The role of strategic leadership in effective strategy implementation: Perceptions of South African strategic leaders

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A B S T R A C T

A review of the literature reveals that strategy implementation is an important component of the strategic management process. Research indicates that the ability to implement a strategy is viewed as considerably more important than strategy formulation, and that strategy implementation, rather than strategy formulation, is the key to superior organisational performance. However, the high failure rate of strategy implementation efforts is well documented, and many barriers to effective strategy implementation exist. A lack of leadership, and specifically strategic leadership, at the top of the organisation has been identified as one of the major barriers to effective strategy implementation. In turn, strategic leadership is also viewed as a key driver to effective strategy implementation.

In the light of the identified problem, the primary objective of this study was to investigate the perceived role of strategic leadership in strategy implementation in South African organisations. The conclusion is that strategic leadership positively contributes to effective strategy implementation in South African organisations.

Key words: implementation barriers, implementation drivers, strategy implementation, strategic leadership, strategic management

Background to the problem statement

Strategic management is viewed as the set of decisions and actions that result in the formulation, implementation and control of plans designed to achieve
an organisation’s vision, mission, strategy and strategic objectives within the business environment in which it operates (Pearce & Robinson 2007: 3). Strategy implementation is an integral component of the strategic management process and is viewed as the process that turns the formulated strategy into a series of actions and then results to ensure that the vision, mission, strategy and strategic objectives of the organisation are successfully achieved as planned (Thompson & Strickland 2003: 365).

For the past two decades, strategy formulation has been widely regarded as the most important component of the strategic management process – more important than strategy implementation or strategic control. However, recent research indicates that strategy implementation, rather than strategy formulation alone, is a key requirement for superior business performance (Holman 1999; Flood, Dromgoole, Carroll & Gordon 2000; Kaplan & Norton 2000: 1). In addition, there is growing recognition that the most important problems in the field of strategic management are not related to strategy formulation, but rather to strategy implementation (Flood et al. 2000: 2), and that the high failure rate of organisational initiatives in a dynamic business environment is primarily due to poor implementation of new strategies.

Leadership, and specifically strategic leadership, is widely described as one of the key drivers of effective strategy implementation (Lynch 1997; Noble 1999; Ulrich, Zenger & Smallwood 1999; Collins 2001; Bossidy & Charan 2002; Thompson & Strickland 2003; Freedman & Tregoe 2003; Kaplan & Norton 2004; Pearce & Robinson 2007; Hrebiniak 2005) However, a lack of leadership, and specifically strategic leadership by the top management of the organisation, has been identified as one of the major barriers to effective strategy implementation (Alexander 1985: 91–97; Business Day 1999: 37; Beer & Eisenstat 2000: 29; Kaplan & Norton 2004: 277; Hrebiniak 2005: 17).

Strategic leadership is defined as “the leader’s ability to anticipate, envision, and maintain flexibility and to empower others to create strategic change as necessary” (Hitt, Ireland, & Hoskisson 2007: 375). Strategic leadership is multifunctional, involves managing through others, and helps organisations cope with change that seems to be increasing exponentially in today’s globalised business environment (Huey 1994: 42–50). Strategic leadership requires the ability to accommodate and integrate both the internal and external business environment of the organisation, and to manage and engage in complex information processing.

Several identifiable actions characterise strategic leadership that positively contributes to effective strategy implementation (see Figure1), namely:

- Determining strategic direction
- Establishing balanced organisational controls
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- Effectively managing the organisation’s resource portfolio
- Sustaining an effective organisational culture
- Emphasising ethical practices.

**Figure 1:** The role of selected strategic leadership actions in strategy implementation

Strategic leaders have a role to play in each of the above-mentioned strategic leadership actions. In turn, each of these strategic leadership actions positively contributes to effective strategy implementation (Hitt et al. 2007: 384).

