (O2E1:54).</p>
	<b>b. Strategy formulation and implementation</b>
	<p>O2E1 answered that she believes her company is “<i>average to good at strategic planning</i>”. She mentions that they are “<i>better at planning than execution</i>” (O2E1:75-78).</p>
	<p>O2E1 perceives her organisation to be “<i>average to poor with strategy execution</i>”. She perceives the organisation to struggle with execution when strategy becomes complex (O2E1:73-75).</p>
	<b>c. Satisfaction in the context of strategy performance</b>
	<p>O2E1 mentioned her leader is “<i>incredibly respected</i>” and she appears to be satisfied with his leadership style and performance (O2E1:87-89).</p>
	<p>In order to achieve organisational goals O2E1 recommended her leadership should perhaps adapt his style and sometimes act in a more “forceful” manner. She would prefer certain characteristics more in line with autocratic leaders (O2E1:91-93).</p>
	<b>d. Emergent themes</b>
<p>It appears that O2E1 would prefer her leadership figure not to avoid conflict situations (O2E1:91-98).</p>	

<b>Employee</b> <b>O2E2</b> <b>Background</b> <b>Involved in strategy implementation</b>	<b>a. Leadership and leadership style</b>
	<p>O2E2 perceives her leader to be “<i>democratic</i>”. She mentioned that he makes certain decisions independently (autocratic) – but “<i>mostly involves other people</i>”, and executes characteristics in line with democratic leadership such as encouraging joint strategy planning (O2E2:24-25).</p>
	<p>O2E2 chose answers indicative of her leadership’s notion to be democratic, such as: “asking team input” and she used words such as “<i>asking opinion</i>” to support that. It appears that he adapts his style if and when needed – but mostly functions in a democratic way (O2E2:37-40).</p>
	<b>b. Strategy formulation and implementation</b>
	<p>O2E2 felt that her company is “<i>average to good</i>” at strategic planning. She mentioned that in her opinion they are better at planning than execution (O2E2:77-79).</p>
	<p>O2E2 perceives her organisation to be “<i>good with strategy execution</i>” (O2E2:95-97). She perceives the organisation to struggle with execution of strategy when the strategy becomes too complex or communication issues arise (O2E2:107-108).</p>
	<b>c. Satisfaction in the context of strategy performance</b>
	<p>O2E1 commented: “<i>Our leader is loved and respected and I enjoy his leadership style.</i>” Her answers indicate that she is a satisfied employee (O2E2:120-122).</p>
	<p>O2E2 mentioned that her leader has an open door policy and is always available to talk to (O2E2:118-120).</p>
	<b>d. Emergent themes</b>
<p>O2E2 just mentioned that at times the leadership figure could be more firm – (autocratic) – in conflict situations (O2E2:131-133).</p>	

<b>Employee</b> <b>O2E3</b> <b>Background</b> <b>Involved in strategy implementation</b>	<b>a. Leadership and leadership style</b>
	<p>O2E3 perceives his leadership figure to be democratic. He indicated that he will at times make a decision independently – but predominantly “<i>involve staff and encourage participation</i>” as per democratic leadership (O2E3:42-50).</p>
	<p>O2E3 pointed out that his leader will involve employees across all levels of the organisation in decisions, always “<i>asking for others’ opinion before giving any instructions</i>”. His comments and answers strongly support the behaviour of a democratic leader (O2E3:48-52).</p>
	<b>b. Strategy formulation and implementation</b>
	<p>O2E3 believes that his organisation is “<i>good</i>” at strategic planning but “<i>definitely not excellent</i>”. He pointed out some gaps that exist in his opinion (O2E3:82-83).</p>
	<p>O2E3 is of opinion that they are between “<i>average</i>” and “<i>good</i>” with strategy execution. He felt that lack of control in the execution process leads to some of the execution gaps at times (O2E3:96-98).</p>
	<b>c. Satisfaction in the context of strategy performance</b>
	<p>O2E3 commented that his leadership figure is “<i>ideally suited for their organisation</i>”. He mentioned his relationship skills as vital in the organisation’s good performance (O2E3:112-115).</p>
	<p>O2E3 appeared to be very satisfied with his leadership figure and his style and indicated that he manages their organisation’s specific challenges very well. His answers on leadership style were all positive. The democratic nature of their leader appears to suit O2E3 very well and he perceived that as being conducive to performance (O2E3:112-118).</p>
	<b>d. Emergent themes</b>
<p>O2E3 mentioned that a possible cause of gaps in strategy execution is the lack of control at times (O2E3:98-100).</p>	

<b>Employee</b> <b>O2E4</b> <b>Background</b> <b>Involved in strategy implementation</b>	<b>a. Leadership and leadership style</b>
	<p>O2E4 explicitly stated that his leadership figure is “<i>definitely democratic</i>”. He stressed that he “<i>definitely makes decisions with other people rather than independently</i>”. All the answers and cross-questions support his perception of his leader’s actions to be in line with characteristics of democratic leadership (O2E4:19:38-40).</p>
	<p>O2E4 indicated that their leader “<i>adapts</i>” to either controlling or letting go, depending on the situation at the time. He repeatedly stated that he views him “<i>mostly to be democratic</i>” (O2E4:38-40).</p>
	<b>b. Strategy formulation and implementation</b>
	<p>O2E4 sees his company as being “<i>average to good</i>” with strategic planning (O2E4:55-58). He is of the opinion that certain departments formulate strategy and function better than others (O2E4:61-66).</p>
	<p>O2E4 thinks his company is “<i>average</i>” (O2E4:61) with strategy implementation. He attributes that to factors such as “<i>communication and lack of accountability</i>” in certain departments (O2E4:63-70).</p>
	<b>c. Satisfaction in the context of strategy performance</b>
	<p>O2E4 indicated that his leadership figure is “<i>ideally suited to this specific organisation and knows what is happening</i>” (O2E4:74-77). He appears to be very satisfied with his capabilities as a leadership figure and has high regard for his leadership’s performance.</p>
	<p>O2E4 feels that his leadership figure is well suited to leading successfully (O2E4:74). His concerns are with lower levels of leadership in the organisation and he mentioned communication as a potential issue in strategy execution a couple of times (O2E4:80-82).</p>
	<b>d. Emergent themes</b>
<p>It appears that O2E4 is very happy with top leadership and its performance, but questions whether the lower leadership levels are as effective (O2E4:).</p>	

<b>Employee</b> <b>O2E5</b> <b>Background</b> <b>Involved in strategy implementation</b>	<b>a. Leadership and leadership style</b>
	<p>O2E5 reports from lower down in the hierarchy to his top leadership figure. His opinion is that his leader is “<i>democratic</i>” and supports his thinking by mentioning some of his actions such as “<i>asking people for their opinions and to encourage joint decisions and teamwork</i>” (O2E5:33-36).</p>
	<p>O2E5 chose “<i>democratic</i>” in all instances when asked about his leadership’s characteristics. It appears that he experiences him as very democratic (O2E5:48).</p>
	<b>b. Strategy formulation and implementation</b>
	<p>O2E5 feels he personally might not be as involved in strategy but that his company is “<i>good</i>” with strategic planning overall (O2E5:66).</p>
	<p>O2E5 views his company as “<i>average</i>” with strategy implementation (O2E5:71-72). He mentions “<i>communication</i>” as an issue and feels sometimes plans “<i>get lost between the cracks in strategy execution</i>” (O2E5:71-74).</p>
	<b>c. Satisfaction in the context of strategy performance</b>
	<p>O2E5 perceives his leader to have “<i>the right leadership style for the organisation</i>” (O2E5:78-80). He appears to be very satisfied with especially his leader’s democratic style and mentions his open-door policy and the fact that he “<i>involves everyone</i>” as some of his strengths as a democratic leader (O2E5:78-81).</p>
	<p>O2E5 commented that at times he would prefer his leadership figure to be more “<i>bold</i>” in handling conflict (O2E5:83-84). He mentioned that he would prefer him to act in a more “<i>autocratic</i>” way at times and just “<i>give instructions instead of involving everyone sometimes</i>” (O2E5:85-90).</p>
	<b>d. Emergent themes</b>
<p>O2E5 seems to be satisfied with his leader’s democratic style, except for when there is conflict. It appears that he believes acting more autocratically in conflict situations will improve performance (O2E5:88-90).</p>	

### 5.6.3 Organisation 3 (O3)

<b>Employee</b> <b>O3E1</b> <b>Background</b> <b>Involved in strategy implementation</b>	<b>a. Leadership and leadership style</b>
	<p>O3E1 reports directly to her top leadership figure. She stated that he is “<i>democratic</i>” – but did not elaborate on any actions or chose any answers regarding the characteristics to support that. She used the word “<i>mostly</i>” (O3E1:30) – but sounded hesitant and did not explain what other leadership styles he displays at other times. Her answers give conflicting results on the style he exercises (O3E1:70-73).</p>
	<p>O3E1 commented that her leader could come across as “<i>not a people’s person</i>” (O3E1:70-75). She referred to certain characteristics, such as that he might be “<i>hard to convince sometimes</i>” or “<i>acts independently when he thinks it is the right decision and could come across argumentative</i>” – which leans more towards an autocratic leadership style (O3E1:70-75; 85-86).</p>
	<b>b. Strategy formulation and implementation</b>
	<p>O3E1 is of the opinion her company is “<i>average</i>” with strategic planning. She also views them as being “<i>average</i>” with strategy implementation (O3E1:56).</p>
	<p>O3E1 did not mention any specific reasons for this and appeared to be unsure of what might cause them to be average at both strategy formulation and implementation (O3E1:64).</p>
	<b>c. Satisfaction in the context of strategy performance</b>
	<p>O3E1 believes her organisation “<i>could definitely improve performance</i>” and mentioned various factors that could play a role in the lack of performance (O3E1:97-98). She appears to be satisfied with her leadership figure – but there are areas where she feels there is space for improvement (O3E1:97-105).</p>
	<p>O3E1 made comments that could be interpreted as that her leadership figure could be viewed as being “<i>argumentative</i>” and not focused on the “<i>people doing the job</i>” enough (O3E1:88-91). She mentioned characteristics normally associated more with autocratic leaders. It could be viewed as having an effect on employee satisfaction (O3E1:75-76).</p>
	<b>d. Emergent themes</b>
<p>O3E1 stated that she views her leader as democratic, but her explanations and expression of actions seemed to suggest that he might act more in line with autocratic leadership styles (O3E1:75-76; 88-89).</p>	

<b>Employee</b> <b>O3E2</b> <b>Background</b> <b>Involved in strategy implementation</b>	<b>a. Leadership and leadership style</b>
	<p>O3E2 is new in a key position in the organisation and only expressed her perceptions on what she had heard about the specific top leader and the organisation (O3E2:27-28).</p>
	<p>O3E2 is of the opinion that he is <i>“very involved in the business”</i> and from what she had heard her colleagues say, she believes his leadership style is democratic (O3E2:35-37).</p>
	<b>b. Strategy formulation and implementation</b>
	<p>O3E2 appears to be unsure of the organisation’s strategy and attributes that have led to a recent change in focus of strategy that <i>“hasn’t been communicated completely through all levels in the organisation yet”</i> at the time of the interview (O3E2:71-73).</p>
	<p>O3E2 admitted that she is <i>“speculating”</i> but feels that her company is <i>“average”</i> with strategy formulation and that there is a definite <i>“lack of execution”</i> (O3E2:89-92). She believes certain factors <i>“need to be managed better in order to lead to better execution of strategy”</i> (O3E2:80-89).</p>
	<b>c. Satisfaction in the context of strategy performance</b>
	<p>O3E2 appears to be too new to the organisation to be able to express satisfaction or dissatisfaction. However, she seems to have difficulty in performing due to lack of communication and is not very satisfied with that (O3E2:100-102).</p>
	<p>O3E2 also mentioned that she <i>“feels under pressure often”</i> and that <i>“time management”</i> is an issue in the organisation, often resulting in lower performance. She implied that it is probably directly influencing strategy execution <i>“not positively, hence negatively”</i> (O3E2:100-110).</p>
	<b>d. Emergent themes</b>
<p>O3E2 is new and commented that it appears that in the organisation there might be <i>“strategy and communication gaps”</i> influencing performance (O3E2:120-125).</p>	

<b>Employee</b> <b>O3E3</b> <b>Background</b> <b>Involved in strategy implementation</b>	<b>a. Leadership and leadership style</b>
	<p>O3E3 guessed that her leadership figure <i>“leans towards a democratic leadership style”</i> (O3E3:23). Certain comments she made seemed to characterise the leadership figure as laissez-faire at times, and other comments pointed to characteristics associated more with an autocratic leadership style. For example: <i>“[D]ecisions are communicated through or made with little interference”</i> (O3E3:48-50) – rather than jointly made.</p>
	<p>O3E3 mentioned that certain departments in the organisation, such as <i>“quality management preferred to function more free reign”</i> (O3E3:49-50) and under laissez-faire leadership.</p>
	<b>b. Strategy formulation and implementation</b>
	<p>O3E3 is of the opinion that her organisation is <i>“good to excellent”</i> with strategic planning (O3E3:65). She did not give any reasons for her opinion, neither could she think of any supporting evidence for her decision.</p>
	<p>O3E3 expressed slight amusement when referring to execution, saying it was in her opinion <i>“not good enough”</i> (O3E3:73-74). It appears she perceives them to be <i>“average with strategy execution”</i>. O3E3 mentioned <i>“leadership on all levels lacking accountability and steps to execute were absent”</i> and thought that might be a cause of lack of execution at times” (O3E3:78-80).</p>
	<b>c. Satisfaction in the context of strategy performance</b>
	<p>O3E3 identified certain issues affecting organisational performance. The key issues were appearing to be <i>“lack of accountability”</i>, <i>“lack of alignment of goals”</i> and <i>“lack of execution skills”</i> (O3E3:73-74;124-138).</p>
	<p>O3E3 stated that she is <i>“satisfied”</i> with leadership (O3E3:86) but indicated that next level leaders have difficulty executing, and that is frustrating at times (O3E3:86-87). It appears the frustration influences her satisfaction as employee (O3E3:140-143).</p>
	<b>d. Emergent themes</b>
<p>O3E3 appears to experience the noticeable lack of accountability in the organisation as one of the key causes of lack of performance (O3E3:140-143).</p>	

## **5.7 FINDINGS AND INTERPRETATION OF DATA**

The previous section presented the findings from the data collection as designed in this study. A discussion of the key findings per each organisation as presented in the tables above will follow in the next section in order to interpret these findings to answer the research question.

### **5.7.1 Organisational findings**

#### **Organisation 1 (O1)**

The leadership figure of Organisation 1 views himself as a democratic leader. This is congruent to the perception from employees, who feel that he has a democratic leadership style predominantly – adapting his style when and if needed to do so. Other leadership style characteristics were mentioned. New themes transpired that were highlighted in Chapter 6.

#### **Organisation 2 (O2)**

The leader of Organisation 2 views himself as predominantly a democratic leader, but he is of the opinion that his employees prefer him to be more “free-reign” or laissez-faire. In the employee interviews employees actually seemed to prefer leadership to act more autocratically at times and make decisions more independently when deemed applicable. Thus, the perception of leader and employees in terms of preferred leadership style appears to be congruent but less so than in Organisation 1. New themes transpired that were highlighted in Chapter 6.

#### **Organisation 3**

The leader of Organisation 3 views himself as a democratic leader but it appears that some employees experience him as being an autocratic leader at times. His actions and the comments from employees point to certain characteristics that are linked more with autocratic styles according to the definition by Lewin (1939). However, certain characteristics associated more with laissez-faire were also indicated in the interviews. It could be taken that there are differences between how this leadership figure views himself and how employees view his leadership style at times. New themes were highlighted in Chapter 6.

Discussions on the above findings is presented in context to the strategy-formulation-implementation-performance gap to contextualise leadership style with the strategy-to-performance gap in the following section below.

### **5.7.2 Leadership style in the context of the strategy-formulation-implementation-performance gap**

#### **Organisation 1**

The democratic leadership style seems to be well suited for Organisation 1. The leadership figure feels that the organisation is better at strategy formulation than at strategy implementation or execution. The perception of all the employees that were interviewed is that the organisation is good to excellent at strategy formulation as well as execution and that the gap is perceived to be relatively small or in some instances non-existent – as per the data analysis presented in the interview discussion. Employee satisfaction was perceived as reasonably high as presented. The leader's view that the organisation is better at strategy formulation than strategy implementation corresponds to the literature (Mankins & Steele, 2005). The employees' views that the organisation is good to excellent at strategy formulation and implementation differ from the literature (Van der Merwe & Nienaber, 2015). The existence of a small or a non-existent gap is also different from that found in previous studies (Mankins & Steele, 2005; Pretorius, 2016; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015).

#### **Organisation 2**

The leadership figure in Organisation 2 appears to be democratic and it appears to be the right leadership style for the organisation. Employee satisfaction levels are experienced as high. Both the leadership and employee interviews revealed that they feel there could be a gap between strategy formulation and implementation. This perception is in line with previous studies (Mintzberg, 1994; Mankins & Steele, 2005; Pretorius, 2016; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015). It appears that execution at times is experienced as delayed, as indicated in the data discussions, and that a change of leadership style during certain times could potentially influence the gap. The view of leadership and employees that the organisation has a gap between strategy formulation and implementation is in line with the literature (Mankins

& Steele, 2005; Pretorius, 2016; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015). New findings emerged that are presented in Chapter 6.

### **Organisation 3**

The leadership figure of Organisation 3 views himself as democratic but employees appear to perceive him as leaning more towards an autocratic style at times. Employees stated that they are satisfied, but various reasons indicating the contrary were mentioned, such as: unclear communication, time management issues, and lack of direction. According to leadership there is not a significant gap between strategy formulation and execution, but employees appeared to differ as stated in the data analysis. Employee satisfaction appeared to be low as presented in the data analysis. It seems that there is a significant gap between strategy formulation and implementation, which is consistent with the literature (Mintzberg, 1994; Mankins & Steele, 2005; Pretorius, 2016; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015), and that the company performance at times struggles because of conflict arising through this execution gap. This also transpires in literature and it concurs with the findings of Lê and Jarzabkowski (2015). Themes that emerged through the analysis process that potentially influences the strategy-to-performance are discussed in the next section.

## **5.8 EMERGENT THEMES TO EXPLORE**

The research design was at objective to explore the key concepts in a new and original way, as presented in Chapter 4. It succeeded in doing so and concepts developed from the interviews that were deemed relevant to the strategy-to-performance gap as discussed in Chapter 1. Hence it successfully contributed towards the research objectives of this study. Some of these concepts were congruent in literature studies on the strategy-to-performance gap but some new themes also emerged in the research process. These are presented below, and in detail in Table 6.4 in Chapter 6.

### **Leadership**

It appears that better management skills from leadership will positively influence performance, which corresponds to previous research (Jooste & Fourie, 2009; Mankins & Steele, 2005). Furthermore, it is evident that better motivation mechanisms

will influence employees and performance, which also corresponds to previous studies (Lê & Jarzabkowski 2015; Mankins & Steele, 2005; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015).

Leadership needs to realise there is stronger need for self-actualisation and job satisfaction. This is a new observation that was not previously addressed in research investigating this phenomenon in context to the strategy-to-performance gap.

Autocratic leadership could be useful in conflict handling and could ensure time is managed more efficiently, which correspond to findings by Lê and Jarzabkowski (2015). This is a new theme not mentioned in literature in context to the strategy-to-performance gap.

The ability to be able to adapt to change is found as more important than strategy. This is a new theme in context to the strategy-to-performance gap.

## **Employees**

The relationship between leadership and employees in terms of better communication during downward communication or instructions corresponds to previous studies (e.g. Alexander, 1985; Mankins & Steele, 2005; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015).

It is suggested that future generations might require more free-reign leadership. (E.g. Generation Y or millennials might have different leadership needs). This is a new observation that emerged that was not previously addressed in research investigating this phenomenon in this context of the strategy-to-performance gap.

Aligning or misaligning the right employee with the right job and tasks will have an effect on the leadership style needed and eventually organisational performance. This point (talent management) corresponds to previous studies (Schaap, 2012; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015).

Lack of control mechanisms influences the performance gap, which is also consistent with the findings of Van der Merwe and Nienaber (2015). Leadership needs to hold lower levels of leadership accountable for performance, as noted by Lê and Jarzabkowski (2015) and Mankins and Steele (2005).

Employees need to be fit for the purpose of their jobs; failure of which leads to a bigger performance gap. This point essentially refers to talent management and was also highlighted by previous studies (Mankins & Steele, 2005; Van der Merwe & Nienaber, 2015).

Consistent with previous studies (Mankins & Steele, 2005; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015), it appears from the current study that communication gaps influence performance negatively.

Lack of accountability influences performance because of leadership style's way of managing accountability, which directly influences execution and performance. This observation also concurs with previous studies (Mankins & Steele, 2005; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015).

## **5.9 CONCLUSIONS**

This chapter consisted of a description of the research conducted in this study, reported on the findings and explained how the research sought to answer the research questions on the strategy-to-performance gap. The researcher approached the interviews methodically and systematically in order to adhere to scientific principles for qualitative research as discussed earlier in this chapter. Certain words and/or sentences were quoted verbatim (Saldaña, 2009) and were addressed in the tables and figures throughout Chapter 5 to support evidence and ensure trustworthiness of information.

### **Main findings**

The main findings of this study indicate that leadership style influences employee satisfaction and thus could be argued to play a role in strategy implementation and arguably the strategy-to-performance gap and organisational performance. The contribution this study makes in terms of theory on the strategy-to performance gap is finding themes around leadership style specifically found to influence performance. This is seen as influencing the strategy-formulation-implementation-performance gap in various ways and offers a better understanding that could narrow the gap and improve performance.

New themes emerged and transpired throughout the research, of which some were congruent to current literature and others were new; all interrelated and could be associated with the current key concepts related to the strategy-to-performance gap.

**Chapter 6** will take a final look at the findings of this study and interpret it in context of the research objectives. It also offers interpretation and contextualisation of the findings in answering the research question. Finally, the chapter will summarise conclusions and highlight new themes apparently lacking information and understanding in current literature in a specific context being the strategy-to-performance gap as explained previously. Chapter 6 will also point out recommended areas that emerged through this study that could prove valuable for future research on the strategy-to-performance gap.

## CHAPTER 6

# INTERPRETATION, CONTEXTUALISATION, FINDINGS AND RECOMMENDATION FOR FURTHER RESEARCH

Chapter 6 presents the interpretation of findings in this research study in the context of current theory on the topic. It discusses the value of this study and finishes with recommendations for possible future research. The next section discusses the background significance of this research to place the findings in context of current theory.

### 6.1 BACKGROUND SIGNIFICANCE OF RESEARCH

As evident in Chapter 1-5 this study contributed a new understanding of key themes presented in the research problem. The key themes, leadership, strategy and performance lack a clearer understanding.

#### **(Interpreting leadership and the strategy-to-performance gap)**

Leadership has been a major topic of management and organisational studies for centuries (Leitch & Vallery, 2017; Nienaber 2010). Leadership is clearly crucial to business and one of the most explored concepts in business studies (Kaiser et al., 2008; Nazarian et al., 2017). There are still many controversies and areas that need to be understood better in order to understand leadership. During the course of this study it became apparent that there are still areas in need of a better understanding of this concept and even more so in terms of practical guidance. The importance of leadership is surprisingly still challenged by some authors in academic research (Ogbonna & Harris, 2000:766-768). One of the challenges with leadership literature is that it is ever evolving, and new findings are constantly scrutinised (Kaiser et al., 2008, Leitch & Vallery, 2017).

The definitions on leadership appears to cross over in different fields of study. In this study the influence of leadership was a key theme and the definition of Northouse (2007:3) that defined leadership as “a process whereby an individual influences a group of individuals to achieve a common goal” seen as well suited. Leadership is often

defined as the leader's behaviour but also as the perception and assumptions around his/her behaviour (Tourish, 2013). For the purpose of this study the aim was to understand leadership in the context of performance, e.g. how performance is achieved via the way leadership influences people.

Strategy, the tool organisations use to achieve organisational performance, as expressed in goals achieved, as a construct has for long been accepted to be a key responsibility of leadership (Chen et al., 2016; Fairholm, 2009; Jooste & Fourie, 2009). This appeared to be true for this study as presented in the leadership findings.

Strategy and performance have been linked in many studies, with regard to both positive and negative outcomes (Fairholm, 2009; Kaiser, LeBreton & Hogan, 2015). Strategy implementation or execution as a function of strategy is the responsibility of leadership (Olivier & Schwella, 2018). The strategy-formulation-implementation-performance gap – also referred to as the strategy-to-performance gap – has been studied by many authors implicating the influence on organisational performance (Jooste & Fourie, 2009; Mankins & Steele, 2005; Pretorius, 2016; Tait & Nienaber, 2010; Van der Merwe & Nienaber, 2015). These concepts in literature were all found to be true and confirmed in this study. This influence is still evident in organisations with negative effect as presented in the recent literature as well and was confirmed in the findings in this study for the organisations under research. Various studies refer to the role of leadership in performance (Chen et al., 2016; Fairholm, 2009; Mintzberg, 2004) yet often oversimplify the causes of strategy-implementation or execution gaps, which was also confirmed to be the case in this study.

The literature search did not return any study pertinent to the influence of leadership style specifically on the strategy-to-performance gap. This omission is deemed significant as leadership style has a major impact on strategy in various ways (Pretorius, 2016), which may narrow or close the performance gap.

In this study the focus was on leadership styles (specifically the three styles as described in Chapter 1 as originally identified by Lewin, 1939) as still used and relevant in modern studies and referred to in the current literature on leadership today (Jawah, 2016; Khouly et al., 2017). The study was exploratory in nature and as mentioned in

Chapter 1 aimed to offer a better understanding of the role of leadership styles in the strategy-to-performance gap, in which it reached its research objectives.

One of the key concepts in this study being leadership, it is discussed that leadership is responsible for performance, and performance is linked to financial performance, employee and customer satisfaction by authors such as Gottfredson and Aguinis (2016), Chi and Gursoy (2009) and Heskett et al. (1997). As part of performance evaluation studies, and evident in various studies on the service value chain published in the last 20 years (Gottfredson & Aguinis, 2016; Heskett et al., 1997; Chi & Gursoy, 2009) employee satisfaction is considered a well-known measurement of organisational performance as ultimately being a key responsibility of leadership. Previous research has found staggering statistics such as a 5% increase in employee satisfaction leads to an increase in customer satisfaction and finally as much as 85% in profitability (Heskett, Jones, Loveman, Sasser & Schlesinger, 1994), proving the significance of the influence these concepts has on performance. Hence, it is considered imperative that leadership pays attention to employee satisfaction as a measure of organisational performance. Moreover, Jowah (2016) notes that leadership style is crucial to the success of various factors within an organisation, amongst others project management – a norm in how large organisations apply management and drive strategy implementation today. This emphasizes the importance of employee satisfaction in context of performance and further highlights how significant the scares information on leadership style in context of the strategy-to-performance gap appears.

Literature reviews on leadership and performance appeared to indicate a further gap in research as most studies have focused on financial performance in isolation rather than other performance indicators such as the influence of leadership from the perception of employees, regarded as essential in organisational performance (Nazarian et al., 2017). In this study the focus was on leadership style and more specifically the perception of employee satisfaction as a performance indicator.

As leadership style refers to the behaviour of leaders (Lewin, 1939) it fundamentally reflects the direct impact of leaders on subordinates, and ultimately how they manage to influence people to achieve organisational performance through their authority. Alternatively put: leadership style focuses on how people are influenced to reach organisational objectives (Nazarian et al., 2017; Northouse, 2007). In literature it is

often difficult to find conclusive answers on themes in this study and themes are intertwined across various disciplines compounding the problem. These themes were explored in the context of performance in this study as explained in the previous chapters – in context to the strategy-formulation-implementation-performance gap.

The study contributes valuable new information as it explored the phenomena in a new way – in line with the exploratory research objectives. The summary on the research objective and how research objectives were achieved are stated briefly again and summarized in the paragraph below.

## **6.2 RESEARCH OBJECTIVES: SUMMARY**

The research objectives were aimed at answering the research question on the role of leadership style (Lewin, 1939) on the strategy-formulation-implementation-performance gap.

### **6.2.1 Gaps in research literature: Summary**

From the literature it is evident that a gap exists between strategy formulation and implementation or execution (the fact that terms are used interchangeably throughout literature, are confusing the matter). The debate on exact statistics complicate the matter. Nonetheless, some research claims that less than 40% of strategies get implemented successfully (Gottfredson & Aguinis, 2016), consequently negative influencing the ability of organizations to reach goals. Even though studies differ on the exact size of the gap, it is generally accepted that there is a big gap between planning and implementation of strategy, conceivably influencing performance. There is a difference between strategy implementation or the lack thereof and the strategy-to-performance gap which results from this breakdown in strategy implementation. It is still evident that despite the ample literature conclusive reasons and results for this are still lacking (Wren, 2005) and furthermore results on the gap are often different. However, the reasons for the gap are more or less congruent (Overstreet et al., 2014) even though presented vague and inconclusive. Table 6.1 below summarises the literature that is deemed relevant to the research questions, summarizing the need for this exploratory study. The different constructs forming part of this study are summarised.