In the light of the importance of strategy implementation as a component of the strategic management process, the high failure rate of change initiatives due to poor implementation of new strategies and the fact that a lack of strategic leadership has been identified as one of the major barriers to effective strategy implementation, the following research question will be addressed in this article: What is the perceived role of strategic leadership in strategy implementation in South African organisations?
Objectives of the research

The primary objective of the research is to investigate the perceived role of strategic leadership in strategy implementation in South African organisations. This will be done in an effort to provide guidelines for the effective use of strategic leadership in general, and selected strategic leadership actions in particular, as drivers of strategy implementation in South African organisations.

To achieve the primary objective, the secondary objectives of this study are to investigate:

• The perceived effectiveness of strategy implementation in South African organisations
• The perceived barriers to strategy implementation in South African organisations
• The perceived drivers of strategy implementation in South African organisations
• The perceived roles of strategic leaders in South African organisations in general, and specifically in terms of strategy implementation.

Research methodology

The study involves a literature study as well as an empirical investigation to achieve the research objectives.

The universe of this study was all the strategic leaders in South Africa. The target population was the strategic leaders of the Financial Mail Top 200 companies (2006), while the sample was five randomly selected directors of these organisations. The main reasons for selecting strategic leaders in the Financial Mail Top 200 companies (2006) as the target population include:

• The names of these organisations are published in an annual special edition of the Financial Mail, which is a respected South African financial magazine.
• All of these organisations are publicly listed companies on the Johannesburg Securities Exchange (although some are dually listed on more than one stock exchange), and vast amounts of information on these organisations are a matter of public record.
• All of these organisations are South African, which makes it a study of a geographically comparable population with similar exposure to the factors in the external business environment.
• These organisations represent several industries of the South African economy, which increases the possibility of generalising the findings to organisations in all industries.
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- These organisations can be regarded as financially successful, because the criteria used by the *Financial Mail* in selecting the Top 200 include internal rate of return (IRR), earning per share (EPS) growth, return on equity (ROE), return on assets (ROA), dividend yield, and growth in pre-tax profits calculated over a five-year period.

As a result of cost, time and logistical limitations, it was not possible to send questionnaires to all the directors of all the *Financial Mail* Top 200 (2006) companies. It was therefore decided to randomly select a maximum of five directors from each of the identified 200 companies. The following process was followed:

- The researcher contacted the *Financial Mail* via electronic mail and requested a copy of the *Financial Mail* Top 200 companies (2006).
- After receiving the list from the *Financial Mail*, the corporate websites of these organisations, as well as the corporate website of the Johannesburg Securities Exchange (www.jse.co.za), were accessed to identify the members of the boards of directors.
- In cases where more than five directors were listed, the researcher randomly selected five directors of each organisation from the given list.
- In cases where fewer than five directors were listed, all the directors on the given list were selected.
- A database was compiled (making use of Microsoft Access). This database included the following fields: initials; first name; middle name, last name, title, organisation name and postal address. (The database contained a sample size of 930 usable addresses.)
- All organisations with corporate headquarter addresses outside South Africa were excluded from the study.

The research instrument used was a structured, self-administered mail questionnaire. The questionnaire had sufficient questions for the collection of the relevant information required to achieve the research objectives. The questionnaire comprised following sections:

- Generic issues in strategic management, strategy implementation and strategic leadership
- The perceived importance and effectiveness of strategy implementation in South African organisations
- The perceived barriers to effective strategy implementation
- The perceived drivers to strategy implementation
• The perceived role of specific strategic leadership actions in strategy implementation
• Demographical information pertaining to the respondents and their organisations.

The structured mail questionnaire was e-mailed to the 930 randomly selected directors of the Financial Mail Top 200 companies. A total of 71 (7.6%) questionnaires were completed and returned. According to Neuman (2000: 272), a low response rate, specifically if the respondent perceives the content to be of a sensitive nature (as is the case in this study), is the biggest disadvantage of self-administered mail questionnaires. Neuman (2000: 272) specifically refers to the challenges of surveying ‘white-collar elites’ such as the target population of this study and mentions the following challenges when surveying powerful leaders in business:

• They are very difficult to reach.
• Assistants may intercept questionnaires.
• They have restricted access.