### Explanation of Table 6.1:

The literature forming the background theory for this study presented gaps in literature. As mentioned, research on leadership has been under scrutiny for centuries, and studies on leadership style have been debated over decades. Strategy is also one of the most researched topics, albeit many studies are still not conclusive on the topic. As the strategy-to-performance gap is a contemporary issue, only research studies relevant to this research since 2000 (the past 18 years) are mentioned here in Table 6.1. Concepts such as leadership styles (as per Lewin et al., 1939) amongst others, are noted as it appears in modern studies of which some are as recent as 2017).

**Table 6.1: Literature summary of factors influencing strategy implementation or execution with relevance to performance**

Research studies	Factors associated with strategy implementation or execution failure	Leadership and leadership style (Relevance to performance)	Gaps in research studies
Beer and Eisenstat, 2000 (Empirical (case) study with CEOs of real organisations)	<ol style="list-style-type: none"> <li>1. Autocratic or laissez-faire senior management style</li> <li>2. Unclear strategy and conflicting priorities</li> <li>3. An ineffective senior management team</li> <li>4. Poor vertical communication lines</li> <li>5. Poor coordination across functions, businesses or borders</li> <li>6. Inadequate down-the-line leadership</li> </ol>	<p>Laissez-faire leadership style inefficiencies</p> <p>Leadership responsibilities especially direction-setting and leadership style challenges are highlighted.</p>	<p>Context of leadership style related to strategy implementation</p> <p>Lack of conclusiveness in leadership functions and capabilities needed to ensure implementation of strategy successfully.</p>
Mankins and Steele, 2005 (Surveyed senior executives of	<ol style="list-style-type: none"> <li>1. Inadequate or unavailable resources</li> </ol>	Leadership's responsibility is to formulate strategy and execute strategy. This includes how	Leadership is mentioned as part of various reasons for the gaps that result. Leadership

Research studies	Factors associated with strategy implementation or execution failure	Leadership and leadership style (Relevance to performance)	Gaps in research studies
companies worldwide)	<ol style="list-style-type: none"> <li>2. Poorly communicated strategy</li> <li>3. Actions required to execute strategy not clearly defined</li> <li>4. Unclear accountabilities for execution</li> <li>5. Organisational silos and culture-blocking execution</li> <li>6. Inadequate performance monitoring</li> <li>7. Inadequate consequences or rewards for failure or success</li> <li>8. Poor senior leadership</li> <li>9. Uncommitted leadership</li> <li>10. Unapproved strategy</li> <li>11. Other obstacles (including inadequate skills and capabilities)</li> </ol>	<p>resources are allocated.</p> <p>The strategy-to-performance gap is visible among top management.</p>	<p>style is not addressed, even though it is linked to many factors mentioned as being leadership's responsibility.</p>
Kaplan and Norton, 2005 (A 15-year study on real organisations)	<ol style="list-style-type: none"> <li>1. Strategic planning needs to be effective.</li> <li>2. Strategic communication is important.</li> <li>3. Performance reporting needs to be aligned with performance.</li> <li>4. Strategic planning and execution needs to be seen in a closed loop.</li> </ol>	<p>Leadership and top management are seen to be responsible for performance.</p> <p>Successful organisations need leadership and management who understand the importance of execution.</p>	<p>Leadership responsibilities and key focus areas are mentioned. The relationship between implementation and execution barriers is vague. No mention is made of leadership style as key construct of leadership.</p>

Research studies	Factors associated with strategy implementation or execution failure	Leadership and leadership style (Relevance to performance)	Gaps in research studies
Crittenden and Crittenden, 2008	<ol style="list-style-type: none"> <li>1. Autocratic or laissez-faire management style</li> <li>2. Unclear strategy and conflicting priorities</li> <li>3. An ineffective senior management team</li> <li>4. Poor vertical communication</li> <li>5. Poor coordination</li> <li>6. Inadequate down-the-line leadership skills and communication</li> </ol>	<p>Leadership is ultimately responsible for strategy implementation.</p> <p>Leadership styles such as laissez-faire could play a negative role in strategy implementation.</p> <p>Different levels of leadership are responsible for different strategic functions.</p>	<p>Strategy formulation and implementation is important for strategic success.</p> <p>Levers of strategy need to improve (a leadership function) to enhance performance.</p>
Jooste and Fourie, 2009 (A South African perspective)	<ol style="list-style-type: none"> <li>1. The workforce does not understand strategy.</li> <li>2. Poor strategy communication</li> <li>3. Strategy poorly aligned</li> <li>4. Inability to manage strategy efficiently</li> </ol>	<p>Leadership and specifically senior leadership play an important role in successful strategy implementation, leading to achieving goals.</p> <p>Strategic leadership is noted as the key driver of effective implementation.</p>	<p>Even though the role of leadership is emphasised, leadership style and its importance is not addressed in this research.</p>
Tait and Nienaber, 2010 (Strategy-to-performance case study)	<ol style="list-style-type: none"> <li>1. Leadership style barriers</li> <li>2. Organisational impediments</li> <li>3. Inadequate monitoring</li> <li>4. Inadequate skills/capabilities/resources</li> <li>5. Limited consequences/rewards</li> <li>6. Conflicting priorities</li> </ol>	<p>Leadership is mentioned as a key factor that could result in the breakdown of strategy execution and contribute to the strategy-to-performance gap.</p> <p>Leadership style barriers are mentioned specifically.</p>	<p>Leadership is mentioned but very little is conclusively stated on how leadership can narrow the performance gap.</p> <p>Leadership styles are not explored specifically in the context of the gap.</p>

Research studies	Factors associated with strategy implementation or execution failure	Leadership and leadership style (Relevance to performance)	Gaps in research studies
	<ul style="list-style-type: none"> <li>7. Poor accountability</li> <li>8. Insufficient detail</li> <li>9. Ineffective communication</li> <li>10. Insufficient leadership commitment</li> <li>11. No approved strategy</li> </ul>		
<p>Schaap, 2012 (Senior level managers from the plumbing industry in Northern Nevada)</p>	<ul style="list-style-type: none"> <li>1. The type of leadership styles a company uses is directly related to how well the strategy implementation tasks and activities are defined.</li> <li>2. If employees understand the strategic plan(s), there is a likelihood of success.</li> <li>3. It is important for companies to find a type of leadership style that communicates clearly with employees on how strategy will be implemented and what direction it will take.</li> <li>4. Convincingly communicating the strategic plan to employees to have them buy into the plan is critical to success.</li> </ul>	<p>Leadership styles are crucial to effective implementation and the success or failure of an organisation.</p>	<p>Leadership needs further research in order to contribute to the knowledge around different leadership styles.</p> <p>Leadership style and behaviour are identified as critical to successful strategy implementation, but not elaborated on in terms of any of the different styles.</p>

Research studies	Factors associated with strategy implementation or execution failure	Leadership and leadership style (Relevance to performance)	Gaps in research studies
Overstreet, Hazen, Skipper and Hanna, 2014	<ol style="list-style-type: none"> <li>1. Leadership commitment influences strategy.</li> <li>2. Structure between strategy and performance improves performance.</li> <li>3. Trusting relationships between leadership and employees lead to better strategy execution.</li> </ol>	Leadership and leadership style are firmly linked to strategy and performance. A single leadership style is explored.	Only the servant leadership style is explored in this study to evaluate it in the context of bridging the gap between strategy and execution.
Lê and Jarzabkowski, 2015	<ol style="list-style-type: none"> <li>1. Conflict tasks and processes influence strategy execution.</li> <li>2. Conflict management influences performance.</li> </ol>	Leadership is responsible for all processes and conflict management that influences performance.	The objective of leadership is performance. There is very little focus on specific leadership style influences in the context of the performance gap. Conflict handling is surely part of behaviour.
Van der Merwe and Nienaber, 2015 (Case study)	<ol style="list-style-type: none"> <li>1. Communication</li> <li>2. Inadequate monitoring</li> <li>3. Insufficient senior leadership</li> <li>4. Inadequate skills</li> <li>5. Insufficient detail</li> <li>6. No approved strategy</li> <li>7. Poor accountability</li> <li>8. Limited consequences and rewards</li> <li>9. Leadership style</li> </ol>	<p>The barriers to strategy execution are all arguably the responsibility of leadership.</p> <p>Leadership style is mentioned as key construct in strategy implementation.</p>	Leadership style is not further addressed. Specifically the leadership styles of Lewin need further understanding.

Research studies	Factors associated with strategy implementation or execution failure	Leadership and leadership style (Relevance to performance)	Gaps in research studies
	10. Insufficient focus/conflicting priorities		
<p>Scott, Cavana and Cameron, 2015</p> <p>(Case study, public servants in New Zealand)</p>	<ol style="list-style-type: none"> <li>1. Interpersonal (and cognitive) success factors that influences performance</li> <li>2. Group factors could lead to successful implementation.</li> </ol>	<p>Leadership is charged with responsibility of strategy.</p>	<p>Strategy implementation is mentioned as an area of research that needs greater attention. Leadership style connections are not fully addressed.</p>
<p>Chen, Eriksson and Giustiniano, 2016</p> <p>(Leadership style case study in Denmark)</p>	<ol style="list-style-type: none"> <li>1. Directive and supportive functions of leadership influences strategy.</li> <li>2. Leadership style helps organisations to implement strategy.</li> <li>3. Leadership style could improve performance.</li> </ol>	<p>Leadership style plays different roles in strategic performance.</p> <p>Supportive and directive leadership styles are explored.</p>	<p>Leadership style is stated as linked to the mechanism of strategy implementation, but further studies are suggested. Ethical leadership style is mentioned, but none of the employee-focused leadership styles are elaborated on.</p>
<p>Nienaber, 2017</p> <p>(Employee engagement study)</p>	<ol style="list-style-type: none"> <li>1. Leadership influences strategy and implementation of strategy.</li> <li>2. Employee satisfaction factors such as meaningfulness, safety and availability are important to leadership to ensure engagement and performance.</li> </ol>	<p>Strategy needs to be linked to performance by leadership. Input from all role players is important.</p>	<p>Leadership (different lines of management), strategy and performance are linked. No specific leadership style is recommended to improve performance.</p>

Research studies	Factors associated with strategy implementation or execution failure	Leadership and leadership style (Relevance to performance)	Gaps in research studies
Khouly, AbdelDayem and Saleh, 2017 (Case study of industry in Egypt)	<ol style="list-style-type: none"> <li>1. Leadership is the lifeblood of an organisation.</li> <li>2. Leadership style is important in strategy implementation.</li> <li>3. Different styles have a different significance to performance.</li> </ol>	<p>Leadership styles are mentioned as significant to strategy implementation and performance.</p> <p>Leadership styles as per Lewin (1939) were used.</p>	<p>Autocratic, democratic and laissez-faire leadership are measured in specific context. In the industry it appeared that democratic leadership did not suit the model. It is recommended the study is done in other industries and with different roles in the strategy process to give a better view on strategy implementation. This was not viewed in the context of performance.</p>

*Source: Author's own summary of leadership literature on the strategy-to-performance gap*

The information in Table 6.1 shows that leadership style is a neglected or absent area of research in terms of the strategy-formulation-implementation-performance gap.

The table above further presents the gaps in current literature in need of better understanding to manage the strategy-to-performance gap. This forms the background problem that contributed towards the development of the research objectives for this study.

### **6.2.2 Research objectives (contributing factors)**

The main research objective of this study was to advance current understanding on the strategy-to-performance gap by investigating the role of leadership styles (as per Lewin,1939) in the performance debate. As mentioned, the actual performance of organisations differs vastly from planned performance, and this implies that the

strategic management process is not always as effective as it could be (Chen et al., 2016; Mintzberg, 1994; Pretorius, 2016; Tait & Nienaber, 2010) which was also found to be the case for all the organisations in this study.

This results in huge inefficiency, financial losses and hence a lack of performance in organisations which is discussed in the findings of the organisations in this study. Leadership is mentioned as a factor that influences performance and Jowah (2016:10-12) claim that leadership style plays a very important role in organisations and influences performance. Sethibe and Steyn (2015:334-335) point out that there is a lack of research investigating the relationship between leadership style, innovation and organisational performance. This finding is corroborated as presented in Table 6.1 and shows that this study is justified to offer a better understanding to the ongoing debate. It offered an original view of the key themes as presented in Chapter 1.

It is clear from the gaps in research transpiring over the past decade, that more relevant research is required in an attempt to clarify and find solutions to the strategy-to-performance gap (Mankins & Steele, 2005; Van der Merwe & Nienaber, 2015) and the organisations in this study confirmed this need. This study was aimed at contributing to the ongoing debate on the importance of leadership style with reference to the strategy-performance gap and essentially at objective to manage it more effectively to increase performance. The literature shows that leadership style influences follower behaviour and organisational performance (Jowah, 2016; Overstreet et al., 2014) and in this study it was found that leadership style (in this study as per Lewin) influences performance for the particular organisations in the South African wine industry. The research objectives of this study are summarised in a final version in the section below.

### **6.2.3 Research objectives of the study (final summary)**

As leadership is widely acknowledged to be responsible for strategy, formulation, implementation and management control and management evaluation (Gottfredson & Aguinis, 2016; Jooste & Fourie, 2009; Martin, 2017), it influences strategy in various ways. According to Martin (2017), strategy execution is ultimately the responsibility of the top leadership of an organisation. Barriers to strategy implementation and potential causes of challenges in this regard are mentioned to include poor communication, unsuitable employee management skills and lack of performance measures, all

functions ultimately entrusted to leadership and reflected and analysed in Table 6.1 above. The aim of this study was to investigate leadership style as a component of leadership and offer a better understanding of the role it plays in the performance gap. It is commonly accepted that the nature of leadership style (even though there is still controversy around the effectiveness of different leadership styles) influences organisational performance (Nazarian et al., 2017) in different ways. The main objective of this study was to gain a better understanding of ways to minimise the strategy-to-performance gap and conceivably result in better organisational performance.

The South African wine industry lend itself well to this type of research as even though companies compete under seemingly similar conditions with the same advantages and challenges, there are vast differences in organisational performance (see the detailed description and discussion of certain organisations in Chapter 2). The wine industry is also an important industry in terms of South African tourism, a growing industry contributing towards the economy in various ways, as discussed in Chapter 2.

The literature review in Chapter 3 presented the challenges on the complexity of the research topic. This required a new way to look at the research topic in order to contribute towards the problems surrounding the strategy-to-performance gap.

The study was presented as qualitative and chosen methods for data collection for this study were in-depth interviews. The research design, being a case study, was considered well suited to the purpose of the study as presented in Chapter 4. The main aim was to explore key factors influencing strategy implementation and consequently performance, and to contribute to the research objectives as expressed and summarised in Chapter 1. As the key objectives in this study were “to explore and understand specific phenomena” (Baxter & Jack, 2008:544-559), a case study was deemed most suited to adhere to research objectives. It was deemed important to view key constructs in the context of other phenomena being strategy and performance, and the research design and methodology supported the objectives to offer the researcher a better understanding of the research topic (Yin, 2014). The design and methods are discussed in final summary below.

## 6.3 RESEARCH DESIGN AND EXECUTION

The research objective of this study was to offer a better understanding, hence the research design and methods followed in this paper were chosen to facilitate this objective to allow for an in-depth and better understanding of what appears to be a current research problem with evident consequence.

This study, as mentioned, was qualitative in nature (Creswell, 2013; Yin, 2014) as its focus was on exploring and understanding the phenomenon, leadership style and the strategy-to-performance gap in a real-life situation in real organisations. Guidelines were followed throughout as recommended in qualitative studies, to ensure trustworthiness, validity and reliability (Creswell, 2013; Saunders et al, 2012) as discussed in Chapter 4. The collection, analysis and interpretation of data were done according to scientific guidelines related to qualitative studies (Mouton, 2010; Myers, 2013) and in line with all research ethics. The layout of the research as explained in Chapters 4 and 5 are concluded from Chapter 1 up to the current Chapter 6 in summary format in the next section.

### 6.3.1 Research layout

**Chapter 1** provided the background to and rationale for the research. It presented the development of the research problem.

**Chapter 2** offered a summary of the specific industry chosen (the South African wine industry), in order to provide context and a better understanding of the specific industry. This chapter on the South African wine industry highlights the performance differences as discussed in theory and why the organisations forming part of the study were deemed suitable to offer a valuable contribution to the research. Even though there are limitations to the study, mechanisms were used, and protocol followed throughout to safeguard and contribute to the integrity of the study.

**Chapter 3** consisted of a detailed literature review on the three key concepts discussed in this dissertation. Three main concepts prevalent within the organisations were explored: leadership, strategy and the employee. Secondary concepts that were explored were: leadership styles, the strategy-to-performance gap and employee satisfaction. These concepts were contextualised in order to support the purpose and

objectives of this study. The data collection and methods were designed around these concepts in order to support the research objectives.

**Chapter 4** described the methodology followed to answer the research question. In-depth interviews were designed to fit the purpose of the study and these semi-structured interviews were used as a guideline to collect required data. The interviews were customised to fit the research objectives of the study. The interviews were conducted in two phases, one related to leadership and the other related to employees, as explained below.

**Leadership:** Leadership was defined in Chapter 1 as being the people who are entrusted with the responsibility of taking charge in organisations to ensure its survival and growth (Nienaber, 2010) and in essence the refers to the process to influence others to achieve a desired outcome (Garcia-Granero, Llopis, Fernández-Mesa & Alegre, 2015, as cited in Nienaber, 2017). Leadership has been accepted as being ultimately responsible for the performance of the organisation, regardless of metrics used to report the performance of the organisation as evident in the many used in literature – in the case of this study – employee satisfaction. Heskett et al. (1997) found that higher employee satisfaction has various benefits such as increased loyalty, increased productivity, increased customer satisfaction and ultimately increased profitability. In order to demonstrate the extent of the gap another study by Heskett et al. (1994) was cited for its significance and showed that as little as 5% rise in customer satisfaction can lead to as much as 85% in profitability. Hence, improved employee satisfaction is clearly imperative in superior organisational performance.

Moreover, employees implement strategy in executing their daily tasks (Jarzabkowski & Spee, 2009) and thus their satisfaction may plausibly influence the strategy-to-performance gap.

The interviews with the three top leadership figures chosen for this specific study were conducted according to generally acceptable scientific research methods for qualitative research and revealed information needed as per the aim of the paper and to answer the research questions (Creswell, 2013; Saunders et al., 2012).

**Employees:** Employees are the people considered the ‘followers’ or ‘subordinates’ of leadership, performing the required tasks within organisations (Jowah, 2016)

Employee satisfaction is described as an “employee’s feelings, attitudes and experiences” (Choi, Kwon & Kim, 2013:410-412) required to do their jobs. Interviews as data collection instrument in this study were conducted until saturation was achieved, as per the discussed guidelines in Chapter 4, in line with qualitative research objectives and principles (Yin, 2014). The research questions were discussed in themes that were identified to demonstrate their relevance to the research objectives.

Table 6.2 below summarises the flow of the data collection as interviews were conducted during the data collection process.

**Table 6.2: Data process methodology flow for the three organisations**

Organisation	Leadership interview	Employee interview
Organisation 1	Top leadership • Leadership style, coding and strategy formulation and implementation understanding • Leadership style perception – Democratic • Employee leadership style perception – Democratic Strategy-to-performance gap perception	Employee 1 – Leadership style perception and strategy formulation and implementation understanding Strategy-to-performance gap perceived
		Employee 2 – Leadership style perception and strategy formulation and implementation understanding Strategy-to-performance gap perceived
		Employee 3 – Leadership style perception and strategy formulation and implementation understanding Strategy-to-performance gap perceived
Organisation 2	Top leadership • Leadership style, coding and strategy formulation and implementation understanding • Leadership style perception –Democratic • Employee leadership style perception – Democratic Strategy-to-performance gap perception	Employee 1 – Leadership style perception and strategy formulation and implementation understanding Strategy-to-performance gap perceived
		Employee 2 – Leadership style perception and strategy formulation and implementation understanding Strategy-to-performance gap perceived
		Employee 3 – Leadership style perception and strategy formulation and implementation understanding Strategy-to-performance gap perceived
		Employee 4 – Leadership style perception and strategy formulation and implementation understanding Strategy-to-performance gap perceived
		Employee 5 – Leadership style perception and strategy formulation and implementation understanding Strategy-to-performance gap perceived
Organisation 3	Top leadership • Leadership style, coding and strategy formulation and implementation understanding • Leadership style perception – Democratic • Employee leadership style perception – Autocratic Strategy-to-performance gap perception	Employee 1 – Leadership style perception and strategy formulation and implementation understanding Strategy-to-performance gap perceived
		Employee 2 – Leadership style perception and strategy formulation and implementation understanding Strategy-to-performance gap perceived – significant perception
		Employee 3 – Leadership style perception and strategy formulation and implementation understanding Strategy-to-performance gap perceived – significant perception

Source: Author's own methodology flow table of data collected

Chapter 4 proposed the research methodology. The interviews were conducted, transcribed and then analysed into the themes discussed in Chapter 5. New themes emerged from these interviews (highlighted in Table 6.6). Previous findings from the literature were also confirmed and highlighted, and new themes were discovered that is tabled later in Chapter 6.

### **Saturation discussion**

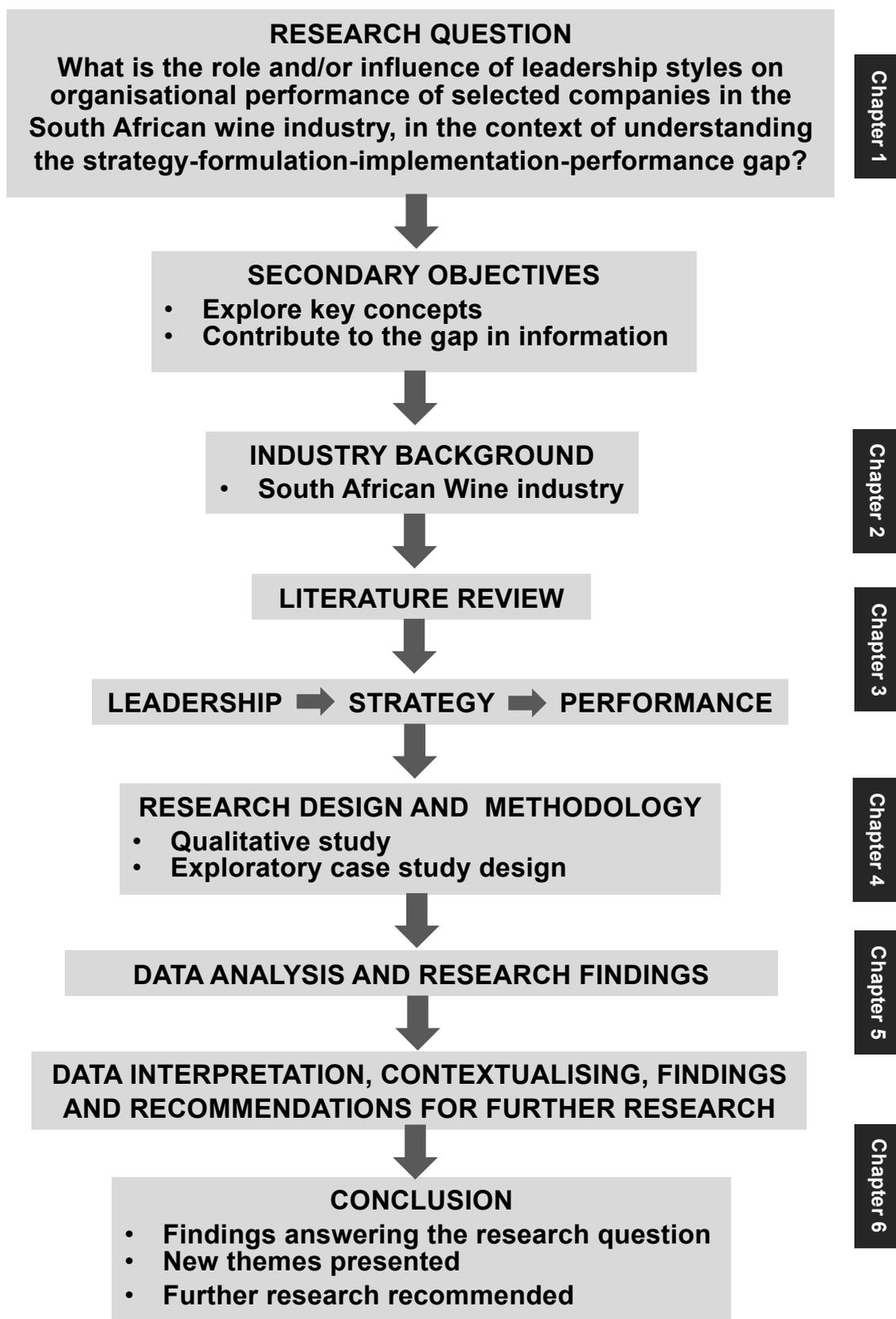
Data were collected until saturation achieved as per research guidelines (Creswell, 2013). Saturation was achieved at interview number 3 for Organisation 1, interview 5 for Organisation 2 and interview 3 for Organisation 3. According to research guidelines saturation is achieved “when no new meaningful information was anticipated to be discovered to answer research questions” (Urquhart, 2013:194). The themes and concepts supported previous research (Jooste & Fourie, 2009; Martin, 2017; Tait & Nienaber, 2010) and revealed and identified new themes (such as leadership style requirements of future employees and time management issues influencing leadership style challenges) that emerged in this research. These themes are presented in Table 6.3. New areas deemed significant and valuable for future research are identified and recommended in section 6.6. The leadership interviews provided rich and detailed data, as discussed in Chapters 4 and 5. Saturation occurred after the key leadership interview and employee interview 3 with Organisation 1, a leadership interview and employee interview 5 with Organisation 2 and a leadership interview and interview 3 with Organisation 3.

Special note on rich data: Rich data is described as data that is layered, detailed and nuanced, and rich in quality as mentioned by Fusch and Ness (2015). Rich data was considered important during this study as there appears to be a lack of understanding and this study aimed to contribute as much information as possible to the ongoing debate.

Guest et al. (2006:60-65) state that although saturation is unique and different for each study, it can be said that saturation is reached when no new themes emerge, and when the ability to replicate the study is reached. With reference to interviews, these authors say that saturation can occur early in certain instances. There is still much controversy over the norm for interviews to ensure the point of saturation, with ongoing debate.

Researchers like Creswell (2013) state that five interviews are the norm in studies in which rich description interviews are used. Other researchers, such as Denzin and Lincoln (2017) and Siggelkow (2007), claim in their guidelines that in certain instances one case study could be enough to provide a valuable contribution. It appears that although there are guidelines for interview and case study research, saturation is still guided by the research objectives and purpose of a particular study. In this research on the strategy-to-performance gap, the researcher chose three organisations deemed to be homogeneous sub-groups as a case in point, which meets the norm proposed by Creswell (2103), Guest et al. (2006), Onwuegbuzie and Collins (2007). Between three and five employees as well as the leader from each organisation were interviewed before the research question was answered as per the research objectives. To conclude for this study 14 in-depth interviews were conducted before saturation occurred as defined in the abovementioned studies, which is deemed sufficient to adhere to the discussed principles and aligned with research objectives. Thus, the norm for interviews was met, as proposed by Guest et al. (2006), when saturation occurred as explained above, in line with research guidelines.

**Chapter 6** presented the interpretation, contextualisation and findings of data as presented in this research. A layout summary is provided in Figure 6.3 below:



**Figure 6.1: Layout of this study**

Source: Author's own

As discussed, this study followed research guidelines on qualitative research throughout. In adhering to the guidelines on qualitative research to ensure trustworthiness and validity, research recommendations were followed, as briefly summarized and concluded on below.

### **6.3.2 How trustworthiness was achieved and supported the research objectives**

The guidelines and methods of data collection and data analysis were in line with recommendations for scientific qualitative research and the method discussed in detail throughout Chapter 4 (Creswell, 2013; Mouton, 2010; Saunders et al., 2012). As discussed in detail in Chapters 4 and 5, the chosen design, interview guides, methods and analysis were all aligned with the research objectives on answering the research problem surrounding the influence of leadership style on the strategy-to-performance gap. Data was analysed to support trustworthiness and interviews and transcription were done by the author with guidelines and proposed mechanisms built in to ensure trustworthiness of the data collection and analysis process (as discussed in Chapter 4).