The following challenges were specifically experienced in the present study:

• Electronic mails were received from personal assistants indicating that the individual was either too busy, or unavailable, to complete the questionnaire.
• Letters and electronic mails were received from organisations with explanations for not responding. These explanations included that it is against company policy to participate in research projects, or that the information required is too sensitive.
• In some cases, blank questionnaires were returned.

The response rate of 7.8% is low, but it is acceptable in view of the above mentioned challenges experienced during this research. After consultation with several experts in the fields of strategic management and statistics, it was decided to continue with confidence with the study, believing that the data would be of sufficient quantity and quality to draw reliable conclusions after analysis.

Assessing reliability and validity of research instrument
Factor analysis was used to assess the validity and Cronbach’s alpha to assess reliability of the questionnaire.
Validity

Before a factor analysis could be conducted, the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) was conducted to determine whether adequate correlation exists between the individual items contained within each of the sections of the questionnaire. A KMO statistic, an associated Bartlett’s p-value, and an Anti-image Correlation statistic are determined when using this test. A KMO statistic of greater than 0.7, an associated p-value of less than or equal to 0.05, and an Anti-image Correlation statistic of greater than 0.6 indicate that the adequate correlation exists to justify factor analysis.

For each of the identified sections of the questionnaire, the KMO statistics are greater than 0.7, the associated Bartlett’s p-value is less than or equal to 0.05 and the Anti-image Correlation statistic is greater than 0.6 between the items of each of the sections.

Once adequate correlation is found between the items assessed within an identified dimension, a factor analysis for the dimension can be performed. Principal factor analysis (true-factor analysis) was used with an oblique rotation (in other words, direct oblimin for extraction and the Varimax with Kaiser normalisation). A factor loading of greater than or equal to 0.3 is an indication of a relationship between items. The structural validity results for each of the dimensions, as well as the subsequent factor analysis, are reported in Table 1.

Table 1: Structure validity and results of the factor analysis

<table>
<thead>
<tr>
<th>Section</th>
<th>Dimension</th>
<th>KMO statistic</th>
<th>Bartlett’s p-value</th>
<th>Cumulative % of variance explained</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>Importance and effectiveness of strategy implementation (8 items)</td>
<td>0.768</td>
<td>0.000</td>
<td>47.755</td>
</tr>
<tr>
<td>B2</td>
<td>Barriers to effective strategy implementation (15 items)</td>
<td>0.902</td>
<td>0.000</td>
<td>56.749</td>
</tr>
<tr>
<td>B3</td>
<td>Drivers of strategy implementation (7 items)</td>
<td>0.838</td>
<td>0.000</td>
<td>53.562</td>
</tr>
<tr>
<td>C1</td>
<td>Role of selected strategic leadership actions in strategy implementation (7 items)</td>
<td>0.776</td>
<td>0.000</td>
<td>45.715</td>
</tr>
</tbody>
</table>
It was decided to name each of the factors in accordance with the commonality of the items determined during factor analysis:

- Factor 1: Effectiveness and importance of strategy implementation
- Factor 2: Barriers to effective strategy implementation
- Factor 3: Drivers of strategy implementation
- Factor 4: Roles of strategic leadership actions in strategy implementation.

Reliability

Cronbach’s alpha was used to determine the internal reliability of the questionnaire used in this study. Values ranges between 0 and 1.0; while 1.0 indicates perfect reliability, the value 0.70 is deemed to be the lower level of acceptability (Hair, Anderson, Tatham & Black 1998: 118). The reliability statistic for each of the identified factors is presented in Table 2.

<table>
<thead>
<tr>
<th>Identified factors</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Importance and effectiveness of strategy implementation</td>
<td>0.818</td>
</tr>
<tr>
<td>Barriers to effective strategy implementation</td>
<td>0.945</td>
</tr>
<tr>
<td>Drivers of strategy implementation</td>
<td>0.854</td>
</tr>
<tr>
<td>Role of selected strategic leadership actions in strategy implementation</td>
<td>0.795</td>
</tr>
</tbody>
</table>

It is evident from Table 2 that Cronbach’s alpha for each of the identified factors is well above the lower limit of acceptability of 0.70. The results indicate that the questionnaire used in this study has a high level of reliability. Tables with the item-to-total values for the individual items of each of the identified factors have not been included in this article, but are available on request. These tables indicate that each of the items relates to the identified factor and that the coefficient alpha value of the identified factor will not increase if some of the items are left out.

Analysis and discussion of the research results

Effectiveness and importance of strategy implementation

The questionnaire contained attitude-measuring questions in which the respondents reflected their opinions or attitudes on the importance and effectiveness of strategy
implementation in their organisations. The respondents’ level of agreement with each of the statements was measured on a five-point Likert scale, where 1 represents ‘no extent’ and 5 represents ‘very large extent’.

It is evident from Table 3 that respondents differ in their perceptions. More than half of the respondents (55.0%) agree that their organisations are better at formulating strategy than at implementing strategy, but the mean score for this item is less than 3.00 (M = 2.65). However, more than half (51.4%) of the respondents agree that there is a moderate to very large gap between strategy formulation and effective strategy implementation, and the mean score for this item is less than 3.00 (M = 2.67). Almost 3 out of 5 respondents (58.6%) agree to a ‘large extent’ and ‘very large extent’ that their organisations are effective at strategy implementation, although only 12.9% rated it as effective to a ‘very large extent’. The mean score for this item is more than 3.00 (M = 3.58).

<table>
<thead>
<tr>
<th>Table 3: Perceived effectiveness of strategy implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statement</strong></td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
</tr>
<tr>
<td>That your organisation is better at formulating strategy than at implementing strategy</td>
</tr>
<tr>
<td>That there is a gap between the formulation of, and the effective implementation of, strategy in your organisation</td>
</tr>
<tr>
<td>That your organisation is effective at implementing strategy</td>
</tr>
</tbody>
</table>

The responses indicate that although the majority of the respondents are of the opinion that their organisations are relatively effective at implementing strategy, they still perceive a gap between the effective formulation and implementation of strategy in their organisations. This indicates a level of uncertainty and doubt.
with regard to the effectiveness of strategy implementation and whether formulated strategies are implemented to their full potential.

**Barriers to effective strategy implementation**

Section B of the questionnaire was designed to measure the perceptions of respondents regarding the perceived barriers to effective strategy implementation in their organisations. Respondents were requested to indicate the extent to which they believe that each of the mentioned items is a barrier to effective strategy implementation in their organisations. A five-point Likert scale was used, where 1 is agreement to ‘no extent’ and 5 is agreement to a ‘very large extent’.

From Table 4, it is evident that the mean scores for 14 of the 15 statements are less than 3.00. This is an indication that the respondents did not perceive many of the mentioned factors to be important barriers to effective strategy implementation in their organisations.

The respondents’ perceptions of the barriers to effective strategy implementation can be meaningfully categorised as follows:

- **Major barriers to effective strategy implementation:**
  - The workforce does not understand the organisation’s strategy ($M = 3.05$).
  - The organisation's strategy is not effectively communicated to the workforce ($M = 2.93$).

- **Moderate barriers to effective strategy implementation:**
  - The goals of, and incentives for, the workforce are not aligned with the strategy of the organisation ($M = 2.71$).
  - Human capital is not effectively developed to support strategy implementation ($M = 2.68$).
  - There is an inability to manage change effectively ($M = 2.64$).
  - The allocation of resources is not aligned with the strategy of the organisation ($M = 2.61$).