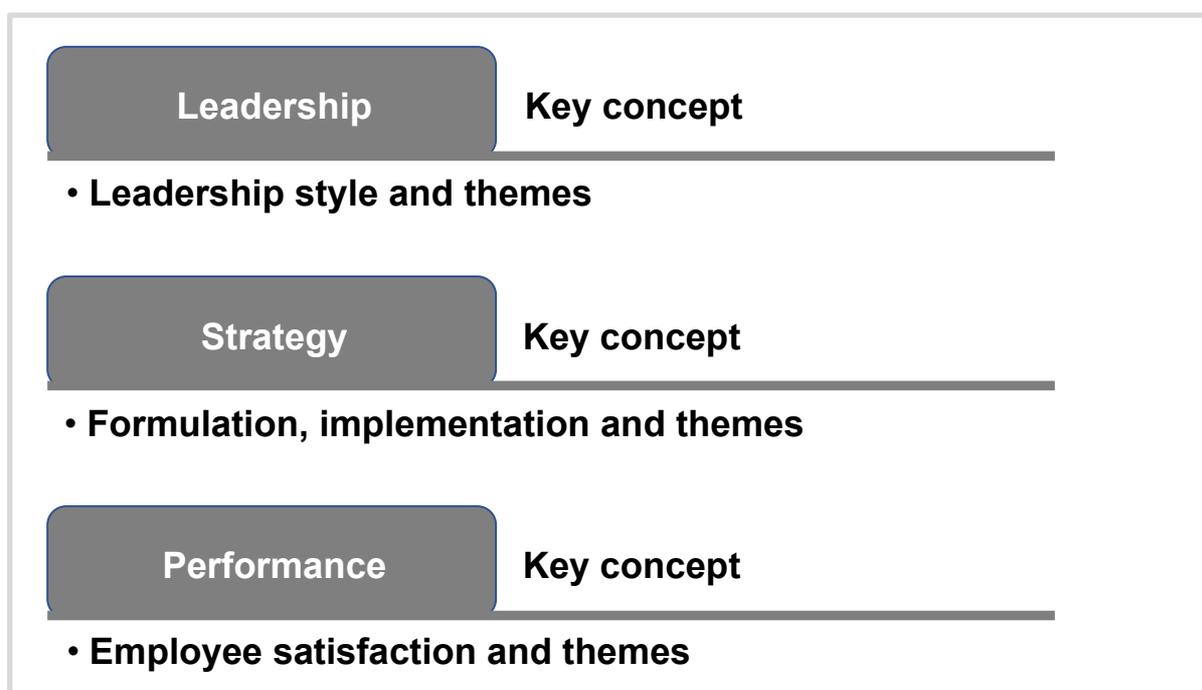
Interviews were recorded, and field notes were made throughout the interviews to provide clarity on the concepts and a better context for understanding with intertwined concepts, to allow for flexibility to view information in a new light. The researcher personally conducted interviews, transcribed and double checked the data to ensure correct understanding. The transcripts were checked with the interviewees for accuracy of understanding to ensure correct understanding and interpretation. Interpretive and reflective notes were made throughout and taken into consideration when the interview data was transcribed and analysis. The focus throughout was on the understanding of key concepts, in line with the research objectives. Interview guides and transcriptions of interviews are provided in Annexure D to allow for ease of reference.

### **6.3.3 Data analysis interpretation**

The research essentially entailed considering three different complex constructs, namely leadership, strategy and performance as measured through employee satisfaction. This was presented as three key themes: Strategic management,

leadership style and performance as presented in Chapter 1. The data was analysed around these three key concepts. As discussed in Chapters 1 and 3, a process of integration (Marshall & Rossman, 1995) was followed throughout this study and deemed as the best suited to ensure the most useful information to answer the research question.

Data was collected, and content thematically analysed in adherence to recommendations for research, to allow for the most useful and logical analysis (Saunders et al., 2012). All coding and the data analysis as presented in Chapter 5 were done according to research recommendations to suit the research purpose and research objectives. From there on the interpretation stage followed, as summarised in the next section. Figure 6.2 summarizes the flow and context of the three key concepts.



**Figure 6.2: Three key concepts and concept flow summary**

*Source: Author's own summary*

## **6.4 INTERPRETATION OF AND CONCLUSION ON KEY FINDINGS**

### **6.4.1 Strategy and performance**

#### **(Context and the integration of leadership, employees and performance)**

In essence it was found, strategy is the result of strategic management, a function to be executed by leadership in order to achieve organisational goals and objectives and ensure performance (Ehlers & Lazenby, 2008; Fairholm, 2009; Martin, 2017). The strategy-to-performance gap is still prevalent and requires better understanding to ensure superior organisational performance (Pretorius, 2016; Van der Merwe & Nienaber, 2015; Wren, 2005). Strategy implementation or execution lacks conclusive understanding - but is a function of leadership that needs to be carried out successfully to ensure organisational performance (Crittenden & Crittenden, 2008; Nienaber, 2017). In this study this was evident for all three organisations but the perception more significant for Organisation 3.

This study was aimed at exploring leadership styles and, in this context, gaining an understanding them as being key functions of leadership (Martin, 2017). Due to the in-depth richness of data collected, as well as the broad overlap in the literature between concepts, the focus in this study was on 'people' and employee satisfaction in the context of performance. Employees execute strategy in performing their daily duties (Jarzabkowski & Spee, 2009) and they are of key importance in organisational performance (Nienaber, 2017). In order to contextualise and broaden understanding on these concepts they could also in future be placed 'and studied' in context with other performance measures such as financial performance and customer satisfaction, as well as developing concepts in employee theory such as employee engagement.

The wine industry was considered well suited for this study, and since the industry is managed predominately in the Western Cape – the most prominent location in the South African wine industry – it was logistically possible to conduct the study in this area. This allowed for a better homogenous demographic of participants and contributed to aim at avoiding pitfalls in other studies. All interviews were conducted by the researcher personally with advantages mentioned. Field notes were made throughout actual data collection, which allowed for better overall understanding and easier interpretation in context to the different concepts. This was in line with

recommendations for qualitative research where the researcher was forming part of the research contributing towards answering the research problem. The fact that the author in this study did all the interviews personally probably allowed for a contextual understanding and new information could be interpreted as per the research objectives. This approach addressed gaps that were found in previous research and also contributed to the trustworthiness of information. This was deemed important and all reasonable steps were followed to adhere to the principles to ensure trustworthiness of information (Creswell, 2013; Saunders et al; 2012). This made it possible to explore data in context to other phenomena in theory, as presented, in a practical and real-life situation.

### **Advantages of this study in reaching its objectives**

Top-level management were involved in the study to order gain a better understanding of leadership in terms of strategy, specifically with regard to strategy implementation or execution. Hrebeniak (2013) mentions that execution is still not accepted as a 'top-level' responsibility as much as it should be in business. Van der Merwe and Nienaber (2015) agree that leadership is charged with strategic responsibility. The study aimed to offer a better understanding of all the concepts in context of the other and explore top leadership and the role thereof in the strategy-to-performance debate.

According to the summary in Table 6.1, top management often delegates strategy implementation to employees who had never been involved in the formulation process and consequently are expected to implement strategies that are not necessarily designed to be implementable according to their understanding (Cocks, 2011). In this study it was presented to be true, in finding that communication issues and lack of management skills contribute towards the strategy-to-performance gap. The summary in Table 6.1 links leadership, strategy and performance and refers to studies on leadership style and its relevance to these constructs. It interpreted the data and indicated this area in need of a better understanding. Literature on these concepts was integrated in order to offer a better understanding as per objectives of the research, as described in the next section.

#### 6.4.2 Positive outcomes and advantages of the study

As mentioned in various studies on the strategy-to-performance gap it is frequently mentioned that leadership could be regarded as a key factor and ultimately remains responsible for strategy formulation and implementation (Chen et al., 2016; Jooste & Fourie, 2009; Olivier & Schwella, 2018). Surprisingly, very few studies are conclusive when it comes to leadership and/or the strategy-to-performance gap (Martin, 2017; Van der Merwe & Nienaber, 2015; Wren, 2005). This study adds valuable new information focusing specifically on **leadership style** in the context of the strategy-to-performance gap. It found that leadership plays a role from an employee satisfaction point of view that influences the gap. The themes that transpired all could arguably be of value to leadership to narrow the strategy-to-performance gap. Some of the themes contributed a better understanding on previous research whereas others presented new themes to be explored.

In the study, all the leadership styles appeared to have value in different situations though the democratic style seemed to be perceived as overall the most positive one leading to higher employee satisfaction and a narrower strategy-to-performance gap. New themes transpired that could also influence the way leadership style is used in business in this context, to further reduce the gap, as presented in Chapter 5.

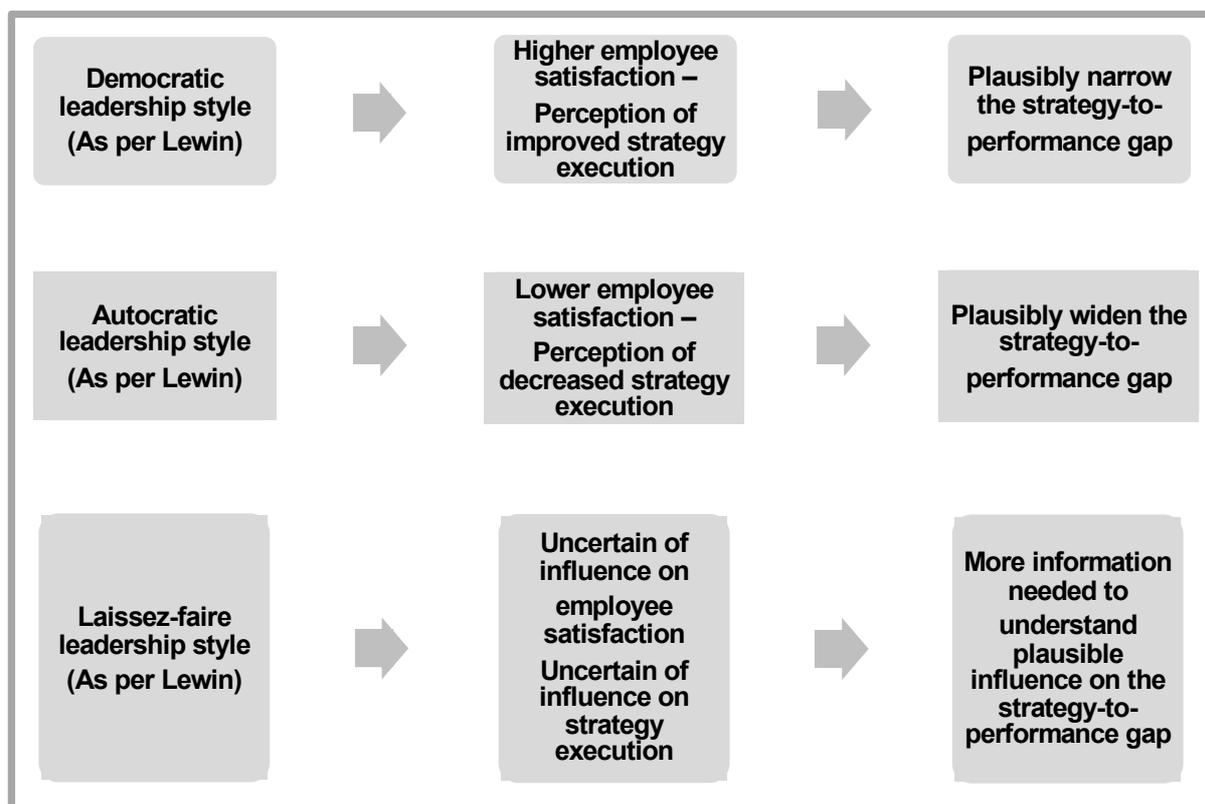
Even though exact size of the performance gap is much debated, the strategy-to-performance gap is a very real and current problem; as mentioned earlier, different authors have made different findings on the exact influence of the gap on performance. To summarise the effect of the gap on performance: Martin (2017) claims that the gap is up to 60-70%, i.e. 60-70% of planned performance is not achieved due to poor execution. Earlier, Kaplan and Norton (2008) found the gap to result in a failing of up to 80% of strategies, i.e. 80% of strategies were not implemented. Even though there is no consensus on the size of the gap, it is clear that the gap is still currently an issue in strategy execution and organisational performance, in need of a better understanding. In this study all three organisations appeared to be influenced by the strategy-to-performance gap, the perception to different degrees as discussed in the findings.

Even though leadership were often seen as part of this problem, surprisingly very little findings were conclusive or provided solutions to the problem (Van der Merwe & Nienaber, 2015), – which this study does in addressing the role of leadership style. Childress (2012) found that leadership and management spent less than 5% of their time on strategy execution, which is surprising as this is their ultimate responsibility suggested to increase performance. Leadership is considered the lifeblood of an organisation and crucial to reaching organisational objectives (Khouly et al., 2017).

This study considered leadership style and its role in the abovementioned problem, causing so many strategies to fail, in an original way. Jowah (2016) emphasises that leadership style is important with regard to how people perform within organisations and this was confirmed in the findings of this study. The leadership styles of Lewin are still researched today and found in certain studies to play different roles in organisational performance (Khouly et al., 2017) also confirmed in this study. Democratic leadership was found to influence strategy implementation and autocratic leadership appeared to have a negative effect on employee satisfaction with a negative perception on the strategy-to-performance gap. This study looked at leadership style in the context of strategy and the strategy-to-performance gap specifically and has contributed in finding valuable information on the role of leadership style to the strategy-to-performance gap. This is deemed useful to leadership to keep in mind with the ongoing debate on strategy-to-performance issues and plausibly narrow the gap.

This study highlighted the issues surrounding the key concepts and found that leadership style is intertwined in different ways with the strategy-to-performance debate and deserves a better understanding. It also found new themes around leadership and employees is context to performance not previously mentioned, contributing to a better understanding of the debate. The confirmation of current theories and new themes are presented in Table 6.6 later in this chapter.

A key finding in this study is that certain leadership styles are deemed to influence employee satisfaction positively and plausibly increase the chances of performance. This arguably influences the chances of implementing strategy successfully, narrowing the strategy-to-performance gap with a greater chance of achieving goals and inter alia increase the chances of performance. This is presented in Figure 6.3 below:



**Figure 6.3:** Findings on leadership style (as per Lewin) and the strategy-to-performance gap

Source: Author's own presentation of findings

The findings of this study advanced the understanding of the influence of leadership style on employee satisfaction as performance measurement as well as the strategy-to-performance gap. In literature the link between leadership and performance is firmly established, but this study advances the understanding of leadership style specifically in order to try and narrow the gap. This study paves the way for future studies on leadership style and highlighted specific themes that could further benefit from a better understanding in managing the issues around strategy execution and underperformance of organisations in context of the strategy-to-performance gap. The limitations of this study is addressed in the next section.

#### 6.4.3 Summary: Limitations of the study

This study was a qualitative study. Qualitative and quantitative research have their advantages, and various authors discussed these matters critically (Creswell, 2013; Mouton, 2010; Saunders et al., 2012).

Expected limitations of the study that were mentioned briefly in Chapter 4 remain worth mentioning in this final chapter. Trustworthiness was safeguarded as per research guidelines to ensure the most valuable and useful information to suit the research objectives. Due to the location of the industry it covers a specific demographic area. Since the study was exploratory, measures were followed to ensure trustworthiness, validity and reliability as described in Chapter 4 (Saunders et al., 2012), as well as to avoid pitfalls mentioned as criticism of case study research to ensure the most valuable contribution of information through the chosen design and methodology (Stake, 2005). For the sake of avoiding criticism the case study design was appropriately informed by theory and deemed useful to answer the research question and contribute to theory.

Although there is much debate around the challenges related to case studies as a design, such as it being time-consuming and labour intensive (Vissak, 2010), this is expected to allow for general criticism towards case study as a research design here (Rowley, 2002). On the other side some authors regard case studies as being very useful to expand and generalise new theories (Vissak, 2010; Yin, 2014).

Gerring (2006) mentioned some of the advantages of single case study research such as it allows the investigation of contemporary phenomena in depth, and Siggelkow (2007) argued that a single case could prove to be powerful in filling gaps in current theory. Generalisation of qualitative research and case studies is still under contention from certain researchers (Stake, 2005). However, there are still advantages mentioned to this form of research and as mentioned earlier, all attempts were made to maintain the advantages of the chosen method and to ensure that the research objectives were achieved. Further research in exploring the recommended fields of research addressed in this study being leadership style and the strategy-to-performance gap (suggested later in Chapter 6) could clarify and contribute further to generalisation of findings. This is useful for the purpose of this study to contribute in finding ways to better manage the strategy-to-performance gap.

Due to the size, objectives and purpose of the study, interviews and data contained a great deal of rich data, and information on dynamic concepts needed be interpreted. The research methods chosen were deemed suitable as it happened in real-life situations, providing a more realistic feel to the evolving concepts of leadership (Boodhoo & Purmessur, 2009; Nienaber 2010). Due to the complexity and the

intertwined nature of key concepts throughout leadership and strategy literature it was important to establish throughout the research which areas were specifically linked to the research objectives which required the researcher to eliminate literature on themes that are intertwined with the key concepts, but not directly with the research objectives in this study.

The areas of study of this research project overlapped with different fields such as psychology, business studies and management studies. Theory on the key concepts are used interchangeably, e.g. management, leadership, leadership style, implementation and execution (Nienaber, 2010; Northouse, 2007:3) and often in different contexts in academic literature. This made it important to distinguish the relevance of literature aligned to the research objectives as mentioned. Even though precautions were taken, and the researcher took measures to ensure no biases influenced reliability, it could prove valuable to repeat the study with alternative design methods and alternative measurement key areas to ensure further validation of findings to find ways to solve problems around the strategy-to-performance gap.

As with most exploratory studies it is not clear whether the study could have different outcomes in different industries, but, as discussed earlier, measures were taken to overcome limitations of qualitative research to achieve dependability and trustworthiness of information. Because strategy execution issues and the strategy-to-performance gap are causing organisations to underperform or fail even today, it clearly is an area of research worth understanding better to improve organisational performance. It became clear throughout the literature that strategies fail, and performance gaps cause organisational performance to be less than anticipated even though the debate has been going on and different solutions discussed for decades. The purpose of this study was to contribute to knowledge around leadership styles and specifically in understanding it in the context of the strategy-to-performance gap. Solutions to this regard could be argued to close the gap, improve performance and be very valuable for organisational success.

Special note on theory: A distinct frustration in leadership and strategy academic theory is that concepts and terminology are used interchangeably and change constantly. An example is that in referring to strategy, the terms 'implementation' and 'execution' are used in different contexts in different studies. The same applies to the concepts on leadership styles. It is uncertain how this influences findings on other studies of the key concepts. This research was aimed at exploring and looked at a common meaning of concepts. As this study was qualitative in nature it was deemed suitable and in support of the research objectives.

In this specific study (as per the suggestion by Leedy & Ormrod, 2005) the aim was to be consistent in the use of concepts in terms of their understanding and meaning at all times. Although certain findings in case studies is argued to not be generalised, measures were taken to ensure validity and replication of findings as per research recommendations. This study identified themes worth exploring in future research to ensure a better understanding to manage the strategy to performance gap more effectively.

## **6.5 RESEARCH QUESTION: CONCLUSIONS OF KEY FINDINGS**

### **6.5.1 Research question – Interpretation and final summary of findings**

The main aim of the study was to contribute to the continuing issue with strategy execution or performance gaps within organisations (Mankins & Steele, 2005). Any research contributing towards the closing of the gap could be deemed valuable. The study concludes on the key themes, namely strategy, leadership style and performance – as they are presented in detail in Chapter 5. It is suggested that research linking strategy and performance needs further investigation (Nienaber, 2017).

As indicated in Chapter 3, in the literature review on leadership, strategy and performance, the literature rather highlights the complexity and uncertainties in this dynamic and ever-changing field of study. It is clear from the literature that all of these concepts are constantly evolving, and much debate continues. De Flander (2010) claims that strategy execution is a “battlefield” of information that is needs and is getting more and more attention in the literature. In discussing the contradictions and arguments surrounding leadership style and performance, Jowah (2016) points out

that the debate is still ongoing. This research sought to contribute knowledge on the complex and intertwined phenomena surrounding strategy. It aimed to explore it from the perspective of the research question that was articulated as follows:

What is the role and/or influence of leadership styles on organisational performance of selected companies in the South African wine industry, in the context of understanding the strategy-formulation-implementation-performance gap?

The research question that this study aimed at answering was elaborated in more detail in previous chapters as follows: To what degree, if any, do the different leaders and leadership styles, cited by Lewin (1939) as variable in organisations, influence the actual performance of specific organisations (i.e. minimising the gap between the planned and actual performance)?

As stated the study was qualitative and exploratory in nature in order to contribute towards the understanding of the strategy-to-performance gap from a leadership style and employee satisfaction perspective. It managed to do so in contributing information on the key concepts and finding themes around leadership style and employees that influences performance. The main aim was to offer a better understanding in context of the strategy-to-performance gap as discussed in detail in the findings.

### **6.5.2 Conclusions and discussion of key findings**

The research objectives of this study were presented in Chapter 1. The findings of this study have been presented in Chapter 5 in a format described below that can be summarised in three parts as:

- Factual conclusions
- Conceptual conclusions
- Research question answers (Was the performance gap closed?)

### **6.5.3 Factual conclusions**

It transpired from the leadership interviews that leadership style plays a role in understanding, formulating and implementing strategy and influences employees, ultimately influencing their perception of organisational performance. It was evident

that leadership style is perceived as a factor to be considered in order to ensure performance – or alternatively put: that could be useful to minimise the strategy-to-performance gap.

As per the detailed findings presented in Chapter 5, the leadership styles were identified as follows:

**Organisation 1:** Leadership view themselves as democratic and employees view and experienced them as democratic leaders. This appears to have led to higher levels of employee satisfaction and a perception of better performance.

**Organisation 2:** Leadership view themselves as democratic and employees view and experienced them as democratic. This appears to have led to higher levels of employee satisfaction and a perception of better performance.

**Organisation 3:** Leadership view themselves as democratic but employees experienced and view them as autocratic. This appears to have led to lower levels of employee satisfaction and a perception of lesser performance.

It was evident that in the organisation where leadership and employees view their leadership style differently (e.g. leadership say they are democratic, but employees view them as autocratic) it could influence factors that ultimately influence performance negatively. It also appeared from the data analysis that democratic leadership caused a narrowing of the strategy-to-performance gap, in the context of the specific characteristics pertaining to leadership style (as per Lewin) that was discussed. It also seems as if different generations prefer different leadership styles, and situational approaches are seemingly perceived to be ideal in certain circumstances. This is an area requiring better understanding that could potentially be studied in future research in specific context to the strategy-to-performance gap. The findings of this study have been summarised in context with the other emerging themes and findings as presented and discussed in Tables 6.4 and 6.5 to follow.

The findings in this study confirming previous research on the strategy-to-performance gap as well as new and emerging themes are summarised in Table 6.4.

#### **6.5.4 Conceptual conclusions**

This study contributes more detail to the strategy-to-performance debate, by taking into consideration the leadership style of the particular leaders, with the assumption that leadership is ultimately responsible for the performance of an organisation (Van der Maas, 2017). Leadership is seen as the social influence, skills and behaviour (Ngodo, 2008) that utilised to achieve organisational goals which were confirmed by the leaders of the three organisations under research. Khouly et al. (2017) refer to leadership style as the way in which leadership function to achieve their set goals). The findings in this study support previous literature, e.g. on the importance of leadership in the context of the key concepts of strategy and performance, and also revealed new themes that could be useful for future research.

It is further implied that employee satisfaction plays a role, directly or indirectly, and is influenced by leadership styles and thus in effect could influence the performance of an organisation. Consequently, it could be reasoned that employee satisfaction influences the performance gap, either positively or negatively. This notion is in line with research findings on the importance of leadership and its role in performance (Heskett et al., 1997; Jowah, 2016).

It transpired from the study that the democratic leadership style was more inclusive and boosted employee morale, which supports the findings of Bass and Bass (2008), hence allowing for higher employee satisfaction. This resulted in better performance (as perceived by both leadership and employees), improving performance and narrowing the strategy-to-performance gap.

It can thus be concluded that leadership style plays a role and has a significant bearing on organisational performance and the performance gap. Democratic and inclusive styles appear to influence performance positively, whereas autocratic leadership appears to result in a bigger gap. Various factors emerged, and it could be useful to explore them in the context of the gap as discussed in Table 6.6 below.

Further research could contribute meaningfully towards minimising the gap. It was mentioned that authors have been inconclusive on the magnitude of the gap, and yet certain recent authors have estimated that less than 15% of organisations are actually satisfied with strategy implementation (Van der Maas, 2017), that a significant part of

execution attempts fail (Mankins, 2017), and many strategies are not implemented or unsuccessful, as mentioned earlier an ongoing problem of varying degree. Even though the exact size of the gap is uncertain it transpired as a problem for the three organisations under research in this study. It was perceived to a great degree in Organisation 3 under autocratic leadership (as per Lewin). That supports the advantages that this study contributes to a greater understanding of these problems, to ensure a better organisational success rate and ultimately a better grasp of the strategy-to-performance gap.

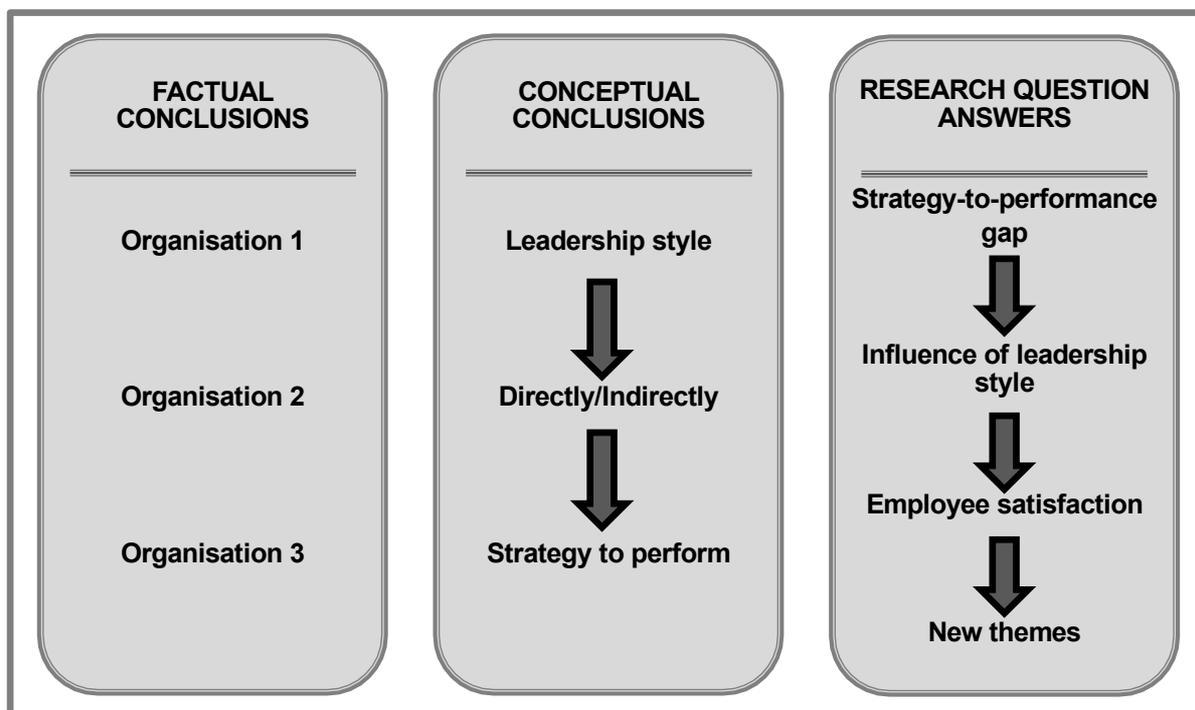
The leadership figures in this interview all clearly mentioned that the gap existed in their organisations. The gap experienced was perceived as bigger in Organisation 3, where the leadership figure appeared to be autocratic, from an employee perspective. It was difficult for employees in all the organisations to estimate the exact size of the gap or provide clear solutions, but it seemed that the leadership style and the associated factors could influence or narrow the gap and influence performance. Exploring other areas of performance could contribute to a better understanding of the strategy-to-performance phenomenon.

#### **6.5.5 Research question answers: Was the gap closed?**

Even with the vast impact of the strategy formulation and implementation gap that are still causing the majority of organisations to struggle with strategy (as mentioned by all three organisations in this research) or fail, there are still many areas that are under-researched and need to be better understood. This research explored leadership style and found that certain leadership styles appear to narrow the gap whereas others seem to increase it. This study sought to explore leadership style specifically in this context in order to help illuminate the role leadership style plays in the gap and/or potentially organisational performance.