- **Minor barriers to effective strategy implementation:**
  - The remainder of the factors mentioned in section B2 of the questionnaire can be regarded as minor barriers to effective strategy implementation ($M = 1.52$ to $M = 2.44$).

The main finding is that respondents perceive poor understanding of the strategy by the workforce, as a result of ineffective communication of the strategy, to be the most important barriers to effective strategy implementation in their organisations.
Table 4: Barriers to effective strategy implementation

<table>
<thead>
<tr>
<th>Statement</th>
<th>No extent (%)</th>
<th>Small extent (%)</th>
<th>Moderate extent (%)</th>
<th>Large extent (%)</th>
<th>Very large extent (%)</th>
<th>Mean (M)</th>
<th>Standard deviation (SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organisation’s strategy is not effectively communicated to the workforce</td>
<td>7.0</td>
<td>29.6</td>
<td>33.8</td>
<td>25.4</td>
<td>4.2</td>
<td>2.93</td>
<td>1.02</td>
</tr>
<tr>
<td>The workforce does not understand the organisation’s strategy</td>
<td>5.6</td>
<td>26.8</td>
<td>32.4</td>
<td>29.6</td>
<td>5.6</td>
<td>3.05</td>
<td>1.03</td>
</tr>
<tr>
<td>The strategic leaders of the organisation do not provide strategic direction for the organisation</td>
<td>24.3</td>
<td>44.3</td>
<td>18.6</td>
<td>8.6</td>
<td>4.3</td>
<td>2.24</td>
<td>1.06</td>
</tr>
<tr>
<td>The goals of, and incentives for, the workforce are not aligned with the strategy of the organisation</td>
<td>15.5</td>
<td>33.8</td>
<td>22.5</td>
<td>19.7</td>
<td>8.5</td>
<td>2.71</td>
<td>1.18</td>
</tr>
<tr>
<td>The allocation of resources is not aligned with the strategy of the organisation</td>
<td>18.6</td>
<td>32.9</td>
<td>28.6</td>
<td>8.6</td>
<td>11.4</td>
<td>2.61</td>
<td>1.21</td>
</tr>
<tr>
<td>There is a lack of alignment between the culture of the organisation and the strategy of the organisation</td>
<td>28.6</td>
<td>28.6</td>
<td>20.0</td>
<td>17.1</td>
<td>5.7</td>
<td>2.43</td>
<td>1.24</td>
</tr>
<tr>
<td>There is an inability to manage change effectively</td>
<td>7.0</td>
<td>46.5</td>
<td>23.9</td>
<td>18.3</td>
<td>4.2</td>
<td>2.64</td>
<td>1.01</td>
</tr>
<tr>
<td>The strategies are poorly or vaguely formulated</td>
<td>30.0</td>
<td>42.9</td>
<td>15.7</td>
<td>8.6</td>
<td>2.9</td>
<td>2.13</td>
<td>1.05</td>
</tr>
<tr>
<td>Top managers do not support strategy implementation</td>
<td>42.3</td>
<td>38.0</td>
<td>8.5</td>
<td>5.6</td>
<td>5.6</td>
<td>1.93</td>
<td>1.11</td>
</tr>
<tr>
<td>The implementation of strategy is not effectively controlled</td>
<td>20.0</td>
<td>40.0</td>
<td>21.4</td>
<td>12.9</td>
<td>5.7</td>
<td>2.44</td>
<td>1.11</td>
</tr>
<tr>
<td>Ethical practices are not evident in strategy implementation</td>
<td>64.8</td>
<td>25.4</td>
<td>4.2</td>
<td>4.2</td>
<td>1.4</td>
<td>1.52</td>
<td>.87</td>
</tr>
<tr>
<td>The leaders are not competent enough to implement strategy</td>
<td>37.1</td>
<td>34.3</td>
<td>20.0</td>
<td>4.3</td>
<td>4.3</td>
<td>2.03</td>
<td>1.06</td>
</tr>
<tr>
<td>The core competencies are not aligned with the strategy of the organisation</td>
<td>23.9</td>
<td>45.1</td>
<td>12.7</td>
<td>15.5</td>
<td>2.8</td>
<td>2.27</td>
<td>1.08</td>
</tr>
<tr>
<td>Human capital is not effectively developed to support strategy implementation</td>
<td>12.7</td>
<td>35.2</td>
<td>26.8</td>
<td>21.1</td>
<td>3.2</td>
<td>2.68</td>
<td>1.09</td>
</tr>
<tr>
<td>Social capital is not effectively developed to support strategy implementation</td>
<td>15.5</td>
<td>38.0</td>
<td>31.0</td>
<td>15.5</td>
<td>0</td>
<td>2.48</td>
<td>.99</td>
</tr>
</tbody>
</table>
Drivers of strategy implementation