As presented in Chapter 5: The research indicated that leadership style influences employee satisfaction – and there were higher satisfaction levels where leadership were perceived to be strongly democratic (see Chapter 5). This resulted in higher employee satisfaction and it could be deducted from studies linking that with performance that this higher satisfaction influences performance positively. It is noteworthy that in certain situations in Organisation 2, autocratic leadership was

preferred to democratic leadership (as suggested in the study by Khouly et al., 2017). This indicates the need for a better understanding of leadership styles as applied in specific situations. This study supports findings by Northouse (2007) that leadership behaviour and competencies which are considered traits of leadership style, are key determinants of successful management practice. This study confirmed the role – both positive and negative – of leadership style in the strategy-to-performance gap. Hence, this study answered the research question. The three ways the research was concluded on are presented in Figure 6.4 below.



**Figure 6.4: Research conclusions layout**

*Source: Author's own compilation layout*

## 6.6 LEADERSHIP CONCLUSIONS

The leadership styles by Lewin (1939) under research played different roles in answering the research question as summarised below:

Democratic leadership style presented the perception that it could result in higher employee satisfaction (Organisations 1 and 2) as evident and stated in the findings section of Chapter 5.

Autocratic leadership presented the perception that employees are unsure of certain things within the organisation, which consequently could result in lower satisfaction

(Organisation 3). A tendency to avoid laissez-faire leadership was evident throughout, even though it was mentioned as potentially valuable (as in the discussion in Chapters 4 and 5). Various reasons for these deductions and conclusions emerged, as summarised in Table 6.5.

Special note on leadership style: It was deemed necessary to be stated in the conclusions that in all the interviews in the case study employees appeared to require different leadership styles at certain times due to certain key themes that emerged during the study. This demonstrates that leadership need to adopt a situation-appropriate style at certain times to ensure higher levels of employee satisfaction.

As mentioned: Certain new themes evolved throughout the data collection and data analysis process. These themes were discussed for their importance and relevance to the research question in detail in Chapter 5. These factors need to be taken into consideration in the context of the research objectives and research findings are presented in summary form is presented in Table 6.3 and 6.4 below.

**Table 6.3: Key themes that influence the strategy-to-performance gap**

'Management skills' is a concept of key importance to employees – leadership style needs to adapt to this need in order to allow employees to better to manage their time.

Leadership needs to communicate strategy better (see Table 6.1 for detail) in order to allow for better implementation. This was a recurring theme in the literature on the performance gap. Feedthrough of strategy appears to be an issue.

*Source: Author's own compilation of findings*

Other than confirming these themes and providing an understanding in context to the strategy-to-performance gap some further secondary themes emerged. Some confirmed previous research (see Table 6.1) and others were new or developed a new context in terms of the strategy-to-performance gap through this research study. These themes confirming previous research as well as the new themes that transpired; are presented in Table 6.4. It is suggested that they could be further explored in future research also as set out in Table 6.4 to follow below.

**Table 6.4: New and previously supported themes influencing strategy-to-performance gap**

Better management skills such as effective communication and effective measurement skills could arguably positively influence performance.	Coincides with previous studies. Mankins and Steele, 2005
Better motivation mechanisms such as managing employees' time efficiently are not well understood and might influence employees and performance.	New theme
The relationship between leadership and employees affects performance.	Coincides with previous studies. Van der Merwe and Nienaber, 2015
Future organisations and more skilled employees might potentially require more laissez-faire or free-reign leadership.	New Theme
Different leadership styles could be required for different generations of employees in the future, e.g. for Generation X and Generation Y or millennials.	New Theme
Leadership perhaps needs to realise there could be a stronger need for self-actualisation and job satisfaction among employees.	Coincides with previous employee engagement studies. Nienaber and Martins, 2015
Aligning or misaligning the right employee with a job and tasks could have an effect on leadership style and eventually organisational performance.	Coincides with previous studies. Mankins and Steele, 2005; Nienaber, 2017
Conflict handling skills is important for facilitating and realising strategic goals.	Coincides with previous studies. Lê and Jarzabkowski, 2015
Lack of control mechanisms could be seen to have a negative influence on employee satisfaction and the performance gap.	Coincides with previous studies. Van der Merwe and Nienaber, 2015
Leadership needs to hold lower levels of leadership more accountable to increase employee satisfaction and potentially performance.	Coincides with previous studies. Mankins and Steele, 2005
Autocratic leadership style could be useful in conflict handling.	New theme
The ability to adapt to change could be seen as more important than strategy itself.	New theme
Employees need to be fit for the purpose of their jobs.	Coincides with previous studies. Nienaber and Martins, 2015
Communication gaps between different levels could be seen to influence performance.	Coincides with previous studies. Mankins and Steele, 2005
Lack of accountability could be seen to influence performance.	Coincides with previous studies. Mankins and Steele, 2005; Van der Merwe and Nienaber, 2015

Source: Author's own compilation

Table 6.4 presented a summary of the research findings and the support of previous studies as well as highlighting new themes. The significance of this and its role in current theory is discussed in the next paragraph.

## **6.7 SIGNIFICANCE OF THIS STUDY AND FUTURE RESEARCH RECOMMENDATIONS**

This study explored concepts that are intertwined in some way or other to leadership style, strategy and performance. The strategy-to-performance gap is resulting in considerable losses for organisations globally. From this research it is also evident that organisations in the South African wine industry experience a performance gap in differing degrees. As mentioned in Chapter 1-5 researchers have noted that organisations fail to execute a significant amount of their strategic initiatives (Beer & Nohria, 2000; Miller & Salkind, 2002; Kaplan & Norton, 2008) and strategies that gets implemented do not achieve expected results as planned, or fail (Jooste & Fourie, 2009; Tait & Nienaber, 2010). Hence the phenomenon known as the strategy-formulation-implementation, strategy execution or strategy-to-performance gap exists.

Kaplan and Norton (2008) had some of the extreme findings in literature in stating that up to 80% of strategies that does get implemented, fail, with negative consequences for organisational performance. In spite of different findings in different studies of the magnitude of the gap, it stands out that the gap exists and results in under performance for organisations. There doesn't appear to be a conclusive reason for this.

In this current research differences could be seen between leadership and employee perceptions on the size of the gap, but all concurred that the strategy-to-performance gap exists and results in huge losses. In this study: it appears from financial reports and public statements of the organisations forming part of this study that Organisations 1 and 2 perform better financially than Organisation 3. This was also supported from the perceptions that emerged in the employee interviews via the data collection, interviews and analysis as presented in the findings in Chapter 5.

Even though many possible causes of the performance gap are mentioned in the literature, very little research appears to be conclusive as to the exact reasons. No

clear-cut solutions are offered in current literature and the strategy-to-performance gap remains a problem.

This study has contributed to a better understanding of leadership and specifically leadership style and its role in the strategy-to-performance gap. This offered plausible influences of leadership style that could result in narrowing of the gap. This could positively influence organisational performance.

In the Conference Board's list of Top 10 challenges for CEOs in 2007 the number one issue identified was a theme called: 'Strategy execution excellence'. A decade later strategy execution is still creating confusion and lacks answers (Favaro, 2015; Mankins, 2017; Nienaber, 2017). Scholarly literature is dominated by research done on the planning and formulation of strategy with a lack of focus on implementation and the execution challenges (Jooste & Fourie, 2009; Ferreira & Otley, 2009; Van der Merwe & Nienaber, 2015). In research conducted a decade ago, Neilson, Martin and Powers (2008) found that three out of five employees rated their organisations weak at strategy execution specifically. Clear solutions and answers to the issue are still vague in this field of study and there clearly needs to be a greater focus on strategy execution (Hrebeniak, 2013; Pretorius, 2016). Leadership is constantly pressured for increased organisational performance. In this research this was confirmed, and it is clear that leadership still need to look at ways to improve performance. One such way that transpired in this research could be for leadership style to aim to enhance employee satisfaction.

The purpose of this specific study was to offer a fresh look and gain a better understanding of leadership styles specifically in the context of performance and employee satisfaction. This is an area under debate from different angles for which a better understanding was achieved. Leadership and leadership style functions are often seen as factors that possibly play a role in the strategy-to-performance gap. The leadership styles as per Lewin were studied in context to the key concepts as presented in Chapter 4, answering the research question on how leadership style influences performance.

This study is original in that it indicates there is a need to understand the strategy-to-performance gap and leadership style in context. Research was conducted in a case

study format on selected organisations. It might prove valuable for future researchers to evaluate this aspect in different industries to validate and build on theory. The research showed that democratic leadership style plays a role in employee satisfaction, influencing it positively in the context of the strategy-to-performance gap. Autocratic leadership appears to play the opposite role in the strategy-to-performance gap.

Leadership style is obviously strongly linked to leadership – but surprisingly little mention is made of the role of leadership style and how to apply it to improve the performance gap prior to this study. Any research that could contribute towards minimising the gap is deemed valuable – and this study has contributed through adding to the available information on leadership style, confirming some of the contemporary issues and identifying some new ones in the context of the strategy-to-performance gap.

***Special note suggestion for future research: Future research could further fill the knowledge gaps on these interrelated key concepts and themes that emerged from this study by possibly looking at the following:***

- ***Different types of leadership styles from the ones in this study and the influence thereof on the strategy-to-performance gap could be explored.***
- ***The connection or relation between leadership style and performance: could be expanded, following on employee satisfaction to include measurements such as customer satisfaction and financial performance.***
- ***Other external factors that have developed and that influence employee performance and ultimately organisational performance could be looked at.***

**Figure 6.5: Suggestions for future research**

Source: Author's own compilation

The strategy-formulation-implementation-performance gap, or strategy-to-performance gap, is clearly causing organisations to fail. This theory was supported in

this study: companies that compete in the same industry with the same resources appear to perform very differently. Leadership is widely accepted to be a key player in strategy – and it is clear that there are still many areas that need better understanding in order to minimise the gap. This study has contributed to the school of thought that the influence of effective leadership styles is far reaching and plays a role in strategy. It appears to have as much influence on the planning side as the execution side of strategy. Table 6.5 below presents the new themes identified in this research study in context to the key concept of this study as it is discussed. The new themes were all identified as leadership functions.

**Table 6.5: Summary: New themes found in context to key concepts**

Theme	Key concept
Better motivation mechanisms around time management could be applied more efficiently to potentially influence employees and performance.	Leadership (Leadership influence)
Future organisations with more skilled employees might potentially require more laissez-faire or free-reign leadership for their independence.	Leadership (Leadership style)
Different leadership styles could be required for different generations of employees in the future – e.g. for Generation X and Generation Y or millennials.	Leadership (Leadership style)
Autocratic leadership style could be useful in conflict handling.	Leadership (Leadership style)

*Table 6.5: Author's own summary of new information of leadership in context to performance*

The table above present's themes not previously discussed in context of the strategy-to-performance gap. There are still areas worth exploring and in search of a better understanding in this field of study in order to improve performance, such as the role of different leadership styles on other measurements, management skills and their performance influence and other themes explained earlier in Chapter 6. This study viewed the gaps in research from a leadership style perspective specifically and from the view that the key concepts are intertwined, making it complex and difficult to study and come to accurate conclusions.

Leadership style and performance are intertwined concepts and clearly play a role in the strategy-formulation-implementation or execution or strategy-to-performance gap.

A key finding of this study is answering the research question and finding that the way leadership style is applied influences strategy implementation and the strategy-to-performance gap. The key themes in this study could still benefit from better understanding. This study confirmed previous studies as well as identified new themes valuable to this challenging debate on strategy and performance. It especially contributed in its originality to offer a better understanding on leadership style in context to the strategy-to-performance gap. The leadership styles (as per Lewin) influenced performance and narrowed or expanded the strategy-to-performance gap. The new themes indicated that are areas that are still in need of being explored. It is suggested necessary to continue scrutiny of these issues in seeking to improve organisational performance. Further research to ensure better achievement of organisational performance is recommended.

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# ANNEXURE A:

## RESEARCH ETHICS APPROVAL



### DEPARTMENT OF BUSINESS MANAGEMENT RESEARCH ETHICS REVIEW COMMITTEE

11 November 2015

Ref #: 2015\_CEMS\_BM\_045

Mrs Annelize Morkel

Student #: 32131291

Dear Mrs Annelize Morkel,

**Decision: Ethics Approval**

**Name:** Mrs Annelize Morkel – Principal Researcher (advdm@iafrica.com; 082 875 5935)

**Proposal:** Leadership styles as per Kurt Lewin and the strategy-formulation-implementation gap: A case of selected wine producers in the South African wine industry

**Supervisor:** Prof Hester Nienaber (Staff #: 9008861)

**Qualification:** Postgraduate degree

Thank you for the application for research ethics clearance by the Department of Business Management Research Ethics Review Committee for the above mentioned research. Final approval is granted for the duration of the project from the date of issue.

*For full approval: The application was reviewed in compliance with the Unisa Policy on Research Ethics by the Department of Business Management on 11 November 2015.*

*The proposed research may now commence with the proviso that:*

- 1) The researcher/s will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.*
- 2) Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study, as well as changes in the methodology, should be communicated in writing to the Department of Business Management Ethics Review Committee. An amended application could be requested if there are substantial changes from the existing proposal, especially if those changes affect any of the study-related risks for the research participants.*
- 3) The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study.*

Kind regards,

Prof Watson Ladzani  
Chairperson of the sub-unit RERC  
Department of Business Management  
wladzani@unisa.ac.za

Prof Thomas Mogale  
Executive Dean  
College of Economic and Management Sciences



## **ANNEXURE B:**

### **LEADERSHIP INTERVIEW (SEMI-STRUCTURED GUIDELINES)**

#### **Theme (Leadership role)**

1. Give a short background of yourself and role in company. (Who are you, position and time in current position, responsibilities.)
2. Give a short description of your responsibilities with regards to strategic planning?
3. Give a short description of your responsibilities with regards to strategy implementation?
4. Do you think you are successful?  
Why or why not?

#### **Leadership style (As per Lewin Autocratic/Democratic/Laissez Faire) (Explain concepts to participants and confirm understanding)**

1. **Do you see yourself more as:**
  - a) Giving instructions – showing the way?
  - b) Making decisions jointly with key staff?
  - c) Allowing freedom and staff to operate independently?
2. **Do you encourage:**
  - a) Individual accountability?
  - b) Group work, team performance?
  - c) Creativity, freedom to look for solutions?
3. **In which way are you more likely to communicate strategy:**
  - a) Communicate decisions from top management levels?
  - b) Discover, brainstorm strategy with your team?
  - c) Facilitate strong feedback after strategy decisions?

#### **Employee satisfaction (Explain concepts in relevant terms)**

1. **Do you think your employees view you as:**
  - a) Autocratic
  - b) Democratic
  - c) Free Reign
2. **Do you think your employees prefer you being:**
  - a) Autocratic
  - b) Democratic
  - c) Free Reign

**Strategy (Performance gap)**

1. Who do you think is ultimately responsible for strategy implementation?
2. Do you think there might be a gap between your companies' strategic plan and execution? (Explain answer?)
3. Do you think the gap has anything to do with leadership styles – explain why/why not?
4. Do you think your leadership style influence employee satisfaction and/or performance in any way? (Positive or negative).
5. Do you think the strategy implementation gap is generally an issue in your industry or not? (Performance issues?)
6. Is there anything else that you think could or could not play a role in performance?

## **ANNEXURE C:**

### **EMPLOYEE SATISFACTION INTERVIEW (SEMI-STRUCTURED GUIDELINES)**

1. Please identify yourself and explain your position/responsibilities in the organisation.  
(No fact values needed – merely to establish and test for the understanding of concepts in line with research objectives).

#### **Themes**

##### **Leadership**

1. Would you say you perceive your leadership figure (CEO/MD/Director) to be:
  - a) Someone to make decisions alone and predominately give instructions?
  - b) Make decisions with co-workers, colleagues and other accountable employees?
  - c) Having very little interest/control over managers and subordinates?
2. Would you say your leadership figure is:
  - a) Controlling, mostly in charge of everything?
  - b) Encourages teamwork and participation?
  - c) Encouraging freedom and interfering as little as possible?
3. Would you rate your leader's style as:
  - a) Autocratic (Explain as more top to bottom)
  - b) Democratic (Explain as joint decisions)
  - c) More laissez faire (Explain as not very involved)

##### **Strategy**

1. Describe your understanding of your company's strategy. (Exploratory question)
2. Would you say your company is excellent, good, average or poor at strategic planning?
3. Would you say your company is excellent, good, average or poor at strategy execution?
4. Do you think your leadership figure has the right style to facilitate the company strategy? Why/why not?
5. Any other relevant comments/suggestions?

**ANNEXURE D**

**INTERVIEWS**

***ORGANISATION 1***

- 1 **Employee Satisfaction Interview (Semi Structured guidelines)**  
 2 **Organisation 1 Employee 1 (O1E1)**  
 3 **Reflective notes**  
 4 **Head Interviewer 1 (HI1) Employee 1 (E1):**  
 5 (No fact value is needed– question is merely to establish participant and test for  
 6 understanding).  
 7 **HI1:** Please identify yourself and explain your position/responsibilities in the  
 8 organisation  
 9 **E1:** Ok ... The position that I had before Friday or the one that I'm currently in ...  
 10 (Laughing ...)  
 11 xxxx, Brand and Key account manager of xxxx. Looking after national key accounts  
 12 and also responsible for brand positioning, strategy implementation for 5 of our  
 13 brands ... That is excluding responsibilities I had before Friday which is managing  
 14 the tasting room, club, events and restaurant.  
 15 **HI1:** So you are involved physically "hands on" in strategy implementation.  
 16 **E1:** Yes definitely ...  
 17 **Theme (Leadership)**  
 18 **HI1:** Right, the first theme is on your leadership figure, your CEO.  
 19 **HI1:** Would you say you perceive your leadership figure (CEO/MD/Director) to be:  
 20 a) Someone, to make decisions alone and predominately give instructions?  
 21 b) Make decisions with co-workers, colleagues and other accountable employees?  
 22 c) Having very little interest/control over managers and subordinates?  
 23 **E1:** B - and it has rapidly changed in the last 12 months ... That's got to do with the  
 24 complexity of our business ... It is sometimes difficult to let go but we've especially  
 25 seen maturation in leadership style in the last 12 months. Rapid pace!  
 26 **HI1:** 2. Would you say your leadership figure is:  
 27 a) Controlling, mostly in charge of everything?  
 28 b) Encourages teamwork and participation?  
 29 c) Encouraging freedom and interfering as little as possible?  
 30 **E1:** It is difficult because we don't necessarily work as teams always. We are going  
 31 forward now, going to have to be reliant more on teamwork just because of how our  
 32 restructuring has been done until now. While he is in overall control he does give  
 33 huge amounts of freedom.  
 34 "Hy het altyd sy hand op die pols". Hy weet wat gaan aan ... I would lean more  
 35 towards c, and I know some of my colleagues won't necessarily agree with that. I  
 36 mean we have been working together for 15 years so there is a huge amount of  
 37 trust. "Ek weet presies wat die man dink". Ek dink dit is verskillend vir verskillende  
 38 employees ... Ek hoef nie vir hom sy antwoord oor sekere goed te vra nie en dit het  
 39 te doen met die feit dat ons al so lank saamwerk ... Daar is 'n huge amount of trust.  
 40 As ek more iets moet aanvang wat hom sal skok sal ek hom tot in sy siel toe skok.  
 41 So I experience him as giving a huge amount of freedom and expect his answer to  
 42 be yes until he gives me a no ... So I work with liberty of his support.  
 43 **HI1 I take note of the word support coming in there ...**  
 44 **HI1:** 3. Would you rate your leader's style as:  
 45 a) Autocratic (Explain as more top to bottom)  
 46 b) Democratic (Explain as joint decisions)  
 47 c) More laissez faire (Explain as not very involved)  
 48 **E1:** Nee, democratic - and all the more so in a broader base ...  
 49 **HI1:** So would you say growing more democratic?

50 **E1:** Die ding is ook omdat ons besigheid 3 nuwe export managers in die laaste paar  
51 maande aangestel het - so sy mense aan wie hy meer tyd moet spandeer om kultuur  
52 van maatskappy te leer ken ... So he would have to let some of us "go" ...  
53 **HI1:** So are you saying the changing culture will make it necessary for him to be  
54 more democratic.  
55 **E1:** Yes definitely - as well as the complexity of the business. Hand aan hand met  
56 die nuwe aanstellings doen ons ook nou al twee of drie jaar wat ons doen en ek dink  
57 hy het meer vertrouwe in ons as 'n paar jaar terug ... So hy is gemaklik nou om dinge  
58 af te gee ... He is less operationally involved with pricing and negotiations and we  
59 have more leeway ...  
60 I can even deal outside my parameters and I know it will be fine as long as I could  
61 justify it ... He will trust my decision.  
62 "Onthou - ek het hiernatoe gekom om saam met hom te werk! Hy het 'n ongelooflike  
63 leierskapstyl en ek wou saam met hom gegroei het ... Hy is 'n fenominale leier - en  
64 dis hoekom hy by soveel dinge betrokke is ... "

65 **Strategy**

66 **HI1:** Describe your understanding of your company's strategy. (Just an exploratory  
67 question)

68 **E1:** Ek verstaan ons strategie baie goed. Ek verstaan die strategie briljant.

69 **HI1:** So I can quote you have a brilliant understanding of your company strategy?

70 **E1:** Ja ... Ek kan met jou praat oor HR ... Ek kan met jou praat oor landbou ...  
71 Hoekom ons sekere uitbreidings doen ... Polities wat ons uitdagings is en die rede  
72 hoekom ek ... En dis weereens nie vir al my kollegas nie ... Ek en xxxxxx (CEO) het  
73 vir 'n lang tyd MBA studente saam gesien. Hulle trek ons besigheid uitmekaar uit,  
74 ons motiveer - so ek is redelik in sy kop in. So ek is gemaklik om te praat waarom en  
75 hoekom ons oppad is ...

76 **HI1:** Die volgende twee "questions" is amper dieselfde maar daar is so bietjie 'n  
77 verskil ...

78 **HI1:** Would you say your company is excellent, good, average or poor at strategic  
79 planning?

80 **E1:** Ok. I would have to quantify. I would say - and our CEO wouldn't agree with me -  
81 that we are between average and poor.  
82 Die rede hoekom ek dit se is: baie keer is ons te reaktief op marktendense, en te het  
83 te doen dat ons te min tyd het. Met die herstrukturering is dit iets wat kan verander  
84 ... Dit was net nie moontlik om te fokus as jy 20 verskillende goed het om aan  
85 aandag te gee nie ... hm ... so een van die goed wat ons gaan aanspreek is nie net  
86 wat ons werk is en hoe besig ons is nie – maar die kwaliteit van ons werk deur ons  
87 goed doen. Quality of work ...

88 **HI1:** Quality of planning?

89 **E1:** Quality of planning ... ek bedoel jy kan alles doen en bitter besig wees en dit  
90 beteken nie jy doen kwaliteit werk nie ...

91 **HI1:** Dit sluit aan by die volgende een en ek gaan dus sommer daarby invoeg: die  
92 volgende vraag was:

93 **HI1:** Would you say your company is excellent, good, average or poor at strategy  
94 execution?

95 **E1:** Hmmm ... Ons is actually fantasties met "execution" ... Ons is meer en dit is  
96 seker waar ons 'n meer operasionele as 'n strategiese maatskappy is ... Strategies  
97 in die sin van jou meer langtermyn doelwitte ... Ons het bv 6 jaar terug 'n strategie  
98 sessie gehad en 2 jaar terug weer 'n sessie gehad en Al die doelwitte wat ons wou  
99 bereik het het ons bereik ...

- 100 Ons is nou 2 jaar later - and already achieved 80% of the goals we wanted to reach  
 101 in the next 5 years ... So langtermyn is ons baie goed.
- 102 **HI1:** So would you say your gap between planning and implementation is very  
 103 small?
- 104 **E1:** Nee - in sekere areas ... As dit kom by jou tradisionele "brand positioning"  
 105 generic goed ... Prosesse tot nou toe het nie daarop gefokus nie. Ons het meer  
 106 hierdie makro-doelwitte gehad maar ons het nie medium termyn - taktiese doelwitte  
 107 gehad nie ...
- 108 We went directly into execution (laugh).
- 109 Now for the first time: Ek het 'n kollega wat 9 maande terug by my aangesluit het - sy  
 110 is baie strategies en baie sistematies, en vir die eerste keer het ons 'n "formele"  
 111 skriftelike strategiese brand plan vir al die brands ... Ek moes teen wil en dank vir my  
 112 brands ook een ontwikkel het want dit is wat ons nou doen ... Ons het dit nooit  
 113 geformaliseer of dokumenteer gehad nie. Dit was in ons kop gewees - en ons het  
 114 gehardloop met die execution ... En soms mis mens geleenthede of risiko's ...
- 115 **HI1:** That is something new so I just want to write down the formalisation ...
- 116 **E1:** So daai is 'n proses wat altyd in ons kop en ons harte. Daar was 'n gap gewees  
 117 ... Meting is gedoen maar ...
- 118 **HI1:** Sou jy se dit maak meting makliker of moeiliker?
- 119 **E1:** Die meting was relatief maklik - maar waar die gap inkom - of nee dit maak die  
 120 meting moeiliker ... Want jy is operasioneel so besig. So einde van die jaar sit jy en  
 121 kyk wat het jy gedoen, maar dis moeilik - want was daar nie dalk doelwitte of  
 122 geleenthede wat ons gemis het nie ... Bv. moes ek nie dalk na ander goed gekyk het  
 123 nie ... En omdat ons dalk nie geformaliseer het nie ... En dis hoekom ek se die  
 124 "planning" - is dalk reaktief gedoen ...
- 125 **Leadership style perception**
- 126 **HI1:** Do you think your leadership figure has the right style to facilitate the company  
 127 strategy? Why/why not?
- 128 **E1:** Ja - ek dink hy is 'n briljante leier. Hm ... Hy is uiters dinamies en inspirerend. Hy  
 129 druk my verder as wat ek dink ek kan gaan ...
- 130 Hy het 'n ongelooflike geloof in my kapasiteit in wat ek nog kan doen. Hy lees my  
 131 bitter goed. In fact I didn't think I would like key accounting, - he asked me two years  
 132 ago if I would like it ... En ek is mal daarvoor. Hy verstaan my potensiaal en hy weet  
 133 watter knoppies om te druk om die beste uit my te kry ... Sy ability om my te laat  
 134 groei ... En hy doen dit op so subtiele manier ...
- 135 **HI1:** Op 'n baie Laissez faire manier wil ek amper se??
- 136 **E1:** Ja ...
- 137 **HI1:** Any other questions: Any other relevant comments/suggestions?
- 138 **E1:** Al wat ek kan se is in "hindsight" as ek kyk na proses en hoe goed gewerk het  
 139 sou ek dit nie op enige ander manier wou gehad het nie ... Die manier hoe ons dinge  
 140 gedoen het het gewerk vir die besigheid op die tye wat dit plaasgevind het ... As ons  
 141 dit op 'n ander manier gedoen het sou ons ander pap op die grond laat val het ...  
 142 Maar dit is vir die kompleksiteit van die besigheid belangrik en noodsaaklik dat ons  
 143 aandag gee ... Die span groei ook ... Nee genade as ek nie onder xxxxx se  
 144 leierskap gewerk het nie weet ek in alle eerlikheid nie of ek hier sou werk nie ... Hy  
 145 is 'n ongelooflike dinamiese mens!
- 146 **HI1:** Thank you - going to stop recording now.