Respondents were requested to indicate the extent to which the mentioned items contribute positively to effective strategy implementation in their organisations. A five-point Likert scale was used, where 1 is agreement to ‘no extent’ and 5 is agreement to a ‘very large extent’.

It is evident from Table 5 that the mean scores for all seven items exceeded 3.00, ranging between 3.05 and 3.96. This is an indication that the respondents were of the opinion that all of the mentioned factors are important drivers of strategy implementation. Most of the respondents were of the opinion that the strategic leadership of the organisation is the most important driver of strategy implementation (M = 3.97).

Table 5: Drivers of strategy implementation

<table>
<thead>
<tr>
<th>Statement</th>
<th>No extent (%)</th>
<th>Small extent (%)</th>
<th>Moderate extent (%)</th>
<th>Large extent (%)</th>
<th>Very large extent (%)</th>
<th>Mean (M)</th>
<th>Standard deviation (SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The structure of the organisation</td>
<td>5.6</td>
<td>14.1</td>
<td>22.5</td>
<td>40.8</td>
<td>16.9</td>
<td>3.51</td>
<td>1.11</td>
</tr>
<tr>
<td>The allocation of resources in the organisation</td>
<td>0</td>
<td>8.5</td>
<td>25.4</td>
<td>46.5</td>
<td>19.7</td>
<td>3.77</td>
<td>.86</td>
</tr>
<tr>
<td>The culture of the organisation</td>
<td>1.4</td>
<td>8.5</td>
<td>25.4</td>
<td>38.0</td>
<td>26.8</td>
<td>3.78</td>
<td>.99</td>
</tr>
<tr>
<td>The performance management system of the organisation</td>
<td>7.0</td>
<td>12.7</td>
<td>29.6</td>
<td>31.0</td>
<td>18.3</td>
<td>3.43</td>
<td>1.14</td>
</tr>
<tr>
<td>The strategic leadership of the organisation</td>
<td>1.4</td>
<td>4.2</td>
<td>15.5</td>
<td>50.7</td>
<td>28.2</td>
<td>3.97</td>
<td>.87</td>
</tr>
<tr>
<td>Training and development in the organisation</td>
<td>5.6</td>
<td>21.1</td>
<td>40.8</td>
<td>23.9</td>
<td>8.5</td>
<td>3.08</td>
<td>1.01</td>
</tr>
<tr>
<td>The information systems of the organisation</td>
<td>7.0</td>
<td>21.1</td>
<td>39.4</td>
<td>25.4</td>
<td>7.0</td>
<td>3.05</td>
<td>1.01</td>
</tr>
</tbody>
</table>

The respondents also regarded the following as important drivers of strategy implementation:
The role of strategic leadership in effective strategy implementation

- Organisational culture (M = 3.78)
- Resource allocation (M = 3.77)
- Organisational structure (M = 3.51).