1 **Employee Satisfaction Interview (Semi Structured guidelines)**  
2 **Organisation 1 Employee 2 (O1E2)**  
3 **Reflective notes**  
4 **Head Interviewer 1 (HI1) Employee 2 (E2):**  
5 (No fact value is needed– question is merely to establish participant and test for  
6 understanding).  
7 **HI1:** Please identify yourself and explain your position/responsibilities in the  
8 organisation  
9 **E2:** My name is xxx. I am the brand manager for sorting of the brands at xxx. (Um)  
10 The brand host or tasting rooms of xxx also falls within my responsibility. (Um) And  
11 then also the organizing of events for the company. Brand related events.  
12 **HI1:** Are you involved on strategic level at all?  
13 **E2:** Yes, "ja" I'm responsible for determining the strategy for each brand, (um) and  
14 for the brand homes, which is based on the brands represented at those  
15 "brandhomes". (Um) I determine the strategy and the implementation, ja.  
16 **HI1:** Okay, so planning and implementation?  
17 **E2:** Yes  
18 **HI1:** Right, the first theme is on your leadership figure, your CEO.  
19 **Theme (Leadership)**  
20 **HI1:** Would you say you perceive your leadership figure (CEO/MD/Director) to be:  
21 a) Someone, to make decisions alone and predominately give instructions?  
22 b) Make decisions with co-workers, colleagues and other accountable employees?  
23 c) Having very little interest/control over managers and subordinates?  
24 **E2:** He does allow us to make our own decisions and our own mistakes (um) and  
25 obviously, then work with us to decide on the future. He leaves us to work  
26 independently as long as we're giving feedback on a regular basis. (Um) We utilize a  
27 lot of (um) debates around, and wider than just "one on one" so he would get his  
28 management team together and debate about the future and the plans etc.  
29 **HI1:** So would you say ... By listening to you it's mostly C but a little bit of B. Jointly  
30 decisions?  
31 **E2:** Yes, that's right.  
32 **HI1:** 2. Would you say your leadership figure is:  
33 a) Controlling, mostly in charge of everything?  
34 b) Encourages teamwork and participation?  
35 c) Encouraging freedom and interfering as little as possible?  
36 **E2:** (Sho, um) literally a bit of everything. He does allow for individual accountability,  
37 but obviously, he would step in, when he feels that the results aren't there. And as I  
38 mentioned, he would challenge the group to come up with some ideas and input,  
39 simply because the group has different experiences that can help.  
40 **HI1:** So you if there is a lack of performance, he would strongly work towards  
41 teamwork?  
42 **E2:** Ja  
43 **HI1:** In which way would you say he is more likely to communicate strategy:  
44 Decisions from top - downwards  
45 Brainstorm strategy with the team or  
46 do more facilitation after strategic decisions?  
47 **E2:** (Um) there is brainstorm, I would say more brainstorm (um) and to get to "buy in"  
48 he shows the longer term strategy of the company and (um) then obviously to draw  
49 in where the rest of us fits into that or the strategy of the brand.  
50 **HI1:** Okay, so that's fine

51 **HI1:** 3. Would you rate your leader's style as:  
 52 a) Autocratic (Explain as more top to bottom)  
 53 b) Democratic (Explain as joint decisions)  
 54 c) More laissez faire / free reign (Explain as not very involved)  
 55 **E2:** More free reign.  
 56 **Strategy**  
 57 **HI1:** Okay, how would prefer him to be? More autocratic, democratic or free reign?  
 58 **E2:** No, I prefer free reign.  
 59 **HI1:** Describe your understanding of your company's strategy. (Just an exploratory  
 60 question)  
 61 **E2:** (Um) I think the company's strategy is to be a big player within the wine industry  
 62 in South Africa (um) to ... But to be rooted in South Africa. It's proudly South African,  
 63 so there is no goal outside the shore.  
 64 Although we export, but the company will always be in South Africa, to make a  
 65 difference within the South African wine industry. Whatever we plan, it is always  
 66 important to do it for the benefit of, not only ourselves but the industry and to not  
 67 launch products that we actually think would be detrimental to the industry or even  
 68 campaign's and for it to be a sustainable company.  
 69 **HI1:** Sustainability, okay.  
 70 **HI1:** Would you say your company is excellent, good, average or poor at strategic  
 71 planning?  
 72 **E2:** No, I think we're good.  
 73 **HI1:** Good  
 74 **HI1:** Would you say your company is excellent, good, average or poor at strategy  
 75 execution?  
 76 **E2:** (Um) sometimes we're good with implementation. Better with the implementation  
 77 than planning.  
 78 **HI1:** Okay, that's interesting. Why would you say that?  
 79 **E2:** The focus is rather on sales than marketing. In other words; rather  
 80 implementation (um) for long term results. But it is a result of it being a family  
 81 company that's grown very quickly. It's (um)  
 82 expanded very quickly (um) and it takes a time to move, shift the focus from sales  
 83 (um) "short term" sales into "long-term" brand building.  
 84 **HI1:** Okay, so do you think strategy implementation is an "issue" in your industry at  
 85 all?  
 86 **E2:** Yes. The bigger companies (um) does that very well. And you can see it in their,  
 87 stock component, there is stock structure, there is organizational structure (um) they  
 88 are better at that and also long term strategy, they are better at that (um) The smaller  
 89 guys need to move wine, so for them it's more a case of selling the wine, even in  
 90 places dumping the wine, in which they hurt the industry. (Um) just to get rid of it.  
 91 (Aaa)  
 92 and for cash flow purposes (um) and those guys unfortunately hurt the industry  
 93 because their prices are very low - their retail selling prices. Which means that the  
 94 rest of us are "almost" forced to also do that and it's not good for the industry. (Um)  
 95 because the consumer does not know the wine industry. There is a huge grip of  
 96 consumers in South Africa that are not drinking wine and we want them to start  
 97 drinking wine.  
 98 But they don't know the wine industry, they don't understand how you can get a  
 99 bottle of wine on the shelf "red wine" at R20 and the rest of us don't do that, so they

100 buy the cheap wine because of the price and (um) in the process those companies  
 101 actually hurt the rest.

102 **HI1:** So that's where the implementation could do with long term?

103 **E2:** Ja, ja absolutely.

104 **Leadership style perception**

105 **HI1:** Do you ou think your leadership figure has the right style to facilitate the  
 106 company strategy? Why/why not?

107 **E2:** Yes, he is very much involved in the industry and therefore the focus is in  
 108 whatever we implement (um) and on our strategy to be a responsible in terms of,  
 109 "the whole industry" not only our own company.

110 He does a lot of work in the industry to get the others to buy into.

111 **HI1:** You mean he goes to talk to other companies?

112 **E2:** Yes, big companies that we depend more on, especially when it comes to the  
 113 price that they sell their wine for on the shelf and the deals on the shelf, that's  
 114 actually hurting the industry.

115 He actually goes to them and makes the point.

116 **HI1:** So he is Actively ... (Interrupted by E2)

117 **E2:** Yes, yes, yes absolutely and not only because of the competition but he feels as  
 118 an "industry" we should work together for a bigger strategy and a long term strategy.

119 **E2:** And the same with ... Not only to talk to competitors or, "which we can see as  
 120 competitors" but he also obviously engages with (um) retail, for instance. With bigger  
 121 retail groups to (um) rather just get us into these groups and get us the get (um) right  
 122 exposure etc. That also builds partnerships. That's exactly what he's doing.

123 **E2:** But in terms of a "win win" situation. For both parties.

124 **HI1:** Okay, and then the last question. Is there anything you think your leadership  
 125 could do to benefit the strategy implementation or the "gap" or anything else in terms  
 126 of leadership, that could help solve issues with strategy?

127 **E2:** I think as I mentioned before the (the). Our company group moved very quickly,  
 128 in a very short time. And where it was previously, a small group of people did a lot of  
 129 tasks within the company.

130 It is sometimes difficult for the leader to let go of certain of those tasks and to  
 131 understand that things have changed in the last couple of years. In terms of  
 132 implementation and stuff.

133 **HI1:** So the micro-management needs to change and be more ... (Interrupted by E2)

134 **E2:** Little bit of micro-management, little bit of not understanding that (um). You don't  
 135 have to see people to know that they work. That kind of leadership. But I think it's  
 136 literally a case of him, taking the business  
 137 from very small to where it is now, but understanding (um) his role goes forward. I  
 138 mean he is doing it already in terms of (um) engaging with the (um) the government,  
 139 with the (um) competitors, with retail, with all of that, but to understand that if he puts,  
 140 other people in place, to do the rest of the work with the strategy already in  
 141 implementation. To leave them to that.

142 **HI1:** Okay, so he needs to adapt to structural change?

143 **E2:** Yes, I think so.

144 **HI1:** Any other questions: Any other relevant comments/suggestions?

145 **E2:** (um) I think the important other thing is (um) the whole view that the government  
 146 has on the wine industry. The wine industry employs a lot of people and yet they  
 147 want to throw the purposed liquor laws ...  
 148 They want to actually make it difficult for the industry to continue to grow. (Um)  
 149 almost seemingly without the understanding of the impact on job creation. It seems

150 so. It's almost a bit of a bureaucratic way in which they want to do it, instead of  
151 actually engaging with role players within the industry.

152 **HI1:** Constricting them?

153 **E2:** Yes. That, on the one hand, is a problem. In that, we actually have no control  
154 over it. Then, on the other hand, the bigger companies within the industry, who feels  
155 that they don't have to work with the smaller guys. That they don't need them. They  
156 can actually make decisions whether it's good for the industry or not (um) and just as  
157 long as it is good for them. That is a problem because if the industry wants to work  
158 together, the bigger guys also need to work with us.

159 **HI1:** Okay, thank you very much and thanks for participating in the study.

1 **Employee Satisfaction Interview (Semi Structured guidelines)**  
2 **Organisation 1 Employee 3 (O1E3)**  
3 **Reflective notes**  
4 **Head Interviewer 1 (HI1) Employee 3 (E3):**  
5 (No fact value is needed– question is merely to establish participant and test for  
6 understanding).  
7 HI1: Please identify yourself and explain your position/responsibilities in the  
8 organisation  
9 E3: I'm xxxx (um) my position here is the brand home manager. I also do the wine  
10 club and local market sales, as well private national clients, more or less.  
11 HI1: Okay, the first theme is leadership:  
12 Theme (Leadership)  
13 HI1: Would you say you perceive your leadership figure (CEO/MD/Director) to be:  
14 a) Someone, to make decisions alone and predominately give instructions?  
15 b) Make decisions with co-workers, colleagues and other accountable employees?  
16 c) Having very little interest/control over managers and subordinates?  
17 E3: (Ummm). Can I do a combination? (chuckles)  
18 HI1: Ja?  
19 E3: I'd say a combination of A and B. When needed he will definitely ask the  
20 employees whether the decision would be right or not. But if not needed he can  
21 make a decision on his own and it won't affect somebody negatively. He will always  
22 have the interest of his employees at hand.  
23 HI1: Okay, that's absolutely fine.  
24 HI1: 2. Would you say your leadership figure is:  
25 a) Controlling, mostly in charge of everything?  
26 b) Encourages teamwork and participation?  
27 c) Encouraging freedom and interfering as little as possible?  
28 E3: (Ummm). B and C mostly.  
29 HI1: Okay, so you would say he would more encourage teamwork and encourage  
30 people to work independently?  
31 E3: Yes.  
32 HI1: That's what you're saying?  
33 E3: But I suppose. We (um) have a lot of meetings, structure (ag). Structure  
34 meetings and (um) asking our opinions and giving us freedom to do. That's basically  
35 what he would do.  
36 HI1: Okay, so in meetings, he would like to aim for more freedom?  
37 E3: Yes  
38 HI1: 3. Would you rate your leader's style as:  
39 a) Autocratic (Explain as more top to bottom)  
40 b) Democratic (Explain as joint decisions)  
41 c) More laissez faire / free reign (Explain as not very involved)  
42 E3: (Ummm) It would be a combination. (Laughing) A and B. (Um). If it's something  
43 where he needs to make the big decision, he will do it and inform everybody. But if  
44 it's something that will (um) influence all the employees, he would definitely be more  
45 democratic about it.  
46 HI1: So when he feels (um) the input is needed, he will definitely call when needed?  
47 E3: Yes  
48 Strategy  
49 HI1: Describe your understanding of your company's strategy. (Just an exploratory  
50 question)

- 51 E3: ...
- 52 H11: Jy kan Afrikaans praat, engels. Enige iets.
- 53 E3: (laughing)
- 54 H11: Ag nee, maar net jou basiese ...
- 55 E1: Oorsig?
- 56 H11: Ja, oorsig van wat jy dink die fokus van die strategie is?
- 57 E3: (Um) Die strategie is definitief om te groei. Ek sal sê groei en om "naam" te
- 58 maak.
- 59 H11: Okay ...
- 60 E3: Hulle doel is immers om die grootste (pausing) top (pausing) (um) familie plaas
- 61 te wees en ek glo deur die strategie doen hulle, bereik hulle dit.
- 62 H11: Jy het gesê "naam", so die "brand" is belangrik?
- 63 E3: Ja.
- 64 H11: Die groei. Sou jy sê dit is, natuurlik "sales". Verkope?
- 65 E3: Yes
- 66 H11: En uitbrei ...
- 67 H11: Would you say your company is excellent, good, average or poor at strategic
- 68 planning?
- 69 E3: Excellent
- 70 H11: Why would you say that?
- 71 E3: Nou gaan ek weer Afrikaans praat.
- 72 H11: Ja, praat Afrikaans. (laughing friendly)
- 73 E3: (Um) 'n baie goeie voorbeeld; voordat ek hiernatoe gekom het. Voordat ek hier
- 74 begin werk het, het ek nie besef hoe (um) goed "uit een gesit" 'n besigheid kan
- 75 wees, soos hierdie nie.
- 76 (Um) almal weet wat om te doen en almal volg dieselfde (pausing) ...
- 77 H11: Path?
- 78 E3: Planne, hoe om dieselfde doelwit ook te kan bereik.
- 79 H11: Okay.
- 80 E3: Dit is hoe ek dit sal stel, kortliks. (Chuckling)
- 81 H11: So jy sê; jy dink die kommunikasie word goed "uit een gesit"?
- 82 E3: Baie goed!
- 83 H11: Would you say your company is excellent, good, average or poor at strategy
- 84 execution?
- 85 E3: Again, I would say excellent. They are doing what they want to do and what the
- 86 strategy is and I would say they have achieved most of it. (Sounding confident) Now
- 87 they're just growing.
- 88 H11: They achieve their goals. Dit is wat jy sê, né?
- 89 E3: Yes, through their strategies.
- 90 Leadership style perception
- 91 H11: Do you ou think your leadership figure has the right style to facilitate the
- 92 company strategy? Why/why not?
- 93 H11: (Translating to afrikaans)
- 94 E3: Yes, definitely. (Um) first of all; because it's working. Goals are being reached
- 95 and they're setting new goals, higher goals. New brands being implemented and
- 96 that's also going very well.
- 97 So, I would say whatever he is doing, he is doing it right. (Laughing)
- 98 H11: Okay, then the last question: Any other relevant comments/suggestions?
- 99 E3: (Ummm) in die besigheid?

- 100 HI1: In die besigheid, ja. Enigeiets wat dit sal beïnvloed. Waar leierskap goed is of  
101 suksel of ...
- 102 E3: Eerlikwaar kan ek nie aan iets spesifiek dink nie, maar dalk, as meer mense kan  
103 fokus op "een algemene doel" en nie vir hulself iets doen nie, maar hulle dit vir die  
104 "goedheid" van die besigheid doen.
- 105 HI1: Okay. So eie belang?
- 106 E3: Bietjie eenkant sit en kan sit en groei as 'n span. Ja, wat gebeur "meeste van die  
107 tyd" maar ek dink net dit kan nog.
- 108 HI1: Ja, daar is 'n bietjie 'n "leemte" as jy moet sê. Daar is 'n bietjie ruimte vir  
109 verbetering?
- 110 E3: Ja. (Agreeing tone)
- 111 HI1: Okay, thank you very much xxxx, for participating in the study.

1 **Leadership Interview Semi structured guidelines)**  
2 **Organisation 1 Leadership 1 (O1L1)**  
3 **Reflective notes**  
4 **Head Interviewer (HI1) Leadership (L1)**  
5 **Theme 1 (Leadership)**  
6 HI1: Give a short background of yourself and role in company. (Who are you,  
7 position and time in current position, responsibilities).  
8 L1: My name is xxx. CEO of xxx for the past 10 years. Since 1999. Chartered  
9 accountant.  
10 HI1: Give a short background of yourself and role in company.  
11 L1: Family business all round responsibilities. Understand entrepreneurial side.  
12 Picked up a love for sales and marketing. Nice diverse job to have!  
13 Responsibilities. Sales and marketing, operational, specific projects - all operations.  
14 HI1: Give a short description of your responsibilities with regards to strategic  
15 planning?  
16 L1: I am supposed to be highly involved. Just sat with HR this morning looking at  
17 what happened in the past 6 months and what should happen in the next 6 months.  
18 First strategic session this business ever had was 6 years ago and initiated by me.  
19 We are 4 directors and all family members - the other 3 not corporate orientated. Not  
20 much strategy from them. Strategy more significant as the business expand and I am  
21 very much involved in the strategy.  
22 HI1: Am I hearing correct that? You are the key when it comes to strategic planning?  
23 L1: Yes. The problem often comes with how often do you change a strategy?  
24 Things work well and often 18 months along the line we will change the strategy  
25 without having a "formal strategy". So we will often sit and discuss and work the  
26 strategy around what is happening in the business.  
27 HI1: So can I state that the mission, vision and so on, are shaped around what is  
28 happening strategically?  
29 L1: I would say so yes - I would say our strategy is flexible and not very "academic  
30 ..."  
31 HI1: Give a short description of your responsibilities with regards to strategy  
32 implementation?  
33 L1: Very involved originally. A bit less involved now. We have a strong team in place.  
34 My challenge would be to become even less involved.  
35 HI1: So would you like to be more involved with formulation and less involved with  
36 implementation?  
37 L1: It is not where I would like to be because I like the operational side! But I would  
38 say yes, from a team perspective I would like to encourage skills development,  
39 accountability. For many years we've been doing everything well and nobody's done  
40 anything wrong. Everyone's done the best they could. We were all jacks of all trades  
41 though and could specialise more. I suppose all of us could specialise or grow more  
42 - a lot of it was lack of capacity. From where we were 3 staff, all helping in the tasting  
43 room to where we are 40 staff members today. Sometimes more - but over  
44 Christmas times etc. Quite a big team ...  
45 HI1: Yes it is a big team to manage in busy times ...  
46 HI1: The next question might sound strange: 4. Do you think you are successful?  
47 Why or why not?  
48 L1: Yes I think I am successful. I'm not a classic CEO. I lead by example. I think our  
49 team and staff respect me and people follow me.

- 50 Sometime individuals will say they will do something for you which is risky  
 51 sometimes. Because I am not the company but people will comment they do  
 52 something for me.
- 53 HI1: I understand, you would want them to be loyal to the purpose rather than the  
 54 person but naturally it is human nature that they follow you ...
- 55 L1: Maybe that shows the closeness of the purpose and the company. Overall I am  
 56 successful in what I plan and implement.
- 57 Always room for improvement but they drive of the business lies with me and I have  
 58 many practical examples. I always try to look forward and encourage new ideas.
- 59 Leadership style (As per Lewin Autocratic/Democratic/Laissez Faire) (Explain to  
 60 participants and confirm understanding)
- 61 Theme Leadership
- 62 HI1: Do you see yourself more as:
- 63 a) Giving instructions – showing the way?  
 64 b) Making decisions jointly with key staff?  
 65 c) Allowing freedom and staff to operate independently?
- 66 L1: Definitely combination of Democratic and Autocratic. Definitely not the last one  
 67 ... (laissez faire). Historically probably more autocratic ...
- 68 Because of the smaller team. With the family though I always had to be democratic  
 69 ... There is no way I could tell them what to do!
- 70 The business has grown over the past 5-8 years so I would say it is a balance of  
 71 50/50 currently between autocratic and democratic ...
- 72 A challenge with family business is that you grow the business and think it is  
 73 dependent on you - you open the door early and leave late at night. Until you realise  
 74 you can only take this up to a point and this is where other factors come in ...
- 75 HI1: And is this where you change and adapt your leadership style?
- 76 L1: I would say so yes ... I definitely learned to empower others more ...
- 77 HI1: Just to add to that: 2. Do you encourage:
- 78 a) Individual accountability?  
 79 b) Group work, team performance?  
 80 c) Creativity, freedom to look for solutions?
- 81 L1: Combination of 3 - depending on what the business needs. I've just appointed 3  
 82 new sales managers for example and at the moment I'm coaching them quite a bit  
 83 but also giving them a lot of freedom, but I need to become a mentor more than  
 84 anything else ... And hopefully they will aspire to please me which will be good for  
 85 the company. Local staff I used to give more instructions but now I would ask their  
 86 opinion and involve them ...
- 87 HI1: It sounds like you might even be moving towards Laissez faire at times?
- 88 L1: Probably yes ... I don't like the word laissez fair sounds so "laat gods water oor  
 89 gods akker loop ..." It sounds so negative.
- 90 HI1: Yes I know and it's really not and there are lots of misperceptions out on  
 91 leadership styles.
- 92 L1: It also depends on the size of the team, employees and purpose. Ideally I would  
 93 like to depend on team rather than an individual. I definitely tend to support team  
 94 performance.
- 95 HI1: In which way are you more likely to communicate strategy:
- 96 a) Communicate decisions from top management levels?  
 97 b) Discover, brainstorm strategy with your team?  
 98 c) Facilitate strong feedback after strategy decisions?

99 L1: Currently it is important for me to look at my strategy communication with  
100 directors. When I think of communicating  
101 I don't just think of those reporting to me. Because of the family dynamic I have to  
102 think of how I communicate. I can't tell my cousin something the same way I would  
103 for someone else for example. The fact that it is family definitely plays a role in  
104 strategy and communication.  
105 HI1: Would you say the family makes it more complex?  
106 L1: I would say perhaps but at times also gives you confidence as you take joint  
107 risks. It is more complex when someone doesn't perform but has positives and  
108 negatives to both sides.  
109 Employee satisfaction:  
110 Theme  
111 Employee satisfaction  
112 HI1: Do you think your employees view you as:  
113 Autocratic, Democratic, Free Reign  
114 L1: I think I've changed from Autocratic to democratic over the years. I have a strong  
115 will and employees respect that. Some might prefer me to be slightly more  
116 democratic, but most will say I am autocratic and assist and support them.  
117 HI1: Do you think your employees prefer you being:  
118 L1: At different times I think there are different things needed. I really think some  
119 might wish me to be more democratic, but I spend a lot of time with my people trying  
120 to fulfil their needs.  
121 HI1: Who do you think is ultimately responsible for strategy implementation?  
122 Theme  
123 L1: Me as the leader jointly with senior management definitely.  
124 Strategy  
125 HI1: Do you think there might be a gap between your companies' strategic plan and  
126 execution? (Explain answer?)  
127 L1: Actually currently I don't think there is a big gap between or planning and  
128 implementation. I think the biggest reason is the fact that our goals are well aligned  
129 and set out.  
130 HI1: Do you think the gap has anything to do with leadership styles – explain  
131 why/why not?  
132 L1: I think something that plays a big role in the gap is limited resources and lack of  
133 capacity. Especially capacity to execute properly. The fact that I am so involved in  
134 the business minimizes the gap - even if at times I have to micro manage.  
135 HI1: Do you think your leadership style influence employee satisfaction and/or  
136 performance in any way? (Positive or negative).  
137 L1: I think my staff is overall very positive about my leadership style. I think so  
138 because I am a very positive leader and we have very low staff turnover.  
139 HI1: Do you think the strategy implementation gap is generally an issue in your  
140 industry or not? (Performance issues?)  
141 L1: I think the performance gap in the wine industry is very real. It is definitely visible.  
142 The industry is very fragmented, and things such as low return on investment could  
143 play a role. Convinced there are performance issues needing to be addressed.  
144 An issue is that we are a "supply driven" industry and that makes growth strategies  
145 difficult. I am not sure how leadership should address this.  
146 HI1: Is there anything else that you think could or could not play a role in  
147 performance?

148 L1: I think motivation is something that should get more attention. Such as "carrots"  
149 for people, board remuneration and rewards.  
150 Accountability is important and should get more attention. I'm expecting a dip and  
151 difficult time for the industry, thus more performance gap. Leadership with good  
152 change management skills will be key.  
153 HI1: Thank you for your contribution. Are you happy to point me to one of your  
154 employees for the employee interviews?  
155 L1: Sure - name and number of Employee 1 Organisation 1 given.  
156 End of interview 1.

***ORGANISATION 2***

- 1 **Employee Satisfaction Interview (Semi Structured guidelines)**  
 2 **Organisation 2 Employee 1 (O2E1)**  
 3 **Reflective notes**  
 4 **Head Interviewer 1 (HI1) Employee 1 (E1):**  
 5 (No fact value is needed– question is merely to establish participant and test for  
 6 understanding).  
 7 HI1: Hello (laughs) Hi you I'm going to ask you the questions on the name of the  
 8 interview. Thank you very much first of all for being willing to see me.  
 9 It's an employee satisfaction interview but it's a perception based interview so, the  
 10 first question is very simple.  
 11 HI1: Please identify yourself and explain your position / responsibilities in the  
 12 organisation.  
 13 E1: My name is xxx and I'm destination marketer manager of xxx(um) which means  
 14 that I look after the marketing and  
 15 public relations of the destination as well as the operations of the tasting room and  
 16 olive plates.  
 17 HI1: Okay thank you very much. So the first theme that we looking at and as I've  
 18 explained to you it's an exploratory study completely it's not a "yes or no"  
 19 answer thing. It is just to understand the themes.  
 20 Theme (Leadership)  
 21 HI1: 1. Would you say you perceive your leadership figure (CEO/MD/Director) to be:  
 22 a) Someone, to make decisions alone and predominately give instructions?  
 23 b) Make decisions with co-workers, colleagues and other accountable employees?  
 24 c) Having very little interest/control over managers and subordinates?  
 25 E1: (um), The second option. xxx tends to be very democratic. He asks people's  
 26 input of a wide range of people's input (um), before making decisions.  
 27 Across all roles and sort of levels within the organisation.  
 28 HI1: 2. Would you say your leadership figure is:  
 29 a) Controlling, mostly in charge of everything?  
 30 b) Encourages teamwork and participation?  
 31 c) Encouraging freedom and interfering as little as possible?  
 32 E1: (uh) Probably encourages freedom and interferes as little as possible. I think he  
 33 believes (um) and to certain extend everyone or (um) that the team in which  
 34 he manages is a relatively mature team. So they have the knowledge to be able to  
 35 make the right decisions, without too much micro-management or controlling from  
 36 inside.  
 37 HI1: Just to get back to that question. You said that he encourages freedom and you  
 38 said that the team maturity plays a role. Would you say that plays a big role?  
 39 E1: I think it plays a big role (um) in terms of guidance that I have received  
 40 personally from him in managing my own team. The suggestion has been that  
 41 depending  
 42 on new team members and changes, the maturity level might fluctuate as well and  
 43 therefore your management style has to adapt to those changes.  
 44 HI1: Okay, thank you very much. Sorry if I asked. I like to sometimes understand the  
 45 answer a bit better.  
 46 HI1: 3. Would you rate your leader's style as:  
 47 a) Autocratic (Explain as more top to bottom)  
 48 b) Democratic (Explain as joint decisions)  
 49 c) More laissez faire (Explain as not very involved)

50 E1: It tends to be very situational (um), I think overall (um)... As I said, I think xxxx is  
51 democratic in, that he asks inputs from a wide range of people. Depending on  
52 the situation and how urgent it might be. He could be quiet (he, he, he... repeating)  
53 he could at times (um) force his decision on the team. I think it's situational.  
54 I think probably overall he is incredibly democratic. He leans more to the democratic,  
55 rather than to the other two.

56 HI1: Okay, but you feel strongly about his ability to adapt to the situation?

57 E1: Yes, that's it.

58 Strategy

59 HI1: Okay, So the second part is to explore the context of leadership in terms of your  
60 company's strategy.

61 HI1: Describe your understanding of your company's strategy. (Just an exploratory  
62 question)

63 E1: (Light hearted) In terms of overall it's to be, to remain the market leader in the  
64 South African market share. (um) At the moment the strategy is to focus. (um)  
65 We are being forced to focus on new markets both within South Africa and  
66 internationally.

67 HI1: That's fine. That's a 100%.

68 HI1: Would you say your company is excellent, good, average or poor at strategic  
69 planning?

70 The formulation of that. It's anonymous.... So? (Laughter from both Interviewer and  
71 interviewee)

72 E1: No, I think that in terms of the company as xxxx, we are probably  
73 average to good. I think as soon as we involve our broader (um) shareholders and  
74 partners

75 it becomes more complex and (um) execution is not always as good as the strategy.

76 HI1: Would you say your company is excellent, good, average or poor at strategy  
77 execution?

78 E1: Poor to average or average to poor.

79 HI1: Okay, so you feel quite strongly that they are better at the planning and  
80 formulation, compared to the execution?

81 E1: Yes (aha)

82 HI1: So you saying average to poor?

83 E1: (nodding yes sound)

84 Leadership style perception

85 HI1: Do you think your leadership figure has the right style to facilitate the company  
86 strategy? Why / why not?

87 E1: I would say (um) yes, he is incredibly well respected and he, (um ...) He  
88 encourages participation from the various stakeholders within the smaller business  
89 and the bigger

90 holding company. I sometimes feel, however, that he wants to please too many  
91 people, too many times and occasionally well, you can't be "Mr nice" all the time.  
92 So sometimes you do have to (um) draw a line and kind of make those hard  
93 decisions.

94 HI1: Would you say, and (I'm not trying to put words in your mouth) but just listening  
95 to you, would you say he needs to be more autocratic at times?