The information systems of the organisation are regarded as the least important driver of strategy implementation from the given list (M = 3.05). The following are also regarded as less important drivers of strategy implementation:

- Performance management (M = 3.43)
- Training and development (M = 3.08).

Roles of strategic leadership actions in strategy implementation

Section C of the questionnaire was designed to measure the respondents’ perceptions of the role of specified strategic leadership actions in strategy implementation in their organisations. The respondents’ perceptions of the extent to which specific strategic leadership actions contribute positively to effective strategy implementation in their organisations were measured. A five-point Likert scale was used, where 1 is agreement to ‘no extent’ and 5 is agreement to a ‘very large extent’.

From Table 6, it is evident that the respondents were of the opinion that all the given strategic leadership actions contribute positively to effective strategy implementation in their organisations. This is evident from the fact that the mean scores for all seven items exceeded 3.00, ranging between 3.25 and 4.29. ‘Determining a strategic direction for the organisation’ obtained the highest mean score (M = 4.29), and ‘developing social capital’ obtained the lowest mean score (M = 3.25).

The respondents perceive the determination of a strategic direction for the organisation as the strategic leadership action that plays the most important role in effective strategy implementation (90.2% of the respondents agreed to a ‘large extent’ and ‘very large extent’ with this statement). Other strategic leadership roles that play an important role in effective strategy implementation are:

- Development of human capital (M = 3.90)
- Exploitation and maintenance of core competence (M = 3.83).

The respondents view the development of social capital as the strategic leadership action that plays the least important role in effective strategy implementation. (Only a third of the respondents agreed to a ‘large extent’ and ‘very large extent’ that developing social capital contributes positively to effective strategy implementation in their organisations.)
Table 6: Roles of strategic leadership actions in strategy implementation

<table>
<thead>
<tr>
<th>Statement</th>
<th>No extent (%)</th>
<th>Small extent (%)</th>
<th>Moderate extent (%)</th>
<th>Large extent (%)</th>
<th>Very large extent (%)</th>
<th>Mean (M)</th>
<th>Standard deviation (SD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determining a strategic direction for the organisation</td>
<td>0</td>
<td>4.2</td>
<td>5.6</td>
<td>46.5</td>
<td>43.7</td>
<td>4.29</td>
<td>.76</td>
</tr>
<tr>
<td>Establishing balanced organisational controls</td>
<td>0</td>
<td>8.6</td>
<td>50.0</td>
<td>35.7</td>
<td>5.7</td>
<td>3.38</td>
<td>.72</td>
</tr>
<tr>
<td>Sustaining an effective organisational culture</td>
<td>2.8</td>
<td>7.0</td>
<td>31.0</td>
<td>40.8</td>
<td>18.3</td>
<td>3.67</td>
<td>.96</td>
</tr>
<tr>
<td>Emphasising ethical practises</td>
<td>0</td>
<td>11.3</td>
<td>45.1</td>
<td>25.4</td>
<td>18.3</td>
<td>3.49</td>
<td>.93</td>
</tr>
<tr>
<td>Exploiting and maintaining core competencies</td>
<td>0</td>
<td>4.2</td>
<td>31.0</td>
<td>42.3</td>
<td>22.5</td>
<td>3.83</td>
<td>.82</td>
</tr>
<tr>
<td>Developing human capital</td>
<td>1.4</td>
<td>8.5</td>
<td>15.5</td>
<td>49.3</td>
<td>25.4</td>
<td>3.90</td>
<td>.94</td>
</tr>
<tr>
<td>Developing social capital</td>
<td>0</td>
<td>16.9</td>
<td>52.1</td>
<td>21.1</td>
<td>9.9</td>
<td>3.25</td>
<td>.95</td>
</tr>
</tbody>
</table>

Conclusions

The effectiveness and importance of strategy implementation

One of the objectives of this study was to investigate the perceived importance of strategy implementation in South African organisations. It was found that strategy implementation is more important than strategy formulation in South African organisations and that the ability to implement a strategy in an organisation is more important than the ability to formulate a strategy in an organisation. In addition, strategy implementation is perceived to be more difficult than strategy formulation, and poor strategy implementation is perceived to result in a high failure rate of change initiatives.