96 E1: Yes. More forceful and (um) that said I think it's an (um) I mean (um) I know this  
97 is all anonymous but I mean you know the setup. I think he is in a very awkward  
98 position

99 because he has a role to play within the company that I work for but he also has a  
100 career to think of in terms of bigger, big companies so you can't be, you can't be too  
101 forceful.  
102 (Um) So there is a bit of a political game (um) that needs to be looked at, that  
103 influences how the strategy is pursued.  
104 HI1: Any other relevant comments or suggestions that you think would improve the  
105 leadership's role in strategy?  
106 In formulation, execution or anything that you think is relevant?  
107 E1: This is just my perception and "gut feel". I sometimes feel that (um) the strategy  
108 is ever changing so the goal post are constantly shifting and due to flux within the  
109 bigger order distell. What you decided yesterday might no longer be relevant today,  
110 so people are uncertain and as a result we are often demoralized. In terms of  
111 strategy it's very difficult. You can formulate the most amazing strategies but if you  
112 are not executing them, then you have a problem.  
113 HI1: So would say in all of this, executing is a key issue?  
114 E1: Yes I think sometimes you just need to consolidate, focus and actually execute  
115 the plan that you have set out to do originally. Obviously bearing in mind, constantly  
116 monitoring the things that can be improved and tweaked.  
117 HI1: Okay, thank you very much. Any questions or anything you want add to that?  
118 E1: No I'm all fine.  
119 HI1: Thank you very much.

- 1 **Employee Satisfaction Interview (Semi Structured guidelines)**  
 2 **Organisation 2 Employee 3 (O2E3)**  
 3 **Reflective notes**  
 4 **Head Interviewer 1 (HI1) Employee 3 (E3):**  
 5 (No fact value is needed– question is merely to establish participant and test for  
 6 understanding).  
 7 **HI1:** Please identify yourself and explain your position / responsibilities in the  
 8 organisation.  
 9 **E3:** Ek is xxxxx. Ek is die kommersiële bestuurder hier by xxxxx. Ek kyk na al die  
 10 finansies en logistiek, en dan rapporteer  
 11 die restaurant bestuurder, die “destination manager” en die “admin control” ook aan  
 12 my.  
 13 **HI1:** Wie is jou direkte ... Aan wie rapporteer jy?  
 14 **E3:** Aan xxx.  
 15 **HI1:** Okay, there are two themes that we are going to be looking at today, the first  
 16 theme is leadership, and second one is strategy, and how the two link up with each  
 17 other.  
 18 **Theme (Leadership)**  
 19 **HI1:** 1. Would you say you perceive your leadership figure (CEO/MD/Director) to be:  
 20 a) Someone, to make decisions alone and predominately give instructions?  
 21 b) Make decisions with co-workers, colleagues and other accountable employees?  
 22 c) Having very little interest/control over managers and subordinates?  
 23 **E3:** B  
 24 **HI1:** Make decisions with people?  
 25 **E3:** He makes decisions with people, but if he feels strongly he will (he will) make his  
 26 own decisions.  
 27 **HI1:** Okay, so at times he will go to A?  
 28 **E3:** Yes (agreeing noise)  
 29 **HI1:** So sometimes he will give instructions, when it's .... (interrupted by xxxxxx)  
 30 **E3:** If (if, if, if ...) the group or whoever doesn't come to a certain conclusion, he will  
 31 say, “okay, but this is how it is going to be”  
 32 **HI1:** Okay, so he will take charge?  
 33 **E3:** Ja  
 34 **HI1:** 2. Would you say your leadership figure is:  
 35 a) Controlling, mostly in charge of everything?  
 36 b) Encourages teamwork and participation?  
 37 c) Encouraging freedom and interfering as little as possible?  
 38 **E3:** He encourages participation and sometimes he will also encourage freedom.  
 39 **HI1:** Would you say he encourages teamwork? Would he interfere in that or would  
 40 he leave it, mostly if he asks the team for example; to come and work on a strategy.  
 41 Would he be involved in that or would he step aside?  
 42 **E3:** No, he would be involved. Ja, ja, ja.  
 43 **HI1:** 3. Would you rate your leader's style as:  
 44 a) Autocratic (Explain as more top to bottom)  
 45 b) Democratic (Explain as joint decisions)  
 46 c) More laissez faire (Explain as not very involved)  
 47 **E3:** He will allow anyone to be involved. (Um) He would give an opinion about a  
 48 decision or decisions that needs to be made but “ja” (um) probably more democratic.  
 49 I would say. I mean he would involve one of the cellar workers on the floor, he would  
 50 say, “but ... What do you say about this”? So he would listen to anyone's opinion.

- 51 **H11:** So you would say more B. Encouraging joint decisions?  
 52 **E3:** Yes  
 53 **H11:** But also a little bit "C"?  
 54 **E3:** He won't discuss ... If he wants to know something about the brand, what's  
 55 happening at the brand? Or, what it takes?  
 56 He won't necessarily come to me and say; "Hannes" Or ask me what's going on. He  
 57 will go straight to Kate or even to Laura and ask them; "Well how does this work?" or  
 58 "What's happening here?" or whatever. So his not ... Can I say, structure relevant or  
 59 structure wise. He does not work according to those authority levels. He is definitely  
 60 not so. He would walk into the wine maker's office, although they report to Martin. He  
 61 will walk into anyone office and ask them anything.  
 62 **H11:** So, that's not one of the questions, but you would say that he's got a open door.  
 63 **E3:** Ja, anyone can also walk into his office, if they have a problem. The comment  
 64 has been made by some people that he's got too much of an "open door" policy.  
 65 **Strategy**  
 66 **H11:** Okay, So the second part is to explore the context of leadership in terms of your  
 67 company's strategy.  
 68 **H11:** Describe your understanding of your company's strategy. (Just an exploratory  
 69 question)  
 70 **E3:** To grow the (um) South African market or let's (um) say build on the growth of  
 71 the South African market and to really focus on the international market and to make  
 72 a breakthrough on the international market. (Clearing throat)  
 73 **H11:** I can put in here sales. That's obviously referring to wine sales.  
 74 **E3:** From the production point of view, I'd say the strategy is very much to  
 75 continuously increase on quality and (um) win the right medals to assist the main  
 76 strategy.  
 77 **H11:** All of that is to grow South African wine market and breaking through. So it is all  
 78 supportive of that you would say?  
 79 **E3:** Ja  
 80 **H11:** Would you say your company is excellent, good, average or poor at strategic  
 81 planning?  
 82 **E3:** Well if we were excellent, we would have probably already broken through into  
 83 the international market. I would say that it is good.  
 84 We have made some progress especially when we can see it coming through now.  
 85 That's also as a result of the xxxxx merger. I mean we are very much dependant on  
 86 the Distell and on the international structure and strategy and we can see that we are  
 87 part of their (um) ... We are one of their main brands or focus brands for  
 88 international, and we can see the activities coming through  
 89 **H11:** Okay so you would say; good.  
 90 **H11:** Would you say your company is excellent, good, average or poor at strategy  
 91 execution?  
 92 **E3:** Well I think in strategy, part of building the local market, for instance is the  
 93 sparkling sauvignon that we launched, and I think that, that specific (um, um) "geval"  
 94 incident.  
 95 (um) It was actually executed very good. But then again if you look at international  
 96 executing strategy we were not that good.  
 97 **H11:** Okay, so would you say, sometimes good and sometimes average?  
 98 **E3:** Ja, but you see the problem is that we are not In total control of the execution.  
 99 Because when our main partner is our main shareholder and is our distribution or  
 100 responsible

101 for the distribution and marketing and sales and the international market it becomes  
102 very difficult to ... (phone rang, cannot hear a thing)  
103 **HI1:** So there are areas where you ... (Interrupted by Hannes)  
104 **E3:** There are areas where we as a company does not perform well on the strategic  
105 execution part, but I would say that the biggest problem of that part is the  
106 international,  
107 or let's call it structure and focus. There wasn't enough focus on "XXXXXXXXXX Hills"  
108 the brand "XXXXXXXXXX hills".  
109 **Leadership style perception**  
110 **HI1:** Do you think your leadership figure has the right style to facilitate the company  
111 strategy? Why / why not?  
112 **E3:** I think he's definitely got the right style for what we need at XXXXXXXXXXXX Hills.  
113 He has a big influence on people and I think that's actually his roll, to get our  
114 marketing and sales partner to perform. He is also a people's person and so he is  
115 very good with building relationships with people, with anyone.  
116 **HI1:** So you would say that his relationship skills makes his leadership style  
117 effective?  
118 **E3:** Yes  
119 **HI1:** Any other relevant comments or suggestions?  
120 **E3:** What I think would improve the performance?  
121 **HI1:** Yes, anything.  
122 **E3:** I would say the whole Distell's strategy with the new MD and all of that, we are  
123 very much focused on (um) let's call it; more scale brands, and big volume brands.  
124 There's a big focus (um) in the Distell because that's obviously from a logistical  
125 point, it's a price check point of view. It's a cheaper way of doing business and it's  
126 much more streamline.  
127 Very much cost effective. But if you want to be in the high price wine business then  
128 you can't expect to build a brand overnight and with big volumes.  
129 You must start with small volumes and then grow it and hope you grow it to a  
130 reasonable volume that is cost effective and I think we're still fighting very much with  
131 the new Distell leadership to get that. They don't understand the high price wine  
132 business and I do think that, that is a bit of a threat for us.  
133 **HI1:** Do you think that will influence your strategy execution, the fact that an external  
134 company has got that control, so it will influence your strategy execution.  
135 **E3:** Definitely, but I think we are slowly, but slowly winning. I think XXXXXX has  
136 changed some of their minds already. But not all of them.  
137 **HI1:** So you are saying he's got leadership influence over some areas but not all of  
138 the areas.  
139 **E3:** Not yet all of the areas. Some of them are just very difficult to get through.  
140 **HI1:** So it may sound like I am repeating myself but just to make sure I've got this  
141 point. So you would say a big threat is the fact that you don't have the control, that  
142 your leadership doesn't have the control over certain areas?  
143 **E3:** He has influence but he does not have direct control.  
144 **HI1:** So that's a big threat to your performance?  
145 **E3:** Yes, to our international strategy.  
146 **HI1:** Okay, that's it. Thank your very much.

- 1 **Employee Satisfaction Interview (Semi Structured guidelines)**  
 2 **Organisation 2 Employee 3 (O2E3)**  
 3 **Reflective notes**  
 4 **Head Interviewer 1 (HI1) Employee 3 (E3):**  
 5 (No fact value is needed– question is merely to establish participant and test for  
 6 understanding).  
 7 **HI1:** Please identify yourself and explain your position / responsibilities in the  
 8 organisation.  
 9 **E3:** Ek is xxxxx. Ek is die kommersiële bestuurder hier by xxxxx. Ek kyk na al die  
 10 finansies en logistiek, en dan rapporteer  
 11 die restaurant bestuurder, die “destination manager” en die “admin control” ook aan  
 12 my.  
 13 **HI1:** Wie is jou direkte ... Aan wie rapporteer jy?  
 14 **E3:** Aan xxx.  
 15 **HI1:** Okay, there are two themes that we are going to be looking at today, the first  
 16 theme is leadership, and second one is strategy, and how the two link up with each  
 17 other.  
 18 **Theme (Leadership)**  
 19 **HI1:** 1. Would you say you perceive your leadership figure (CEO/MD/Director) to be:  
 20 a) Someone, to make decisions alone and predominately give instructions?  
 21 b) Make decisions with co-workers, colleagues and other accountable employees?  
 22 c) Having very little interest/control over managers and subordinates?  
 23 **E3:** B  
 24 **HI1:** Make decisions with people?  
 25 **E3:** He makes decisions with people, but if he feels strongly he will (he will) make his  
 26 own decisions.  
 27 **HI1:** Okay, so at times he will go to A?  
 28 **E3:** Yes (agreeing noise)  
 29 **HI1:** So sometimes he will give instructions, when it's .... (Interrupted by xxx)  
 30 **E3:** If (if, if, if ...) the group or whoever doesn't come to a certain conclusion, he will  
 31 say, “okay, but this is how it is going to be”  
 32 **HI1:** Okay, so he will take charge?  
 33 **E3:** Ja  
 34 **HI1:** 2. Would you say your leadership figure is:  
 35 a) Controlling, mostly in charge of everything?  
 36 b) Encourages teamwork and participation?  
 37 c) Encouraging freedom and interfering as little as possible?  
 38 **E3:** He encourages participation and sometimes he will also encourage freedom.  
 39 **HI1:** Would you say he encourages teamwork? Would he interfere in that or would  
 40 he leave it, mostly if he asks the team for example; to come and work on a strategy.  
 41 Would he be involved in that or would he step aside?  
 42 **E3:** No, he would be involved. Ja, ja, ja.  
 43 **HI1:** 3. Would you rate your leader's style as:  
 44 a) Autocratic (Explain as more top to bottom)  
 45 b) Democratic (Explain as joint decisions)  
 46 c) More laissez faire (Explain as not very involved)  
 47 **E3:** He will allow anyone to be involved. (Um) He would give an opinion about a  
 48 decision or decisions that needs to be made but “ja” (um) probably more democratic.  
 49 I would say. I mean he would involve one of the cellar workers on the floor, he would  
 50 say; “but ... What do you say about this”? So he would listen to anyone's opinion.

- 51 **H11:** So you would say more B. Encouraging joint decisions?  
 52 **E3:** Yes  
 53 **H11:** But also a little bit "C"?  
 54 **E3:** He won't discuss ... If he wants to know something about the brand, what's  
 55 happening at the brand? Or, what it takes?  
 56 He won't necessarily come to me and say; "Hannes" Or ask me what's going on. He  
 57 will go straight to Kate or even to Laura and ask them; "Well how does this work?" or  
 58 "What's happening here?" or whatever. So his not ... Can I say, structure relevant or  
 59 structure wise. He does not work according to those authority levels. He is definitely  
 60 not so. He would walk into the wine maker's office, although they report to Martin. He  
 61 will walk into anyone office and ask them anything.  
 62 **H11:** So, that's not one of the questions, but you would say that he's got a open door.  
 63 **E3:** Ja, anyone can also walk into his office, if they have a problem. The comment  
 64 has been made by some people that he's got too much of an "open door" policy.  
 65 **Strategy**  
 66 **H11:** Okay, So the second part is to explore the context of leadership in terms of your  
 67 company's strategy.  
 68 **H11:** Describe your understanding of your company's strategy. (Just an exploratory  
 69 question)  
 70 **E3:** To grow the (um) South African market or let's (um) say build on the growth of  
 71 the South African market and to really focus on the international market and to make  
 72 a breakthrough on the international market. (Clearing throat)  
 73 **H11:** I can put in here sales. That's obviously referring to wine sales.  
 74 **E3:** From the production point of view, I'd say the strategy is very much to  
 75 continuously increase on quality and (um) win the right medals to assist the main  
 76 strategy.  
 77 **H11:** All of that is to grow South African wine market and breaking through. So it is all  
 78 supportive of that you would say?  
 79 **E3:** Ja  
 80 **H11:** Would you say your company is excellent, good, average or poor at strategic  
 81 planning?  
 82 **E3:** Well if we were excellent, we would have probably already broken through into  
 83 the international market. I would say that it is good.  
 84 We have made some progress especially when we can see it coming through now.  
 85 That's also as a result of the xxxxx merger. I mean we are very much dependant on  
 86 the Xxxxxx and on the international structure and strategy and we can see that we  
 87 are part of their (um) ... We are one of their main brands or focus brands for  
 88 international, and we can see the activities coming through  
 89 **H11:** Okay so you would say, good.  
 90 **H11:** Would you say your company is excellent, good, average or poor at strategy  
 91 execution?  
 92 **E3:** Well I think in strategy, part of building the local market, for instance is the  
 93 sparkling sauvignon that we launched, and I think that, that specific (um, um) "geval"  
 94 incident.  
 95 (Um) It was actually executed very well. But then again if you look at international  
 96 executing strategy we were not that good.  
 97 **H11:** Okay, so would you say, sometimes good and sometimes average?  
 98 **E3:** Ja, but you see the problem is that we are not In total control of the execution.  
 99 Because when our main partner is our main shareholder and is our distribution or  
 100 responsible

101 for the distribution and marketing and sales and the international market it becomes  
 102 very difficult to ... (phone rang, cannot hear a thing)

103 **HI1:** So there are areas where you ... (Interrupted by Hannes)

104 **E3:** There are areas where we as a company does not perform well on the strategic  
 105 execution part, but I would say that the biggest problem of that part is the

106 international,

107 or let's call it structure and focus. There wasn't enough focus on "XXXXXXXX XXXX"

108 the brand "XXXXXXXX XXXX".

109 **Leadership style perception**

110 **HI1:** Do you think your leadership figure has the right style to facilitate the company  
 111 strategy? Why / why not?

112 **E3:** I think he's definitely got the right style for what we need at XXXXXXXX XXXX. He  
 113 has a big influence on people and I think that's actually his roll, to get our marketing  
 114 and sales partner to perform. He is also a people's person and so he is very good  
 115 with building relationships with people, with anyone.

116 **HI1:** So you would say that his relationship skills makes his leadership style  
 117 effective?

118 **E3:** Yes

119 **HI1:** Any other relevant comments or suggestions?

120 **E3:** What I think would improve the performance?

121 **HI1:** Yes, anything.

122 **E3:** I would say the whole XXXXX's strategy with the new MD and all of that, we are  
 123 very much focused on (um) let's call it; more scale brands, and big volume brands.

124 There's a big focus (um) in the XXXXX because that's obviously from a logistical  
 125 point, it's a price check point of view. It's a cheaper way of doing business and it's  
 126 much more streamline.

127 Very much cost effective. But if you want to be in the high price wine business then  
 128 you can't expect to build a brand overnight and with big volumes.

129 You must start with small volumes and then grow it and hope you grow it to a  
 130 reasonable volume that is cost effective and I think we're still fighting very much with  
 131 the new XXXXX leadership to get that. They don't understand the high price wine  
 132 business and I do think that, that is a bit of a threat for us.

133 **HI1:** Do you think that will influence your strategy execution, the fact that an external  
 134 company has got that control, so it will influence your strategy execution.

135 **E3:** Definitely, but I think we are slowly, but slowly winning. I think XXXXX has  
 136 changed some of their minds already. But not all of them.

137 **HI1:** So you are saying he's got leadership influence over some areas but not all of  
 138 the areas.

139 **E3:** Not yet all of the areas. Some of them are just very difficult to get through.

140 **HI1:** So it may sound like I am repeating myself but just to make sure I've got this  
 141 point. So you would say a big threat is the fact that you don't have the control, that  
 142 your leadership doesn't have the control over certain areas?

143 **E3:** He has influence but he does not have direct control.

144 **HI1:** So that's a big threat to your performance?

145 **E3:** Yes, to our international strategy.

146 **HI1:** Okay, that's it. Thank you very much.

- 1 **Employee Satisfaction Interview (Semi Structured guidelines)**  
 2 **Organisation 2 Employee 4 (O2E4)**  
 3 **Reflective notes**  
 4 **Head Interviewer 1 (HI1) Employee 4 (E4):**  
 5 (No fact value is needed– question is merely to establish participant and test for  
 6 understanding).  
 7 HI1: Please identify yourself and explain your position / responsibilities in the  
 8 organisation.  
 9 E4: Okay. My Name is xxx. I'm the wine maker responsible for the making of red  
 10 wine at xxx.  
 11 HI1: Okay, there are two themes that we are going to be looking at today, the first  
 12 theme is leadership, and second one is strategy, and how the two link up with each  
 13 other.  
 14 Theme (Leadership)  
 15 HI1: 1. Would you say you perceive your leadership figure (CEO/MD/Director) to be:  
 16 a) Someone, to make decisions alone and predominately give instructions?  
 17 b) Make decisions with co-workers, colleagues and other accountable employees?  
 18 c) Having very little interest/control over managers and subordinates?  
 19 E4: B. definitely.  
 20 HI1: Okay, mostly co – decisions ...  
 21 HI1: 2. Would you say your leadership figure is:  
 22 a) Controlling, mostly in charge of everything?  
 23 b) Encourages teamwork and participation?  
 24 c) Encouraging freedom and interfering as little as possible?  
 25 E4: I would say... (It, it) it will be a combination for me, between A and B.  
 26 HI1: So you would say he is mostly in charge sometimes and other times he is  
 27 encouraging?  
 28 E4: Well ... When the situation (um) sort of seems to be out of hand, he will be in  
 29 charge.  
 30 Otherwise he encourages teamwork (um) in terms of making blends and (um)  
 31 looking after VIP's or whatever.  
 32 HI1: Okay, so he can adapt?  
 33 E4: Ja  
 34 HI1: 3. Would you rate your leader's style as:  
 35 a) Autocratic (Explain as more top to bottom)  
 36 b) Democratic (Explain as joint decisions)  
 37 c) More laissez faire (Explain as not very involved)  
 38 E4: I would say a combination between B and C. (Um) Mostly democratic. But also  
 39 (um) in the odd case ... He doesn't want to know about it ... You're in charge. Just  
 40 do it, get it finished. But mostly democratic.  
 41 HI1: Okay, So the second part is to explore the context of leadership in terms of your  
 42 company's strategy.  
 43 Strategy  
 44 HI1: Describe your understanding of your company's strategy. (Just an exploratory  
 45 question)  
 46 E4: Ooooh, uhm. Wel ek meen die strategie is hier om 'n produk in die mark te  
 47 lewer, een waarvan hulle hou.  
 48 Om te sorg dat die produk betyds "mark reg" is, sodat hulle nie uit voorraad uit  
 49 hardloop nie.  
 50 HI1: Baie gemik op die verbruiker, wat jy sê?

- 51 E4: Ja, ek meen dit is maar die person wat ons aan die gang hou. Dit is die twee  
52 goed wat ek aan kan dink.
- 53 HI1: Would you say your company is excellent, good, average or poor at strategic  
54 planning?
- 55 E4: I would say good because just from a wine making point view (um) we rely on  
56 planning to make our wines ready for bottling and that  
57 normally goes very smooth. So I would say between good and average. I would say  
58 there is always the "odd hiccups".
- 59 HI1: Would you say your company is excellent, good, average or poor at strategy  
60 execution?
- 61 E4: I would say (uhh) average.
- 62 HI1: Okay why would you say that?
- 63 E4: Oh, it's just (um) it's just (ag) the last couple of weeks. Just in terms of (um)  
64 things around labels and bottle sizes and things that went wrong (um) things that's  
65 been decided and then the bottling starts and the wrong bottles is there. So  
66 somewhere something slipped
- 67 HI1: Miscommunication?
- 68 E4: Ja.
- 69 HI1: Would you say communications plays a role there?
- 70 E4: Definitely. A big role.
- 71 Leadership style perception
- 72 HI1: Do you think your leadership figure has the right style to facilitate the company  
73 strategy? Why / why not?
- 74 E4: (Uh) I think his got the right make-up (um) and I specifically talked about the  
75 strategy, when I talk about strategy; the customer, he's very  
76 aware of the product that's going out. He is up to speed with everything. (Um) target  
77 market, whatever. He knows what's happening out there.
- 78 HI1: Any other relevant comments or suggestions?
- 79 E4: (Uh) (um) Maybe not in terms of Xxxxxx. (Um) Maybe in terms of line  
80 management down. Somewhere in our setup. There is sometimes a link missing.  
81 So something will stop, somewhere, here (Laughing) and then it just completely lost  
82 and you miss a deadline or whatever. Or it's a rush.
- 83 HI1: So between Xxxxxx, between the MD and, lets say "lower level" management  
84 there is sometimes a gap?
- 85 E4: Yes, something gets lost. I think that's exactly what you explained.
- 86 HI1: Strategy implementation gap, ja. It sounds like it's got a lot to do with  
87 communication in this instance.
- 88 E4: Ja
- 89 HI1: Okay, that's it. Thank your very much and thank you for your participation.

1 **Employee Satisfaction Interview (Semi Structured guidelines)**  
2 **Organisation 2 Employee 5 (O2E5)**  
3 **Reflective notes**  
4 **Head Interviewer 1 (HI1) Employee 5 (E5):**  
5 (No fact value is needed – question is merely to establish participant and test for  
6 understanding).  
7 **HI1:** Please identify yourself and explain your position / responsibilities in the  
8 organisation.  
9 **E5:** Um morning. My name is xxxx. I was the supervisor and now I'm promoted to  
10 the cellar controller. I see myself as the link  
11 between the winemakers and the guys on the floor. To see that they execute the  
12 task they get from the winemakers.  
13 **HI1:** Okay, there are two themes that we are going to be looking at today, the first  
14 theme is leadership,  
15 and second one is strategy, and how the two link up with each other.  
16 **Theme (Leadership)**  
17 **HI1:** 1. Would you say you perceive your leadership figure (CEO/MD/Director) to be:  
18 a) Someone, to make decisions alone and predominately give instructions?  
19 b) Make decisions with co-workers, colleagues and other accountable employees?  
20 c) Having very little interest/control over managers and subordinates?  
21 **E5:** (Um) Is the question regarding xxxx, who is our MD now?  
22 **HI1:** Yes.  
23 **E5:** What we've done here is, we three levels where we have meetings. We have a  
24 level one meeting, which we have every morning with the guys on the cellar floor.  
25 Every concern of the guys on the floor must come out there. Every Friday we have a  
26 meeting with Martin. All the managers (um) and that is level two. So if there is a  
27 concern on the floor, it comes up to level two for discussion on Friday Morning. On  
28 Monday, I try to give feedback to the guys. If there is something that I have to bring  
29 up in the meeting on Friday, then I give feedback on Monday. So if the problem is  
30 not resolved on level two, then once a month we have a meeting with xxx. That we  
31 call the problem to the level three meeting and then we discuss it.  
32 **HI1:** So you work with these colleagues?  
33 **E5:** Yes and xxx is a guy who (um) likes to find out how the guys are feeling on the  
34 floor.  
35 **HI1:** So would you say Xxxmakes decisions with his colleagues?  
36 **E5:** Yes  
37 **HI1:** 2. Would you say your leadership figure is:  
38 a) Controlling, mostly in charge of everything?  
39 b) Encourages teamwork and participation?  
40 c) Encouraging freedom and interfering as little as possible?  
41 **E5:** (Um) I would say B, encouraging teamwork.  
42 **HI1:** 3. Would you rate your leader's style as:  
43 a) Autocratic (Explain as more top to bottom)  
44 b) Democratic (Explain as joint decisions)  
45 c) More laissez faire (Explain as not very involved)  
46 **E5:** (Ahhh) (\*\*\*\*) That is now on our level, so B.  
47 **HI1:** More democratic?  
48 **E5:** (Agreement sound)  
49 **Strategy**

- 50 **H11:** Okay, So the second part is to explore the context of leadership in terms of your  
 51 company's strategy.
- 52 **H11:** Describe your understanding of your company's strategy. (Just an exploratory  
 53 question)
- 54 **E5:** (um) There I will say, that there is a little bit of a lack. From the top - down it is to  
 55 tell the guys on the floor the strategy. Where you want to be and stuff like that. I think  
 56 that there is a little bit of a lack in that.
- 57 **H11:** In communication?
- 58 **E5:** Yes
- 59 **H11:** Would you say your company is excellent, good, average or poor at strategic  
 60 planning?
- 61 **E5:** You see on a level three meeting, they talk about the strategies and stuff. But  
 62 most of the time I'm not part of the level three meeting because of the things that  
 63 happen in the cellar and then I have to be here. That is why I miss a bit there.
- 64 **H11:** So would you say your company is excellent, good, average or poor at  
 65 planning?
- 66 **E5:** I would say good, because of their position in the market and stuff. That's why.
- 67 **H11:** Would you say your company is excellent, good, average or poor at strategy  
 68 execution?
- 69 **E5:** I would say, yes.
- 70 **H11:** So would you say average, poor, excellent or good? Just how you perceive it.
- 71 **E5:** (aaaah thinking) I would say, average. You see, I wouldn't say good because  
 72 sometimes plans does not get executed well.
- 73 **H11:** So some plans "fall through the cracks"?
- 74 **E5:** Ja, that is life, you see ... (giving a short laugh)
- 75 **Leadership style perception**
- 76 **H11:** Do you think your leadership figure has the right style to facilitate the company  
 77 strategy? Why / why not?
- 78 **E5:** (uhhh) (pauses) Um, I would say, yes.
- 79 **H11:** Why do you say yes? What do you like about his leadership style?
- 80 **E5:** Because he is open and always lets everybody be on par, before he executes  
 81 his stuff.
- 82 **H11:** Any other relevant comments or suggestions?
- 83 **E5:** (Um) I would say be bold in conflict handling. That's what I would say. You see,  
 84 because you are the top leader. So if there is something  
 85 that is not like (um ...) Hy moet kan sê; "Jis, boys. Dit is hoe ons dit gaan doen." Die  
 86 ou kry hulle in en praat om 'n tafel en "sort" die storie uit.
- 87 **H11:** Ja. Moet nie dit vermy nie.
- 88 **E5:** daarsy, moet nie sirkels rondom die goed hardloop nie en "always" te los vir julle  
 89 om dit uit te "sort" maar "meantime" is daar 'n senior hand nodig om die dinge te  
 90 "supervise" of te "guide" of iets soos dit.
- 91 **H11:** Is there anything else you would like to add to that?
- 92 **E5:** No, that is my only concern on the moment.