A further objective of this study was to investigate the perceived effectiveness of strategy implementation in South African organisations. With regard to the effectiveness of strategy implementation, the respondents perceived their
organisations to be better at formulating strategy than at implementing strategy. In addition, the respondents perceived a moderate to very large gap between strategy formulation and effective strategy implementation.

Notwithstanding the above-mentioned, almost 60% of the respondents agreed to a ‘large extent’ and ‘very large extent’ that their organisations are effective at strategy implementation (although only 12.9% rated this as effective to a ‘very large extent’).

The main conclusion from the above is the following: A level of uncertainty and doubt is evident with regard to the effectiveness of strategy implementation and whether formulated strategies are actually implemented to their full potential.

Barriers to effective strategy implementation

In terms of the barriers to effective strategy implementation, the respondents did not perceive many of the mentioned factors to be important barriers to effective strategy implementation in their organisations. The main findings of this section were:

• A poor understanding of the strategy by the workforce and ineffective communication of the strategy to the workforce are the most important barriers to effective strategy implementation.
• Strategic leadership is not perceived to be a major barrier to effective strategy implementation.

Drivers of strategy implementation

A forced ranking of the perceived importance of the drivers of strategy implementation reveals that:

• Strategic leadership is perceived as the most important driver of strategy implementation from the given list of factors.
• Strategic leadership contributes positively to the effective implementation of a strategy within an organisation.


In fact, the successful transition from strategy formulation to the implementation of strategy ultimately depends on the strategic leaders of the organisation; reluctance
or incompetence in crafting the process for implementing strategic change is the single most reliable predictor of its failure (Freedman & Tregoe 2003); and it is only through effective strategic leadership that organisations are able to implement strategy effectively (Hitt et al. 2007).

The role of strategic leadership actions in strategy implementation

In general, the majority of the respondents perceive all of the mentioned strategic leadership actions to positively contribute to effective strategy implementation in their organisations.

The main conclusion from this section was: Determining a strategic direction for the organisation is the strategic leadership action that is perceived to play the most important role in effective strategy implementation.

The development of human capital and the exploitation and maintenance of core competencies also play an important role in strategy implementation. In turn, the development of social capital is the strategic leadership action that is perceived to play the least important role in effective strategy implementation.

Testing of the research question

The research question of this study was: Is strategic leadership perceived to positively contribute to the effective implementation of strategy in South African organisations? An investigation of the following leads to a conclusion:

• Strategy implementation is perceived as an important but difficult component of the strategic management process, and the failure of change initiatives is largely due to poor implementation of strategy.
• Strategic leadership plays a critical role in effective strategy implementation; strategic leaders are responsible for effective strategy implementation; and strategic leadership can be the basis for creating a sustainable competitive advantage. Strategic leaders are therefore perceived to play an important role in South African organisations.
• Strategy implementation is perceived to play an important role in organisational success.
• A level of uncertainty and doubt is evident with regard to the effectiveness of strategy implementation and whether formulated strategies are actually implemented to their full potential.
• A poor understanding of the strategy among the workforce and ineffective communication of the strategy to the workforce are the most important barriers to effective strategy implementation.
• Strategic leadership is not perceived to be a major barrier to effective strategy implementation.
• Strategic leadership is perceived as the most important driver of strategy implementation from the given list of factors.
• Strategic leadership contributes positively to the effective implementation of a strategy within an organisation.

It is evident from the above that strategic leadership positively contributes to effective strategy implementation.

References

Holman, P. 1999. ‘Turning great strategy into effective performance’, *Strategy* (Strategic Planning Society, UK), September.