1 **Leadership Interview (Semi Structured guidelines)**

2 **Organisation 2 Leadership 1 (O2L1)**

3 **Reflective notes**

4 **Head Interviewer (HI1) Leadership (L1)**

5 HI1: Give a short background of yourself and role in company. (Who are you,  
6 position and time in current position, responsibilities).

7 L1: All right, xxx, managing director of xxxx. I've been in the liquor industry for ...  
8 (Oh where are we now? 95 ... Laughing) 21 years. (Chuckles) All in different roles,  
9 ranging from,

10 human resources, development, projects, logistics, local distribution and then current  
11 role, really looking at the total value chain. From actually the supplier chain inside,  
12 from where we growing grapes

13 to where we process grapes, we make wine, we work with the sales marketing, right  
14 through, until the end consumer. Be it from the shelves or buying it from the wine list.  
15 So ... That's more or less ... what

16 HI1: (Chuckles) so alles.

17 HI1: Give a short description of your responsibilities with regards to strategic  
18 planning?

19 L1: No, I think that the bottom line is, my responsibility is to sit down with xxxx with  
20 role players. Ranging from the shareholders, from the supplier's side, from grape  
21 grower's shareholders, to the other shareholders, which actually  
22 delivers the marketing sales, the distribution ... etc. My job is to get the whole role  
23 players around the table and to develop a strategy for xxxxxx and to ensure that  
24 there is buy in from all this, shareholders as well as,  
25 the service suppliers, to remind towards that vision, the strategy.

26 HI1: Give a short description of your responsibilities with regards to strategy  
27 implementation?

28 L1: I think because it's actually a very young company and especially with our  
29 development and new territories we try to break into the international world. I am  
30 actually more involved with the practical  
31 implementation and driving it. I, I think I'm supposed to be (laughter) but that is what  
32 is needed at the moment because I think there's a lot of themed strategic planning  
33 from our side but then there's  
34 also the xxxxxx, that is our other partner and they also have strategic plans and  
35 within that plan I need to ensure there's enough focus for xxxxxx and that forces a  
36 matter of execution.

37 L1: And maybe we will get to that, but I think sometimes we got carried away with  
38 leadership, that we forget execution is part of leadership. Because ... Ag, we can  
39 cover it now or we can cover it later,  
40 but one of the things that made an impact on me, on leadership, was that whole  
41 transformational leadership versus the transactional leadership. Where at one point  
42 in time it was always "management compared  
43 to leadership" was made out to be "sexy" and I think it may be very controversial, but  
44 I think so much emphasis has been put just on leadership and transformation that we  
45 forgot a lot the good basics  
46 of management principles that actualize you to implement strategy and to implement  
47 and make things work. Because that is where a lot of "is fertilized?"

48 L1: If you go and look at the last 30 years, what's been written. It's all leadership. It is  
49 creating the vision, it's creating the energy, it's painting the future. But I haven't seen  
50 enough of achievement, but hard work

51 after that, to make it work. And I think people got lazy (chuckles) and I think they  
52 don't work. It's too easy to sit and say "now you have to please just strategies," I  
53 think it's sometimes used as an excuse for not  
54 working hard. (chuckles) But "ja", But it's a fine line. It's a fine line. Obviously, you  
55 need to work internal, but I think when they collected the implementation side.  
56 HI1: So if I say, in your opinion, planning is over emphasized and execution is under-  
57 emphasized? (Looking at the bigger picture)  
58 L1: If I just take the amount of planning we're doing. If you open your diary for the  
59 next six months. Then the amount of clothing that's already in there and every two  
60 weeks it's a new project, and it's a new this,  
61 and it's a new that, and it's a change here. I don't think we give ourselves enough  
62 time to actually implement. Half way through implementation it's something new,  
63 somewhere again. And I think that's why we fail  
64 in so many implementations. It's just we don't push through. We don't ... Ag, I've  
65 listened to Johan van Zyl, Sanlam's CEO. He made it so simple. He said when he  
66 arrived at Sanlam, there was a strategy. He asked a  
67 few questions and he just realized that they cannot make this work, things have  
68 changed, and he challenged. He said; "let's go back to the core, what are the five  
69 things that will give me, 80% insurance, that I'm  
70 doing the right thing?" and he stuck to that, he stuck to that! Despite all the noise  
71 around him. All the opposition and competition to him. Because he said; because he  
72 had the confidence. Those are five things he  
73 had to do, and he did for 4 years and he paid off.  
74 HI1: So you think lack of focus is something that could ...  
75 L1: I think it's easy, just to not push through with, you have to decide, these are the  
76 things that count. I need to make this work and then you need to persevere, I think  
77 sometimes we mistake changes  
78 in the environment and changes in competition, we must think that we are actually  
79 not doing the right thing anymore. But you must be confident in what you do and  
80 ensure you execute properly. And then, you  
81 will see the results. But I do think the way the world works these days is "everything  
82 just changes, all the time"  
83 HI1: Yes, people get, they call it far changed syndrome (or something like that). They  
84 are changing for the sake of changing.  
85 L1: Ja, Ja. And I think the whole world is revolved around corporate governance and  
86 people taking accountability and so many things that you have to be audited for, that  
87 people try to cover themselves with a lot  
88 of things. If you're not seen as changing all the time, your "brand" with this. I think  
89 we've gone the wrong way there. I think that is why implementation struggles and the  
90 strategy shows it.  
91 And terrible at the implementation. (laughing)  
92 HI1: Yes, it's shocking to think about the money and resources wasted on, on  
93 planning. It's massive.  
94 L1: Ja, I can quote you; seriously exhausted with this (laughing and HI1 agreeing)  
95 HI1: The next question might sound strange: Do you think you are successful? Why  
96 or why not?  
97 L1: Sometimes (laughing) successful and sometimes not so successful. No, I think  
98 what we've done with , especially transforming the whole way we've done things  
99 there at the brand home

100 and how we've created something there. That, in 3 years time, we've doubled the  
 101 feet through our facility and growth that came with the brand. Because it's not the  
 102 only thing, we've done a few other things as well,  
 103 like repositioning the "brand" in terms of where we play, how we play, what the brand  
 104 is all about. Um, ja I don't think we are as successful as we want to be in the  
 105 international world but ja. I think There is a lot  
 106 of reasons in terms of why. So I think it's some various successful and some various  
 107 ... Still things to work on.

108 Theme (Leadership Style)

109 Leadership style (As per Lewin Autocratic/Democratic/Laissez Faire) (Explain to  
 110 participants and confirm understanding)

111 HI1: 1. Do you see yourself more as:

112 a) Giving instructions – showing the way?  
 113 b) Making decisions jointly with key staff?  
 114 c) Allowing freedom and staff to operate independently?

115 L1: If I can answer it in this way, I believe you need to call into the situation, so  
 116 sometimes, there's a need to instruct and that all depends on if your situation is, is,  
 117 uncertain or very certain. If your people on  
 118 that team are very competent. Or very willing to do it. So yes, I think being able to  
 119 judge the situation is probably the most important thing. Read the people that you  
 120 need to work with on specific things and then  
 121 adjust your style. It can't be one style that works. But if you ask me my natural style,  
 122 my natural style would be to surround myself with people that are a lot brighter than  
 123 myself and competent and willing and (and,  
 124 and, and, and, and) guide, but step back and let them "run" with it. That's what I'm  
 125 comfortable with.

126 HI1: I understand, so ..., joint?

127 L1: Joint, but I'm also willing to step back. "Totally" if we've given the vision and I can  
 128 see that ...

129 HI1: Okay, so almost ... Laissez Faire?

130 L1: Um, I think that's too far ... (Laughing together) I'm too involved ...

131 HI1: Okay, so more to the democratic?

132 L1: Yes, more to the democratic.

133 L1: I think some of them will say I'm not. But it would be because of the situation.

134 HI1: Just to add to that: 2. Do you encourage:

135 a) Individual accountability?  
 136 b) Group work, team performance?  
 137 c) Creativity, freedom to look for solutions?

138 L1: Freedom to look for solutions. But that you can only do through empowering.  
 139 Because then the others will happen automatically, but if you can get people that is;  
 140 "willing, able and allowed" I always use that term.  
 141 To me that is; if you are willing, able and allowed. Then the rest will happen.

142 HI1: 3. In which way are you more likely to communicate strategy:

143 a) Communicate decisions from top management levels?  
 144 b) Discover, brainstorm strategy with your team?  
 145 c) Facilitate strong feedback after strategy decisions?

146 L1: Brainstorm ... But you need to communicate from the "top – down" otherwise,  
 147 how will they know what it is? But if they take that and digest that, put it into action  
 148 plans. In a language that we all  
 149 understand, that speaks to what you do.

150 HI1: So would you say a combination of, top management and making them part of  
 151 the brainstorm?  
 152 L1: Yes.  
 153 Theme (Employee satisfaction)  
 154 Employee satisfaction:  
 155 HI1: Do you think your employees view you as:  
 156 a) Autocratic  
 157 b) Democratic  
 158 c) Free Reign  
 159 L1: Democratic ...  
 160 HI1: Do you think your employees prefer you being:  
 161 a) Autocratic  
 162 b) Democratic  
 163 c) Free Reign  
 164 L1: Um, I don't think they would have a problem. I think it would lean more towards;  
 165 "Leave us alone" (laughing)  
 166 HI1: So can I say they prefer you to be Laissez Faire?  
 167 L1: Well, I don't need to lean over their shoulder's "in general". If you ask them they  
 168 will probably say I interfere to much. (laughing) (talking much more quietly)  
 169 Theme (Strategy and  
 170 HI1: Who do you think is ultimately responsible for strategy implementation?  
 171 performance).  
 172 L1: The leader, the leader is ultimately responsible.  
 173 HI1: Okay, so the top leadership figure remains responsible and accountable?  
 174 L1: I Die ding is die; "vis vrot van sy kop af." (Chuckle) So, I mean it's from all sides.  
 175 Everyone is responsible. But if it's not happening, a true leader cannot sit and say;  
 176 "I've done my job effectively".  
 177 HI1: In your opinion it starts "there" and finishes "there" The leadership?  
 178 L1:(agreeing)  
 179 HI1: Do you think there might be a gap between your companies' strategic plan and  
 180 execution? (Explain answer?)  
 181 L1: There are gaps, there are in certain parts of the strategy. There are definitely  
 182 gaps. I can vouch for that because we should have been further down the line in  
 183 terms of our international business,  
 184 so there are a lot of reasons, that's not important now. But the fact is that there are  
 185 gaps.  
 186 HI1: Do you think the gap has anything to do with leadership styles – explain  
 187 why/why not?  
 188 L1: There is a big component because it is ultimate, as I said, the leader's  
 189 responsibility to strategies and to ensure strategies are executed. So if there are  
 190 gaps, it's got to do with leaderships. It is your job to sort  
 191 out or identify wat is causing the gaps. It's the leader's job to, to close the gap.  
 192 Whatever it requires, it is the leader's job to fix it. (ah) It's the team's responsibility, of  
 193 cause, but ultimately it is back to the leader to  
 194 say, listen we're supposed to be 60 degrees north and we are 90 degrees north. You  
 195 are supposed to pick that up before the team picks it up because that's why you  
 196 have to look from the top and see that helicopter  
 197 view and your job is to fix that gap. Preferably, you would like your team to feel that  
 198 they have done it, that's the best way of building a company. So that they can fix it  
 199 themselves. It's not a leadership to say;

200 "I've seen it or I've done it" The leadership must guide the team and sometimes  
201 teams can guide themselves but they need the leader to softly ... Make sure they  
202 stay on the right track.

203 HI1: Do you think your leadership style influence employee satisfaction and/or  
204 performance in any way? (Positive or negative).

205 L1: Okay, I would say 100%

206 HI1: Okay, so I can say 100%? For you leadership's style is crucial?

207 L1: Crucial, yes

208 L1: I've seen in great performing teams turn to miserable non performing teams, by  
209 changing leadership.

210 HI1: Do you think the strategy implementation gap is generally an issue in your  
211 industry or not? (Performance issues?)

212 L1: I think within the industry, with great leadership, but I do think you work with  
213 stakeholders that have got such a big influence on our industry that there's a total  
214 lack of leadership. If you just think our  
215 government's support around our export strategy and tariffs and making it easier for  
216 brands of South Africa to be out there in the world. If it was not for leadership within  
217 our government, we could have gotten  
218 so much further. And once again, is it then back to the leadership within the  
219 industry... Should we have done more or been more proactive and more inclusive?  
220 Yes, obviously it goes both ways.

221 HI1: So you would say the strategy implementation gap is an issue?

222 L1: It's an issue in the industry. I mean look at South African wine industry, look at  
223 the market shares, compared to Italy, compared to New Zealand? So we are not  
224 where we are supposed to be.

225 HI1: So it is an issue, but in your opinion part of the performance issue can be solved  
226 with better leadership.

227 L1: And that's the cardinals of leadership.

228 HI1: Is there anything else that you think could or could not play a role in  
229 performance?

230 L1: I think there are so many things. First of all is that, you work with individuals and  
231 they are all motivated by different things. We're working with very interesting  
232 generation gaps at the moment.

233 From the "baby boomers" to the "gen x's" to the "Millennials" They are SO different in  
234 terms of what makes them tick, and to find the leadership style that suits everyone is  
235 impossible. That becomes more and more  
236 of a challenge. So, yes. That in itself is (is, is, is, is) making it really challenging these  
237 days to get performance and give job satisfaction to everyone. Because whatever  
238 you do, there are certain things where you need  
239 to be the same for everyone, you cannot have 5 people working in the same  
240 environment saying; "I want the office, I want the open plan, I want a clock, I don't  
241 want a clock, trust me." Practical things.

242 Different motivational needs. They are obviously at different periods in their career,  
243 so different things, drive different people. Where are you in your career? Middle,  
244 beginning or maybe a little bit more settled  
245 down. And special circumstances, as I've seen in the past two years where people  
246 went through different things like divorces and family issues.

247 HI1: Would you say those things play a big role?

248 L1: Huge, huge, huge role and securities. The bottom line is; "can I pay all my bills  
 249 this month?" "Will I be able to provide for the needs of my children's education,  
 250 clothes etc.?" And those things, I think  
 251 people are more aware of their own roles as leaders. Whether it's in the family. I  
 252 think 50 years ago, and I'm talking about South African culture. I think 50 years ago it  
 253 was very simple. Someone is in a position  
 254 of authority and you listen to that person and whatever you do is your work!  
 255 (laughter) I think great things will happen if people say; "listen, I'm not on this earth  
 256 only to work, to give my whole life to a company, or to  
 257 a boss, or whatever." And actually have a much broader life, and I need to service all  
 258 those aspects of my life as well. So that quality of life, your personal needs, your  
 259 family's needs, your "geestelike" needs,  
 260 your cultural needs, all those things. I think people feel a lot stronger about that, I  
 261 think people prioritize very differently. So that brings its own challenges but I think a  
 262 lot of good come out of that. You as a leader  
 263 identify those things and create that in the environment and I think you can see a big  
 264 difference from a committed, performing, happy team. Other than some people just  
 265 disengaging  
 266 and like "yeah they are, there but they're not really happy about this"  
 267 HI1: They are there but they might not be present?  
 268 L1: Yeah, they are not present.  
 269 HI1: You say that, something that could, or could not play a performance is a whole  
 270 individual as a total human being and what motivates him and what upsets him and  
 271 that job satisfaction needs  
 272 to be addressed as a whole, otherwise their performance is going to be variable or  
 273 non-existent or whatever.  
 274 L1: (Agreeing with HI1, while she was talking)  
 275 L1: (Talking, not audible) Just don't give her more than what she needs, That is what  
 276 she wants to do. She is happy with that and I can't think of anyone else who can do  
 277 better, she's incredible.  
 278 Then if the person right next to her, ... doesn't come and give her something new  
 279 every week. She is going to create chaos, (laughter) and it's just an example of  
 280 understanding who you are and understanding the  
 281 people that you work with. How do you get them to become the best that they can  
 282 be?  
 283 HI1: That would obviously play a huge role on your company's strategy  
 284 implementation?  
 285 L1: For sure. If you don't put the right people at the right tasks.  
 286 HI1: So the circumstances for them is going to be....  
 287 L1: A disaster.  
 288 HI1: Okay, that's interesting. A new angle for me. More writing, thanks. (laughing  
 289 together)  
 290 HI1: Anything else that you think I should notice, you think, in terms of leadership  
 291 styles? Or any questions on anything I've asked?  
 292 L1: Nee, ag, dit is net so. It has obviously been a topic that has been covered over  
 293 the years. There is such a lot of angles and I just think sometimes we can also over  
 294 complicate things.  
 295 HI1: Definitely

## ***ORGANISATION 3***

1 **Employee Satisfaction Interview (Semi Structured guidelines)**  
2 **Organisation 3 Employee 1 (O3E1)**  
3 **Reflective notes**  
4 **Head Interviewer 1 (HI1) Employee 1 (E1):**  
5 (No fact value is needed– question is merely to establish participant and test for  
6 understanding).  
7 **HI1:** Please identify yourself and explain your position/responsibilities in the  
8 organisation  
9 **E1:** Okay, I'm the PA for the CEO. Who used to be the CEO for xxx. (Um) and also  
10 for the CFO of the company, which are a holding company. (Um) "ja" that's basically  
11 my role.  
12 **HI1:** And you are xxxx?  
13 **E1:** Yes  
14 **HI1:** How long have you been with the company?  
15 **E1:** 4 years.  
16 **Theme (Leadership)**  
17 **HI1:** 1. Would you say you perceive your leadership figure (CEO/MD/Director) to be:  
18 a) Someone, to make decisions alone and predominately give instructions?  
19 b) Make decisions with co-workers, colleagues and other accountable employees?  
20 c) Having very little interest/control over managers and subordinates?  
21 **E1:** B  
22 **HI1:** Okay, make decisions with other people?  
23 **E1:** "Ja"  
24 **HI1:** 2. Would you say your leadership figure is:  
25 a) Controlling, mostly in charge of everything?  
26 b) Encourages teamwork and participation?  
27 c) Encouraging freedom and interfering as little as possible?  
28 **E1:** B  
29 **HI1:** Okay. So he encourage teamwork? "Always or mostly" encourage teamwork?  
30 **E1:** Mostly  
31 **HI1:** 3. Would you rate your leader's style as:  
32 a) Autocratic (Explain as more top to bottom)  
33 b) Democratic (Explain as joint decisions)  
34 c) More laissez faire (Explain as not very involved)  
35 **E1:** B  
36 **HI1:** Okay, joint decisions?  
37 **E1:** (Mm, agreeing voice)  
38 **Strategy**  
39 **HI1:** Describe your understanding of your company's strategy. (Just an exploratory  
40 question)  
41 **E1:** Ja, obviously to, to ... (um) export internationally. It used to be that they need the  
42 brand (um) out there "overseas" so internationally and that was also the biggest  
43 problem, it is to get the brand (um) out in there, (countries overseas), but also have a  
44 support base in South Africa for that "specific", especially when it comes to the  
45 brandy. So (um) ja. The main focus was to get the brand (um) all over the world (um)  
46 and get people to buy into premium brands. Because that's the problem. You want  
47 the brand to be premium all the time. "You know", to have that connection, but it is in  
48 a very difficult (um) (um) place to be because people don't normally have the money  
49 or they don't care. It's challenging. So they don't really care as long as "you know" it

- 50 fits the brands you have. So the thing is that they want to keep the brand premium  
 51 but still make money and get it to sell.
- 52 **H11:** So there was a focus on profit.
- 53 **E1:** Yes
- 54 **H11:** Would you say your company is excellent, good, average or poor at strategic  
 55 planning?
- 56 **E1:** Average
- 57 **H11:** Okay, Any reasons you would think? Anything
- 58 **E1:** (Ja ... Hey ... Sighing loudly) Maybe we still didn't get there "you know" or not  
 59 getting there yet, with the right (pausing) strategy.
- 60 **H11:** Okay, this should most suitable ...
- 61 **E1:** (Mm. Agreeing voice)
- 62 **H11:** Would you say your company is excellent, good, average or poor at strategy  
 63 execution?
- 64 **E1:** Also average
- 65 **H11:** Okay, so would you also feel that they don't always follow through?
- 66 **E1:** They don't follow through, yeah.
- 67 **Leadership style perception**
- 68 **H11:** Do you think your leadership figure has the right style to facilitate the company  
 69 strategy? Why/why not?
- 70 **E1:** He ... (Sjoe, sighing) I think he's got the right (pausing ..... ) style. He can come  
 71 over as someone (um) that's got his own views and not really listening. "You know" if  
 72 he's got his head on a certain thing,  
 73 it would take a lot of convincing (uh ...) to make him understand why a certain thing  
 74 can not work. (Um) he, he ... as long as you have the right argument he will listen, no  
 75 doubt. He will listen, but then you must have a  
 76 good argument. So (um) he is a people person. "You know", he can communicate.  
 77 But the thing is with Xxxxx. He is a CA and "you know" there's not many CA's that  
 78 can do, I think that. (um sighing again).  
 79 Not that he's not suitable for the job. But you don't get them to be CEOs of  
 80 companies. Not CA's. Because they've got different views and ways and "you know".  
 81 Financial things for him is very good. "You know". He will first make sure that it  
 82 makes financial sense (um) and that's maybe sometimes the problem. He focuses  
 83 too much on the financial side and not looking at the other reasons. "You know"
- 84 **H11:** Okay, no I understand completely what you mean.
- 85 **H11:** So sometimes it appears as, he's not giving enough attention to the people  
 86 doing the job, it's not his intention but it happens?
- 87 **E1:** (yeah, yes, nodding, agreeing tone)
- 88 **E1:** Because he is "figure orientated" as well, "you know?" He will be argumentative.  
 89 "You know?"
- 90 **H11:** That's the perception?
- 91 **E1:** Yeah
- 92 **H11:** I understand.
- 93 **H11:** Any other questions: Any other relevant comments/suggestions?
- 94 **E1:** The thing is "you know" Once they have decided on a strategy and he now  
 95 builds into it and "you know" he's (um) Then he is leaving it to the management team  
 96 to follow through and execute.
- 97 And then there's "You know" ... He expects them to, to (um) run with that. So I would  
 98 think that if he can stay more involved in the execution side of the plan. It might.
- 99 **H11:** More accountable?

100 **E1:** Ja, because a few months later or down the line certain things haven't been  
101 done, hasn't been met or whatever and then it's actually too late or it been delayed  
102 or whatever. So maybe stay more involved in the execution part. Um, I know it's not  
103 always possible but.

104 **HI1:** Or there could be a way he could "better" manage it?

105 **E1:** Yeah

106 **HI1:** No, I understand completely. Thank you very much and thanks again for  
107 participating in the study.

1 **Employee Satisfaction Interview (Semi Structured guidelines)**  
2 **Organisation 3 Employee 2 (O3E2)**  
3 **Reflective notes**  
4 **Head Interviewer 1 (HI1) Employee 2 (E2):**  
5 (No fact value is needed– question is merely to establish participant and test for  
6 understanding).  
7 HI1: Please identify yourself and explain your position/responsibilities in the  
8 organisation  
9 E2: My name is xxxx . I'm the manager for Emporium at xxx and Sensorium. So  
10 basically it's my responsibilities include, anything containing to the Emporium  
11 ensuring the team is happy, sales, customers, satisfaction, anything ...  
12 Containing to the Emporium and Sensorium.  
13 Theme (Leadership)  
14 HI1: 1. Would you say you perceive your leadership figure (CEO/MD/Director) to be:  
15 a) Someone, to make decisions alone and predominately give instructions?  
16 b) Make decisions with co-workers, colleagues and other accountable employees?  
17 c) Having very little interest/control over managers and subordinates?  
18 E2: It's really difficult for me to answer because I started in December and the new  
19 CEO also started in November.  
20 So I haven't personally met him. No major decisions have been made. So I can't  
21 really answer that.  
22 HI1: No, that's okay. I understand. That's absolutely fine.  
23 HI1: 2. Would you say your leadership figure is:  
24 a) Controlling, mostly in charge of everything?  
25 b) Encourages teamwork and participation?  
26 c) Encouraging freedom and interfering as little as possible?  
27 E2: Mine? No, I can answer that, Encourage teamwork and also give team members  
28 responsibility to do their job on their own.  
29 I'm not a control freak in the sense that I manage everyone. We are all adults and I  
30 expect that they know what is expected from them.  
31 HI1: 3. Would you rate your leader's style as:  
32 a) Autocratic (Explain as more top to bottom)  
33 b) Democratic (Explain as joint decisions)  
34 c) More laissez faire (Explain as not very involved)  
35 E2: What I've heard was that he's very involved. In the emails that we receive, he  
36 supplies different remarks on ... let's say, he went out to the trade throughout South  
37 Africa, he would go with the rep in every area for the day.  
38 So I think he's very involved in all levels and the communication is also very clear  
39 from the top to the bottom.  
40 That's what I've experienced so far. And when I see him, he is always friendly and  
41 greeting everyone. So I don't think he's got that like closed door policy.  
42 HI1: Okay, so that's important. So you can definitely see there's a top to bottom  
43 communication and you can see that there is democratic interaction?  
44 E2: Yes, I don't think it's an autocratic leadership style that he's got.  
45 HI1: Okay, so you are sure that he's not autocratic.  
46 E2: No, (um) (pausing slightly) Well he's got a board of executives that they need  
47 weekly. So I don't think it's autocratic. I think he is team...(Unclear).  
48 Strategy  
49 HI1: Describe your understanding of your company's strategy. (Just an exploratory  
50 question)

51 E2: Well, to be honest, no one has ever told me what our strategy is. I haven't  
52 received (um) an introduction to the strategy.  
53 So ... For the Emporium and Sensorium, it would be to sell as many as possible  
54 brands. Keep the client happy and we've got a brand image  
55 that we need to communicate to our clients and we've got a responsibility to the  
56 brand image.  
57 HI1: Okay, but you would say that it's a combination of sales and brand?  
58 E2: You know what, it's actually because new company board's scared of xxx .....  
59 You are aware of that (Interviewer agreeing) So I think the focus is also changing.  
60 But I'm not sure that they've implemented that strategy. They haven't communicated  
61 it yet.  
62 I'm sure the owners know and the top management knows. But it has not been  
63 decided, this is the way to go and action.  
64 HI1: You would say you in a changed management state?  
65 E2: There is definitely going to be a change in the focus of the way that we market  
66 our products. The markets.  
67 HI1: Okay so market change?  
68 E2: Ja, definitely a market focus as well.  
69 HI1: Would you say it is quite an uncertain time at the moment?  
70 E2: (Ummmmmm) what do you mean exactly, for us or...?  
71 HI1: Ja, in general (um) Like it's quite uncertain ... (E2 starts to talk)  
72 E2: I think we know we need to continue the way we've continued. Things we need  
73 to do. But I do think there's going to be lots of changes.  
74 HI1: So your definitely expecting changes?  
75 E2: Well, with regards to new products and not just wine, maybe..?  
76 HI1: Yes consumer demands changing and stuff like that.  
77 E2: But I'm just speculating. (Smiling voice)  
78 HI1: That's good to hear.  
79 HI1: Would you say your company is excellent, good, average or poor at strategic  
80 planning?  
81 E2: I think average. (Uhm) We at the Emporium... I can only speak for the  
82 Emporium.  
83 (Pause) and I can also think of like ideas that I proposed to implement and it's now  
84 June.  
85 Let's say I've spoken about the topics in February/March and I haven't received  
86 feedback yet. So I can't implement anything new.  
87 HI1: So you would say average for strategic planning.  
88 HI1: Would you say your company is excellent, good, average or poor at strategy  
89 execution?  
90 E2: There is a lack of execution. I think what it is, is time. I think everyone is just so  
91 busy and there's no time to just sit and strategize and how to  
92 implement it and how to action, cause you're just managing your daily task and  
93 barely getting through that.  
94 E2: So really ... Sorry if I go off the topic but it's just interesting. Something like  
95 technology and emails is that it's very fast and everything.  
96 Everything is fast and everyone expects the answer back quicker. You feel you need  
97 to respond to an email immediately and receive it.  
98 So everything is just more. So there is no time left for strategizing and  
99 implementation and (um) that, because you're just so busy with practical operational  
100 stuff.

101 And it's actually not positive because you need to sit back and look at the business  
102 model, how you can change it, how you can make it better. And you also need to  
103 measure that.  
104 HI1: That's very crucial...  
105 E2: Yes, but there is no time.  
106 HI1: Okay, so time is a big issue for you, you would say? It's the biggest single factor  
107 that makes execution difficult?  
108 E2: Yes, and also to get back to my previous answer was why the execution of  
109 strategy or whatever is poor because those people that I report to are so busy.  
110 So they can't afford to give me the time that I need. They are so busy. It's also not  
111 their fault.  
112 HI1: Ja, I understand completely.  
113 Leadership style perception  
114 HI1: Do you think your leadership figure has the right style to facilitate the company  
115 strategy? Why/why not?  
116 E2: (um) (clearing her throat) I just need to... Because I don't know what the  
117 company strategy is. (Giving a short laugh) Because no one told me! (Laughing)  
118 (Asks HI1 to repeat the question and then answers) I would say yes. (Um) and he's  
119 very open to listening to new ideas and agreeing to those ideas...  
120 It's just to action those ideas. (Laughing) That says a little bit.  
121 HI1: That's exactly why I'm doing the study. (Smile in voice)  
122 HI1: Any other questions: Any other relevant comments/suggestions?  
123 E2: Well I think of a way, better time management. (Um) I just do I just don't know  
124 how that's possible. You can't just employ new people to take the load off.  
125 And I don't know how you could do that. But I think it's time management because  
126 everyone is just too busy with everything and too busy to do their job properly.  
127 And I also feel that ... And I'm talking about myself but actually, a lot of people feel  
128 like it, because I've spoken to a lot of colleagues at XXX.  
129 There is so much focus on getting this done before the deadline that there's no time  
130 or place for you to ensure that you're doing your job or that thing that you focus on  
131 120% you just want to get it done.  
132 HI1: So the quality of job?  
133 E2: It's the quality of what you do is not the best you can offer because there's just  
134 no time.  
135 There is so much pressure to do that, do that, do that ... It sounds like I'm  
136 complaining but.  
137 HI1: No, no, no ... It's a general.  
138 E2: It's actually shooting ourselves in the foot because could be better for the both of  
139 us if there's more time for you to really sit and think about something and strategize  
140 or how to implement something. That's why it's so important.  
141 HI1: Okay, thank you very much and thanks for participating in the study.

1 **Employee Satisfaction Interview (Semi Structured guidelines)**  
2 **Organisation 3 Employee 3 (O3E3)**  
3 **Reflective notes**  
4 **Head Interviewer 1 (HI1) Employee 3 (E3):**  
5 (No fact value is needed– question is merely to establish participant and test for  
6 understanding).  
7 HI1: Please identify yourself and explain your position/responsibilities in the  
8 organisation  
9 E3: My name is xxx, a quality management manager for the xxx group basically and  
10 I'm reporting to the finance director finance and support services.  
11 The reason for not reporting in the production environment is independence (um)  
12 part of the function of quality management is your implementing of your food safety  
13 and quality systems. (Um) and then as we call it, internal audits from our standards  
14 and strokes but in the company, it's called quality compliance audits. Differentiate  
15 that from the risk financial internal audit function. (Um) so ja, that's basically it.  
16 HI1: So you are basically just under the top level?  
17 E3: We are basically called middle management.  
18 **Theme (Leadership)**  
19 HI1: 1. Would you say you perceive your leadership figure (CEO/MD/Director) to be:  
20 a) Someone, to make decisions alone and predominately give instructions?  
21 b) Make decisions with co-workers, colleagues and other accountable employees?  
22 c) Having very little interest/control over managers and subordinates?  
23 E3: I think (um) the B one, yes..?  
24 HI1: Would you say your leadership figure is:  
25 a) Controlling, mostly in charge of everything?  
26 b) Encourages teamwork and participation?  
27 c) Encouraging freedom and interfering as little as possible?  
28 E3: Okay, if I'm now talking about that leadership then it's my direct reporting line  
29 which is the financial director and I think ... (um) I would say the C one.  
30 With little interference and the reason is because he's a financial person. The  
31 knowledge of the quality environment is not enough.  
32 So we will have our discussions on a monthly basis that (um) that it's more I'm in  
33 charge and I have to be accountable for the job, but whenever there is a need to  
34 discuss something, it happens.  
35 HI1: And if you have to refer back to your previous CEO, although you weren't  
36 reporting to him directly, how was your perception of it?  
37 E3: I reported to him at the time directly. (Um) And also it is only when there's really.  
38 It was very similar. When there were really problems he would call us in to explain  
39 and then there would be more like a control. So more regular feedback.  
40 HI1: Okay, but you would also say he was encouraging freedom?  
41 E3: Yes.  
42 HI1: 3. Would you rate your leader's style as:  
43 a) Autocratic (Explain as more top to bottom)  
44 b) Democratic (Explain as joint decisions)  
45 c) More laissez faire (Explain as not very involved)  
46 E3: Definitely the B one.  
47 HI1: Okay, and your current leader as well? Very much the same?  
48 E3: Yes, so there's not like a direct answer but it's a combination.  
49 E3: And I think also it's because it is the quality environment. The knowledge of the  
50 system. So it's not like financial to financial.

51 It's now a different environment. The previous CEO was also a CA. So it's like that.  
52 Although he got a lot of technical knowledge but still that's why I think they are on the  
53 same level.  
54 Strategy  
55 HI1: Describe your understanding of your company's strategy. (Just an exploratory  
56 question)  
57 E3: It was sales driven obviously volume driven. So, Ja it was absolutely volume  
58 driven. It was previously to get a turnaround, growth and stock value growth as well.  
59 HI1: Okay, volume growth. That's important. (E3 agreeing tone)  
60 HI1: Would you say your company is excellent, good, average or poor at strategic  
61 planning?  
62 E3: The planning side ... Okay, previously ... I'm now going back to previously and  
63 not current (HI1 agreeing), previously it was, what was is called? (HI1 repeating  
64 question)  
65 E3: The planning was good. Can be excellent as well, but so good.  
66 HI1: Okay, excellent at times?  
67 E3: Ja, I think the planning was excellent. So the execution is the other one.  
68 (Laughing)  
69 HI1: Would you say your company is excellent, good, average or poor at strategy  
70 execution?  
71 E3: The plans were there, but for me, over the years it was not the plans, yes we  
72 were going to reach that, the mission statement. But exactly how we'll get that and  
73 then the monitoring of that, and then the reveal of that, that was not ... The execution  
74 of that was not in my mind good enough.  
75 HI1: (mm) you said the monitoring and reveal of that?  
76 E3: Ja, it was the "how to"... you know, "how to".  
77 HI3: Distinct "how to"?  
78 E3: Yes. The bigger plan was there, but for me, it was not visible over the different  
79 years, what is the actions, to get there and then monitoring those actions and reveal  
80 to make sure of achievement at those milestones for instance. That was absent.  
81 HI1: The "what", "when" of those things?  
82 E3: Yes.  
83 Leadership style perception  
84 HI1: Do you think your leadership figure has the right style to facilitate the company  
85 strategy? Why/why not?  
86 E3: If it was only the CEO, I would say yes. (Umm) If I think of the next level.  
87 (Pausing) Obviously we don't get to achieve our strategies so obviously, no. So does  
88 not execute it.  
89 I think some of the people are not.  
90 They are the strategic people, which is right but somehow you need a part that can  
91 monitor and execute well.  
92 Although that must be if you think of your pie, at least 30% must be that is strategic,  
93 that is why they are effective but like 30% of that must be a bit of more execution.  
94 Otherwise, that is the reason why you fail. Because it's not like that.  
95 HI1: Ja, there must be more focus on strategic planning and monitoring them.  
96 E3: Yes and monitoring them.  
97 HI1: And you would say, just to get back to that, just want to make sure I understand  
98 you correctly, you said that you think the leadership style was correct but you think  
99 the next level was maybe just okay?

100 E3: was maybe, ja. Because there were monitoring tools in place but still this doesn't  
101 mean in the end there's that provision to say okay what if we fail.  
102 HI1: Okay, can I say accountability?  
103 E3: I don't think it's about accountability because each effect got his own caution that  
104 he's responsible for. I think it's just all the right measurements was not in place or the  
105 divisions was not in place to say, okay we reveal we're not on track, now what now?  
106 The interval spams. The interval for the division and then again to get it up there  
107 again. If you think of steps. In our..?  
108 The quality environment we talk about the PDCA (plan do check act) it's again in the  
109 cycle - plan, do check, act. So everything in our mind is always on the plan, do,  
110 check, and act.  
111 And that involuntarily gets lost. Because the "check" doesn't take place to "act" We  
112 "plan" and we "do" but we don't "check" or "act". That's why I said it's that provisions  
113 and cycle for divisions that action afterward.  
114 HI1: Okay, so the cycle for the CEO to decipher there's...  
115 E3: Then you must make sure what do you want to check. So that measurements,  
116 so there can also be adapted to make sure that you're always on track. Because if  
117 you missed the checkpoints then obviously at the end of the year we'll say okay have  
118 we reached our goal? Why? Where did it go wrong? Then we have to come back.  
119 HI1: So more or less, there has been a little bit of a lack on that? The checks?  
120 E3: Yes.  
121 HI1: Any other questions: Any other relevant comments/suggestions?  
122 E3: I think if there's a good business model. (Um)  
123 HI1: Okay, would you say it's not clear enough at the moment?  
124 E3: Ja, and also in the previous one it was not clear enough because there's certain  
125 times we hear that certain things must happen (um) For instance we have to set up  
126 the contracts with your growth producers for instance in November due for harvest in  
127 January that you know ... But then your forecast and you sales planning are not in  
128 line with that.  
129 So there's a lot of alignment that needs to be done. Needs to be between your sales  
130 and then your production environment also, so it's not like this total matrix  
131 environment.  
132 HI1: So are you saying that (looking for the right word)  
133 E3: In your business model there must be certain as I said circumstances where  
134 things must happen so in the end that both production and sales are aligned for  
135 execution of your plan.  
136 HI1: So maybe the planning must be done more jointly instead off..?  
137 E3: Or more visible. Perhaps it's a lack of. There is planning in different areas but it's  
138 a lack of how is this function is synchronized.  
139 HI1: So would you say communication is maybe an issue?  
140 E3: No, I just said, I don't think also communication because each one was busy with  
141 what they were supposed to do but they in turn ... but they don't have the vision of  
142 what is the impact of the input of the output for the other one, and the output of the  
143 one is the input of the other one and that is not established.  
144 HI1: Okay, Thank you very much for participating and I will supply you with the  
145 comeback.

1 **Leadership Interview (Semi Structured guidelines)**  
2 **Organisation 3 Leadership 1 (O3L1)**  
3 **Reflective notes**  
4 **Interviewer (HI1) Leadership (L1)**  
5 **Theme 1 (Leadership)**  
6 **HI1:** Give a short background of yourself and role in company. (Who are you,  
7 position and time in current position, responsibilities).  
8 **L1:** Okay, so my name is xxx and I have been CEO of xxx for 5 years.  
9 **HI1:** Give a short description of your responsibilities with regards to strategic  
10 planning?  
11 **L1:** I'm responsible for strategic planning  
12 **HI1:** So I can say you are 100% responsible for strategic planning?  
13 **L1:** Yes, but 100% is difficult to answer because my responsibility is to ensure that  
14 it's done. I don't do it, but I am the custodian of it.  
15 **HI1:** Give a short description of your responsibilities with regards to strategy  
16 implementation?  
17 **L1:** It depends on the activities required to implement. In some instances, when  
18 strategic design needs to be formulated in order to perfect the strategy I might be  
19 more involved.  
20 Another instance is where the organisation already got the capacity and is merely  
21 aligning the capacity with a new strategic direction, you don't need to get involved.  
22 You just need to reset the direction. I mean if you got a car and instead of driving  
23 forward you drive right. I don't need the guy to design the car, but to give the tools to  
24 effect strategy, tools people posted.  
25 Those are in place, I don't sit down and develop it. I just evaluate new development  
26 in a different direction for the business to go on. It depends on the building blocks,  
27 whether they are in the business or not.  
28 **HI1:** Do you think you are successful? Why? Or why not?  
29 **L1:** Ultimately successful, I mean there it is in the results. So ultimately I think I am  
30 successful but sometimes it takes longer and sometimes the destination is not the  
31 original destination which you planned in the strategy.  
32 In my point of view you learn strategy by doing, not by talking about it and often you  
33 end up at a different point, it might not be exactly the same place you end up with,  
34 either a different organisation structure due to  
35 effective strategy or a different strategy lever, but you develop that by exploring the  
36 original strategy. So every strategy is a constantly evolving thing.  
37 **HI1:** Okay, so strategy is very dynamic ... Is what I copy here ?  
38 **L1:** You constantly adapt. People unsuccessful in life, you can't just say "I'm bored  
39 with this" and design strategy, then go and test it and then they find the markets  
40 changed and they actually haven't done anything.  
41 I believe these are very short strategy cycles. You can constantly adapt to changes  
42 which take place in the market, otherwise you spend too much time analysing ...  
43 analysing without practical testing.  
44 I mean that's the problem with the car companies. They design cars, then launch the  
45 car then it takes them 4 years to respond to the consumer's need which have  
46 changed while they were in the development cycle.  
47 A car like the tested car which is more soft with parts can respond to changes of the  
48 consumer's needs very quickly by making more components of the car flexible.

49 If you look at a car which is not about how soft it goes but how harder it goes when  
 50 the consumer needs change, they change very quickly. It is very difficult for you to  
 51 adapt to that.

52 **H11:** So "change" I'm hearing, because it is the first time I've heard that. But say  
 53 change is a big thing in terms of your strategy formulation implementation. Would  
 54 you say that?

55 **L1:** I think that ultimately an organisation that's successful needs to be able to deal  
 56 with constant change and it (and it) dealing with constant change is a characteristic  
 57 of a business.

58 So most theoretical studies in the past said you start with strategy and the  
 59 implementation part of the strategy. In my view that's nonsense.

60 In my view you need to build qualities in an organisation and the qualities in the  
 61 organisation will determine how you do strategic planning and how you will do  
 62 implementation.

63 So it needs to be people who are adaptable, creative and everybody got different  
 64 types of skill sets but people need to be able to deal with change.

65 Some people are more "implemented" thinkers but then still, when I say to them  
 66 tomorrow, "turn right" then they got the capability to turn right very quickly.

67 So to change the ability to adapt before the company falls behind.

68 **H11:** Okay, that's a very interesting viewpoint.

69 **L1:** I mean (repeating himself) Every management consultant would say "The only  
 70 thing which is constant is change". Change is increasing every year.

71 If you buy into those two principles then strategy becomes less important, the most  
 72 important thing for a successful organisation is the ability to adapt.

73 **H11:** We are moving on the Leadership styles.

74 **L1:** My volg strategie is soos "overrated". Ek sal nooit 'n "strategic consultant"  
 75 aanstel nie. (Nie in my lewe nie)

76 **H11:** Yes, I understand.

77 **Theme (Leadership Style)**

78 Leadership style (As per Lewin Autocratic/Democratic/Laissez Faire) (Explain to  
 79 participants and confirm understanding)

80 **H11:** Do you see yourself more as:

81 a) Giving instructions – showing the way?

82 b) Making decisions jointly with key staff?

83 c) Allowing freedom and staff to operate independently?

84 **L1:** It depends on the maturity cycle of the business and it depends on the state of  
 85 the business. In some instances where an organisation is trouble I'd need to have a  
 86 decisive attitude.

87 There I would be more autocratic. In other organisations where you got a different  
 88 maturity cycle - got the right people in place, they got the right experience - there you  
 89 push more of the decision

90 making strategy down to them and you ask them for new solutions. So it depends.

91 There is no right or wrong answer. It depends on the maturity state of the  
 92 organisation and the state of its business.

93 A very mature organisation which is in a financial crisis state require decisive action.

94 **H11:** Almost autocratic?

95 **L1:** Yes very autocratic. You must listen, for when you make a decision you must  
 96 make it quickly and you must just go because if you procrastinate and spend too  
 97 much time debating things, you gonna die.

- 98 So it depends on the state of the organisation and which leadership style you need  
 99 to adopt and the maturity levels of the staff.
- 100 **HI1:** So can I say that you see yourself as situational?
- 101 **L1:** Totally. I have managed many businesses so it's not, when you can see its just, I  
 102 have managers which I appoint situational as well. Certain managers, I turn around  
 103 people. Their process, discipline etc.
- 104 Other managers are more creative people, soft people people. So once the  
 105 organisation process is in place, we need to develop employers again and make  
 106 them more creative and more self-sustaining etc, etc, etc.
- 107 **HI1:** Just to add to that: 2. Do you encourage:
- 108 a) Individual accountability?
- 109 b) Group work, team performance?
- 110 c) Creativity, freedom to look for solutions?
- 111 **L1:** I ultimately lean towards more individual performance but within the context of a  
 112 team. I don't have individual performance all around but people need to be  
 113 individually accountable.
- 114 I mean if you can't manage a business you can't manage it, ultimately ... So
- 115 **HI1:** Do you develop more to your team accountability? Or ...
- 116 **L1:** Well I mean team dynamics sort itself out. If you got people that are individually  
 117 accountable and perform well. They're sometimes dysfunctional in the team content.  
 118 They might be very strong individuals but their lack of teamwork can't form cohesion.  
 119 Teamwork (uhm) objectives become more important in that stage and you might  
 120 have to remove people out of the team.
- 121 Part of my job as a CEO, is to see that the teamwork and dynamics that are at work  
 122 and that there might be problematic individuals who are individually competent but  
 123 not team component.
- 124 **HI1:** So competence is a key part of what you are saying ...
- 125 **L1:** I'd say fit for purpose. Competence is a very difficult term but I'd say fit for  
 126 purpose. Sometimes you need a big a big car, small car, fast car.  
 127 You need to find the right thing for the job and it's not always the smartest guy, it's  
 128 not always the most competent guy.
- 129 **HI1:** 3. In which way are you more likely to communicate strategy:
- 130 a) Communicate decisions from top management levels?
- 131 b) Discover, brainstorm strategy with your team?
- 132 c) Facilitate strong feedback after strategy decisions?
- 133 **L1:** I'd say it's informal. Communicate through constant conversation to develop an  
 134 internal assessment of what the strategy is.
- 135 I don't believe in sending out a document. It is through sitting with an executive team  
 136 and having conversations. The conversations will make it very clear.
- 137 It is so simple if people understand this is where they are going. I believe in values  
 138 more than strategy. Values and teamwork are much more important to me than  
 139 strategy.
- 140 **HI1:** Are values very similar to organisational culture?
- 141 **L1:** Culture, value, vision all that "nonsense" are all the same thing. It's a behavioural  
 142 thing. If I go back to the car. The car which you drive looks like this. It's a fast car, it's  
 143 not gonna break down etc.
- 144 I believe with the right people, I can manage any business regardless of strategy.
- 145 **Theme (Employee satisfaction)**
- 146 Employee satisfaction:

147 **HI1:** Do you think your employees view you as:  
 148 a) Autocratic  
 149 b) Democratic  
 150 c) Free Reign  
 151 **L1:** Autocratic  
 152 **HI1:** Do you think your employees prefer you being:  
 153 a) Autocratic  
 154 b) Democratic  
 155 c) Free Reign  
 156 **L1:** Ultimately people want to be lead, ultimately (uhm) The problem with being lead  
 157 is that there is a difference between leading people and being abusive towards  
 158 people. Autocratic does not mean being abusive.  
 159 Autocratic means being firm on your views and giving people the confidence that the  
 160 leadership knows where they are going and what we want to do.  
 161 A big part of making people happy in their jobs and not just in a way that the job  
 162 which you are doing is fantastic but that there is a certainty that what they are doing  
 163 is the right thing.  
 164 At that moment they might not like it.  
 165 They might not be entirely happy with what they are doing but at least they know that  
 166 the company they are working for has the ability, a plan, direction and strong  
 167 leadership. that is what I think defines autocratic.  
 168 The thing with autocratic, is you get stupid autocrats which creates uncertainty in an  
 169 organisation but I think if you get people ... (and I think of myself as competent) and  
 170 if you are competent and autocratic  
 171 I think people respect that. They understand why you make a decision. They might  
 172 not always agree with that but they understand how you arrive with a decision.  
 173 If you have leadership without a solid foundation it destroys an organisation directly  
 174 and people become demotivated.  
 175 **Theme (Strategy and**  
 176 **HI1:** Who do you think is ultimately responsible for strategy implementation?  
 177 **performance).**  
 178 **L1:** (aaaa) Everybody  
 179 **HI1:** From top to bottom?  
 180 **L1:** Ja, that's why strategy competent competence  
 181 **HI1:** That's why over complexity is dangerous?  
 182 **L1:** It's like a like ... How can I explain to the guy on the right the strategy. He  
 183 doesn't understand but why we are sending it to a market at a particular price range.  
 184 What our labels have to look like ... that is not certain things. I don't know. You agree  
 185 to markets. The guy who delivers the wine, make sure it's on the shelf are all faces  
 186 between faces.  
 187 We make sure we measure the percentage of the wine shelf that we occupy. It's ...  
 188 That's a strategy. Look like I don't believe in marketing ascending above the line that  
 189 it does.  
 190 our thing is that our trademark is a very strong thing, put it on the shelf and we will  
 191 provide. So that's the strategy.  
 192 Make sure we do everything in our organisation. Put it on the shelf, when it's on the  
 193 shelf it needs to look good. It needs to look better than it tastes. The guy on the  
 194 packaging line needs to understand that the label can't be skew etc., etc. The guy  
 195 who delivers the wine needs to say, look we do not have enough stock in the  
 196 backroom. I only got one tray and not two trays. That's a very simple strategy

197 **HI1:** Do you think there might be a gap between your companies' strategic plan and  
 198 execution? (Explain answer?)

199 **L1:** No, no, no. I'd say we execute badly sometime but I don't think that our execute  
 200 is a gap. I think we might choose the wrong strategic things every now and then  
 201 because the market changes and it is not as successful as it was. So I think that  
 202 there is always a gap, You always get people who don't execute well but it will  
 203 disappear.

204 Efficiency and strategy is a result of lack of execution, I'd say sometimes you choose  
 205 the right strategies more than lack of execution of the right strategies anticipated. I'd  
 206 rather say that sometimes you make mistakes of choosing the wrong strategy. The  
 207 failure of not choosing the right strategy and then choosing the wrong strategy.  
 208 That's why I believe you should constantly adapt.

209 **L1:** .....? Then she wanted to get into mobile and  
 210 each time it takes two years and she spends a ton of money - It doesn't work. Well  
 211 I'd say, start with small steps which are low risk which you can ramp up as soon as  
 212 you see the strategy becoming successful. Instead of having this big strategy, big  
 213 money, big planning and I push the boat out and suddenly the boat sinks.

214 **HI1:** So do you think people are taking to big risks?

215 **L1:** I think those days are over because the market has changed so quickly that the  
 216 ability for an organisation execute on a successful strategy once it is seen as being  
 217 successful I think is the termanant of success.

218 So (aaa) look at restaurants. We start with 4 or 3 chains and suddenly when the  
 219 concept works. Roll out 500. I think Sam Walton did it with Walmart. It started with 5  
 220 stores. After 10 years I think he had 12 stores.

221 Once the model was successful, I think over the next year it rolled over to a hundred  
 222 stores. So his ability test, test, test and ran. I think this was the reason Wallmart was  
 223 so successful.

224 There is a lot of stories like this one. Mr Price is exactly the same. So your ability to  
 225 test if the feedback is right in a real life scenario ...

226 **HI1:** So the feedback is more important then the big strategy is what you are saying?

227 **L1:** Yes. It's like start small. Test, test, test. Make mistakes and change. Test,  
 228 change, test, change. Once I am certain that the model is working, then only do I  
 229 dedicate to get different resources behind it to ramp it up and that's what I think  
 230 determines successful companies and not so successful companies.

231 Some people take a big risk and if it doesn't work they lose confidence, they got less  
 232 resources available and they get nervous and say things like "We in trouble now, we  
 233 have to wait for the next big thing" and then they fall.

234 There is so many case studies on that.

235 **HI1:** That's very true, ja.

236 **HI1:** Do you think the gap has anything to do with leadership styles – explain  
 237 why/why not?

238 **L1:** Different leadership styles ... Sometimes, ja. There's definitely leaders that can't  
 239 implement, without a doubt. Some percentage of it is skill set but I think the biggest  
 240 percentage is approach.

241 The approach is exactly what I've been saying is that if your view of a CEO is that I  
 242 need to go and design this strategy in a boardroom without first seeing all the  
 243 consultants, then I like map it out.

244 Then I must build a spreadsheet on how much its gonna cost etc. If that's your view  
 245 of strategies these days, I think those days are over. The world doesn't work like  
 246 that. I mean look at all the successful tech companies.

247 They start small in the garage and they grow. They test, test, integrate, explode.  
 248 That's the way businesses are built these days. They are not build in a boardroom  
 249 but from the garages. Even structured large organisations have the same basic  
 250 concept.

251 **HI1:** So the leadership style need to adapt to the modern process?  
 252 **L1:** The leader needs to adapt to the modern process, It's not even a leadership  
 253 style. It's a question of how do you view strategy. If your view of strategy is a  
 254 boardroom process and designing of a book then go for the documentation. I think  
 255 those days are over. I think in the world today, strategy is focused on "learn by  
 256 doing". Not a theoretical exercise.

257 **HI1:** Do you think your leadership style influence employee satisfaction and/or  
 258 performance in any way? (Positive or negative).  
 259 **L1:** Ja, ja I do. Affirmates the organisation without a doubt.  
 260 **HI1:** Positive or negative?  
 261 **L1:** It depends. Sometimes overly harsh and then it's negative. Sometimes  
 262 supportive and then it's positive. It depends. Sometimes by design you are harsh to  
 263 send a message and then you come across as unreasonable but you do it for a  
 264 reason. Sometimes an organisation needs to open up, other times it needs to be  
 265 supported. That's why I said you can never have one style, but you cannot come  
 266 across as volatile. Volatility is a bad thing.

267 **HI1:** Do you think the strategy implementation gap is generally an issue in your  
 268 industry or not? (Performance issues?)  
 269 **L1:** Our industry is not run by professional managers. I think it's the old principle. A  
 270 good farmer is not necessarily a good marketer and a good good marketer is not  
 271 necessarily a good CEO.  
 272 **HI1:** They don't necessarily have the right skills for the right purpose?  
 273 **L1:** Ja, a good wine farmer is not necessarily a good business manager, the most  
 274 successful businesses in the liquor industry are run by professional managers.  
 275 They are not run by the first person who delivered the installation, they not run by the  
 276 wine maker or the person who made the cider. At some stage the artist or production  
 277 crew need to hand over to a professional manager.  
 278 You look at all the great brands in the world. They all had to make a transition of  
 279 professional management at some stage.

280 **HI1:** Can I use the word like a "big" or "massive " hole in the industry?  
 281 **L1:** Yes, I think so. When you look at a small wine producer, then the wine maker  
 282 can be a sales man. It is part of the allure of it., but we are not talking about the wine  
 283 business, producing millions and millions boxes of wine.  
 284 Then it's a different case. I'd say the best manager in the wine industry in South  
 285 Africa is a guy called "Charles Back". There is nobody in South Africa who  
 286 understands the wine business better than Charles Back. There is nobody close.  
 287 **HI1:** Is there anything else that you think could or could not play a role in  
 288 performance?  
 289 **L1:** Wine is a commodity and success in the wine industry determine like any other  
 290 product the route to market and availability. South Africa is successful with  
 291 companies where it's got routes to market.  
 292 Put the brand on the shelf at the right price. There is a problem in America, there is a  
 293 problem in the UK.  
 294 **HI1:** Thank you, that's fine.

# ANNEXURE E:

## DECLARATION – LANGUAGE EDITOR

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### DECLARATION

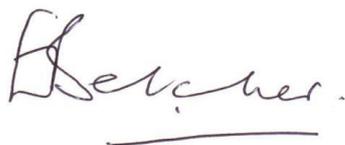
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### Title of dissertation

'The influence of leadership styles (as per Lewin) on the strategy-formulation-implementation-performance gap: An exploratory case study of selected organisations in the South African wine industry'

### Student

Annelize Morkel  
University of South Africa  
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**ANNEXURE F:**  
**DECLARATION – TECHNICAL EDITOR**

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**DECLARATION**

I hereby certify that the dissertation by  
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was formatted by me.

Title of dissertation:

**THE INFLUENCE OF LEADERSHIP STYLES (AS PER LEWIN)  
ON THE STRATEGY-FORMULATION-IMPLEMENTATION-  
PERFORMANCE GAP: AN EXPLORATORY CASE STUDY OF  
SELECTED ORGANISATIONS IN THE  
SOUTH AFRICAN WINE INDUSTRY**

University:

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# ANNEXURE G:

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Presented by:  
Annelize Morkel  
UNISA  
Student no: 32131291

In fulfillment of requirements of the degree:  
Masters of Commerce

In the department:  
(Business Management)

Supervisor: Prof. Hester Nienaber

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THE INFLUENCE OF LEADERSHIP STYLES  
(AS PER LEWIN) ON THE STRATEGY-  
FORMULATION-IMPLEMENTATION-PERFORMANCE  
GAP: AN EXPLORATORY CASE STUDY OF  
SELECTED ORGANISATIONS IN THE  
SOUTH AFRICAN WINE INDUSTRY

By

ANNELIZE MORTEL

Submitted in accordance with the requirements for  
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at the

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Supervisor: Prof Hester Nienaber

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